

Smith, Watts & Hartmann, LLC.

Consulting and Governmental Relations

MEMORANDUM

TO: Transportation, Water, and Infrastructure Committee

FROM: Mark Watts

DATE: May 1, 2017

SUBJECT: May Report

Legislature

Senate Bill 1 (Beall): approved by the Governor.

Following the approval of SB 1 on April 6, two companion bills to SB 1 passed the Senate and Assembly On April 24. SB 132 by the Senate Finance Committee includes the appropriation of \$427 million for a number of important road projects in Riverside County, \$400 million for the extension of the ACE train from Stockton to Ceres and Merced, and \$100 million for the construction of UC Merced Campus Parkway Project. SB 496 by Senators Cannella and de Leon includes liability protection for design professionals. This cleared the way for the 3 bills to move to the governor and he approved all three of the measures on April 28th.

In addition, **ACA 5**, the companion constitutional amendment to protect the new revenues was approved by the Legislature and is set to go on the November, 2018 ballot.

The April TWIC report provided a summary of the anticipated funding available within the region and for the County and local cities over the first ten years of the new funding program.

New Bills of Interest

Regional Measure 3 - SB 595 (Beall)

Legislation to establish Regional Measure 3 (RM 3) was heard and approved by the Senate Transportation committee on April 25. The bill requires the nine Bay Area counties to conduct a special election to increase the toll rate (unspecified amount) charged on state-owned bridges within the region to be used to meet the funding obligations associated with an unspecified number of projects and transportation programs.

Working with MTC, local agencies having already begun adopting RM 3 priority project lists, including BART and the Contra Costa Transportation Authority.

SB 775 (Wieckowski)

The bill is the Senate proposal to deal with the extension of Cap and Trade beyond 2020. It was just amended on May 1. A quick overview of the new bill indicates that the measure would allow the state to charge a fee for carbon emissions that would apply to all industries, with a price floor and ceiling that rises over time to limit volatility in prices while steadily raising the cost of pollution.

The existing cap-and-trade program includes only a price floor and gives pollution permits for free to some industries while others must pay.

Finally, the measure intends to limit the impact of potentially higher gas and energy prices by refunding as much as 90 percent of the revenue to consumers. The rest would be used to pay for infrastructure and research on climate and clean energy.