

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: October 12-13, 2022

From: MITCH WEISS, Executive Director

Reference Number: 4.1, Action - ***YELLOW REPLACEMENT ITEM***

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Subject: State and Federal Legislative Matters

This replacement item updates the September 30 version to include the final outcome of all bills monitored by staff and to highlight bills signed into law that directly affect the Commission.

Recommendation:

Staff recommends the California Transportation Commission (Commission) accept this report on state and federal legislation.

Issue:

The Governor had until September 30 to sign or veto bills passed by the Legislature prior to its final recess on August 31. The Commission did not have a position on any bills sent to the Governor.

The Attachment includes the final outcome of all bills monitored by Commission staff this session pursuant to the Commission's bill monitoring policy. Of the 41 bills monitored, 14 bills were signed into law; 3 were vetoed; and 24 did not pass out of the Legislature. Of the 14 bills signed into law, the following 4 bills directly affect the Commission:

- **SB 1121 (Gonzalez).** State and local transportation system: needs assessment.

This bill requires the Commission, by January 1, 2025, and every five years thereafter, to prepare a needs assessment of the cost to operate, maintain, and provide for the necessary future growth of the state and local transportation system for the next 10 years, as specified, including a forecast of expected federal, state, and local revenues to pay for the cost identified in the needs assessment, any shortfall in revenue to cover the cost, and recommendations on how any shortfall should be addressed.

When the bill was heard in fiscal committees, Commission staff identified a need for one supervisory transportation planner position and \$300,000 for a consultant contract to conduct the assessment. Commission staff will be working through the budget process to obtain these resources.

- **SB 985 (Hueso).** Otay Mesa East Toll Facility Act

This bill authorizes the San Diego Association of Governments (SANDAG) to enter into an agreement and contracts, as specified, with the government of Mexico or a government agency for the purposes of imposing and collecting tolls and acquiring, operating, and maintaining tolling facilities at the Otay Mesa East Port of Entry, and provides that if California Department of Transportation property is conveyed to either SANDAG or the federal government, the conveyance be free of charge and only upon a finding by the Commission that it is in the state's interest.

Commission staff did not identify any significant costs for the Commission to fulfill its responsibilities under this bill.

- **AB 2254 (Muratsuchi).** State highways: Route 107: relinquishment

This bill authorizes the Commission to relinquish a portion of State Route 107 to the City of Redondo Beach, as specified.

Commission staff did not identify any significant costs for the Commission to fulfill its responsibilities under this bill.

- **AB 512 (Holden).** State highways: relinquishment: infrastructural barriers

This bill authorizes the Commission to relinquish a portion of a state highway that constitutes an infrastructural barrier, as defined, to a county or city, if the department and the applicable county or city have entered into an agreement providing for the relinquishment of the portion of the state highway. The bill requires the relinquishment to meet other specified criteria, including that the purpose is for restorative economic and social justice, including, but not limited to, transit-oriented development, affordable housing for low- and moderate- income people, green space, or active transportation infrastructure. The bill also requires the relinquishment to be consistent with Article XIX of the California Constitution, which generally limits the use of fuel excise tax revenues to roads, highways, and fixed guideways.

Commission staff noted for fiscal committees that, to the extent this bill does not significantly increase the number of relinquishments coming before the Commission, the associated costs will likely be minor and absorbable. However, if the bill were to result in the Commission receiving an additional 3 or more relinquishment requests per meeting, it may begin to impact staff workload.

At the federal level, the Inflation Reduction Act of 2022 was signed into law on August 16. This legislation includes \$5.4 billion for four new federal discretionary (competitive) grants through the Federal Highway Administration. It does not include any new formula funds for transportation.

Background:

The 2022-23 legislative session officially ends November 30; however, the Legislature began its final recess on August 31. The 2023-24 legislative session will begin on December 5 with a brief organizational meeting, after which the Legislature will reconvene in early January.

