

STAFF REPORT

SUBJECT: 2018 Legislative Update

FROM: Jennifer Yeamans, Senior Grants, Project Management & Contract Specialist

DATE: May 5, 2018

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**Action Requested**

Receive an informational update on recent legislative activities in Sacramento and Washington, D.C., and approve two legislative positions.

**Background**

In February 2018, the Board of Directors approved LAVTA's 2018 Legislative Program, covering five core principles in support of LAVTA's mission:

1. Protect existing transportation funding sources.
2. Enhance future transportation funding investments.
3. Enhance operating conditions to support safety and performance goals.
4. Enhance public transit's role in addressing climate change and air quality issues.
5. Leverage support from and with partners to promote mobility, improve service productivity, and enhance regional leadership.

**Discussion**

A summary of state and federal bills LAVTA staff is following during the current sessions of the Legislature and Congress is included as Attachment 1. A list of key dates for State legislative activities is included in Attachment 2. Staff has reviewed newly introduced bills for relevance to LAVTA's adopted Legislative Program and at this time is recommending two positions on bills currently moving through the Legislature.

Both of the recommended support positions pertain to fleet electrification in anticipation of the California Air Resources Board (ARB) adopting a final Innovative Clean Transit Rule. Based on draft regulatory language, ARB would require the state's entire transit bus fleet to be zero-emission by 2040 and would specifically require LAVTA to purchase at least 50% zero-emission vehicles beginning in 2023.

***AB 3201 (Daly) – California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program – SUPPORT***

This bill adds large-scale transit bus deployments that meet current and future regulatory compliance to the list of eligible projects that can be funded under the Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program (Clean Truck Program). ARB carries out the Clean Truck Program in concert with the Hybrid and Zero-Emission Truck and Bus

Voucher Incentive Project (HVIP), which provides point-of-sale voucher discounts to fleet owners, and the Zero-Emission Truck and Bus Pilot Commercial Deployment Project, which provides funding for large scale deployments of medium- and heavy-duty trucks and buses, as well as accompanying fueling infrastructure and supporting vehicle service and repair facility upgrades. The California Transit Association sponsored this bill in response to ARB’s pending Innovative Clean Transit rule and the fact that current sources of funding provided by ARB and other state sources typically only fund incentives for purposes of achieving emission reductions *above and beyond* required amounts, not to meet *regulatory minimums*, though the current language of the bill does not specifically define “large-scale transit deployments.” This bill supports LAVTA’s legislative priority to enhance future transportation funding investments, and is complementary in terms of potential future capital costs pertaining to fleet electrification as SB 1434 (Leyva), discussed below, is to potential future operating costs. For these reasons, staff recommends a **Support** position on this bill.

***SB 1434 (Leyva) Transportation Electrification: Electricity Rate Design – SUPPORT***

This bill would require the California Public Utilities Commission to initiate a ratemaking proceeding to address the high cost of electricity as a fuel to help accelerate the deployment of battery-electric buses. The California Transit Association sponsored this bill in response to the fact that transit agencies have found that electricity as a fuel costs more than traditional fuel such as diesel, which has hampered adoption of battery-electric buses, as many agencies are unable to cover increased operating costs without additional operating revenues to offset them, and no new sources of operating revenue are currently associated with ARB’s forthcoming Innovative Clean Transit Rule to offset the higher operating costs anticipated with fleet electrification. This bill supports LAVTA’s legislative priority to enhance operating conditions to support safety and performance goals, and is complementary to AB 3201 (Daly), discussed above. For these reasons, staff recommends a **Support** position on this bill.

**Fiscal Impact**

None

**Recommendation**

Staff recommends the Board of Directors accept this report and approve two legislative positions:

- AB 3201 (Daly) – California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program – **SUPPORT**
- SB 1434 (Leyva) Transportation Electrification: Electricity Rate Design – **SUPPORT**

