

## MEMO

DATE: APRIL 6, 2017  
TO: RUSTY AREIAS  
FROM: MARK WATTS  
SUBJECT: SB 1 – FINAL ACTION

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The State Senate adjourned at 8pm tonight after passing SB 1 (Beall) and the companion revenue protections act, ACA 5 (Frazier).

The Senate vote on SB 1 was 27-11, with Senator Glazer joining Republicans voting No and Senator Cannella joining Democrats voting Aye. Senators Anderson and Berryhill abstained. The Senate vote for ACA 5 was 28-10, with Senator Glazer voting Aye and the others remaining the same as they voted on SB 1.

After lengthy debates in the Assembly, they wrapped up two years of hard work at 10:37 pm by passing SB 1, on a vote of 54-26. Together, the passage of both measures is a testament to the collaboration of many stakeholders, caring legislators, and especially, the tireless legislative leaders, Transportation Committee Chairs, Senator Beall and Assemblymember Frazier, in this extraordinary effort to address the state's crumbling roads,

The Governor is expected to sign the bills soon. A special appropriations bill, [SB 132](#), was also amended.

### **Bill Package Details**

Although there has been a wave of ongoing information provided and distributed on the components of these measures, it is fitting to capture the scope of this funding and program plan here.

SB 1 enacts a number of new taxes and fees to generate revenue for transportation projects. SB 1 is the largest infusion of transportation funding for California since the 2006 Proposition 1B bond act.

ACA 5 places a measure before California voters in November 2018 to constitutionally protect all revenues from SB 1 from diversion or borrowing for other purposes.

### **SB 1 Revenue Sources –**

- 12 cent gasoline excise tax increase and annual adjustment for inflation (starting Nov. 2017)
- Resets price-based excise tax on gasoline and annual adjustment for inflation (starting July 2019)
- Transportation improvement fee on registered vehicles (ranges from \$25 - \$175 depending on vehicle value) (starting Spring 2018)
- 20 cent diesel excise tax increase and annual adjustment for inflation (starting November 2017)
- 4 percent increase on diesel excise tax (starting November 2017)
- \$100 vehicle registration fee on zero emission vehicles (starting July 2020)
- \$706 million Transportation Congestion Relief Program (TCRP) loan repayments

### **SB 1 Reforms**

- Creates a Transportation Inspector General within a new Caltrans Office of Audits and Investigations to provide greater oversight and accountability.
- Provides for \$100 million in efficiencies at Caltrans.
- Gives the California Transportation Commission (CTC) additional oversight of the state highway maintenance program.
- Creates an Advance Mitigation Program at Caltrans to mitigate the impacts of transportation projects on habitat and the environment.