At the federal level, the recently enacted Inflation Reduction Act is intended to reduce the federal deficit and makes major investments in healthcare, domestic energy production and manufacturing, and climate change. The new Federal Highway Administration discretionary programs are:

- **Neighborhood Access and Equity Grant Program (\$3.2 billion).** This is a new competitive program to improve bicycle and pedestrian facilities, safety, and affordable transportation access through construction of projects that are context-sensitive and support neighborhood connectivity; to mitigate the negative impacts from surface transportation facilities that create an obstacle to connectivity within a community or are a source of pollution or other burden to disadvantaged or underserved communities; and to conduct transportation-related planning and build capacity in disadvantaged communities.
- **Low-Carbon Transportation Materials Grants (\$2 billion).** Under this program, the Federal Highway Administration may reimburse or provide incentives to use low-carbon construction materials and products in projects. States, local governments, and metropolitan planning organizations may apply for this benefit to address the increased incremental cost of using cleaner materials.
- **Alternative Fuel and Low-Emission Aviation Technology Program (\$300 million).** This is a new competitive grant program for projects that develop, demonstrate or apply low-emission aviation technologies or produce, transport, blend or store sustainable aviation fuels.
- **Environmental Review Implementation Funds (\$100 million).** This program is intended to facilitate the development and review of documents for the environmental review process for proposed projects for state and local governments and metropolitan planning organizations.

Attachment:

- Legislation Monitored by Commission Staff

**Legislation Monitored by Commission Staff
Chapters Bills
(As of September 30, 2022)**

Bill	Author	Subject	Description
AB 512	Holden	State highways: relinquishment: infrastructural barriers	Authorizes the California Transportation Commission (Commission) to relinquish a portion of a state highway that constitutes an infrastructural barrier, as defined, to a county or city, if the department and the applicable county or city have entered into an agreement providing for the relinquishment of the portion of the state highway, and requires the relinquishment to meet other specified criteria.
AB 2057	Carrillo	Department of Transportation: goods movement data.	Requires California Department of Transportation (Caltrans) to create a web page containing specified information related to drayage trucks.
AB 2254	Muratsuchi	State highways: Route 107: relinquishment.	Authorizes the Commission to relinquish a portion of State Route 107 to the City of Redondo Beach, as specified.
AB 2344	Friedman	Wildlife connectivity: transportation projects.	Requires Caltrans, no later than July 1, 2024, to establish an inventory of connectivity needs on the state highway system for the implementation of wildlife passage features, requires Caltrans to perform an assessment, in consultation with the California Department of Fish and Wildlife, to identify potential wildlife connectivity barriers and any needs for improved permeability for any project on the state highway system that adds a traffic lane, and requires the implementing agency to remediate barriers to wildlife connectivity on projects, as specified.
AB 2798	Fong, Vince	Freight: development projects.	Prohibits, until January 1, 2024, a local agency from denying a permit for a short-term freight transportation use under specified conditions.
AB 2953	Salas	Department of Transportation and local agencies: streets and highways: recycled materials	Requires Caltrans and certain local agencies that have jurisdiction over a street or highway, to the extent feasible and cost effective, to use advanced technologies and material recycling techniques that reduce the cost of maintaining and rehabilitating streets and highways and that exhibit reduced levels of greenhouse gas emissions through material choice and construction method. Requires, beginning January 1, 2024, certain local agencies that have jurisdiction over a street or highway, to the extent feasible and cost effective, to apply standard specifications that allow for the use of recycled materials in streets and highways, as specified.
AB 2956	Assembly Transportation Committee	Transportation	Among other non-substantial changes to law, updates references to the federal fund sources for the Transportation Alternative Program.
SB 922	Wiener	California Environmental Quality Act: exemptions: transportation-related projects.	Revises an exemption from the California Environmental Quality Act (CEQA) for specified bicycle transportation plans and other active transportation plan and extends the exemption until January 1, 2030.

