



July 18, 2018
NVRTA Agenda Item 11.8

Continued From: New
Action Requested: INFORMATION

NAPA VALLEY TRANSPORTATION AUTHORITY Board Agenda Letter

TO: Board of Directors
FROM: Kate Miller, Executive Director
REPORT BY: Kate Miller, Executive Director
(707) 259-8634 / Email: kmiller@nvta.ca.gov
SUBJECT: State Legislative Update and State Bill Matrix

RECOMMENDATION

That the Napa Valley Transportation Authority (NVRTA) Board receive the State Legislative update and Bill Matrix.

COMMITTEE RECOMMENDATION

None

EXECUTIVE SUMMARY

The Board will receive the State Legislative update (Attachment 1) and Bill Matrix (Attachment 2).

PROCEDURAL REQUIREMENTS

1. Staff Report
2. Public Comments

FISCAL IMPACT

Is there a Fiscal Impact? No

SUPPORTING DOCUMENTS

Attachments: (1) July 5, 2018 State Legislative Update (Platinum Advisors)
(2) July 5, 2018 State Bill Matrix (Platinum Advisors)



July 5, 2018

TO: Kate Miller, Executive Director
Napa Valley Transportation Authority

FR: Steve Wallaugh
Platinum Advisors

RE: Legislative Update

Summer Recess: The Legislature adjourned today for their summer recess. June 1st was the deadline for bills to move out of their house of origin. The combination of the Suspense File and house of origin deadline significantly culled the number of active bills. The start of summer recess means second house policy committee hearings have been completed and the Legislature will return on August 5th for the final few weeks of session.

SB 1 Repeal: The Secretary of State's office announced that the SB 1 repeal initiative qualified for the November 2018 ballot. The random sample signature verification surpassed the 110% validation threshold. The SB 1 Repeal will appear on the November ballot as Proposition 6.

Governor Brown responded to the announcement by saying, "This flawed and dangerous measure pushed by Trump's Washington allies jeopardizes the safety of millions of Californians by stopping local communities from fixing their crumbling roads and bridges. Just say no." Gubernatorial nominee John Cox had the opposite reaction, saying, "This is a message to the millions of forgotten Californians ignored by the Sacramento political elite, help is on the way."

Hostage Negotiations: June 28th marked the deadline for certifying initiatives for placement on the November 2018 ballot. This also represented the last chance for initiative proponents to withdraw an initiative from appearing on the ballot.

In what may be a troubling trend, the pending certifications of two initiatives were used as leverage to reach a legislative solution. This "process" avoided costly campaigns, and the risk of passing one initiative with dire impacts to state and local governments... A third initiative was pulled in exchange for the promise of future negotiations. These last minute deals included the following:

AB 1838 would prohibit the imposition of a local tax or fee on "groceries." The intent of the prohibition is to stop the implementation of additional local soda taxes. Local soda

taxes enacted prior to January 1, 2018 can remain in place. In exchange for this soda tax prohibition, the proponents would withdraw their initiative that would require a 2/3 vote on all local taxes and fees imposed on or after January 1, 2018. Passage of this initiative would have repealed the majority vote approval of Regional Measure 3. Pepsi and Coca-Cola were major contributors to the initiative campaign, spending almost \$6 million to qualify this initiative.

Governor Brown's signing measure included the following:

"Out of 482 cities in the state of California, a total of 4 cities are considering passing a soda tax to combat the dangerous and ill effects of too much sugar in the diets of children. In response, the beverage industry has circulated a far-reaching initiative that would, if passed, raise the approval threshold from 50% to 2/3 on all measures, on topics in all 482 cities. Mayors from countless cities have called to voice their alarm and to strongly support the compromise which this bill represents."

"The initiative also contains language that would restrict the normal regulatory capacity of the state by imposing a 2/3 legislative vote on what is now solely within the competency of state agencies. This would be an abomination."

AB 375 would enact effective January 1, 2020 the California Consumer Privacy Act of 2018. This Act would enable Californians greater personal privacy rights such as the right to know what is being collected about them and whether their information is being sold and to whom; the right to access their personal information; the right to delete personal information collected from them; the right to opt-out or opt-in to the sale of their personal information, depending on age of the consumer; and the right to equal service and price, even if they exercise such rights. With the enactment of AB 375, San Francisco real estate developer, Alastair Mactaggart's goals were achieved, and he withdrew his initiative.

