

AGENDA

Legislative Committee

The next meeting of the Legislative Committee will be as follows.

Date: Thursday, May 14, 2015 - 5:30 p.m. to 6:30 p.m.
 Place: San Mateo County Transit District Office¹
 1250 San Carlos Avenue
2nd Floor Auditorium
 San Carlos, California

PLEASE CALL Jean Higaki (599-1462) IF YOU ARE UNABLE TO ATTEND.

1	Public comment on related items not on the agenda.	Presentations are limited to 3 Minutes	
2	Approval of Minutes from April 2, 2015.	Action (Gordon)	Pages 1-2
3	Update from Shaw/Yoder/Antwih	Oral Presentation (Shaw/Yoder/Antwih)	
4	Review and recommend approval of the C/CAG legislative policies, priorities, positions, and legislative update (A position may be taken on any legislation, including legislation not previously identified).	Action (Gordon)	Pages 3-7
5	Review and recommend that the C/CAG Board send support letters for AB 194 (Frazier), AB 464 (Mullin), ACA 4 (Frazier), SB 16 (Beall), and SB 321 (Beall).	Action (Gordon)	Pages 8-16
6	Adjournment	Action (Gordon)	

NOTE: All items appearing on the agenda are subject to action by the Committee. Actions recommended by staff are subject to change by the Committee.

¹From Route 101 take the Holly Street (west) exit. Two blocks past El Camino Real go left on Walnut. The entrance to the parking lot is at the end of the block on the left, immediately before the ramp that goes under the building. Enter the parking lot by driving between the buildings and making a left into the elevated lot. Follow the signs up to the levels for public parking.

For public transit access use SamTrans Bus lines 390, 391, 292, KX, PX, RX, or take CalTrain to the San Carlos Station and walk two blocks up San Carlos Avenue.

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS
LEGISLATIVE COMMITTEE**

**MEETING MINUTES
April 2, 2015**

At 6:47 P.M. Vice Chair Kiesel called the Legislative Committee meeting to order in the 4th Floor “Dining Room” at the San Mateo Transit District Office.

Committee Members Attending:

Art Kiesel (City of Foster City)
Mary Ann Nihart (City of Pacifica)
Karen Ervin (City of Pacifica)
Richard Garbarino (City of South San Francisco)

Guests or Staff Attending:

Matt Robinson - Shaw/ Yoder/ Antwih Inc.
Sandy Wong, Jean Higaki, Matt Fabry - C/CAG Staff

1. Public comment on related items not on the agenda.

None

2. Approval of Minutes from March 12, 2015.

Member Garbarino moved and Member Ervin seconded approval of the March 12, 2015 minutes. Motion passed unanimously.

3. Update from Advocation & Shaw/ Yoder/ Antwih (SYA).

C/CAG staff Jean Higaki distributed a draft of the “Lobby Day” packet and talking points for discussion. Deborah Gordon, Art Kiesel, Mary Ann Nihart, and Irene O’Connell will attend “Lobby Day.”

There are currently 3 topics up for discussion. The first topic deals with shortfalls in the local streets and roads and highways, the impact of excise tax reductions, and advocating of return to source revenues, and revisions to Cap and Trade.

MaryAnn requested to introduce C/CAG as an agency who pulls resources together and leverages it to get the most out of the funding that it receives, to serve the citizens of San Mateo County.

The second point introduces projects of Countywide Significance. Sandy Wong suggested that

the GBI, Smart Corridors, and Ramp Metering project could all be rolled up in the introduction, as examples of the work that C/CAG has been doing. This would save time as there is not much to expand on with these projects. The illustrations will stay in the packet.

Matt Robinson said that the itinerary would be revised with a couple more meetings that were tentative at this point. It was suggested to encourage delegate support of the two Cap and Trade projects from South San Francisco. Sandy Wong said that staff will be taking support letters to the C/CAG board next week.

