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California State Senate

TRANSPORTATION



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AGENDA

Tuesday, July 9, 2019
1:30 p.m. -- John L. Burton Hearing Room (4203)

MEASURES HEARD IN FILE ORDER

Consent items indicated by *

- | | | | |
|-----|----------|---------------|---|
| 1. | SCR 62* | Stern | Wildlife Crossing at Liberty Canyon. |
| 2. | AB 29 | Holden | State Highway Route 710. |
| 3. | AB 126 | Cooper | Air Quality Improvement Program: Clean Vehicle Rebate Project. |
| 4. | AB 317 | Diep | Department of Motor Vehicles: appointments: unlawful sale. |
| 5. | AB 449* | Gallagher | Local alternative transportation improvement program: Feather River crossing. |
| 6. | AB 708 | Frazier | Traffic violator schools. |
| 7. | AB 752* | Gabriel | Public transit: transit stations: lactation rooms. |
| 8. | AB 759 | Bigelow | Traffic signals and barriers: work zones. |
| 9. | AB 833 | Lackey | Parking penalties. |
| 10. | AB 1025 | Grayson | Transportation: California Transportation Commission: San Ramon Branch Corridor: reimbursement. |
| 11. | AB 1046 | Ting | Air Quality Improvement Program: California Electric Vehicle Initiative. |
| 12. | AB 1100 | Kamlager-Dove | Electric vehicles: parking requirements. |
| 13. | AB 1195* | O'Donnell | California Global Warming Solutions Act of 2006: Low-Carbon Fuel Standard regulations. |
| 14. | AB 1226 | Holden | State highways: property leases: assessment. |
| 15. | AB 1351 | Lackey | Transit operators: paratransit and dial-a-ride services: assessment. |
| 16. | AB 1605 | Ting | City and County of San Francisco: Crooked Street Reservation and Pricing Program. |
| 17. | AB 1687 | Jones-Sawyer | Outdoor advertising displays: exemptions. |

after a corporation there are substantial federal and state restrictions, which would need to be overcome.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, July 3, 2019.)

SUPPORT:

None received.

OPPOSITION:

None received.

-- END --

- 2) Requires the Department of Transportation (Caltrans) and the Los Angeles County Metropolitan Transportation Authority (Metro) to work in direct consultation and agreement with various local entities, sections of unincorporated Los Angeles County, and California State University Los Angeles on:
 - a) The implementation of projects in the SR 710 North Project Study
 - b) Establishing the terms of the disposal of real property located at specified termini within the SR 710 North corridor.
- 3) Provides the Cities of Alhambra, Pasadena, and South Pasadena the right of first refusal to acquire real property within their city limits pursuant to the abovementioned process.
- 4) Establishes the process for the relinquishment of excess SR-710 property from Caltrans to local municipalities, as specified.

COMMENTS:

- 1) *Author's statement.* According to the author, "The 710 has divided communities in the San Gabriel Valley for too long. The well-intentioned proposal to build a freeway 50 years ago has led to a neighborhood deteriorating physically and an ongoing feud that has left both sides with the consequences of inaction. Assembly Bill 29 will remove the most disputed section of the SR 710 Freeway and Expressway system. This is in line with a move by the local transportation authority, LA Metro, to stop pursuing the construction of a freeway tunnel and begin pursuing a collaborative, community supported alternative. It removes the possibility of a freeway being built in the future, in order to allow the community to move on. AB 29 will take this controversial option off the table for future consideration and encourage a solution that is community- led and provides the greatest community benefit."
- 2) *SR-710.* For over 50 years, Caltrans has intended to close a roughly five mile unconstructed gap in the freeway by extending SR 710 from Interstate 10 (I-10) in Los Angeles through South Pasadena to I-210 in Pasadena. Currently, SR 710 North ends abruptly just north of I-10, feeding into local traffic on Valley Boulevard in Alhambra and causing congestion on the neighboring freeways. The gap affects the surrounding cities of Alhambra, South Pasadena, Pasadena, and a portion of Los Angeles. The extension project has been in the planning stage since the 1960s but, despite state and eventual federal approval, has been challenged by the community and delayed numerous times for a variety of

reasons often related to the environmental review process. In 1998, the Federal Highway Administration (FHWA) approved the SR 710 freeway extension but a court decision criticizing the environmental review halted construction.

