

Legislative Report to the Contra Costa Transportation Authority
April 16, 2008

No action was taken by the Administration and Projects Committee at its April meeting on the items included in this staff report. Further discussion will take place at the May APC meeting and action may be taken at that time.

SB 375 (Steinberg)—Greenhouse Gas Emissions Reduction

This two-year bill would incorporate a greenhouse gas emissions reduction component into the Regional Transportation Plans statewide. **The Authority is on record as opposing this bill unless it is substantially amended.**

Staff continues to work with other interested agencies and organizations statewide to amend this bill to ensure that (1) the most basic objectives of a transportation system (i.e., mobility, economic vitality, and consistency with financial and political realities) are not overlooked in the effort to accomplish the reduction of greenhouse gas emissions; (2) the regional agencies are not effectively committing to do everything ‘feasible’ to achieve emission reduction targets that are not yet determined, and which may or may not be achievable. Despite disclaimers by the bill’s supporters that the targets need not be achieved, the litigation potential clearly looms large; and (3) the Bay Area counties have the same opportunity as other counties around the state to participate in the development of any new RTP components that potentially impact future funding of priority projects.

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New Legislation—Fees to Fund Transportation Projects

The APC held a brief discussion of three bills, all of which would authorize the imposition of fees to generate revenue for transportation projects and programs deemed to meet the bills’ stated objectives.

While the Authority has historically been supportive, in concept, of new funding sources for transportation, staff recommended the bills be examined in consideration of the following factors:

- For all its prominence in current discussions, greenhouse gas emissions reduction is only one factor to be taken into account in developing, maintaining and improving our transportation system and benefiting the environment. Legislation that proposes to make it a trump card, i.e., overriding (for purposes of funding) other objectives of a transportation system, is limiting and potentially problematic in terms of funding the basic needs of our existing system (e.g., local streets and roads and transit maintenance, etc.).

- All three bills provide that (in the Bay Area) MTC would be either the lead agency in developing the required expenditure plan or directly allocating the funds generated by the fees (although two of the bills would require voter approval). There is no formal role for the local agencies or the CMAs (other than as consultants, along with other entities, to MTC). The Authority may wish to discuss proposing a more formal role for local agencies and the CMAs in the development of expenditure plans and allocation recommendations for any new regional funding sources.
- In addition to the three bills summarized below, AB 444 (Hancock) is still technically in play. This bill would allow the Bay Area CMAs to put a vehicle registration fee on the ballot in their counties. There is potential here for conflict between and among bills and voter confusion.

Following are summaries of three fee bills:

AB 2744 (Huffman)—MTC Motor Vehicle Fuel Fee

MTC currently has the authority to impose a *tax* on motor vehicle fuel within the 9-county Bay Area, subject to approval of two-thirds of the region’s voters. MTC has not exercised this authority as yet.

This bill changes that authority to *tax* to authority to impose a *fee* on motor vehicle fuel—meaning it would trigger demonstration of a nexus between the fee and the benefit to the people paying it, but would reduce the voter requirement from 2/3 to a majority.

The fee would be in an amount not to exceed 10 cents per gallon, and would be in place for 25 years.

The bill also represents a shift in objectives. Existing statutes authorize the revenue generated by the tax to fund a wide roster of transportation improvements to accomplish basic transportation goals, like mobility, congestion management, demand management, safety, and efficiency. Local streets and roads would be eligible, as would transit capital and operations, safety improvements on high-fatality routes, ADA improvements, seismic work, etc.

This bill addresses itself to reducing vehicle emissions primarily by reducing vehicle miles traveled. Funds generated from the new fees, per this legislation, would be directed to projects and programs comprising a regional **transportation/climate protection plan**, to be developed by MTC. The projects and programs selected for inclusion in the plan would be evaluated on the basis of carbon reduction as well as mobility potential, with additional consideration given to projects or programs in areas where land use policies reduce overall vehicle miles traveled

Consistent with the existing statute, the plan would be drafted to ensure an investment of not less than 95% of the revenues from each county, based on population, back into that county over the life of the fee.

The bill does require that MTC consult with Bay Area cities, counties, transit operators, congestion management agencies, the Bay Area Air Quality Management District,

climate protection and energy efficiency experts and other interested groups in developing the plan.

Issues for discussion pertaining to this bill include:

- Whether the proposed 'nexus' to auto usage will withstand challenge (the presumed 'benefit' to the fee-paying public being clean air)
- Its significant limitation, compared to the existing statute, is on the universe of projects/programs eligible for the funds to those that reduce vehicle emissions
- Its reinforcement of the recurring theme of GHG emissions reductions as the overarching consideration in transportation planning, to the exclusion of other objectives

Staff proposes to work with the other CMAAs to try and generate support from them and from MTC, to broaden the objectives so as to not eliminate the basics (e.g., local streets and roads, mobility and congestion management) by including the eligible projects/program roster from the current statutes.

SB 445 (Torlakson)—GHG Mitigation Fee

This bill would authorize a regional transportation planning agency (RTPA), or county transportation agency or authority within the Southern California Association of Governments (SCAG), as defined, to impose a vehicle registration fee (amount to be determined) within their respective regions in order to fund a "greenhouse gas emissions mitigation and funding fee plan for transportation purposes." The fee may vary depending upon the weight of the vehicle, mpg rating, or both. An expenditure plan would be developed by the regional agency and would include projects and programs such as:

- Public transit projects and programs
- Congestion management projects and programs
- Road maintenance and construction
- Research grants to educational institutions to explore ways to reduce GHG emissions from motor vehicles
- Conservation incentives for vehicle owners, including rebates
- Transit-oriented development.

A ballot measure containing the expenditure plan and proposed fee would require a majority vote by the board of the regional transportation agency and a majority vote of the electorate.

Issues for discussion pertaining to this bill include:

- It represents a potential conflict w/ AB 444 (Hancock), which the Authority is on record as supporting, that would give the Bay Area CMAAs authority to develop an expenditure plan and put a vehicle registration fee on the ballot within their respective counties.
- It provides that (in the Bay Area) MTC would be authorized to develop the expenditure plan for the region.

As a possible alternative, staff proposes to discuss with Assemblymember Hancock the possibility of expanding the scope of her bill to allow the incorporation of GHG reduction measures into the county expenditure plans for the fee program in AB 444, at the discretion of the CMAs.

SB 1731 (Yee)—Congestion Mitigation Fee

This bill would authorize MTC to increase its existing \$1 annual vehicle registration fee used to fund the Service Authority for Freeways and Expressways (SAFE) program by another \$1 in the Bay Area counties to fund congestion mitigation strategies within the region, including such measures as:

- Smart technology and incident management
- Expansion of Caltrans' traffic operations system and ramp metering.

No popular vote would be required to enact this fee.

MTC is sponsoring this legislation and is asking for local agency support. The additional \$1 fee would generate approximately \$6 million a year, which would be used to support the existing Call Box and Freeway Service Patrol programs, as well as serve as local match to leverage other state and federal funding for the 511 traveler information system, arterial signal coordination and incident management. Funds would also be directed towards a proposed freeway performance initiative, including an expansion of the Freeway Service Patrol, electronic monitoring of freeway conditions, and expanded use of ramp metering.