



**AUGUST 10, 2017**

**AGENDA ITEM # 11**

**LEGISLATION UPDATE — AB 1069 & SB 1**

Action Requested: Receive and file

Key Staff: Norman Hom, Executive Director (Interim)

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**Recommendation**

Receive and file an update on Assembly Bill (AB) 1069 and Senate Bill (SB) 1.

**AB 1069: Taxicab Transportation Services**

Assembly Bill 1069 aims to ease regulations to allow taxicabs to be more competitive with ride-hailing services such as Uber and Lyft. Taxi regulation is currently local, with each city setting prices and requiring drivers to obtain their permits to operate anywhere within their jurisdiction. AB 1069 would shift taxi regulation to a countywide transportation agency in the 10 largest counties. Initially, the STA was suggested as the taxi regulatory agency for Sacramento County. However, the published bill instead names the Sacramento Area Council of Governments (SAGOG) to that role. AB 1069 overwhelmingly passed the Assembly and is currently in the Senate Appropriations Committee with an August 21 hearing date.

**SB 1: The Road Repair and Accountability Act of 2017**

Senate Bill 1, also known as the Road Repair and Accountability Act of 2017, is a new investment in California's transportation systems of about \$5.2 billion per year. Funding will come from changes in revenue allocations, tax swaps, loan repayments, and—most notably—new taxes, namely:

- A 12¢ per gallon increase to the gasoline excise tax, effective November 1, 2017
- A 20¢ per gallon increase to the diesel fuel excise tax, effective November 1, 2017
- A new \$25 to \$175 vehicle registration fee, based on the market value of the vehicle, effective January 1, 2018
- An additional new \$100 vehicle registration fee on zero emission vehicles model year 2020 and later, effective July 1, 2020

*(All of the above taxes will be adjusted annually for the change in the California Consumer Price Index)*

The adopted SB1 package includes a variety of transportation programs; the two with the most importance to the STA are the Local Streets and Roads Program and the Local Partnership Program.

- **Local Streets and Roads Program.** This \$1.5 billion/year program will fund road maintenance and rehabilitation, safety improvements, grade separations, complete streets, traffic control devices, and other uses when the local jurisdiction's pavement condition index (PCI) exceeds 80. Additional funding totaling approximately \$44 million/year will flow directly to the local agencies in Sacramento County from this program.
- **Local Partnership Program (LPP).** This \$200 million/year program is specifically intended to benefit self-help counties that imposed their own local transportation sales tax measures—such as Sacramento with Measure A—with a separate program of funding for road maintenance and rehabilitation, safety projects, railroad grade separations, active transportation, traffic control devices, and other transportation improvements. Half of the funding (\$100 million) will be available through a competitive process statewide. The other half will be distributed formulaically to the local transportation authorities of which the STA may receive around \$4 million/year to program for eligible projects at the STA Governing Board's discretion.

Together, these two SB1 programs will bring in about \$48 million/year of new local streets and roads money into Sacramento County, roughly two-thirds the revenue Measure B would have generated for the County and the cities. And, despite its name, SB1 does include programs for transit capital and operations, estimated at \$750 million annually.

It is important to note that guidelines for the SB1 programs are still under development and the draft amounts, criteria, formulas and allocations discussed so far are still subject to change. STA staff is involved with the workgroups for the guideline developments. We believe there is still an opportunity to change the 50/50 formula in the Local Partnership Program to something closer to the 95/5 formula (95% by formula and 5% competitively) that was part of the State-Local Partnership Program included in the old Proposition 1B. Such a change could guarantee \$4-\$5 million/year more LPP funds flowing directly to the STA for eligible projects throughout Sacramento County. Assemblyman Jim Frazier and Senator Jim Beall, the authors of SB1, have indicated their support of changing the formula effective 2020.