- 3) *Measure R*. In 2008, Los Angeles County passed by a two-thirds vote a half-cent sales tax to raise additional funds for congestion relief, road repairs, and rail extensions over the course of 30 years. The adopted expenditure plan included \$780 million for the SR 710 North gap closure, intended to go toward a tunnel connector at an estimated total cost of nearly \$4 billion. Shortly after the passage of Measure R, Caltrans began a boring and seismic feasibility study in the area.
- 4) *A traffic light at the end of the tunnel?* Though the tunnel was a favorable alternative functionally from the draft EIR, financially it was another matter. Measure R only allocated \$780 million for the tunnel project, far short of the \$3 to \$5.5 billion the tunnel could cost. Recognizing this, at a board meeting in May 2017, the Metro Board of Directors approved a motion specifying that the \$780 million from Measure R be put toward local fundable projects for traffic relief. With the motion passing on a 12-0 vote, the Board recommended allocating \$105 million to the transportation system management/transportation demand management (TSM/TDM) alternative as the Locally Preferred Alternative – a means of obtaining more immediate results via traffic light and intersection improvements, among other fixes for local roads. For a fraction of the cost, the TSM/TDM investment would yield results within a few years, as opposed to at least five years with the tunnel.
- 5) *Environmental impact report*. In 2015, Caltrans released its draft environmental impact report (EIR) assessing the costs, benefits, and impacts of five alternative projects for the SR 710 gap:
 - a) No build — no planned improvements to the SR 710 North Corridor.
 - b) Transportation System Management/Transportation Demand Management (TSM/TDM) operational improvements — strategies and improvements to increase efficiency and capacity for all modes of transportation.
 - c) Bus rapid transit (BRT) — high-speed, high-frequency bus service through a combination of new, dedicated, and existing bus lanes.
 - d) Light rail transit (LRT) — a passenger rail operated along a dedicated guideway, similar to other Metro light rail lines.
 - e) Freeway tunnel with design and operational variants — starts at the existing southern stub of SR 710 in Alhambra, just north of I-10, and

connects to the existing northern stub of SR 710.

After the draft report was published, around 8,000 public comments were received with 1,328 specifically supporting the tunnels and 237 opposing the tunnels.

On November 26, 2018, Caltrans released its final EIR on the SR 710 North project. The EIR identified the TSM/TDM as the final direction for the SR 710 North corridor moving forward, eliminating all other alternatives (including a tunnel) from future consideration.

- 6) *SR-710 today.* With a clear pathway now set for the SR 710 North corridor, the provisions specified in this bill attempt to provide for additional direction. First, this bill removes the freeway designation on a portion of SR 710 north of Interstate 10. Second, this bill requires Caltrans and Metro to directly work with a number of local entities and further requires all of these stakeholders to agree on how transportation projects will be carried out and how real property will be disposed within the SR 710 North corridor. Lastly, this bill sets up the relinquishment process of portions of SR 710 that will no longer remain designated as a freeway.
- 7) *Too Soon?* While the introduction of this bill is well intended and serves as an endeavor to close out a 50-plus year process surrounded by contention, the provisions specified in this bill may be premature. For example, the freeway designation removal of a portion of SR 710 may trigger compliance issues with the region's federal air quality conformity requirements. Current air quality models incorporate the freeway completion of the SR 710 north corridor; thus, Caltrans and the Southern California Association of Governments will need to assess/forecasts the TSM/TDM EIR alternative into air quality models and/or identify additional measures to ensure conformity. Second, the completion of projects and the disposal of real property in the SR 710 north corridor are linked to the abovementioned EIR and the \$105 million TSM/TDM revenue provided by Metro. This bill requires Caltrans and Metro to *directly* consult and *directly* enter into an agreement with a variety of entities relative to the disposal of real property and the implantation of projects within this corridor. However, it is unclear whether *all* entities identified are required to be in accordance with these provisions or the agreement applies only to their areas within their jurisdiction. Moreover, the impacts are unclear if the agreement(s) provided by these entities are not consistent with the TSM/TDM alternative identified in the 2018 EIR decision. For instances, would alternative decisions prompt another EIR process? Additionally, it is unclear who would serve as the designee for various areas identified in the bill; the bill simply identifies these areas by zip

code however also requires these areas to participate in the consultation and agreement process in some manner. Lastly, the abovementioned policy issues were similarly reported at a recent community group/stakeholder meeting held by the Caltrans Los Angeles district office where air conformity compliance and the TSM/TDM EIR preferred alternative may be compromised with any changes to the current dissolution process underway. *As a result, the author and committee may wish to consider amending this bill to strike out the required consultation and agreement provisions for local entities and instead establish an optional consultation process between local entities and Caltrans and Metro relative to the development of projects within the SR 710 North Corridor.*

RELATED LEGISLATION:

SB 7 (Portantino, 2019) — Restricts Caltrans from implementing a freeway tunnel, surface freeway, or expressway for SR 710 between SR 10 and SR 210, as well as amends existing law related to state-owned properties in the SR 710 corridor.