For the second topic, Jean Higaki described the three potential asks for the HOT/HOV project on US 101 regarding toll authority, aux lane conversion flexibility, and funding. It was suggested that we set the tone by saying that we are a self-help county and that US 101 is a major economic engine.

For the third topic, Matt Fabry described the need to support AB 1362 (Gordon) and the associated constitutional amendment to reform Prop 218. Other points he would like to make is a request to integrate transportation and stormwater funding to enable green infrastructure installations, and a unified statewide holistic approach to stormwater management.

It was suggested to email the talking points the absent Lobby Day participants to see who might be interested in talking on specific topics. A carpool gathering place was also discussed and Colma BART station was considered. (Alternate carpool arrangements were made later).

4. Review and recommend approval of the C/CAG legislative policies, priorities, positions, and legislative update (A position may be taken on any legislation, including legislation not previously identified).

The support bill for AB 227 (Alejo) was sent. There is no other action recommended at this point. In May, the committee may consider support letters for AB 378 and bills that increase the sales tax cap (AB 464). The Prop 218 reform constitutional amendment is still not out yet. Brian Annis will come to the C/CAG retreat to talk about transportation funding proposals at the state level.

Member Nihart asked about the chance of bills passing that lower the voter threshold. Lowering voter approval requirements for transportation alone might have the same chance of passing as a more general lowering of the voter threshold. If a transportation specific threshold bill passes about 11 additional counties would pursue a measure.

The Caltrain Commuter Coalition will visit Sacramento on April 14 for a Lobby Day to talk about the importance of Caltrain and funding.

5. Adjournment

Member Nihart moved and Ervin seconded adjournment. Motion passed unanimously.

The meeting adjourned at approximately 7:45 P.M.

C/CAG AGENDA REPORT

Date: May 14, 2015

To: C/CAG Legislative Committee

From: Sandy Wong, Executive Director

Subject: Review and recommend approval of C/CAG legislative policies, priorities, positions, and legislative update (A position may be taken on any legislation, including legislation not previously identified)

(For further information or questions contact Jean Higaki at 599-1462)

RECOMMENDATION

That the C/CAG Legislative Committee recommend the C/CAG Board to take a position on any legislation or direct staff to monitor any legislation for future positions to be taken.

FISCAL IMPACT

Unknown.

SOURCE OF FUNDS

NA.

BACKGROUND

The C/CAG Legislative Committee receives monthly written reports and oral briefings from the C/CAG's State legislative advocates. Important or interesting issues that arise out of that meeting are reported to the Board.

ATTACHMENTS

1. April 30, 2015 State Legislative Update from Shaw/ Yoder/ Antwih Inc.
2. Full Legislative information is available for specific bills at <http://leginfo.legislature.ca.gov/>



SHAW/YODER/ANTWIH, inc.
LEGISLATIVE ADVOCACY • ASSOCIATION MANAGEMENT

DATE: April 30, 2015
TO: Board Members, City/County Association of Governments, San Mateo County
FROM: Andrew Antwih and Matt Robinson, Shaw / Yoder / Antwih, Inc.
RE: STATE LEGISLATIVE UPDATE – May 2015

Legislative Update

May 1 marked the last day for policy committees to meet and report bills deemed to have a fiscal impact to the Appropriations Committee for consideration. The Legislature has until May 29 to finish with policy and fiscal committees and report bills to the floor. The Legislature will break for Summer Recess on July 17. We have flagged several bills for C/CAG’s consideration and discuss some of the more relevant bills under ***Bills of Interest***, below.

May Revise

On May 14, the Governor will release an update to his January proposed budget, known as the “May Revise.” While we don’t expect much in terms of new transportation funding proposals, we anticipate the Administration will provide a revised expenditure plan for excess Cap and Trade revenues that have been generated through the auctions in 2014-15. Initially, the auctions were estimated by the Administration to generate approximately \$550 million in 2014-15. As of the last auction, the state is exceeding that projection by approximately \$315 million. With one more auction left in the fiscal year, we could see Cap and Trade revenues exceeding projections by almost \$1 billion. We will provide a detailed update on the May Revise to the C/CAG Board after its release.

