



Legislation Text

File #: 17-064, **Version:** 1

Report Prepared by: Mike Conway, Assistant to the City Manager

SUBJECT: Support Assembly Bill No. 1 and Senate Bill No. 1

REPORT IN BRIEF

Seeking Council support of AB 1 (Frazier) and SB 1 (Beall) that would provide a new transportation funding plan for the state.

RECOMMENDATION

City Council- Adopt a motion supporting AB 1 and SB 1 and directing staff to produce letters of support and other materials to reflect the City's position.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to other than recommended by staff (identify specific findings and/or conditions amended to be addressed in the motion); or,
3. Deny; or,
4. Refer to staff for reconsideration of specific items (specific items to be addressed in the motion); or,
5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

Charter of the City of Merced, Section 200.

CITY COUNCIL PRIORITIES

As provided for in the 2016-17 Adopted Budget

DISCUSSION

There are huge transportation needs in the state, but not the dollars to pay for them. Fuel efficiency continues to increase, but the gas tax hasn't been increased since 1994.

To address the problem, State Senate Jim Beall introduced SB 1 and Assembly Member Jim Frazier introduced AB 1 on Dec. 5, 2016. The two bills are similar and would generate approximately \$6 billion annually, with \$2.2 billion set aside for local streets and other transportation needs.

AB 1 and SB 1 would raise revenue through a variety of sources:

- A 12 cent increase to the gas tax (SB 1 would ask to phase this increase in over 3 years);
- Ending the Board of Equalization's "true up" process on the unreliable price based excise tax on gas;

- A \$38 increase to the vehicle registration fee;
- A \$100 vehicle registration fee on zero emission vehicles;
- A 20-cent increase to the diesel excise tax;
- \$300 million from existing cap and trade funds; and
- \$500 million in vehicle weight fees phased in over five years.

The City of Merced has more than 479 miles of roads, most of them in need of some kind of repair. In addition, there are 15 bridges in the City, some dating back to the Roosevelt-era WPA. The bills have the potential of adding \$2,811,295 in transportation funding to the City budget.

The League of California Cities is supporting the bills and is asking the City for letters of support.

IMPACT ON CITY RESOURCES

No appropriation of funds is needed.

ATTACHMENTS

1. AB 1 Letter
2. SB 1 Letter
3. AB 1 text
4. SB 1 text
5. AB1 SB 1 funding
6. AB1 SB 1 analysis League of California Cities