**Attachments:**

1. 2017-18 Legislative History
2. Key 2018 Legislative Dates

Approved by: \_\_\_\_\_

**Legislative History  
2017–18 Session  
May 1, 2018**

<b>STATE</b>					
Bill	Current Text	Status	Description	Related LAVTA Legislative Agenda Goal or Principle	LAVTA Position
<a href="#">AB 87</a> (Ting)	Amended 1/3/2018	Senate Transportation & Housing	<b>Autonomous vehicles.</b> Would require the Department of Motor Vehicles to include in regulations it adopts relating to application requirements for the testing of autonomous vehicles on public roads without the presence of a driver inside the vehicle, a requirement that the manufacturer certify that the local authorities within the jurisdiction where the autonomous vehicle will be tested have been provided with a written notification, as specified, and a requirement that the manufacturer provide certain law enforcement agencies with a copy of a law enforcement interaction plan.	Leverage Support from and with Partners to Promote Mobility, Improve Service Productivity, and Enhance Regional Leadership	
<a href="#">AB 1969</a> (Salas)	Amended 4/18/2018	Assembly Transportation	<b>Transportation funds: transit operators: fare revenues.</b> Existing law generally establishes the required fare revenues to operating cost ratio under the Transportation Development Act as 20% in urbanized areas and 10% in nonurbanized areas. This bill would authorize an operator that fails to maintain the generally established ratio described above to request an exemption from the California Transportation Commission, and would require the operator to be granted a temporary exemption while the commission reviews the request. The bill would authorize the commission to grant the operator's request and allow the operator to instead maintain a lower ratio, which would be set by the commission. The bill would require the commission to consider specified factors in determining whether to grant the exemption request. The bill would authorize an operator granted a temporary exemption, or an exemption from the commission, to receive the revenues it would have qualified for had it maintained the ratio described above.	Protect Existing Transportation Funding Sources	

<a href="#">AB 2304</a> (Holden)	Amended 4/2/2018	Assembly Appropriations Suspense File	<p><b>Reduced fare transit pass programs: status report.</b> Current law declares that the fostering, continuance, and development of public transportation systems are a matter of statewide concern. Current law imposes various requirements on transit operators and provides funding for transit services and capital improvements. This bill would the University of California Institute of Transportation Studies submit a report to the Governor and specified committees of the Legislature on or before January 1, 2020, that details the reduced-fare transit pass programs in California that are administered by a public transit operator, California college or university, or any other entity, as specified.</p>	Leverage Support from and with Partners to Promote Mobility, Improve Service Productivity, and Enhance Regional Leadership	
<a href="#">AB 2638</a> (Gray)	Amended 3/22/2018	Assembly Transportation	<p><b>Autonomous vehicles.</b> Existing law prohibits an autonomous vehicle from being operated on public roads until the manufacturer submits an application to the Department of Motor Vehicles, as specified, and that application is approved. Existing law requires the Department of Motor Vehicles to adopt regulations setting forth requirements for the submission of evidence of insurance, surety bond, or self-insurance, self-insurance for a manufacturer performing testing, and for the submission and approval of an application to operate an autonomous vehicle. These regulations require a manufacturer of autonomous vehicles to submit an annual report regarding, among other things, incidents of disengagement of the autonomous technology during operation of the autonomous vehicle on public roads, as specified. This bill would provide that the roads located within the boundaries of the Castle Commerce Center in the County of Merced are not public roads for purposes of any regulatory requirement to report incidents of disengaging the autonomous mode, as specified.</p>	Leverage Support from and with Partners to Promote Mobility, Improve Service Productivity, and Enhance Regional Leadership	
<a href="#">AB 2650</a> (Lackey)	Introduced 2/15/2018	Assembly Transportation	<p><b>Public transit buses: illuminated signs.</b> Current law requires the illuminated signs on buses operated by a publicly owned transit system to adhere to certain specifications, including, among others, being limited in size to a display of not greater than 720 square inches, and requiring the illuminated signs to display information directly related to public transit service, including, but not limited to, route number, destination description, run number, and public service announcements. This bill would revise those conditions, to increase the maximum display area of an illuminated sign to 4,320 inches and to allow paid advertising to be displayed on the illuminated sign.</p>	Enhance Operating Conditions to Support Safety and Performance Goals	

