



STAFF REPORT
Board Meeting of February 21, 2024

AGENDA ITEM: 5-A

PREPARED BY: Patricia Taylor, Executive Director

SUBJECT:

Road Charge Technical Advisory Committee and the State and Local Transportation System Needs Assessment

Enclosure: Yes

Action: Information and Discussion Only

SUMMARY:

Transportation is heavily dependent on the gas tax. According to the Legislative Analyst's Office (LAO), the 57.9 cents state gas tax generates \$7.4B annually. Transit heavily depends on the sales tax on diesel as well (\$1.68B annually). With gas-powered vehicles becoming more fuel efficient, the rise in telework, and rapid conversion to zero-emission vehicles, gas tax resources have declined, hampering the ability to fund our infrastructure. The gas tax is regressive and is losing purchasing power despite inflationary adjustments included in SB 1 in 2017. Governor Newsom's Executive Order N-76-23, which phases out gas-powered vehicles sales by 2035, makes it inevitable to convert to a new funding mechanism.

What is the Road User Charge? In 2014, SB 1077 (DeSaulnier, Statues 2014) required that the Chair of the California Transportation Commission (CTC) in consultation with the Secretary of the California State Transportation Agency (CALSTA) create a Road Charge Technical Advisory Committee (TAC). Madera County Supervisor Robert Poythress is a member of the Road Charge TAC and has participated for the past 10 years. The purpose of the TAC is to study Road Usage Charge (RUC) alternatives to the gas tax; make recommendations to CalSTA; evaluate a RUC Pilot Program; identify issues related to potential implementation; and CalSTA submit a report of its findings to the Commission, TAC, and appropriate fiscal and policy committees of the Legislature.

In 2021, SB 339 (Wiener, Statues of 2021) required the Road Charge TAC to develop design recommendations and establish a "per-mile" rate for one of the two pilot rate cohorts in the RUC Pilot Program. The TAC submitted the pilot design recommendations report to the CalSTA on June 30, 2023.

The links to the reports that have been completed to date are included in the enclosed presentation. You can also access California Road Charge here: [California Road Charge](#).

What is State and Local Transportation System Needs Assessment? Senate Bill 1121 (Gonzalez, Statutes of 2022) requires the CTC, in consultation with CalSTA and Caltrans, 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. An interim needs assessment has been prepared and the completed needs assessment is required to be submitted on or before January 1, 2025, and every five years thereafter.

It was requested, at a recent MCTC Policy Board meeting, that MCTC staff invite CTC staff to provide MCTC Commissioners with an overview presentation on the background, findings/alternatives, pilot program, and status of the Road Charge TAC. A presentation will also be provided on the status of the Needs Assessment and the plan for completing the full needs assessment.

The MCTC Policy Board will receive a presentation (enclosed) from Frances Dea-Sanchez, Associate Deputy Director, CTC, and Lauren Prehoda, Road Charge Program Manager, Caltrans.

FISCAL IMPACT:

No fiscal impact to the approved 2023-24 Overall Work Program and Budget.