Transportation Funding Proposal Introduced

On April 15, Senator Jim Beall (D-San Jose) introduced Senate Bill 16, a comprehensive funding package that, through a mix of revenue sources, would ultimately dedicate approximately \$3-\$3.5 billion annually to transportation. Specifically, Senator Beall’s proposal would do the following:

- Increase the excise tax on gasoline by 10 cents in year one;
- Increase the excise tax on diesel fuel by 12 cents in year one;
- Increase the Vehicle License Fee by 35 percent (totaling 1 percent) over five years;
- Increase vehicle registration fee by \$35;
- New vehicle registration fee of \$100 for zero-emission vehicles;
- Repayment of transportation loans.

Senator Beall proposes to distribute the new revenues generated by his proposal to cities and counties for local streets & roads maintenance (47.5 percent), to the state for highway and bridge maintenance (47.5 percent), and set aside funding for a state-local partnership program for new self-help counties (5 percent). In San Mateo County, this would mean approximately \$26-\$33 million annually. Please see below for a breakdown of these funds between the County and the cities within San Mateo County (using both an assumption of \$1.3 billion to \$1.7 billion to cities and counties).

SAN MATEO COUNTY	11,717,938	15,065,921
ATHERTON	153,220	196,997
BELMONT	538,703	692,618
BRISBANE	89,875	115,554
BURLINGAME	602,109	774,140
COLMA	36,611	47,072
DALY CITY	2,198,361	2,826,464
EAST PALO ALTO	679,976	874,255
FOSTER CITY	652,472	838,893
HALF MOON BAY	271,208	348,695
HILLSBOROUGH	234,008	300,867
MENLO PARK	667,238	857,878
MILLBRAE	458,503	589,504
PACIFICA	820,073	1,054,379
PORTOLA VALLEY	95,838	123,221
REDWOOD CITY	1,638,239	2,106,307
SAN BRUNO	898,427	1,155,120
SAN CARLOS	592,657	761,987
SAN MATEO	2,030,477	2,610,613
SOUTH SAN FRANCISCO	1,336,099	1,717,842
WOODSIDE	116,385	149,638

In February, the Assembly Speaker sketched out a transportation funding plan that differs substantially from the plan released by Senator Beall. We anticipate the Assembly will be releasing a more detailed proposal in the coming weeks.

San Mateo County Projects Competing for Cap and Trade Funding

Projects submitted by local agencies within San Mateo County – the City of South San Francisco and Caltrain submitted full applications for the Affordable Housing and Sustainable Communities Program. The Council is scheduled to announce the first round of awards in mid-June. South San Francisco is requesting \$7.7 million for its project which focuses on compete streets improvements to better link the surrounding community to transit. Caltrain is requesting \$4.7 million for improvements to the South San Francisco Caltrain Station that consist of new and enhanced station platforms, track and signal improvements, a new pedestrian and bicycle underpass, a new shuttle drop-off location and a new station plaza. **We encourage members of the Board to submit letters of support to the Council in support of these projects.**

Bills of Interest

ACA 4 (Frazier) Lower-Voter Threshold for Transportation Taxes

This bill would lower voter approval requirements from two-thirds to 55 percent for the imposition of special taxes used to provide funding for transportation purposes. **We recommend the C/CAG Board take a position of SUPPORT on this bill.**

AB 194 (Frazier) Managed Lanes

This bill would authorize a regional transportation agency to apply to the California Transportation Commission to operate a high-occupancy toll (HOT) lane. This bill further requires that a regional transportation agency “consult” with any local transportation authority (e.g. C/CAG) prior to applying for a HOT lane if any portion of the lane exists in the local transportation authority’s jurisdiction. This bill also specifically does not authorize the conversion of a mixed-flow lane into a HOT lane. ***We recommend the C/CAG Board take a position of SUPPORT on this bill.***

AB 227 (Alejo) Vehicle Weight-Fees

This bill would undo the statutory scheme that allows vehicles weight fees from being transferred to the general fund from the State Highway Account to pay debt-service on transportation bonds and requires the repayment of any outstanding loans from transportation funds by December 31, 2018. **The Board is in SUPPORT of this bill.**

AB 378 (Mullin) US 101 Congestion Relief (2-year Bill)

This bill is a placeholder for legislation that will eventually target congestion relief on US 101. The author began meeting with stakeholder groups, including C/CAG, to discuss solutions to the US 101. This will be an ongoing effort and the bill may not move until next year.

