

Smith, Watts & Hartmann, LLC.

Consulting and Governmental Relations

MEMORANDUM

TO: Transportation, Water, and Infrastructure Committee

FROM: Mark Watts

DATE: December 2, 2017

SUBJECT: December TWIC Report

SB 1 Repeal Initiatives - Update

There are two separate initiative measures introduced in 2017, with each recently having received their respective official Title and Summary (to be affixed on the signature petitions). For reference, these two Title and Summary statements are set forth here:

#1 AM T. Allen Initiative

Statutory measure - 365,000 valid signatures needed

Title & Summary (Initiative # 17-0004):

ELIMINATES RECENTLY ENACTED ROAD REPAIR AND TRANSPORTATION FUNDING BY REPEALING REVENUES DEDICATED FOR THOSE PURPOSES.

Eliminates recently enacted state and local transportation funding for repair and maintenance of streets, highways, bridges, safety projects, and public transportation by repealing portions of the tax on gasoline (\$0.12 per gallon) and diesel fuel (\$0.20 per gallon), sales and excise taxes on diesel fuel (4% per gallon), vehicle registration fees (\$25 - \$175, depending on vehicle value), and \$100 zero- emission vehicle fee.

#2 Carl DeMaio (Give Voters A Voice) Initiative:

Constitutional Measure - 585,000 valid signatures needed

Title & Summary (Initiative # 17-033; Amdt #1):

ELIMINATES RECENTLY ENACTED ROAD REPAIR AND TRANSPORTATION FUNDING BY REPEALING REVENUES DEDICATED FOR THOSE PURPOSES.

Requires any measure to enact certain vehicle fuel taxes and vehicle fees be submitted to and approved by the electorate.

Alike as these two measures are in their targeted effort to repeal the SB 1 taxes, the proponents of the two initiatives to repeal SB 1 have undertaken different tacks this past week.

First, Assemblymember Travis Allen, author of the initiative that would directly repeal all of SB 1, (Initiative # 17-0004) attacked the Court of Appeal which had upheld the Title and Summary for the initiative issued by the Attorney General (AG) and announced that he would seek review of the appellate decision in the state Supreme Court.

Proponents of the initiative that would amend the state constitution and effectively repeal the funding under SB 1, have begun their signature gathering efforts. Carl DeMaio, the former Congressional Candidate and radio talk show host in San Diego, presented himself as the face of the initiative by launching a media campaign to solicit signatures. Interestingly, the ads seemed to feature DeMaio more than the initiative itself. Nonetheless, about \$675,000 has been contributed to the campaign committee supporting this initiative, so it cannot simply be dismissed as an exercise in self-promotion.

Additionally, the proponents of the SB 1 repeal measures are actively spreading false information and flat-out untruths full of potholes in their zeal to gain signatures. The Fix Our Roads Coalition (which included CSAC, League of Cities, Transportation California and many other organization) has prepared a Myth Buster page on their website: <http://fixcaroads.com/sb-1-myths-vs-facts/> as an early step in forming into a campaign committee to oppose the initiatives, should they qualify for the statewide ballot.

Regional Measure 3 – Timeline

Senate Bill 595 (Beall), authorized BATA to place on the ballot in the nine Bay Area counties a bridge toll increase of up to \$3 to fund a \$4.5 billion expenditure plan of 35 specific projects and capital programs, along with an ongoing annual operating program for public transit.

BATA is to determine both the amount of the toll and phasing in of the increase and determine the date when the measure appears on the ballot. BATA may submit the measure for consideration at any statewide election, and may submit the measure multiple times up to the \$3 maximum toll hike.

For a June 2018 ballot measure, the deadline for action by the various boards of supervisors is March 9, 2018. Based on conversations with staff at the various boards of supervisors and offices of registrar in the region, action by BATA in January is recommended so as to allow ample time for translations and placement on the ballot prior to March 9 by the boards of supervisors.

In preparation to undertake these activities, MTC will conduct a workshop on December 20 to cover amount of toll increase, phasing, and possible congestion pricing as well as, discounts for FasTrak and two-bridge toll payers.

The components of a BATA resolution to place the measure on the ballot are as follows:

- A request that each of the region's nine counties place the measure on the June 2018 ballot;
- The proposed rate of the toll increase, including any discounts applicable to FasTrak® customers or users of more than one bridge as part of their commute;
- The schedule for a bridge toll increase to take effect, including any proposed phase-in periods;
- The ballot question (75-word limit);
- The ballot measure (a summary of RM 3 that SB 595 requires MTC to prepare); and
- A sample resolution placing the measure on the ballot for county boards of supervisors.

Iron Horse Trail

While Caltrans is sympathetic to assisting the County in seeking release from the strictures surrounding the 1980's grants, they recently have found a possible statutory issue with the fund source.

To address possible solutions to this development, I have a consultation scheduled with the new Chief Consultant to the Assembly Transportation Committee to cover the statutory framework of the original fund sources. In addition, I have a briefing session with the Transportation Committee Chair to work on an approach to the Iron Horse grants in early January.