November Ballot: Secretary of State, Alex Padilla, assigned the following proposition numbers to the items that will appear on the November ballot. The following twelve measures will appear on the November 6, 2018 General Election:

- **Proposition 1:** SB 3 (Chapter 365, Statutes of 2017), Beall. Veterans and Affordable Housing Bond Act of 2018. -- Gives the state permission to borrow \$4 billion in bonds:
- **Proposition 2:** AB 1827 (Chapter 41, Statutes of 2018), Committee on Budget. No Place Like Home Act of 2018. -- Establishes the No Place Like Home Program giving the state permission to borrow and distribute \$2 billion to fund supportive housing for persons who are eligible for services under Proposition 63 and are homeless, chronically homeless, or at risk of chronic homelessness.
- **Proposition 3:** Authorizes Bonds to Fund Projects for Water Supply and Quality, Watershed, Fish, Wildlife, Water Conveyance, and Groundwater Sustainability and Storage. Initiative Statute. -- Allows the State to borrow \$8.9 billion for water-related programs and projects.

- **Proposition 4: Authorizes Bonds Funding Construction at Hospitals Providing Children's Health Care. Initiative Statute.** -- This is the Children's Hospital Bond Act of 2018 that would authorize \$1.5 billion in bonds to provide funding for capital improvement projects at certain hospitals.
- **Proposition 5: Changes Requirements for Certain Property Owners to Transfer Their Property Tax Base to Replacement Property. Initiative Constitutional Amendment and Statute.** -- Expands rules for homeowners who are 55 and older by tying the assessed value of a home purchase to their prior home.
- **Proposition 6: Eliminates Recently Enacted Road Repair and Transportation Funding by Repealing Revenues Dedicated for Those Purposes. Requires Any Measure to Enact Certain Vehicle Fuel Taxes and Vehicle Fees be Submitted to and Approved by the Electorate. Initiative Constitutional Amendment.** -- This measure would repeal SB 1 and require voter approval to impose, increase, or extend excise and sales taxes on gas, diesel, and vehicles.
- **Proposition 7: AB 807 (Chapter 60, Statutes of 2018), Chu. Daylight saving time.** Would allow California to remain on Daylight Savings time year-round provided the federal government approves the request.
- **Proposition 8: Authorizes State Regulation of Kidney Dialysis Clinics. Limits Charges for Patient Care. Initiative Statute.**
- **Proposition 9: Division of California into Three States. Initiative Statute.** -- Establishes boundaries and a process to split California into three states
- **Proposition 10: Expands Local Governments' Authority to Enact Rent Control on Residential Property. Initiative Statute.** -- This initiative repeals the Costa-Hawkins Rental Housing Act.
- **Proposition 11: Requires Private-Sector Emergency Ambulance Employees to Remain on Call During Work Breaks. Changes Other Conditions of Employment. Initiative Statute.**
- **Proposition 12: Establishes New Standards for Confinement of Certain Farm Animals; Bans Sale of Certain Non-Complying Products. Initiative Statute.** -- Phases in requirements increasing the size of enclosures farmers must use for hens, breeding pigs, and calves raised for veal.

Budget: The Legislature adopted the 2018-19 Budget Act on June 14th and the Governor signed it and the numerous trailer bills on June 27th. Governor Jerry Brown can choose to line-item-veto spending, however the Governor did not veto any items in the budget. The budget fully funds the Rainy Day fund, and provides direction to use excess Rainy Day Fund revenue for infrastructure projects, including rail projects. The relevant transportation related trailer bills are summarized below. The Legislature can continue sending the governor trailer bills until the end of session on August 31st.

SB 840 – 2018-19 Budget Act: The Budget Act appropriates \$138.6 billion in general fund revenue, \$57 billion in special fund revenue, and \$3.9 billion in bonds for a FY 2018-19 total of \$199 billion. While this is the largest budget in California's history, it also includes the largest amount of reserve funding to thwart any economic downturn. The Budget fully funds the Prop 2 Rainy day Fund at \$13.8 billion, places \$2 billion in the traditional reserve for economic uncertainties, and sets aside \$200 million to protect safety net programs such as CalWORKS and Medi-Cal.