<a href="#">AB 2734</a> (Frazier)	Introduced 2/15/2018	Assembly Appropriations	<b>California Transportation Commission.</b> Would exclude the California Transportation Commission from the Transportation Agency, establish it as an entity in state government, and require it to act in an independent oversight role. The bill would also make conforming changes.	Leverage Support from and with Partners to Promote Mobility, Improve Service Productivity, and Enhance Regional Leadership	
<a href="#">AB 3201</a> (Daly)	Amended 4/5/2018	Assembly Appropriations	<b>California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program.</b> The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature. This bill would add large-scale deployments of transit buses to the program's list of eligible projects, require the annual framework and plan for the program to instead be a 3-year framework and plan, and revise the definition of zero- and near-zero-emission to include infrastructure that reduces greenhouse gas emissions and improves air quality when compared with conventional or fully commercialized alternatives.	Enhance Future Transportation Funding Investments	
<a href="#">ACA 4</a> (Aguiar-Curry)	Introduced 2/17/2017	Assembly Local Government	<b>Local government financing: affordable housing and public infrastructure: voter approval.</b> Would reduce the local vote threshold for approval of bond and special tax measures, including for public transit, from two-thirds to 55%.	Enhance Future Transportation Funding Investments	Support
<a href="#">SB 1119</a> (Newman)	Introduced 2/3/2018	Senate Appropriations	<b>Low Carbon Transit Operations Program.</b> Current law requires, for recipient transit agencies whose service areas include disadvantaged communities, as specified, that those recipient transit agencies expend at least 50% of the total moneys they received as part of the Low Carbon Transit Operations Program on projects or services that meet specified requirements and benefit those disadvantaged communities. This bill would authorize a recipient transit agency to satisfy the above-stated requirement by expending at least 50% of program funds received on transit fare subsidies, specified transit connections, or technology improvements that reduce emissions of greenhouse gases.	Enhance Future Transportation Funding Investments	

<a href="#">SB 1376</a> (Hill)	Amended 3/22/2018	Senate Appropriations	<p><b>Transportation network companies: accessibility plans.</b> This bill would express the intent of the Legislature that every transportation network company ensure that it provides full and equal access to all persons with disabilities. The bill would require the commission, by July 1, 2019, to (1) develop regulations relating to accessibility for persons with disabilities, including wheelchair users who need an accessible vehicle, who utilize transportation network company transportation services, (2) consider assessing a fee on transportation network companies to fund on-demand accessible transportation services for persons with disabilities to ensure full and equal access to transportation network company services, and (3) conduct workshops with stakeholders, including all interested California cities and counties and persons with disabilities, in order to determine community need and develop programs for on-demand services, service alternatives, and partnerships.</p>	Leverage Support from and with Partners to Promote Mobility, Improve Service Productivity, and Enhance Regional Leadership	
<a href="#">SB 1434</a> (Leyva)	Amended 3/22/2018	Senate Energy, Utilities & Communications	<p><b>Transportation electrification: electricity rate design.</b> This bill would require the PUC to direct electrical corporations with more than 100,000 service connections in California to file rate design applications, specific to transit agencies as commercial customers, that support and accelerate the deployment of zero-emission transit buses to reduce dependence on petroleum, meet air quality standards, and reduce emissions of greenhouse gases to 40% below 1990 levels by 2030 and to 80% below 1990 levels by 2050. The bill would authorize an electrical corporation with 100,000 or fewer service connections in California to file rate design applications for those purposes. The bill would require that a rate design proposed by an electrical corporation seek to minimize overall costs and maximize overall benefits to transit agencies and would require the commission to approve, or modify and approve, rate design applications, if they are consistent with this requirement and are in the interests of ratepayers.</p>	Enhance Operating Conditions to Support Safety and Performance Goals	
<a href="#">SCA 6</a> (Wiener)	Amended 5/1/2017	Senate Appropriations	<p><b>Local transportation measures: special taxes: voter approval.</b> Would require that the imposition, extension, or increase by a local government of a special tax as may otherwise be authorized by law, whether a sales or transactions and use tax, parcel tax, or other tax for the purpose of providing funding for transportation purposes be submitted to the electorate by ordinance and approved by 55% of the voters voting on the proposition. The measure would authorize an ordinance submitted to the voters for approval under these provisions to provide, as otherwise authorized by law, for the issuance of bonds payable from the revenues from the special tax.</p>	Enhance Future Transportation Funding Investments	Support