AB 464 (Mullin) Local Sales Tax Limit Increase

This bill would increase, from 2 percent to 3 percent, the statewide cap on sales tax at the local level. Currently, the statewide sales tax may not exceed 9.5 percent when combined with any local sales tax. This would increase the overall limit to 10.5 percent. ***We recommend the C/CAG Board take a position of SUPPORT on this bill.***

AB 1098 (Bloom) Congestion Management Plans (2-year Bill)

This bill would delete the level of service standards as an element of a congestion management planning and revise and recast the requirements for other elements of a congestion management program by requiring performance measures to include vehicle miles traveled, air emissions, and bicycle, transit, and pedestrian mode share.

AB 1362 (Gordon) Constitutional Stormwater Definition

The Constitution requires a majority vote of impacted property owners vote or a two-thirds vote of all voters living within a designated area in order to impose a property-related fee. Exempt from these provisions are fees for sewer, water, and refuse collection services. Fees for these services follow a protest procedure wherein if a majority of property owners write in protest of the new fee, it shall not be imposed. To interpret the Constitution, statute defines certain terms. This bill would add a definition of “stormwater” in anticipation of a Constitutional Amendment to add it to the fees subject to protest process as opposed to seeking voter approval.

SB 16 (Beall) Transportation Funding

This bill would increase several taxes and fees for the next five years, beginning in 2015, to address issues of deferred maintenance on state highways and local streets and roads. Specifically, this bill would increase both the gasoline and diesel excise taxes by 10 and 12 cents, respectively; increase the vehicle registration fee; increase the vehicle license fee; redirect truck weight fees; and repay outstanding transportation loans. As a result,

transportation funding would increase by approximately \$3-\$3.5 billion per year. ***We recommend the C/CAG Board take a position of SUPPORT on this bill.***

SB 32 (Pavley) Extension of the California Global Warming Solutions Act of 2006 (AB 32)

Under AB 32, ARB adopted a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990, to be achieved by 2020, and was authorized to adopt regulations to achieve the GHG reduction-target, including a market-based compliance mechanism (e.g. Cap and Trade). This bill would require ARB to approve a GHG limit equivalent to 80% below the 1990 level to be achieved by 2050 and would authorize the continued use of the regulatory process to ensure the target is met.

SB 321 (Beall) Stabilization of Gasoline Excise Tax

The gas tax swap replaced the state sales tax on gasoline with an excise tax that was set at a level to capture the revenue that would have been produced by the sales tax. The excise tax is required to be adjusted annually by the BOE to ensure the excise tax and what would be produced by the sales tax remains revenue neutral. This bill would, for purposes of adjusting the state excise tax on gasoline, require the BOE to use a five-year average of the sales tax when calculating the adjustment to the excise tax. ***We recommend the C/CAG Board take a position of SUPPORT on this bill.***

C/CAG AGENDA REPORT

Date: May 14, 2015

To: C/CAG Legislative Committee

From: Sandy Wong, Executive Director

Subject: Review and recommend that the C/CAG Board send support letters for AB 194 (Frazier), AB 464 (Mullin), ACA 4(Frazier), SB 16 (Beall), and SB 321 (Beall)

(For further information or questions contact Jean Higaki at 599-1462)

RECOMMENDATION

That the C/CAG Legislative Committee review and recommend that the C/CAG Board send support letters for AB 194 (Frazier), AB 464 (Mullin), ACA 4(Frazier), SB 16 (Beall), and SB 321 (Beall).