State Transit Assistance: The Budget provides an additional \$405 million from SB 1 for local transit operations, bringing the FY 2018-19 total to \$834 million.

SB 848 Transportation Trailer Bill – This measure includes the following statutory changes:

- Caps the amount that Caltrans can charge self-help counties for indirect costs to 10% for three years.
- Allows cities and counties to borrow from internal revenue streams and reimburse themselves with future year apportionments from SB 1 revenue.
- Appropriates \$8 million to the State Transportation Agency for allocation to the Los Angeles County Metropolitan Transportation Agency for the River to Rails Project.
- Increases the number of clean air vehicles that are eligible to utilize HOV lanes until January 1, 2022.
- Authorizes the Golden Gate Bridge, Highway & Transportation District to use the Construction Manager/General Contractor project delivery method.

AB 1831 State government: appointments: infrastructure: Creates the Infrastructure Stabilization Fund to allocate funding dedicated for infrastructure pursuant to Proposition 2 of 2014 (the Rainy Day fund). Under this bill once the Rainy Day Fund reaches the Constitutional maximum of 10% of the general fund any excess revenue would be deposited into the Infrastructure Stabilization Account. The revenue would be allocated as follows:

- Allocates the first \$415 million to the State Infrastructure and Maintenance Fund for improvements to the State Capitol.
- Splits the remainder between the Rail Modernization program for rail corridor improvements identified by the State Transportation Agency and the Housing Rehabilitation Loan Fund for Multifamily Housing Program infrastructure investments.

This is a volatile funding source and it is questionable if these funds would materialize. However, the Department of Finance projects that a total of \$300 million could be available for rail projects over the next few years.

Cap & Trade: The budget that was approved on June 14th did not include the bulk of the cap & trade appropriations. However, an expenditure agreement was reached. SB 856 was amended on June 21st to clean-up budget provisions and appropriate cap & trade revenue to various programs. The following summarizes the expenditure plan enacted by the Governor yesterday.

2018-19 Cap and Trade Expenditure Plan
(Dollars in Millions)

Investment Category	Department	Program	Amount
Air Toxic and Criteria Air Pollutants	Air Resources Board	AB 617 - Community Air Protection	\$245
		AB 617 - Local Air District Implementation (\$50 million total, including other funds)	\$20
		Technical Assistance to Community Groups	\$10
Low Carbon Transportation	Air Resources Board	Clean Vehicle Rebate Project	\$175
		Clean Trucks, Buses, & Off-Road Freight Equipment	\$180
		Enhanced Fleet Modernization Program, School Buses & Transportation Equity Projects	\$100
	Energy Commission	Low Carbon Fuel Production	\$12
Climate Smart Agriculture	Air Resources Board	Agricultural Diesel Engine Replacement & Upgrades (\$132 million total, including other funds)	\$112
	Energy Commission	Energy Efficiency	\$64
	Department of Food and Agriculture	Healthy Soils	\$5
	Energy Commission	Renewable Energy	\$4
Healthy Forests	CAL FIRE	Healthy & Resilient Forests	\$160
	CAL FIRE	Forest Carbon Plan: Prescribed Fire & Fuel Reduction	\$30
	Natural Resources Agency	Forest Carbon Plan: Northern, Coastal, and Southern California Regional Forest Health Projects	\$20
	CAL FIRE	Urban Forestry	\$5
	CalOES	Local Fire Response	\$25
Short-Lived Climate Pollutants	Department of Food and Agriculture	Methane Reduction	\$99
	Air Resources Board	Woodstoves	\$3
	CalRecycle	Waste Diversion	\$25
Integrated Climate Action: Mitigation & Resilience	Strategic Growth Council	Transformative Climate Communities	\$40
	Natural Resources Agency	Urban Greening	\$20
	Multiple Departments	Coastal Resilience	\$5
	Department of Fish and Wildlife	Wetlands Restoration	\$5
	Community Services & Development	Low-Income Weatherization	\$10
	California Conservation Corps	Energy Corps	\$6
Climate and Clean Energy Research	Strategic Growth Council	California Climate Change Technology and Solutions Initiative & Technical Assistance	\$20
Total			\$1,400

Janus decision Trailer Bill: Budget trailer bill, SB 866, was signed by the Governor and included several items unions were pushing through the legislative process. Many of

these items were in anticipation of the Janus decision. Most were surprised by the extent of the changes included in SB 866. The main provisions in SB 866 are as follows.