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

Assembly Votes:

Floor: 57-13
Approps: 12-1
Trans: 11-0

POSITIONS: (Communicated to the committee before noon on Wednesday, June 3, 2019.)

SUPPORT:

City of Pasadena
 City of South Pasadena
 Los Angeles County Board of Supervisors
 Sierra Club California

OPPOSITION:

None received.

-- END --

SENATE COMMITTEE ON TRANSPORTATION

Senator Jim Beall, Chair

2019 - 2020 Regular

Bill No: AB 126

Hearing Date: 7/9/2019

Author: Cooper

Version: 6/24/2019

Urgency: No

Fiscal: Yes

Consultant: Amy Gilson

SUBJECT: Air Quality Improvement Program: Clean Vehicle Rebate Project

DIGEST: This bill would require the California Air Resources Board (ARB) to (1) provide a Clean Vehicle Rebate Project (CVRP) rebate at least \$500 above the standards rate for low-income applicants, (2) only offer rebates for plug-in hybrids that have an all-electric range of at least 40 miles, and consider making changes to the program to increase the number of rebates provided in low income areas or areas with significant air pollution. The bill's provisions would sunset January 1, 2022.

ANALYSIS:

Existing law:

- 1) Establishes the Air Quality Improvement Program (AQIP), administered by the ARB in consultation with local air districts, to fund programs that reduce criteria air pollutants, improve air quality, and provide research for alternative fuels and vehicles, vessels, and equipment technologies. Creates the CVRP under the AQIP. (Health and Safety Code (HSC) §44274 et seq.)
- 2) Requires the ARB to limit CVRP rebate eligibility based on income. (HSC §44258.4(c)(3))
- 3) Requires, as part of the CVRP, the ARB to do both of the following until January 1, 2022:
 - a) Provide outreach to low-income households and low-income communities to increase consumer awareness of the Clean Vehicle Rebate Project.

- b) Prioritize rebate payments to low-income applicants. (HSC §44274.6)
- 4) Defines “low income” as a resident of the state whose household income is less than or equal to 300 percent of the federal poverty level. (HSC §44274.6)
- 5) Defines “low-income communities” as census tracts with median household incomes at or below 80 percent of the statewide median income or with median household incomes at or below the threshold designated as low income by the Department of Housing and Community Development’s list of state income limits. (HSC §44274.6)
- 6) Establishes a number of other programs aimed at decreasing vehicular pollution including, but not limited to:
 - a) The Enhanced Fleet Modernization Program, which provides financial incentives to Californians for retiring and replacing old cars with less polluting options. (HSC §44125 et seq.)
 - b) The Clean Cars 4 All Program, which builds on the EFMP by providing additional incentive to participant living near a disadvantaged community and who choose a hybrid, plug-in hybrid, or electric replacement. (HSC §44124.5)

This bill:

- 1) Directs the ARB to, starting, January 1, 2020 and under the Clean Vehicle Rebate Project established as a part of the Air Quality Improvement Program, do the following:
 - a) Increase the rebate payment by five hundred dollars (\$500) for a low-income applicant for all eligible vehicle types.
 - b) Only offer rebates for plug-in hybrids that have an electric range of at least 40 miles.
 - c) Consider, through a public process, changing the eligibility requirements to increase the number of rebates provided to all of the following:
 - i. People who qualify as being low income.
 - ii. People who live in low-income communities.
 - iii. People who live in disadvantaged communities.
 - iv. People who live in an air basin that is designated as being in nonattainment for any criteria air pollutant.

- d) Consider all of the following when considering changing the eligibility requirements as described above:
- i. Income eligibility requirements, geographic eligibility requirements, vehicle type eligibility requirements, and vehicle cost eligibility requirements.
 - ii. Impacts each eligibility requirement change could have on the cost-effectiveness of increasing the number of zero-emission vehicles operating in the state.
 - iii. Whether each eligibility requirement change would further the purposes of both the existing goals of the Clean Vehicle Rebate Program and the goal of increasing the number of rebates to people meeting the criteria described above.

2) Sunsets the bill's provisions January 1, 2022.