FISCAL IMPACT

Unknown.

SOURCE OF FUNDS

NA.

BACKGROUND

In the last couple of months the C/CAG Legislative Committee and C/CAG Board has been informed that the legislature has a strong interest in transportation funding this session. A couple months ago, the language for several of the bills of interest were still being developed and amended. At this time much of the bill language has been developed to a point where a decision to support bills can be made. The following bills are proposed for a recommendation of support by the Legislative Committee to the C/CAG Board.

AB 194 would authorize regional transportation agencies to apply to the California Transportation Commission for the establishment of a high-occupancy toll (HOT) lane on a highway in California instead of having to go through a legislative process.

AB 464 would increase the maximum combined rate of all taxes imposed in a county under the Transaction and Use Tax Law from 2% to 3%.

ACA 4 would lower the voter-threshold for the imposition, extension, or increase of a special tax for the purpose of funding local transportation projects, from two-thirds to 55 percent.

SB 16 is a multi-faceted transportation funding package, resulting in an approximately \$3 billion annual increase in transportation funding. This bill increases taxes and fees, and creates new fees, over time as follows: Gasoline excise tax: \$0.10/gallon, Diesel excise tax: \$0.12/gallon, Vehicle license fee: for non-commercial vehicles, 0.07% each year so that the VLF is 1.00% by July 1, 2019, Vehicle

registration fee: \$35 per vehicle plus an additional \$100 for zero-emission vehicles

SB 321 would help smooth the volatility of gasoline tax revenue by altering the administrative process utilized by the Board of Equalization (BOE) to adjust the excise tax on gasoline. This bill would require BOE to base its projected gas price estimate on an average of the previous four years' actual prices and the estimated price for the current year; allow BOE to spread any large adjustment across up to three years (instead of one); and allow BOE to adjust the excise tax rate more frequently than annually in cases where fuel prices will clearly affect projected versus actual revenue

ATTACHMENTS

1. Draft letter of support for AB 194.
2. Draft letter of support for AB 464.
3. Draft letter of support for ACA 4.
4. Draft letter of support for SB 16.
5. Draft letter of support for SB 321.

C/CAG

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May 15, 2015

The Honorable Jim Frazier
Chair, Assembly Transportation Committee
P.O. Box 942849, Room 3091
Sacramento, CA 94249-0030

RE: **SUPPORT** for Assembly Bill 194 (Frazier)

Dear Assembly Member Frazier:

The City/County Association of Governments of San Mateo County (C/CAG), the Congestion Management Agency (CMA) for San Mateo County, is pleased to write to you today in **SUPPORT** of AB 194. This bill would authorize regional transportation agencies to apply to the California Transportation Commission for the establishment of a high-occupancy toll (HOT) lane on a highway in California.

Current state law authorizes the establishment of a limited number of HOT lanes in the state. In the Bay Area two HOT lanes have been established on I-680 and I-880/SR-237, both in Santa Clara County. Recently, the California State Transportation Agency, through the California Transportation Infrastructure Priorities Working Group, identified HOT lanes as a means for reducing congestion and maintaining the state highway system. As a result, the Administration put forth a proposal consistent with AB 194 as part of this year's proposed budget, acknowledging their desire to work with the Legislature to expand the HOT lane program.

The nine-county Bay Area experiences some of the worst congestion in the nation. In San Mateo County, US 101, which serves as the primary corridor between San Jose and San Francisco, is significantly delayed during commute hours. C/CAG has recently completed projects designed to reduce congestion, such as ramp metering, but additional options, such as HOT lanes, warrant consideration. This bill would provide regional transportation agencies with an additional tool to address congestion by authorizing these agencies to work with the state to establish HOT lanes.

We **SUPPORT** AB 194 and appreciate your efforts to provide local agencies the authority to address congestion on the regional highway system. Please feel free to contact Sandy Wong, the C/CAG Executive Director, at slwong@smcgov.org with any questions or concerns.

