

**To:** Marketing, Planning & Legislative Committee

**Date:** June 7, 2018

**From:** Rick Ramacier  
General Manager

---

**SUBJECT:** State Legislative Update

---

### **Background**

With the state legislature well into the 2018 session, staff is providing you with an update on transit related activities. This includes a very brief update on the status of SB1, the recently enacted state budget, legislation to create additional funding opportunities to cover the costs of implementing zero emission based bus technology, legislation to seek a “transit rate” from the various power utilities for public transit agencies purchasing electricity to fuel electric and/or fuel cell buses, the status of pursuing legislation to make it easier to use our state Cap and Trade Low Carbon Transit Operations (LCTOP) funding, and the status of pursuing the right to implement Bus on Shoulder (BOS) transit operations.

### **SB1 Repeal Effort**

As you likely know, there almost certainly will be a proposition on the November 2018 state ballot to repeal the underlying tax increases of SB1. The proposition will be set up such that the voter will be asked to vote “yes” to the question of repealing SB1. As it stands now, County Connection can expect to receive a minimum of \$2.6 million dollars per year from the proceeds of SB1.

The transportation industry and transportation advocacy groups are already engaged in their various efforts to defend SB1.

### **FY19 State Budget**

The Governor’s May revised budget included increases in State Transit Assistance (STA) and in Cap and Trade LCTOP funding. This is good for County Connection. However, the STA increase assume that SB1 is not repealed. The legislature is expected to complete the FY19 budget on time later this month.

### **AB3201 – Daly**

This bill would have given access public transit to a pot of funding controlled by the California Air Resources Board (CARB) to help address the related costs to meet any new CARB purchased mandates relative to zero emission buses (ZEB). After making it through two committees of the Assembly, the bill was “guttled” and put on the suspense calendar of the Assembly Appropriations committee.

## **SB1434 – Leyva**

This bill would require the California Public Utilities Commission (PUC) to actively work with the state utilities to set a so-called transit rate for public transit operators who purchase electricity from utilities for the purpose of fueling electric or fuel cell buses. This bill has passed out of the Senate and awaits assignment in the Assembly.

## **Future Cap and Trade LCTOP Legislation**

As has been discussed with the County Connection Board, we are receiving as much as \$800,000 annually to be used in transit operations from the LCTOP program. However, under current state law, we must spend at least half of this in a small area of Martinez right next to the refinery. Efforts to change state law to allow us greater latitude in spending our \$800,000 have been blocked by certain legislators who are terming out at the end of 2018. Assembly Member Grayson and Senator Glazer have expressed a willingness to consider carrying legislation in 2019 that would address our concerns with spending LCTOP funding.

## **Bus on Shoulder (BOS) Legislation**

There are growing number of transit operators interested in having the ability to operate bus service on select shoulders of highways in California. Previous legislative efforts to gain the authority to do so have had limited success. However, Assembly Member Grayson and Assembly Member Baker have indicated their interest in possibly carrying legislation to authorize BOS service in the I-680 and SR4 corridors in 2019.

Meanwhile, the Contra Costa Transportation Authority (CCTA) has a vision for a set of programs they call “Innovate 680” and BOS service is an integral part of that initiative. To that end, CCTA is examining whether or not authority already exists to operate BOS service with the agreement of the local Caltrans and CHP offices.

## **Action Requested**

None. This is for information only. Staff would like to forward this to the full board as information.