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SUPPLEMENT 2  
April 23, 1997

**TO: BOARD OF DIRECTORS**  
**FROM: LINDA BOHLINGER,** *Linda Bohlinger*  
**INTERIM CHIEF EXECUTIVE OFFICER**  
**SUBJECT: ADDENDUM # 2 TO STATE LEGISLATIVE UPDATE:**  
**SB 567 (POLANCO) 2<sup>ND</sup> REVIEW; AB 836 (SWEENEY)**

**RECOMMENDATION**

Staff recommends the following positions to the MTA Board:

SB 567 (POLANCO) - No recommendation

AB 836 (SWEENEY) - SUPPORT

**BUDGET AND ORGANIZATIONAL IMPACTS**

SB 567 would significantly alter the composition of the MTA Board. There are no identified budget impacts to the measure.

AB 836 could save the MTA close to \$5 million in fees paid to the Board of Equalization (BOE) for the collection of Los Angeles County Proposition A and Proposition C revenues.

**ALTERNATIVES CONSIDERED**

The MTA Board could adopt a formal position on SB 567 due to the provisions which reduce the representation of the County Board of Supervisors.

The MTA Board could remain neutral on AB 836 due to the loss of funds to the BOE.

**BACKGROUND**

The attachment provides analyses of the bills noted above. The Executive Management Committee requested that staff prepare an analysis of SB 567 as it has been amended to present to the board at April 23, MTA Board meeting.

**ATTACHMENT**

Attachment A: SB 567 (Polanco), AB 837 (Sweeney)

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**SB 567 (POLANCO)**

As noted in several verbal presentations and the March 24, Legislative Brief to the Board Directors, SB 567, a bill introduced by Senator Richard Polanco (D-Los Angeles) to provide for an elected MTA Board, has been amended. The measure, which would have required a fourteen member elected board for the MTA, would now provide for the following:

- A twelve member board composed of:
  - Two members of the County Board of Supervisors, specified as the senior Democrat and the senior Republican on the board, or their designees;
  - Four members of the City of Los Angeles, specified as the mayor, or his/her designee and one appointed by the mayor and two appointed by the Los Angeles City Council;
  - Five members selected by the Los Angeles County City Selection Committee, four by corridors, one member serving at-large;
  - One non-voting member appointed by the Governor;
- A repeal of law allowing alternates to sit on the board;
- Elements of the MTA adopted Code of Conduct;
- A provision mandating a four-year contract for the MTA Chief Executive Officer, requiring a 2/3rds vote for removal by the board.

SB 567 is scheduled to be considered by the Senate Committee on Transportation on May 6, 1997, along with three other Senate bills relating to the MTA. As shared with the board, SB 567 was originally scheduled to be heard by the committee on April 15, 1997. The bill was removed from the agenda by Senate Transportation Committee Chairman Quentin Kopp, who has also asked Senators Polanco, Hayden and Karnette to meet with him prior to May 6, and discuss a possible compromise on the pending legislation. Senator Betty Karnette (D-Long Beach) is a co-author on SB 567 and Senator Tom Hayden (D-Los Angeles) is a co-author on SB 837, a bill by Senator Kopp to abolish the MTA and create three agencies for transportation issues in Los Angeles County.

It should be noted that Assembly Member Kevin Murray (D-Culver City), Chairman of the Assembly Transportation Committee and author of, AB 1143, a bill which would remove alternates from the MTA Board and provide a term of office for the MTA CEO, has indicated he would like to create a package of bills dealing with MTA issues. Chairman Murray is discussing the issue with other members of the Assembly. The Assembly bills relating to the MTA were considered on Monday, April 21, 1997.

**AB 836 (SWEENEY)**

AB 836, introduced by Assembly Member Mike Sweeney (D-Hayward), would limit the amount the Board of Equalization (BOE) can charge "self-help" counties for the collection of local transportation sales tax revenues.

Currently, in Los Angeles County, the MTA is charged 1.92 percent of the total for the collection of Proposition A funds (\$7,121 million in 1996) and 1.91 percent of the total for the collection of Proposition C funds (\$7.028 million in 1996).

AB 836 would limit the BOE to 1 percent of the total for the collection of local transit sales tax revenues. Estimates show that in FY 1997, the MTA could retain up to \$2.483 million in Proposition A revenues and up to \$2.344 million in Proposition C revenues, if AB 836 becomes law.

**Staff presented an oral presentation of AB 836 at the April 17, Executive Management Committee (EMC). The EMC voted to recommend support of the measure.**

AB 836 was passed by the Assembly Committee on Revenue and Taxation on Monday, April 21.