Bill	Author	Subject	Description
SB 932	Portantino	General plans: circulation element: bicycle and pedestrian plans and traffic calming plans.	Requires updates to the circulation element of a county or city's General Plan made before January 1, 2025, to develop a balanced, multimodal transportation network and include bicycle and pedestrian plans and traffic calming plans, as specified, and requires implementation of the updates to begin within two years of the General Plan's adoption.
SB 942	Newman	Low Carbon Transit Operations Program: free or reduced fare transit program.	Exempts a transit agency that uses Low Carbon Transit Operations Program moneys to fund a free or reduced fare transit program on an ongoing basis from the requirement to demonstrate that reductions in the emissions of greenhouse gases can be realized through the continuation of its transit program and authorizes the transit agency to continue to use those moneys for that purpose without any restriction to length of time.
SB 959	Portantino	Surplus residential property: use of funds: priorities and procedures: City of Pasadena.	Modifies the priority order governing the disposition of surplus residential property located within the City of Pasadena, as specified.
SB 985	Hueso	Otay Mesa East Toll Facility Act.	Authorizes the San Diego Association of Governments (SANDAG) to enter into an agreement and contracts, as specified, with the government of Mexico or a government agency for the purposes of imposing and collecting tolls and acquiring, operating, and maintaining tolling facilities at the Otay Mesa East Port of Entry, and provides that if Caltrans property is conveyed to either SANDAG or the federal government, the conveyance be free of charge and only upon a finding by the Commission that it is in the state's interest.
SB 1121	Gonzalez, Lena	State and local transportation system: needs assessment.	Requires the Commission, by January 1, 2025, and every five years thereafter, to prepare a needs assessment of the cost to operate, maintain, and provide for the necessary future growth of the state and local transportation system for the next 10 years, as specified, including a forecast of expected federal, state, and local revenues to pay for the cost identified in the needs assessment, any shortfall in revenue to cover the cost, and recommendations on how any shortfall should be addressed.
SB 1175	McGuire	Department of Transportation: intermodal passenger services: rail corridors	Authorizes Caltrans to construct, acquire, or lease, and improve and operate, rail passenger terminals and related facilities that provide intermodal passenger services for the Sacramento-Larkspur-Novato-Cloverdale corridor.

Total Active Measures: 14

Legislation Monitored by Commission Staff

Vetoed Bills

(As of September 30, 2022)

Bill	Author	Subject	Description
AB 1919	Holden	Youth Transit Pass Pilot Program: free youth transit passes.	Establishes the Youth Transit Pass Pilot Program to provide free transit passes for individuals attending certain educational institutions.
AB 2438	Friedman	Transportation funding: guidelines and plans.	Requires the guidelines and plans applicable to the State Transportation Improvement Program, the State Highway Operations and Protection Program, the Solutions for Congested Corridors Program, the Trade Corridor Enhancement Program and the Local Partnership Program to include the applicable strategies established in the Climate Action Plan for Transportation Infrastructure adopted by California State Transportation Agency (CalSTA). Requires the Commission, CalSTA, and Caltrans to establish guidelines to ensure transparency and accountability for the transportation funding programs that they respectively administer and for the project selection processes applicable to those programs. Requires the California Transportation Plan to include a financial element that summarizes the full cost of plan implementation constrained by a realistic projection of available revenues, as specified.
AB 2514	Dahle, Megan	State Highway System Management Plan: underserved rural communities	Requires Caltrans to consult with the Commission, the State Controller, and rural counties to include in the State Highway System Management Plan a comprehensive evaluation of the current state of transportation in underserved rural communities and a transportation needs assessment of the cost to operate, maintain, and provide for the transportation system in underserved rural communities over the next 10 years.

