



EXECUTIVE MANAGEMENT COMMITTEE
JUNE 21, 2001

Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2952

SUBJECT: STATE LEGISLATION

**ACTION: APPROVE STAFF RECOMMENDATION ON STATE
LEGISLATION**

RECOMMENDATION

Staff recommends that the MTA Board of Directors consider the following positions:

- A. SCA 5 (Antioch) – SCA 5 would extend and protect funding to transportation programs from two major sources of revenues. **SUPPORT**
- B. AB 631 (Oropeza) – AB 631 would require the CTC to prepare a needs and deficiencies assessment with regional transportation planning agencies every five years. **SUPPORT – WITH AMENDMENTS**

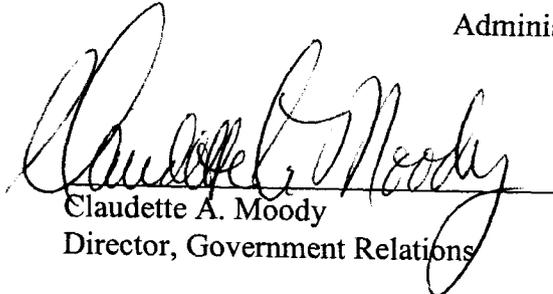
ISSUE

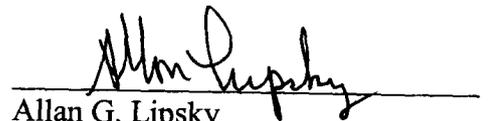
Staff reviews numerous transportation-related bills throughout the legislative session. The attached analyses identify two significant bills which staff believes the MTA Board of Directors should take positions.

ATTACHMENTS

Attachments A & B: Legislative Analyses

Prepared by: Michael Turner
Administrator, Government Relations


Claudette A. Moody
Director, Government Relations


Allan G. Lipsky
Office of the Chief Executive Officer

BILL: SCA 5

AUTHOR: STATE SENATOR TOM TORLAKSON
(D-ANTIOCH)

SUBJECT: SALES TAX ON GASOLINE SALES & LOCAL
SALES TAXES FOR TRANSPORTATION

STATUS: PENDING HEARING IN SENATE TRANSPORTATION

ACTION: SUPPORT

RECOMMENDATION

Staff recommends that the MTA Board of Directors support SCA 5.

PROVISIONS

1. Current law authorizes the imposition of a local sales tax subject to the approval of two-thirds of the voters in the particular jurisdiction. SCA 5 would reduce the voting requirement to a simple majority for sales taxes related to transportation.
2. Under current law, the Traffic Congestion Relief Plan (TCRP), transfers the sales tax on gasoline to transportation related purposes through fiscal year 2006. SCA 3 (Burton, 2000) would permanently dedicate the sales tax on gas to transportation.

IMPACT ANALYSIS

SCA 5 combines two measures, which have previously been before the State Legislature. SCA 5 would first propose to reduce the voting requirement from a two-thirds to simple majority vote to impose a local sales tax for transportation purposes. The State had previously considered this proposal under SCA 3 but was unable to reach a consensus with the Republican Caucus and the measure was not approved by the Legislature.

SCA 5 would also permanently dedicate the sales tax on gasoline sales to transportation. This sales tax was transferred to transportation purposes through the Governor's Traffic Congestion Relief Plan. ACA 9 (Dutra), which would accomplish the same objective, is currently under consideration in the Legislature.

This bill addresses two major sources of transportation funding that have been important for transportation interests throughout the state. Local sales taxes account for a significant portion of transportation funding. Most counties in the state adopted local sales tax measures that expire and these oncoming expirations will result in a significant loss of funding for transportation projects. Los Angeles County's sales taxes for transportation (Propositions A & C) are

permanent. The voting requirements to implement a tax were raised to a two-thirds majority after the initial imposition of the original sales tax. Extending these local sales taxes in other parts of the state would require a two-thirds vote rather than the simple majority by which these measures were originally approved.

Additionally, by permanently dedicating the sales tax on gasoline sales to transportation, SCA 5 would constitutionally protect another vital source of transportation funds. ACA 9 would accomplish this same objective and is being held in the Assembly Committee on Appropriations. SB 829 (Karnette) and AB 227 (Longville) propose the statutory language permanently dedicating the sales tax on gas. ACA 9 would constitutionally guarantee those funds for transportation.

SCA 5 would address two of the long-term funding issues that are currently at issue in the state. The current condition of the state budget has led the Governor to propose the deferral of the TCRP. In proposing SCA 5, Senator Torlakson is attempting to address transportation funding issues beyond the current expiration of the TCRP and the current budget situation.