- SB 866 included new language on mass communications from the employer to employees. Under SB 866 if a public employer decides to send out a communication to its employees concerning the employees' rights to support or refrain from supporting an employee organization, the public employer must "meet and confer" with the exclusive representative on the content of the mass communication. If an agreement cannot be reached, then the public employer can still send out the communication if, at the same time, a communication from the exclusive representative is also sent.
- AB 2970 (Cooper) proposed levels of confidentiality about employee orientations. The content of AB 2970 was incorporated in SB 866. Specifically, SB 866 requires that the date, time, and place of the orientation of a new public employee must not be disclosed in advance of the orientation to anyone other than employees, the exclusive employee representative, or a vendor that is contracted to provide a service for purposes of the orientation. Concerns were expressed that the confidentiality of this information may create a conflict with the California Public Records Act. While SB 866 includes language to ease this conflict, this change may place a public employer in a position of abiding by SB 866 requirement, but might also violate the Public Records Act.
- AB 1937 (Santiago) included provisions related to payroll deductions for the payment of dues to employee organizations. AB 1937 included language that basically grandfathered in local agreements on recouping the costs of collecting and distributing these deductions. AB 1937 also allowed for the collection of one-time administrative costs associated with setting up the dues collection system. This language was added through negotiations with public entity organizations, such as CSAC. SB 866 did not include this cost sharing language. With respect to the dues collection process, SB 866 includes the following provisions:
 - Clarifies existing law to make explicit that employee organizations and bona fide associations are authorized to request payroll deductions.
 - Prohibits a certified or recognized employee organization that certifies it has and will maintain individual employee authorizations from being required to submit a copy of the written authorization to the public employer to commence payroll deductions, unless a dispute arises about the existence or terms of the authorization.
 - Clarifies existing law to provide that employees, including retired employees, of a public employer, may authorize a deduction from their salary, wages, or retirement allowance for the payment of dues.
 - Makes explicit that all public employers must honor employee authorizations for dues deduction; that a public employer or Controller rely

on information provided by the employee organization regarding whether the request is in conformity with the authorization; and, that the employee organization must indemnify the public employer, for any claims made by the employee for deductions made in reliance on that information.

- Authorizes employers, as specified, to deduct the actual reasonable costs of making the deduction from the amount transmitted to the organization. (However, I was not able find this exact language for local public agencies.)
- Requires all public employers to direct employee requests to cancel or change deductions to the employee organization.

Legislation:

AB 1912 (Rodrigues): This bill that would place new requirements on Joint Powers Authorities (JPA) regarding JPA members' retirement liability. AB 1912 was approved by the Senate Public Employment & Retirement Committee and Senate Judiciary Committee last week. The League of Cities and CSAC have been leading an effort to amend AB 1912 to address concerns with the bill.

Recent amendment to AB 1912 made significant progress on addressing local government concerns. The amendments would place the requirement to address any retirement obligations only when the decision has been made by the governing board to dissolve the JPA. Once a decision is made to end a JPA the member agencies must reach an agreement on each member's share of any unfunded pension obligations. While the bill remains retroactive, one of the last remaining objections to the bill has been addressed. Language in the bill that would have placed "joint and severable liability" on the member agencies for retirement liability has been replaced with language directing CalPERS to apportion retirement liability to each member agency if the member agencies cannot reach an agreement.

AB 2363 (Friedman): This bill was amended last month to direct CalSTA to create a Vision Zero Task Force to examine whether the traditional method of determining speed limits needs to be replaced. AB 2363 was approved by the Senate Transportation & Housing Committee and now moves to the Senate Appropriations Committee. Currently, speed limits are set pursuant to a traffic and engineering survey where speed limits are set at the rate travelled by 85% of the motorists. This 85th percentile rate can be reduced based on safety factors specified in law. AB 233 would create a task force to examine alternative methods as well as the affect the current method has on rural and urban roads and the effect on bicycle and pedestrian plans.



