



**Item #10-3-8
Information**

Government Relations & Public Affairs Committee

February 25, 2010

State Advocacy Update

Issue: Update on state budget and legislation.

Recommendation: None; this will be an informational report and discussion.

Discussion: SACOG's state advocate, Jack Molodanof, prepared the attached memo with a summary of legislation that would swap transportation tax funds as part of the overall budget fix. The Legislature has introduced bills for the second year of the 2009-10 session. Mr. Molodanof has identified a list of new bills that are covered by the principles adopted by the board in January. Staff and Mr. Molodanof will give the latest updates on the budget and legislation at the committee meeting.

Approved by:

Mike McKeever
Executive Director

Attachment

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MOLODANOF GOVERNMENT RELATIONS

Memorandum

To: Sacramento Area Council of Governments
From: Jack Molodanof
Re: State Budget Update and Legislative Bills
Date: February 24, 2010

State Budget Update

The Legislative Budget Committees have been meeting regularly in an attempt to close the \$19.9 billion state deficit and craft legislative proposals to counter the Governor budget proposals. The Legislature did pass some special session budget bills this past Monday, but delayed some larger and more controversial bills for later this week.

SB 6 (8x) & AB 6 (8x)

These are the so-called "gas tax swap" bills proposed by the Democrats in response to the Governor's budget proposal. These bills would replace the sales tax on gasoline with an excise tax of an equal amount. The bills retain the sales tax on diesel to provide some continue state funding for transit operations, while the Governor's proposal eliminated the sales tax on diesel. The sales tax on diesel represents approximately \$313 million for transit beginning in the 2011-12 year. Furthermore, the bill appropriates \$400 million (one-time funds) from PTA to STA (2009-2010) to assist transit operations.

The bills also provide that local planning organizations (i.e. MPO), subject to voter approval, may impose a "light duty vehicle mitigation fee" in all or part of its jurisdiction. The fee (rate) shall be established by the MPO on a per gallon basis. This fee may be used for transit, bicycle, pedestrian programs including operations and maintenance of transit services. SACOG supports inclusion of the light duty vehicle mitigation fee in either of the transportation packages.

The Legislature had planned to vote on these measures this past Monday, but held off sending either bill to the Governor. The Governor's office has indicated they have concerns with the measures and may veto the bills. Leadership is meeting and negotiating

with the Governor to his address concerns. The bills could be taken up as early as Thursday February 25, 2010. We will continue to monitor closely and keep you advised.

Legislative Bills

The legislature has introduced almost 2,000 new bills for the 2010 legislative session. Below is a list of bills that SACOG may wish to consider for 2010 and whether bills should remain on the list to be tracked and in some cases analyzed for a SACOG position, during the next several months. Many bills that were introduced this year were “spot” bills that will be amended with substantive language during the session. We, of course, will track these bills and bring them to your attention as appropriate.

Bills to consider tracking:

Financing & Funding

- SB 6 (8x) and AB 6 (8x). (Committee on Budget)-Transportation finance: The “gas tax swap” bills discussed above.
- AB 2520 (Solorio)-Transportation: general obligation bonds
- AB 2579 (Evans): master Plan for Infrastructure Financing
- AB 2703 (Perez) Transportation Funding-Spot Bill
- AB 2704 (Gaines): Transportation: Local Government Funds
- ACA 15 (Arambula): Local Government Transportation Projects: Special Tax

Blueprint Implementation

- SB 1010 (Correa) Environmental Quality Act (CEQA)
- SB 1445 (DeSaulnier)-Planning
- AB 1805 (Calderon) Environment: California Environmental Quality Act
- AB 2710 (Blumenfield) Regional Transportation

Complete Streets & Safe Routes

- AB 2620 (Eng) Transportation-Spot Bill
- SB 1299 (Lowenthal)-Vehicles: Vehicle Miles Traveled Fee

Flood Management & Water Resources

- SB 735 (Steinberg)-Safe, Clean, reliable Drinking Water Supply Act of 2010
- SB 991 (Wolk)-Water Supply Reliability: Flood Control: Management
- AB 1886 (Yamada)-Water Use: Sacramento-San Joaquin Delta Watershed
- AB 2092 (Huffman) Delta Stewardship Council: Planning and Administration

Land Conservation & Natural Resources

- SB 715 (Wolk)-Agricultural Land: Williamson Act-Support
- SB 1241 (Wolk)-Greenhouse Gas Emissions Reduction in the State's Agricultural sector
- AB 512 (Yamada) Agriculture Land: Williamson Act: Compatible use of agriculture land under a Williamson Act contract
- AB 1965 (Yamada)-Agricultural Land: Subventions
- AB 2530 (Nielson)-Local Government: Williamson Act: Cancellation Fees

Goods Movement

- SB 632 (Lowenthal)-Ports: Congestion Relief: Air Pollution Mitigation
- SB 1348 (Steinberg)-California Transportation Commission
- AB 2136 (Caballero)-Planning: Circulation and Transpiration

Project Delivery

- SB 1371 (Lowenthal)-Federal Transportation Economic Stimulus funds
- AB 2355 (Smyth)-Public Works; Design Build