## FEDERAL

Bill	Current Text	Status	Description	Related LAVTA Legislative Agenda Goal or Principle	LAVTA Position
<a href="#">HR 100</a> (Brownley)	Introduced 1/3/2017	House Transp & Infrastructure	Support Local Transportation Act. Increases share of Surface Transportation Block Grant Program that is suballocated on the basis of population from 55% to 65% by fiscal year 2020.	Enhance Future Transportation Funding Investments	
<a href="#">HR 891</a> (Meadows)	Introduced 2/6/17	House Transp & Infrastructure	Federal Transit Modernization Act of 2017. Repeals requirements that condition certain financial assistance for public transportation projects upon employee protective arrangements approved by the Secretary of Labor.		
<a href="#">HR 932</a> (Ellison)	Introduced 2/7/17	House Transp & Infrastructure	MOVE Act. Directs the Department of Transportation (DOT) to issue regulations necessary to establish performance measures relating to multimodal transportation connectivity and accessibility for states and metropolitan planning organizations to use to assess the connectivity and accessibility of roadways, public transit infrastructure, pedestrian and bikeway infrastructure, and other transportation infrastructure.	Protect Existing Transportation Funding Sources	
<a href="#">HR 1458</a> (Blumenauer)	Introduced 3/9/17	House Ways & Means	RAISE IT Act. Increases the federal excise tax on gasoline and diesel fuel to 33.3 cents and 39.3 cents, respectively.	Enhance Future Transportation Funding Investments	
<a href="#">HR 1664</a> (DeFazio)	Introduced 3/23/17	House Transp & Infrastructure and Ways & Means	Investing in America: A Penny for Progress Act. Amends the Internal Revenue Code of 1986 to index the gas and diesel tax and rebuild our roads, bridges, and transit systems. Authorizes the Secretary of the Treasury to issue "Invest in America" bonds and distributes the resulting revenue through the Highway and Transit Trust Funds to highway and transit programs authorized in the Fixing America's Surface Transportation Act. Sets aside revenues to proportionately increase funding to the Capital Investment Grants program.	Enhance Future Transportation Funding Investments	
<a href="#">HR 2391</a> (Sanford)	Introduced 5/4/17	House Ways & Means	Highway Restoration Act of 2017. Amends the Internal Revenue Code to provide for a phaseout of the Mass Transit Account by the end of FY2021. Beginning in FY2022, no funds would be transferred to the account from the Highway Trust Fund.	Protect Existing Transportation Funding Sources	

<a href="#">HR 4739</a> (Hastings)	Introduced 1/8/18	House Transp & Infrastructure	Build America Act of 2018. Authorizes the national infrastructure investment program (also known as TIGER) and provides dedicated funding for both TIGER and the capital investment grant program.	Enhance Future Transportation Funding Investments	
<a href="#">S 181</a> (Brown)	Introduced 1/20/17	Senate Homeland Security and Gov't Affairs	Expand Buy America provisions to ensure federal public works and infrastructure projects use manufactured products and commodity construction materials produced in the United States.		
<a href="#">S 976</a> (Enzi)	Introduced 4/27/17	Senate Homeland Security and Gov't Affairs	Marketplace Fairness Act of 2017. Enables enable state governments to collect state and local sales and use taxes from remote retailers with no physical presence in their state.	Enhance Future Transportation Funding Investments	

**Key 2018 Sacramento Legislative Dates**  
(Dates subject to change)

February 16	Last day for bills to be introduced
April 27	Last day for policy committees to hear and report fiscal bills introduced in their house to fiscal committees
May 11	Last day for policy committees to hear and report to the floor nonfiscal bills introduced in their house
May 18	Last day for policy committees to meet prior to June 4
May 25	Last day for fiscal committees to hear and report to the Floor bills introduced in their house; Last day for fiscal committees to meet prior to June 4
June 1	Last day for each house to pass bills introduced in that house
June 15	Budget bill must be passed by midnight
June 29	Last day for policy committees to hear and report fiscal bills to fiscal committees
July 6	Last day for policy committees to meet and report bills; Summer Recess begins on adjournment
August 6	Legislature reconvenes from Summer Recess
August 17	Last day for fiscal committees to meet and report bills
August 31	Last day for each house to pass bills
September 30	Last day for Governor to sign or veto bills passed by the Legislature before September 1
October 1	Bills enacted on or before this date take effect January 1, 2019
November 6	General Election
November 30	2017-18 Legislature adjourns at midnight
December 3	2019-20 Regular session convenes