Total Vetoed Measures: 3

Legislation Monitored by Commission Staff

Inactive Bills

(As of September 30, 2022)

Bill	Author	Subject	Description
AB 1626	Nguyen	Motor Vehicle Fuel Tax Law: limitation on adjustment.	Limits the annual inflation adjustment of the per-gallon excise tax on motor vehicle fuels to a maximum of 2% for rate adjustments, beginning July 1, 2023.
AB 1638	Kiley	Motor Vehicle Fuel Tax Law: suspension of tax.	Suspends the per-gallon excise tax on motor vehicle fuels for 6 months, and directs the State Controller to transfer, from the General Fund to the Motor Vehicle Fuel Account, an amount equal to one-half of the amount collected by the excise tax in fiscal year 2020-21.
AB 1679	Fong, Vince	Governor's Office of Business and Economic Development: California Business Investment Services Program: Supply Chain Senior Advisor	Requires the Director of the Governor's Office of Business and Economic Development to appoint a Supply Chain Senior Advisor to be the principal advocate in the state for the interests of business and industry related to supply chain development and operation, as specified.
AB 1733	Quirk	State bodies: open meetings.	Makes provisions for meetings held under the Bagley-Keene Open Meeting Act to be held by teleconference, as specified.
AB 1778	Garcia, Cristina	State transportation funding: freeway projects: poverty and pollution: Department of Transportation.	Requires Caltrans to consult the California Healthy Places Index as a condition of using state funds or personnel time to fund or permit freeway projects and prohibits any state funds or personnel time from being used to fund or permit freeway projects in areas meeting specified housing and environmental criteria.
AB 1795	Fong, Vince	Open meetings: remote participation.	Requires state bodies to provide all persons the ability to participate both in-person and remotely, as defined, and to address the body remotely in any meeting held under the Bagley-Keene Open Meeting Act.
AB 2120	Ward	Transportation finance: federal funding: bridges.	Requires that the division and allocation of federal Highway Infrastructure Program funds occur pursuant to a specified formula approved by the Commission and requires local bridge projects receiving federal funding to adhere to specified design standards.
AB 2237	Friedman	Transportation planning: regional transportation improvement plan: sustainable communities strategies: alternative planning strategy: state transportation funding.	Requires the projects and programs included in each regional transportation improvement program be consistent with the most recently prepared sustainable communities strategy of the regional transportation planning agency or county transportation commission and specified state climate goals. Prohibits the expenditure of local transportation tax measure revenues from being spent on projects not included in a sustainable communities strategy. Prohibits state funds from being used for a project that increases single-occupancy vehicle capacity unless the project is included in a sustainable communities strategy, as specified.
AB 2370	Levine	Public records: state agency retention.	Requires each state agency, for purposes of the California Public Records Act, to retain and preserve for at least 2 years every public record, as defined, regardless of physical form or characteristics.
AB 2419	Bryan	Environmental justice: federal Infrastructure Investment and Jobs Act: Justice40 Advisory Committee.	Requires a minimum of 40% of specified funds received by the state under the federal Infrastructure Investment and Jobs Act and certain other federal funds to be allocated to projects that provide direct benefits to disadvantaged communities and a minimum of an additional 10% be allocated for projects that provide direct benefits to low-income households and low-income communities, as provided. Requires state agencies administering those federal funds to perform specified tasks related to the expenditure of those federal funds, and establishes the Justice40 Advisory Committee in the Strategic Growth Council, to perform various actions related to the expenditure of those federal funds.