July 5, 2018

Existing Positions

Bills	Subject	Status	Client - Position
<u>AB 1</u> (Frazier D) Transportation funding.	AB 1 was Assemblyman Frazier's renewed effort to address the funding shortfall facing our transportation infrastructure. With that passage of SB1, this bill be will likely be used for another issue if it is moved forward.	ASSEMBLY TRANS DEAD	SUPPORT
<u>AB 399</u> (Grayson D) Autonomous vehicles: Contra Costa Transportation Authority: pilot project.	Last year, legislation was enacted to authorize the Contra Costa Transportation Authority to conduct a pilot project testing the use of autonomous vehicles on streets that are open to the public, but located within a private business park. AB 399 extends the sunset date on the authority for the pilot project to operate according to existing law, prior to the requirement to then comply with regulations being developed by the DMV. Currently, this pilot program must comply with the DMV regulations within 180 days of the operative date of the regulations. AB 399 extends this "phase-in" period to 12 months.	ASSEMBLY 2 YEAR DEAD	SUPPORT
<u>AB 1454</u> (Bloom D) Transportation projects: lease agreements.	AB 1454 was amended to remove the language that deletes the sunset date on the authority for Caltrans and regional transportation agencies to enter into public private partnerships. As amended, the bill merely states that it is the intent of the Legislature to reestablish the public-private partnership process. AB 1454 has also not been set for hearing, and will not be moving forward.	ASSEMBLY RULES COMMITTEE -- DEAD	SUPPORT

<u>AB 1759</u> <u>(McCarty D)</u> Public trust lands: City of Sacramento.	<p>AB 1759 has been gutted and amended to deal with a state tides land issue in the City of Sacramento.</p> <p>As introduced the bill would withhold a city's or county's share of local street and road maintenance funds if that city or county fails to meet its minimum housing production goals as certified by the Department of Housing and Community Development.</p>	SENATE RULES	WATCH (prior version)
<u>AB 1866</u> <u>(Fong R)</u> Transportation funding.	<p>This new measure makes numerous changes to transportation funding programs. These changes largely reflect the transportation funding proposal pushed by the Assembly Republican Caucus last year.</p>	ASSEMBLY TRANS	WATCH
<u>AB 1901</u> <u>(Obernolte R)</u> California Environmental Quality Act: exemption: roadway projects.	<p>This bill would extend to January 1, 2023, an existing CEQA exemption for counties or cities with a population of less than 100,000. The existing program provides a limited exemption from CEQA for maintenance projects within the existing right-of-way if specified conditions are met.</p>	SENATE EQ	SUPPORT
<u>AB 2851</u> <u>(Grayson D)</u> Regional transportation plans: traffic signal optimization plans.	<p>The Assembly Appropriations Committee amended AB 2851 to delete the appropriation of cap & trade funds, and would make it permissive for cities within the Bay Area to develop a traffic signal optimization plan.</p> <p>Specifically, the bill would authorize each city within the jurisdiction of the Metropolitan Transportation Commission (MTC) to develop and implement a traffic signal optimization plan. <i>In addition, the amendments direct Caltrans to ensure its traffic signals within these cities are adjusted and maintained in accordance with the plan.</i></p>	SENATE APPRS	Support & Seek Amendments

<p><u>AB 3124</u> <u>(Bloom D)</u> Vehicles: length limitations: buses: bicycle transportation devices.</p>	<p>AB 3124 makes a small change with a big impact. This measure amends existing law to authorize an operator to equip a 60-foot articulated transit bus or trolley with a front-mounted bicycle rack that extends up to 40 inches from the front body of the bus when fully deployed and limits the handlebars of a bicycle that is being transported on such a rack from extending more than 46 inches from the front of the bus.</p>	<p>Signed Into law Chapter 22, Statutes of 2018</p>	<p>SUPPORT</p>
<p><u>AB 3201</u> <u>(Daly D)</u> California Clean Truck, Bus, and Off- Road Vehicle and Equipment Technology Program.</p>	<p>The California Transit Association (CTA) is sponsoring AB 3201 in an effort to secure a funding stream to transition to zero emission transit buses.</p> <p>AB 3201 as currently drafted would amend the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program (Program) to require CARB to establish a funding program for large-scale deployments that meet current and future regulatory obligations. The bill would also clarify that infrastructure needs are also an eligible expense. While the content of AB 3201 will evolve, the intent of this bill is to create a dedicated funding stream to assist transit operators in transitioning to zero emission fleets.</p>	<p>ASSEMBLY APPR Held on Suspense -- DEAD</p>	<p>SUPPORT</p>
<p><u>ACA 4</u> <u>(Aguiar-Curry D)</u> Local government financing: affordable housing and public infrastructure: voter approval.</p>	<p>ACA 4 would generally lower the voter threshold to 55% for imposing the following taxes or issuing debt:</p> <ul style="list-style-type: none"> Creates an additional exception to the 1% limit that would authorize a city or county, to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure or affordable housing. 	<p>ASSEMBLY L. GOV</p>	<p>SUPPORT</p>

