

Transportation Funding Deal Explained

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SB 1 (Beall)

- Approximately \$5.2 billion/year in new revenue – no sunset
- Approved by Legislature on April 6
- Governor Brown will sign today
- Accompanied by ACA 5 (Frazier), which provides constitutional protections for revenues

What taxes were part of the deal?

- 12-cent gas excise tax increase
- Reset price-based excise tax at 17.3 cents
- 20-cent diesel excise tax increase
- 4% diesel sales tax increase
- \$25-\$175 annual “transportation improvement fee” based on vehicle value
- \$100 annual zero emissions vehicle fee
- CPI adjustments on excise taxes/fees

How will revenues be phased-in?

- New fuel taxes begin in November 2017
- The value-based transportation improvement fee begins in Spring 2018
- The price-based excise tax will be reset July 1, 2019
- New Zero Emissions Vehicles will begin to pay an additional registration fee for road maintenance in 2020

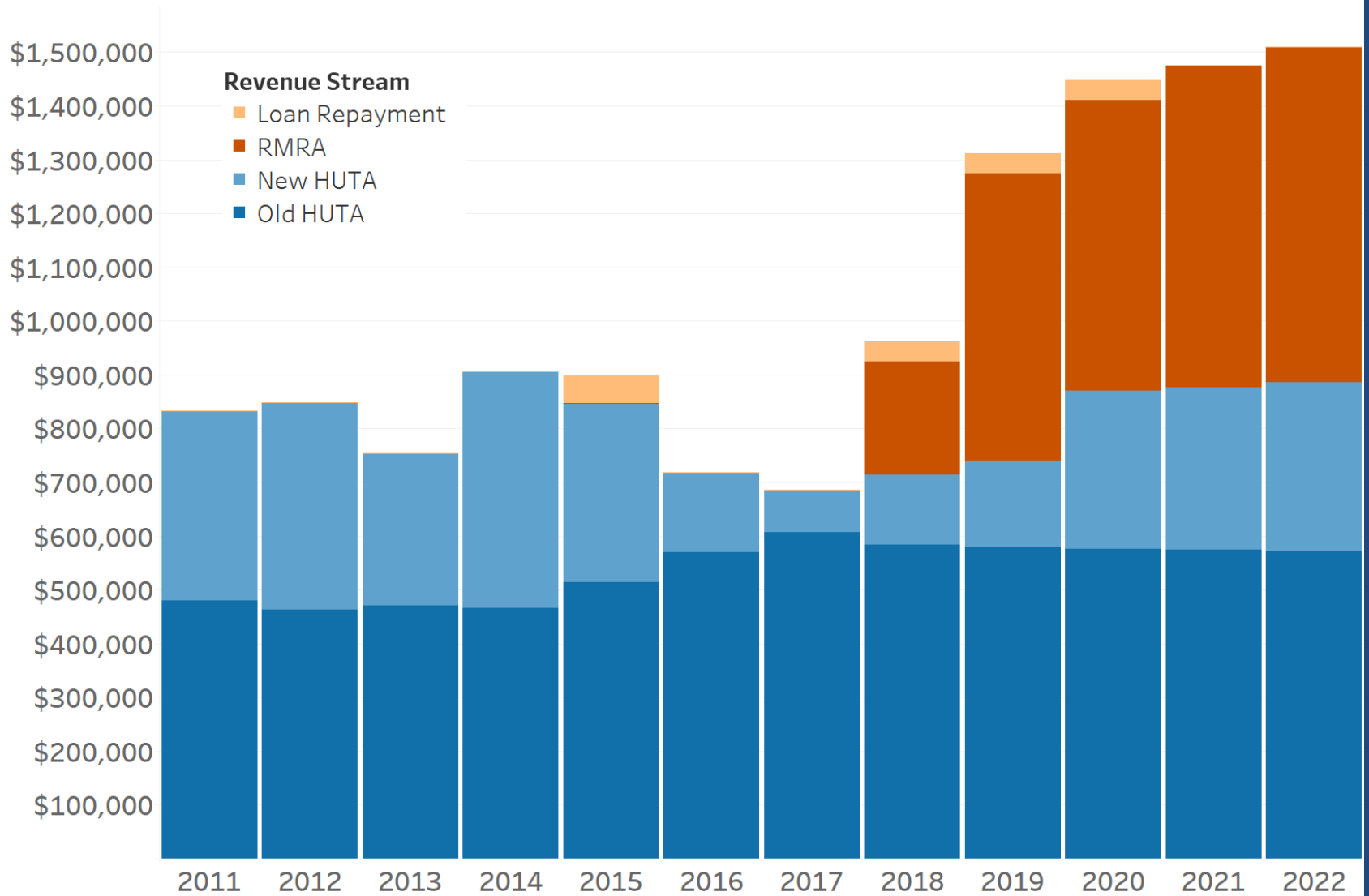
Where does the funding go?

- \$1.5 billion for state highways
- \$1.5 billion for local roads
- \$750 million for transit operations and capital
- \$685 million in loan repayments
- \$400 million for state bridges
- \$300 million for goods movement/freight projects
- \$250 million for the new “Solutions for Congested Corridors” program
- \$200 million for state-local partnership
- \$100 million for the Active Transportation grants
- \$25 million for Freeway Service Patrol
- \$25 million for local planning grants
- \$7 million for UC and CSU Transportation Research

Which revenues flow to counties?

- Road Maintenance and Rehabilitation Account
 - New gas tax, transportation improvement fee, and part of diesel excise tax
- 50% state, 50% local
- Local share split evenly between cities and counties
- County revenues by SHC Section 2103 formula
 - 75% on registered vehicles; 25% on road mileage

County Highway User Revenue



Competitive Funding Opportunities

- Active Transportation Program – existing program
- State-Local Partnership – new guidelines
- Congested Corridors Program – new program
- Goods Movement Program – new guidelines
- Local Planning – guidelines to be developed
- May CA Transportation Commission meeting will include guideline discussions

What county projects are eligible?

- Road Maintenance and Rehabilitation Funding
“shall be prioritized for expenditure on basic road maintenance and road rehabilitation projects, and on critical safety projects.”
Streets and Highways Code Section 2030(a)

Eligible projects cont.

- Eligible projects include, *but are not limited to*:
 - road maintenance and rehabilitation;
 - safety projects;
 - railroad grade separations;
 - complete street components, including active transportation, bike/ped, transit facilities, drainage, and stormwater capture projects;
 - traffic control devices;
 - match for state/federal funds for eligible projects.
- *Streets and Highways Code Section 2030(b)*

What if my roads are in good shape?

- May spend RMRA funds on other transportation priorities if average PCI meets or exceeds 80 (*Streets and Highways Code Section 2037*)
- Constitutional limitations apply: “Research, planning, construction, improvement, maintenance, and operation of public streets and highways” and related nonmotorized facilities for nonmotorized traffic (*Art. XIX, Sec. 2(a)*)

What are the reporting requirements?

- List of projects proposed to be funded each year to California Transportation Commission
- List must be pursuant to an adopted budget approved at a public meeting
- List shall not limit flexible use of funds, provided that projects are eligible
- Must include description and the location of each proposed project, schedule for completion, and estimated useful life of improvement

Reporting requirements cont.

- Upon expending RMRA funds, must submit documentation to the CTC
 - Description and location of each completed project,
 - Amount of funds expended on the project
 - Completion date and the estimated useful life of the improvement
- *Streets and Highways Code Section 2034(a)(2)*

Questions?

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