Bill	Author	Subject	Description
AB 2532	Bennett	Scoping plan: state agency, board, and department compliance and implementation: reports.	Requires each state agency to post on its internet website a report regarding its compliance with and efforts to implement any goals or recommendations related to that state agency, if any, that are identified by the California Air Resources Board in the AB 32 scoping plan and its updates, as specified.
AB 2567	Dahle, Megan	Transportation: State Route 395: pilot program.	States the intent of the Legislature to enact subsequent legislation that would develop and implement a pilot program for the purpose of implementing a universal highway speed for a specified section of State Route 395.
AB 2703	Muratsuchi	Electric vehicle charging stations: reliability standards: low-income and disadvantaged community financial assistance.	Requires recipients of state funding or other incentives to deploy publicly available electric vehicle charging stations to agree, as a condition of receiving the incentive, to operate the station in compliance with reliability and reporting standards that would be developed by the California Energy Commission, as specified.
AB 2719	Fong, Vince	California Environmental Quality Act: exemptions: highway safety improvement projects.	Exempts highway safety improvement projects, as defined, undertaken by Caltrans or a local agency from the requirements of CEQA.
AB 2946	O'Donnell	Harbors and navigation: transportation of goods.	States the intent of the Legislature to enact future legislation that would address deficiencies in the goods movement infrastructure relating to the state's ports and harbors.
SB 17	Pan	Racial Equity Commission.	Establishes the Racial Equity Commission, staffed by the Governor's Office of Planning and Research, to develop a statewide Racial Equity Framework that includes methodologies and tools that can be employed to advance racial equity and address structural racism in California.
SB 873	Newman	California Transportation Commission: state transportation improvement program: capital outlay support.	Requires the Commission to allocate Caltrans's capital outlay support resources by project phases for each project in the State Transportation Improvement Program, as specified.
SB 1049	Dodd	Transportation Resilience Program.	Establishes the Transportation Resilience Program in Caltrans, to be funded in the annual Budget Act from 15% of the available federal National Highway Performance Program funds and 100% of the available federal Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation program funds, and provides for funds to be allocated by the Commission for climate adaptation planning and resilience improvements, as defined, according to specified eligibility criteria.
SB 1050	Dodd	Metropolitan Transportation Commission: State Route 37 Toll Bridge Act.	Authorizes the Metropolitan Transportation Commission to submit a toll facility application to the Commission for State Route 37. If the application is approved, creates the State Route 37 Toll Authority as a public instrumentality of the state and requires the authority to operate and maintain tolling infrastructure for the use of the Sonoma Creek Bridge, and would authorize the Authority to design and construct improvements on the bridge and a specified segment of State Route 37 in accordance with programming and scheduling requirements adopted by the Authority.
SB 1104	Gonzalez, Lena	Governor's Office of Business and Economic Development: Office of Freight.	Establishes the Office of Freight within the Governor's Office of Business and Economic Development to serve as the coordinating entity to steer the growth, competitiveness, and sustainability for freight and ports across the state, and requires the offices, in coordination with specified state agencies, including the Commission, to prepare an assessment of statewide economic growth, competitiveness, prosperity, resiliency, and sustainability for the state's ports and freight sector by December 31, 2024, and an updated assessment at least once every 5 years thereafter.

Bill	Author	Subject	Description
SB 1169	Hueso	Toll road projects: study.	Requires the Commission to conduct a study on the state's toll roads by January 1, 2025, as specified.
SB 1196	Umberg	State Transit Assistance Program: eligibility: Anaheim Transportation Network.	Makes the Anaheim Transportation Network eligible for State Transit Assistance Program funds allocated based on transit operator revenues, if its bylaws are revised to increase transparency and accountability, as specified.
SB 1217	Allen	State-Regional Collaborative for Climate, Equity, and Resilience.	Establishes, until January 1, 2028, the State-Regional Collaborative for Climate, Equity, and Resilience, consisting of specified members, to provide guidance, on or before January 1, 2024, to the California Air Resources Board for approving new guidelines for sustainable communities strategies.
SB 1410	Caballero	California Environmental Quality Act: transportation impacts.	Requires the Governor's Office of Planning and Research to submit a report to the Legislature by January 1, 2025, on impacts and implementation of guidelines establishing criteria for determining the significance of transportation impacts of projects within transit priority areas for CEQA purposes using vehicle miles traveled. Requires the Office of Planning and Research to establish a grant program to provide financial assistance to local jurisdictions for implementing the guidelines, as specified.

Total Inactive Measures: 24