It is likely that the issues related to SCA 5 will be debated in the course of the state's consideration of the budget. At this time, the existing measures that propose permanent dedication of the sales tax on gasoline (SB 829 & AB 227) have not progressed through the legislative process.

A number of transportation related groups support the permanent dedication of the sales tax on gas to transportation including, various county transportation commissions, the California Transit Association, the League of Cities and California State Association of Counties. The reduction in voting requirements for transportation related local sales taxes has been supported primarily by the Self-Help Counties Coalition that consists of counties with such measures.

The MTA Board has previously adopted support positions on ACA 9 and SCA 3. Consistent with those positions, staff recommends that the Board of Directors support SCA 5.

BILL: AB 631

AUTHOR: ASSEMBLYWOMAN JENNY OROPEZA
(D-LONG BEACH)

SUBJECT: STATEWIDE TRANSPORTATION NEEDS ASSESSMENT

STATUS: IN SENATE –PENDING COMMITTEE ASSIGNMENT

ACTION: SUPPORT – WITH AMENDMENTS

RECOMMENDATION

Staff recommends that the MTA Board of Directors support AB 631 with amendments.

PROVISIONS

Currently, federal law requires the preparation of a Regional Transportation Plan by a metropolitan planning organization and state law requires the preparation of the regional transportation improvement plan by the county transportation commissions. Each of these documents outline the long- and short-term funding program for transportation projects in the respective jurisdictions.

AB 631 would require the California Transportation Commission (CTC) every five years, to prepare a needs and deficiencies assessment in coordination with the respective regional transportation planning agencies. Specifically AB 631 proposes that the analysis:

- Assess the condition, performance and deficiencies of the state's transportation system including goods movement and transit equity.
- Develop uniform standards and measurements for determining deficiencies and standards for baseline measures.
- Assess the needs and deficiencies of a variety of modes.
- Identify the funding needs for both capital and operating requirements of the various systems.
- Identify the five top priorities of all the agencies participating in the study.
- Identify the top five priorities for the state as determined by the CTC.

IMPACT ANALYSIS

AB 631 is modeled after SR8 (Burton, 1999) that required the development of a statewide needs analysis of transportation in California. Through this report, approximately \$118 billion in unfunded transportation needs were identified.

SR 8 was a snapshot-in-time of all unfunded transportation needs in the state. That study provided an overall perspective of the vast needs of transportation projects in the state and helped

to justify the investments made by the Traffic Congestion Relief Plan. Typically, more critical examination of particular projects is needed to make the specific funding decisions that are required of the county transportation commissions and, ultimately, the CTC.

AB 631 would take the model of the SR8 report to a more focused level ultimately guiding decision-makers at the state and local level to particular funding decisions.

The county transportation commissions, such as the MTA, currently prepare a Long Range Transportation Plan (LRTP) in which those programming decisions are made. In the course of preparing the LRTP and the Transportation Improvement Program (TIP), projects are evaluated using similar criteria as proposed in AB 631. A question arises, however, as to whether the provisions of the bill which would require evaluations of performance and prioritization of project funding are most appropriately made by the local agency in the course of its planning process.

Although AB 631 would create a process substantially similar to that currently used by the MTA, it greatly expands the planning process and creates a potentially labor intensive and expensive process. Furthermore, the results of the study would lead agencies to the same conclusion as the SR8 process; that there is not enough money to fund all of the transportation needs in the state. By requiring the study to be conducted by the CTC and regional transportation planning agencies, AB 631 could erode the local control in the current planning process.

Additionally, the requirement to identify five priority projects would create the potential for a divisive and contentious process. The existing planning process is designed to create a comprehensive plan for the county and attempts to balance all of the competing interests. The MTA Board accomplished that balance for the Los Angeles County. That planning process is also flexible in being able to address other needs in the county as exemplified by the Board's direction to address system preservation.

Staff suggests that the provisions of AB 631 would be more efficient and less cumbersome if it was amended to authorize the CTC to collect this information from the existing local planning processes, as with SR8.

Assembly Member Oropeza's office requested the MTA consult with the CTC, the League of California Cities, California State Association of Counties and her office in developing AB 631 and to ensure that the bill does not result in negative impacts to Los Angeles County. The Assembly Member's office and the CTC indicate that the bill will be amended to focus the bill toward identifying system deficiencies and less on funding decisions. Specific amendments are not available at this time. MTA staff will continue to work with the Assembly Member's office on the proposed amendments.

MTA staff recommends that the Board of Directors support AB 631 if it is amended to require an identification of system deficiencies and the provisions relating to funding prioritization are deleted. Staff, further, suggests that funding be provided if a more comprehensive study is required.