Sincerely,

Mary Ann Nihart, Chair
City/County Association of Governments of San Mateo County

Cc: Assembly Member Richard Gordon
Assembly Member Kevin Mullin
Assembly Member Phil Ting
Senator Jerry Hill

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May 15, 2015

The Honorable Kevin Mullin
P.O. Box 942849, Room 3160
Sacramento, CA 94249-0030

RE: **SUPPORT** for Assembly Bill 464 (Mullin)

Dear Assembly Member Mullin:

The City/County Association of Governments of San Mateo County (C/CAG), the Congestion Management Agency (CMA) for San Mateo County, is pleased to write to you today in **SUPPORT** of AB 464. This bill would increase the maximum combined rate of all taxes imposed in a county under the Transaction and Use Tax Law from 2% to 3%.

Currently, cities and counties are authorized to levy a transactions and use tax for general purposes, provided the combined rate of all taxes imposed in the county, in accordance with the Transaction and Use Tax Law, does not exceed 2%. Many cities and counties across the state are currently at, or approaching, the existing limit. In San Mateo County, the Cities of Half Moon Bay, San Mateo, and Hillsdale are at or near the cap. In recent years, the Legislature has created a string of exceptions to this rule by raising the cap for certain jurisdictions through the passage, and subsequent enactment, of jurisdiction-specific bills.

We support this bill because it would create uniformity in the application of the Transaction and Use Tax Law and provide the opportunity for local jurisdictions to add additional voter-approved transaction and use taxes. In doing so, this bill would provide additional flexibility for cities and counties to invest in critical services, like transportation.

We **SUPPORT** AB 464 and appreciate your efforts to provide local agencies with additional flexibility as they determine how to fund their infrastructure needs.

Please feel free to contact Sandy Wong, the C/CAG Executive Director, at slwong@smcgov.org with any questions or concerns.

Sincerely,

Mary Ann Nihart, Chair
City/County Association of Governments of San Mateo County

Cc: Assembly Member Kevin Mullin
Senator Jerry Hill
Assembly Member Richard Gordon

C/CAG

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May 15, 2015

The Honorable Jim Frazier
Chair, Assembly Transportation Committee
P.O. Box 942849, Room 3091
Sacramento, CA 94249-0030

RE: **SUPPORT** for Assembly Constitutional Amendment 4 (Frazier)

Dear Assembly Member Frazier:

The City/County Association of Governments of San Mateo County (C/CAG), the Congestion Management Agency (CMA) for San Mateo County, would like to thank you for introducing ACA 4, and to voice our SUPPORT for this much-needed constitutional amendment, which would lower the voter-threshold for the imposition, extension, or increase of a special tax for the purpose of funding local transportation projects, from two-thirds to 55 percent.

As you know, the California Constitution conditions the imposition of a special tax by a city, county, or special district upon the approval of two-thirds of the voters of the city, county, or special district voting on that tax. In recent years, this supermajority requirement has resulted in several major local transportation sales tax proposals narrowly failing passage. For example, Measure J (2012) in Los Angeles County received 66.1 percent approval and Measure B1 (2012) in Alameda County received 66.53 percent approval, just short of the 66.7 percent voter-threshold. Both measures would have passed decisively under the revised voter-threshold proposed by this constitutional amendment. San Mateo County, through Measure A, voted to assess a half-cent sales tax to fund transportation improvements in the County and may be looking to invest more local funding in transportation in the coming years.

By lowering the voter-threshold for the imposition, extension, or increase of a special tax for the purpose of funding local transportation projects from two-thirds to 55%, this constitutional amendment would provide a city, county or special district with a renewed ability to generate new revenue to fund much-needed local transportation projects that increase access to jobs and schools, reduce traffic congestion and improve air quality.

We **SUPPORT** ACA 4 and appreciate your efforts to make it easier for local agencies to access additional transportation funding as the state and local agencies continue to face significant shortfalls.

Please feel free to contact Sandy Wong, the C/CAG Executive Director, at slwong@smcgov.org with any questions or concerns.