<u>ACA 4</u> (Aguiar-Curry D) (cont.)	<ul style="list-style-type: none"> • Authorizes a local government to impose, extend, or increase a special tax for the purposes of funding the construction, rehabilitation or replacement of public infrastructure or affordable housing. 		
Regional Measure 3/Senate Bill 595 (Beall)	SB 595 authored by Senator Jim Beall was passed by the Legislature and signed into law by Governor Brown in the fall of 2017. The bill authorizes the Bay Area Toll Authority to place Regional Measure 3 on the ballot. At its February 27th meeting, the County Board of Supervisors approved adding Regional Measure 3 to the June 5, 2018 ballot. If approved Regional Measure 3 will allow the Bay Area Toll Authority to increase tolls on the seven (7) state owned bridges, as follows: \$1 January 1, 2019, \$1 January 1, 2022, and \$1 January 1, 2025. Revenues raised will fund transportation projects on the expenditure plan to relieve congestion in the bridge corridors.	June 5, 2018 Statewide Primary Election – Approved by Voters	SUPPORT
<u>SB 760</u> (Wiener D) Bikeways: design guides.	<p>SB 760 was gutted and amended on June 4th.</p> <p>As amended the bill would prohibit Caltrans from denying a permit solely based on the work being performed pursuant to local plans and specifications if a project is adjacent or near a state highway and does not affect the operation of the state highway.</p> <p>SB 760 remains in the Assembly Transportation Committee, and will likely not be moving forward.</p>	ASSEMBLY TRANS	WATCH
<u>SB 827</u> (Wiener D) Planning and zoning: transit-rich housing bonus	SB 827 would authorize a “transit-rich housing project” to be eligible for a “transit-rich housing bonus.” A transit-rich housing project is a housing project that is located within ½ mile of a “major transit stop” or ¼ mile from a “high-	SENATE T. & H. – FAILED PASSAGE -- DEAD	WATCH

<u>SB 827</u> (Wiener D) (cont.)	quality transit corridor.” If the housing project meets these requirements then it would be exempt from local controls on residential density or floor area ratio, parking restrictions, and some height restrictions.		
<u>SB 1434</u> (Leyva D) Transportation electrification: electricity rate design.	The CTA is sponsoring SB 1434 (Leyva). This bill aims to address the volatility with electricity rates when charging battery electric buses. Specifically, SB 1434 directs the CPUC to initiate a new rate making proceeding for the cost of electricity that is used as a fuel. The fluctuation of electricity rates is a key obstacle in scaling up the use battery electric buses.	ASSEMBLY APPR	SUPPORT
<u>SCA 2</u> (Newman D) Motor vehicle fees and taxes: restriction on expenditures.	With the passage of ACA 5, SCA 2 was placed on the Inactive File. SCA 2 and ACA 5 are identical and would prospectively prohibit the use of truck weight fees to pay for transportation bonds approved after January 1, 2017. The bill would also expand the protections for Public Transportation Account revenues to also include the 1.75% increase to the diesel fuel sales tax that was enacted as part of the gas tax swap. The ban on borrowing fees and taxes would also apply to any vehicle fees or taxes dedicated to transportation accounts.	SENATE INACTIVE FILE	SUPPORT
<u>SCA 6</u> (Wiener D) Local transportation measures: special taxes: voter approval.	SCA 6 would allow a local government to impose any special tax with a 55% approval of the voters if the special tax dedicates 100% of the revenues, not including collection and administrative expenses, to transportation programs and projects.	SENATE APPR – SUSPENSE FILE	SUPPORT