COMMENTS:

- 1) *Author's Statement.* According to the author, "AB 126 makes improvements to the Clean Vehicle Rebate Project to make clean vehicles more accessible to a greater number of California drivers at all income levels."
- 2) *California has established ambitious zero-emission vehicle (ZEV) goals.*
In order to mitigate the climate crisis, California has set a series of ambitious goals promoting the roll out of ZEVs and near-ZEVs in the state. The CVRP was initially adopted to meet the goal set in Executive Order B-16-12 of 2012: 1.5 million ZEVs on California's roads by 2025. Since then the path towards this goal has been further developed and additional, more ambitious goals set. SB 1275 (De León, Chapter 530, Statutes of 2014) established the Charge Ahead California Initiative, which aims to place one million electric cars, trucks, and buses on California's roads by 2023. In addition, Executive Order B-48-18, signed by Governor Brown on January 26, 2018, establishes a new target: five million ZEVs in the state by 2030. AB 1046 (Ting, 2019), which will also be heard in this committee July 9, would use rebates as the primary means of achieving this five million ZEV goal. Finally, ZEV regulation commonly known as the ZEV mandate set a goal for ZEVs and near-ZEVs to comprise 15% of new cars sold in California by 2025. If a manufacturer fails to meet its ZEV requirement, it is subject to financial penalties.

California accounts for almost 50% of total electric car sales in the US with 594,918 electric cars sold in the state to date.¹

- 3) *California has a number of long standing programs aimed at reducing vehicular pollution, including the AQIP, under which the CVRP was established, and the EFMP.* Both the AQIP and the EFMP were established in statute in 2007 AB 118 (Núñez). The CVRP is funded by Greenhouse Gas Reduction Funds and provides rebates to incentivize the purchase or lease of clean vehicles: \$5,000 for a hydrogen fuel cell vehicle; \$2,500 for a battery electric vehicle; \$1,500 for a plug-in hybrid electric vehicle; or \$900 for a zero-emission motorcycle. An individual can apply for a rebate on an eligible vehicle within 18 months of purchase or lease. In addition to setting a ZEV goal, SB 1275 (De León, 2014) requires the ARB to ensure eligibility for CVRP rebates is limited by income. Regardless of whether other legislation sets specific income caps in statute, the ARB will still be required to maintain some kind of income caps because of this provision. See below for further discussion.

EFMP is designed specifically to incentivize low-income Californians to voluntarily retire (scrap) or replace high-polluting passenger vehicles and light- and medium-duty trucks. It is funded by an additional \$1 surcharge on the vehicle registration fee. The retirement-only portion of the program provides up to \$1,500 to lower-income drivers to retire their cars. The scrap and replace program provides up to \$4,500 to lower-income drivers who scrap an old car and purchase a cleaner and more fuel-efficient (35 miles per gallon or better fuel economy rating) vehicle or \$7,500 for mobility options such as transit passes, in lieu of a replacement vehicle. Beyond the EFMP base incentives, the Clean Cars 4 All (CC4A) program, which was formerly called the EFMP Plus-Up project and was established in statute by AB 630 (Cooper, Chapter 636, Statutes of 2017)), provides additional incentives for individuals in disadvantaged communities who retire high-polluting vehicles and replace them with used or new hybrid, plug-in hybrid (PHEV), or battery-electric vehicle (BEV). Eligible participants can receive incentives ranging from \$1,500 to \$5,000, depending on the vehicle type that is purchased.

The EFMP, CC4A, and CVRP rebates can be “stacked” for a total rebate of up to \$12,000 in state rebates, (federal rebates may also be available). In 2018, the Clean Vehicle Assistant Program, run by the nonprofit Beneficial State Foundation, was launched with \$5 million in ARB funding to help lower-

¹ Veloz Sales Dashboard, <https://www.veloz.org/sales-dashboard/>, Retrieved June 29, 2019

income Californians purchase a used or new hybrid, PEV, or BEV through personal grants of up to \$5,000.

In addition to these programs, the ARB and Public Utilities Commission are currently developing a new “Clean Fuel Reward” point-of-sale rebate as part of a separate program, the Low Carbon Fuel Standard.