Sincerely,

Mary Ann Nihart, Chair
City/County Association of Governments of San Mateo County

Cc: Assembly Member Kevin Mullin
Senator Jerry Hill
Assembly Member Richard Gordon

C/CAG

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May 15, 2015

The Honorable Jim Beall
Chair, Senate Transportation and Housing Committee
State Capitol, Room 5066
Sacramento, CA 94249-0030

RE: **SUPPORT** for SB 16 (Beall)

Dear Senator Beall:

The City/County Association of Governments of San Mateo County (C/CAG), the Congestion Management Agency (CMA) for San Mateo County, is pleased to write to you today in **SUPPORT** of SB 16. This bill would phase in a multi-faceted transportation funding package, resulting in an approximately \$3 billion annual increase in transportation funding.

San Mateo County faces significant funding shortfalls to maintain our local streets & roads and improve the state highway system in our county. To fully address our local street and road funding shortfall, San Mateo County would need almost \$1.6 billion over the next 10 years. This bill, through a combination of fuel tax, vehicle registration fee, and vehicle license fee increases, would provide billions of dollars over that same timeframe to cities and counties. Of the new revenue generated, 47.5 percent would be distributed to cities and counties, resulting in an estimated \$26-\$32 million annually in new funding flowing to San Mateo County for transportation projects. Similarly, this bill would provide approximately \$1.3-\$1.7 billion annually for projects on the state highway system, which faces similar funding shortfalls in our county.

We **SUPPORT** SB 16 and appreciate your efforts to provide both state and local agencies the additional resources necessary to address our transportation infrastructure needs. Please feel free to contact Sandy Wong, the C/CAG Executive Director, at slwong@smcgov.org with any questions or concerns.

Sincerely,

Mary Ann Nihart, Chair
City/County Association of Governments of San Mateo County

Cc: Assembly Member Richard Gordon
Assembly Member Kevin Mullin
Assembly Member Phil Ting
Senator Jerry Hill

C/CAG

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May 15, 2015

The Honorable Jim Beall
Chair, Senate Transportation and Housing Committee
State Capitol, Room 5066
Sacramento, CA 94249-0030

RE: **SUPPORT** for SB 321 (Beall)

Dear Senator Beall:

The City/County Association of Governments of San Mateo County (C/CAG), the Congestion Management Agency (CMA) for San Mateo County, is pleased to write to you today in **SUPPORT** of SB 321. This bill would help smooth the volatility of gasoline tax revenue by altering the administrative process utilized by the Board of Equalization (BOE) to adjust the excise tax on gasoline.

Specifically, this bill would require BOE to base its projected gas price estimate on an average of the previous four years' actual prices and the estimated price for the current year; allow BOE to spread any large adjustment across up to three years (instead of one); and allow BOE to adjust the excise tax rate more frequently than annually in cases where fuel prices will clearly affect projected versus actual revenue.

Currently, BOE plans to impose a six-cent reduction in the gasoline excise tax beginning on July 1, 2015, lowering the excise tax rate from 18 cents to 12 cents. This action is projected to result in the loss of almost \$1 billion in transportation funds. Of this amount, approximately \$440 million is directed to cities and counties. San Mateo County, like most jurisdictions throughout the state, is facing a significant funding shortfall in maintaining our local street and road network. If the BOE's planned reduction takes affect, over \$7 million would not flow to San Mateo County in 2015-16, exacerbating our already existing deficit. This legislation is necessary because it would lessen the impact felt by local agencies as we strive to secure critical transportation funding.

We **SUPPORT** SB 321 and appreciate your efforts to lessen the impacts of the BOE's action. Please feel free to contact Sandy Wong, the C/CAG Executive Director, at slwong@smcgov.org with any questions or concerns.

Sincerely,

Mary Ann Nihart, Chair
City/County Association of Governments of San Mateo County

Cc: Assembly Member Richard Gordon
Assembly Member Kevin Mullin
Assembly Member Phil Ting
Senator Jerry Hill