

- 2) Provides that the San Diego Metropolitan Transit System shall be considered a rapid transit district.
- 3) Expands the individuals who can sign bonds issued by a local transportation authority in connection with a sales tax measure to include an authorized officer of the authority.
- 4) Authorizes the CTC to relinquish to the City of Whittier and the County of Los Angeles the portion of Route 72 within their respective jurisdictions.
- 5) Expressly permits the counties to use their highway user tax funds to pay for the maintenance and removal of cattle guards
- 6) Removes an inconsistency in current law by deleting motorized scooters from the list of vehicles requiring a motorcycle endorsement or permit, but still requiring that a person must have a valid license or permit of any class to operate a motorized scooter.
- 7) Allows a motor carrier who has paid its fees and submitted its Motor Carrier Permit renewal to the DMV to continue operating until the permit has been received, provided the carrier had a valid permit the previous year.
- 8) Prohibits the passenger use of marijuana, whether smoked or ingested, in busses, taxis or limousines that are licensed to carry passengers.

COMMENTS:

This is the Assembly Transportation Committee's policy omnibus bill which was heard and approved unanimously by this committee on June 25, 2019.

29.10(B) Hearing. This bill is before the committee again pursuant to Senate Rule 29.10(B) as the bill was amended to include a new provision. That provision is discussed immediately below. The remaining provisions of the bill are unchanged.

New Provision: Cannabis Use by Passengers:

- a) SB 625 (Hill) has been an effort to close a loophole allowing passengers of limousines and party-busses to smoke or ingest marijuana. The concern was not the usage by the passengers; rather, it was any inadvertent impacts on the driver. The bill was unanimously approved by both this committee and the Senate. Negotiations continued in the Assembly and a consensus seemingly reached. But over the last few weeks a final agreement to seal off the driver's

compartment from the passenger compartment could not be reached with the Administration. SB 625 is currently on the Assembly inactive file.

- b) The demise of SB 625 leaves open the loophole allowing passengers of limousine and party-busses to smoke or ingest marijuana. While there is no evidence of limousine or party bus drivers driving impaired from second-hand smoke, the author is taking the proactive step of prohibiting passenger usage, whether smoked or ingested.
- c) While current law authorizes the use of marijuana by passengers while the vehicle is in operation, it may well be that a limousine or party-bus operator can prohibit the use of marijuana as a business practice, just as other businesses regulate what their customers may do (e.g. prohibit eating, bringing backpacks). Nevertheless, having a prohibition in law takes the onus off the operator to make that decision.

The following provisions were included in the bill when it was last heard by the Committee in June. There is no opposition to any of these provisions.

- 1) *Caltrans "best-value" procurement.* The majority of public sector contracts in California are awarded strictly on a "low-bid" basis where the contractor submitting the lowest responsive and responsible bid is awarded the contract. While the low-bid procurement system has a long-standing legal precedence and has promoted open competition, there are concerns that a system based strictly on the lowest price does not provide the best overall product value and can result in higher costs over the long-term. As a result, Caltrans is often forced to work with less than adequate equipment, unreliable suppliers, limited warranties and performance, and higher than normal maintenance costs.

In response, the Legislature passed and Governor Brown signed into law AB 1857 (Frazier), Chapter 381, Statutes of 2014, which authorized DGS to conduct a pilot to test the effectiveness of the "best value" procurement method for purchasing and equipping heavy fleet vehicles and special equipment for Caltrans. The DGS pilot sunsets on January 1, 2021.

This bill makes three changes to the DGS pilot in order to improve the effectiveness of the program that arose from discussions between Caltrans and industry partners. First, this section extends the sunset for one year to January 1, 2022, due to the delayed roll-out of the program to ensure there is enough time to adequately test the process. Second, it increases the amount DGS can procure through this program each year from \$20 million to \$50 million. This is necessary because the vehicles Caltrans purchases are often very expensive;

one order can exceed \$20 million. A higher limit will enable the state to better test the efficacy of this procurement method. And third, this bill shifts the program from a calendar year to a fiscal year to avoid confusion in implementation as Caltrans budgets its procurements on a fiscal year basis.

