



October 14, 2024

TO: Board Members, Madera County Transportation Commission
FROM: Gus Khouri, President
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RE: **STATE LEGISLATIVE UPDATE –OCTOBER**

General Outlook

The 2023-24 Regular Session adjourned on August 31. The current class of legislators, which includes 35 termed-out members, is in office until November 30. The new class of legislators will be sworn in on December 2. On August 31, Governor Newsom called for a Special Session to address gasoline price spikes in November 2022. Assemblymember Gregg Hart authored ABx2 1, which requires the California Energy Commission (CEC) to develop requirements for oil refiners to maintain resupply plans to cover production loss during maintenance events and maintain minimum inventories. Governor Newsom signed ABx2 1 on October 14.

Gas Tax Successor Source Efforts

Transportation is heavily dependent on the gas tax. 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 for the gas tax, currently at 59.6 cents, and a flat, tiered vehicle registration fee. Governor Newsom's Executive Order N-79-20, which phases out gas-powered vehicle sales by 2035, makes it inevitable to convert to a new funding mechanism. This will impact funding for local streets and roads, highway safety and maintenance, and local apportionments for regional infrastructure needs.

In 2014, the Legislature called for a pilot program (SB 1077) to study a road charge model as a possible replacement source for the gas tax. Due to the limited number of participants from rural and low-income areas and the truncated timeline, more work is needed to recommend an appropriate charge rate. Issues include protecting privacy relating to data collection, enforcement, and compliance.

While the enactment of SB 1 has delayed possible implementation, the issue may rise to the forefront soon due to the prevalence of alternative fuel and electric vehicles, which do not pay at the pump. This conversation has been accelerated by Executive Order N-79-20, which prohibits the sale of gas-powered passenger vehicles by 2035 and will require conversion to alternative fuels and funding sources for state transportation programs.

Additionally, per SB 1121 of 2022, the California Transportation Commission (CTC) has been hosting meetings on a statewide needs assessment and potential successor source to the gas tax in hopes of formulating policy recommendations to the legislature. The next Road User Charge Task Force meeting is scheduled for November 8. We have been working with the CTC on possible options, hoping to work with a broad coalition to introduce legislation in 2025.

CAPTI 2.0

The California State Transportation Agency (CalSTA) has been conducting workshops on implementing a revised version of the Climate Action Plan for Transportation Infrastructure (CAPTI), designed to prioritize investments into multimodal options and only fund highway projects as a last resort. The most recent version of the plan emphasizes the reduction of vehicle miles traveled to be eligible for state grant funding and encourages the establishment of managed lanes, including a congestion pricing mechanism, with excess proceeds directed towards active and public transportation projects on the highway.

CalSTA will present at the joint meeting of the CTC, California Air Resources Board, and Department of Housing and Community Development on November 7 and will accept public comment on the draft plan to finalize the update in early 2025.

We and MCTC staff are heavily involved in the process to ensure that our access to state funding is not compromised so that we can continue to leverage Measure T dollars to address safety and mobility.

Bills of Interest

Governor Newsom had until September 30 to sign or veto legislation. Below is a summary of the final action taken on bills of interest to MCTC, that were pending on the Governor's desk.

1. **AB 2401 (Ting)** would have required the California Air Resources Board to ensure that incentives provided under the Clean Cars for All Program are available in all parts of the state. **Status:** Vetoed by the Governor due to concerns about onerous verification requirements and opening eligibility to a broader population that may disadvantage low-income applicants.
2. **SB 768 (Caballero)** requires the Department of Housing and Community Development to conduct a study on how vehicle miles traveled (VMT) is used as a metric for measuring transportation impacts of housing projects under the California Environmental Quality Act (CEQA). In many instances, VMT is used as a one-size-fits-all metric to evaluate projects, which impacts MCTC's competitiveness in acquiring critical state funds to address infrastructure and mobility needs. The report was shifted to HCD so that there would be a greater focus on understanding the application of VMT related to housing production. **Status:** Signed by the Governor. Chapter 773, Statutes of 2024.
3. **SB 960 (Wiener)** requires Caltrans to include complete streets elements in the Asset Management Plan and State Highway Operation and Protection Program. Caltrans must also develop and adopt transit priority policy and guidelines and commit to specific four-year targets to incorporate complete streets facilities in the SHOPP. **Status:** Signed by the Governor. Chapter 630, Statutes of 2008.
4. **SB 1216 (Blakespear)** bill prohibits an agency from installing a sharrow on a highway where bicycle travel is permitted that has a posted speed limit greater than 30 miles per hour (mph) except at or near an intersection to connect a Class I, Class II, or Class IV bikeway through the intersection. **Status:** Signed by the Governor. Chapter 788, Statutes of 2024.