- 2) *San Diego Metropolitan Transit System (MTS)*. Current law exempts transit districts from city and county zoning and building ordinances. MTS was established as a “transit development board” so was technically not a transit district, yet it was treated as such by San Diego City and County. This provision clarifies that MTS is a transit district, ensuring that San Diego’s current practice continues.
- 3) *Bonds*. Revenue bonds may be issued by local transportation authorities in conjunction with a sales tax increase. Current law requires that those bonds be signed by either the Chair or Vice-Chair of the authority and the auditor-controller of the authority. This bill permits an authorized officer of the authority to sign the bond in lieu of the Chair or Vice-Chair.
- 4) *Relinquishment*. Each session, numerous bills authorizing CTC to relinquish segments of the state highway to local jurisdictions are passed by the Legislature and signed by the Governor. Relinquishment transactions are generally preceded by a negotiation of terms and conditions between the local jurisdiction and Caltrans. Once an agreement has been established, the Legislature authorizes CTC to relinquish the segment and CTC then approves the relinquishment and verifies its approval via resolution. The final step is for the Legislature to delete these segments from current law.

This bill is consistent with Caltrans' policies that encourage the relinquishment of state highways that do not serve regional or statewide transportation needs. Recipient agencies often seek relinquishment of state highways so that they can have greater control over the facility, which often serves as a local street.

State Route 72 is in Whittier from Route 39 to Route 605, except that small portions have already been relinquished in the City of Montebello, the City of Pico Rivera, and the County of Los Angeles. This bill authorizes the CTC to negotiate the relinquishment of the remainder of State Route 72 except for the portion located in the City of La Habra.

- 5) *Cattle Guards*. Cattle guards are the perpendicular striping or metal grids which constrain the movement of cattle. This bill authorizes counties to spend state gas taxes to maintain or remove these facilities. This provision clarifies differing interpretations of eligibility by the Controller’s Office. The bill does not provide any new funding for this purpose.

- 6) *Motorized scooters.* This bill addresses an inconsistency in state law that is creating problems for public safety officers to enforce existing requirements. Currently, one section of the Vehicle Code specifies that operators of motorized scooters must have a valid driver's license, while other sections of the Vehicle Code require a motorized scooter operator to have a motorcycle endorsement. This bill deletes the motorcycle endorsement requirement.
- 7) *Motor Carrier Permits.* The recent DMV delays have effected all DMV customers, including commercial truckers who need Motor Carrier Permits. Between mid-February and mid-March of 2018, a DMV IT failure delayed processing of Motor Carrier Permits causing some truckers to receive their permits late despite having applied for them on time. This bill addresses that problem by authoring a permit holder to operate for an additional 30 days after permit expiration provided the permit holder is in good standing and submitted the application on time. The substantial additional funding provided to the DMV should prevent this problem from reoccurring.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee:

- Best Value Procurement: Unknown short term cost increases in vehicle and equipment purchase costs, if best value procurement results in higher initial costs, likely offset by life-cycle cost savings over time. Staff notes that information on the costs and benefits of the current best value procurement pilot is unavailable at this time. (State Highway Account)
- SR 72 Relinquishment: Unknown one-time Caltrans costs ranging from minor up to several million dollars prior to the relinquishment of the designated segments of SR 72 to the City of Whittier and Los Angeles County (State Highway Account). These costs would be offset in future years due to avoided maintenance costs on the relinquished segments.
- The remaining provisions of this bill are not expected to result in a fiscal impact.

POSITIONS: (Communicated to the committee before Wednesday, September 4, 2019.)

SUPPORT:

Association of Deputy District Attorneys
California Association of Code Enforcement Officers
California Bus Association
California Cattlemen's Association
California College and University Police Chiefs Association
California Correctional Supervisors Organization
California Farm Bureau Federation
California Narcotic Officers Association
CalTax
California Trucking Association
County of Inyo
Los Angeles County Professional Peace Officers Association
RCRC

OPPOSITION:

California Cannabis Industry Association

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