- 4) *Demand for CVRP rebates outpaces available funding, so rebates should be structured efficiently to produce the most bang for state bucks.* As part of Governor Brown’s 2018 Executive Order, his administration proposed a CVRP has a budget of \$200 million per year through 2025. While there is no cap on the number of rebates that may be issued, rebates are subject to funding availability. Once funds run out, applicants are placed on a waitlist until additional funds are allocated through the State Budget. CVRP has exhausted its current funding, but, through the recently signed 2019-2020 budget, will received \$238 million from the Greenhouse Gas Reduction Fund, of which \$25 million shall be used to fund increased rebates for low-income recipients. That being said, ARB estimates that its total funding need through September 2020 will be in \$390 to \$546 million range, far exceeding its budget. Over the next three years, ARB anticipates demand of 401,000 to 726,000 rebates to the tune of \$1-2 billion dollars. Therefore, for the CVRP to meet its goal for getting over a million ZEVs on the streets, it is crucial that CVRP rebates be structured as cost-effectively as possible.
- 5) *This bill addresses three aspects of the CVRP: an increased rebate payment of at least \$500 for low-income applicants, criteria for PHEVs to be eligible for rebates, and how to increase the number of rebates to people who qualify as low-income.* Until 2016, CVRP was available to applicants of all income levels. Amid concerns that CVRP was primarily benefitting wealthy car buyers who would have likely bought a clean vehicle regardless of the rebate, SB 1275 of 2014 directed ARB to establish income caps on the program. In response to SB 1275, ARB established the following income caps effective March 29, 2016: \$250,000 for single filers, \$340,000 for head of household filers, and \$500,000 for joint filers. ARB pointed to Proposition 30, a 2012 state ballot initiative that increased personal income tax rates for filers with incomes exceeding these amounts, as the source of these income limits. Five months later, the Legislature and Governor established lower caps in the state budget agreement (SB 859, 2016): \$150,000 for single filers, \$204,000 for head of household filers, and \$300,000 for joint filers. The new caps, which ARB implemented effective November 1, 2016, were intended to further focus the program toward

low- and middle-income consumers. SB 859 also required that rebate payments for low-income applicants be increased by \$500 and specified that only PHEV with an electric range (i.e. the number of miles for which the car can run on battery only) of at least 20 miles would be eligible for rebates.

Under SB 859 these three provisions would have sunset on June 30, 2017, but AB 615 (Cooper, Chapter 631, Statutes of 2017) extended them until January 1, 2019. Since then, though they have expired in statute, all three requirements continue in practice. In fact, the ARB provides a rebate \$2,000 above the standard rebate amount for low-income applicants.² This bill would reinstate in statute the requirement that, at a minimum, the ARB provide a rebate \$500 above the standard rebate amount for low-income applicants.

This bill would also reinstate a minimum PHEV electric range in statute. Amendments taken in the Assembly Natural Resources Committee double this range from 20 to 40 miles. Under the current 20 mile minimum, 18 models spanning 12 makes. With a 40 mile minimum, that would quickly be paired down to five models made by five makes. One of these, the Chevrolet Volt, was discontinued by GM, which announced all its future EVs would be BEVs. For comparison, there are about 15 BEV models available in the US. They have an average range of 200 miles and all have a range over 40 miles. However moving the PHEV minimum from 20 to 40 miles, effective January 1, 2020, does not give the market time to comply with the new requirements before they kick in. Furthermore, SUVs are growing in popularity in California and doubling the electric range would reduce the number of eligible SUVs/vans from seven to one. All that being said, PHEVs are not zero-emission whether they have an electric range of 20 miles or of 40 miles and the ARB should focus on shifting California to carbon neutral vehicles.

Notably, this spring ARB has been analyzing multiple potential CVRP program change scenarios. With respect to variables in this bill, they are considering increasing the minimum required PEV all-electric range from 20 miles to a minimum of 25, 30, 40 (the figure in this bill), 50, or 100 miles. Current law requires the ARB to ensure eligibility for CVRP rebates is limited by income, but leaves the exact criteria to ARB's digression. Though the income caps mandated by AB 615 (Copper, 2017) expired, the ARB has continued to use the same values and in their change scenarios they contemplate only one alternative: \$150,000 for single filers, \$204,000 for head of household filers,

² California Clean Vehicle Rebate Project, *Income Eligibility*, Retrieved on June 29, 2019 <https://cleanvehiclerebate.org/eng/income-eligibility#income-level>

and \$250,000 for joint filers i.e. either maintaining the status quo or, in the case of joint filers, instituting a more stringent cap. Therefore, it appears that income caps are not going anywhere for the time being, whether written in statute or not.

As introduced, this bill would have statutorily reinstated the existing income caps. However, the Assembly amended the bill to lower the income caps to \$125,000 for single filers, \$175,000 for head of household filers, and \$250,000 for joint filers. On the other hand, the Senate Environmental Quality Committee amended the bill to strike the income caps and instead direct the ARB to consider changing eligibility requirements to increase the number of rebates issued to low-income people, while taking into account whether this change would further the overarching climate change mitigation goals of the CVRP.

- 7) *Should specific CVRP income caps be codified in statute?* AB 615 (Cooper, Chapter 631, Statutes of 2017) required the ARB to submit a report to the Legislature on the impacts that income caps are having on CVRP in order for the Legislature to evaluate the effect income caps are having on the CVRP. As of yet, this report has not been delivered to the Legislature. Furthermore, this bill would require ARB to, by January 1, 2022, carry out a public process to consider methods of increasing the number of rebates to low-income people, to people living in especially polluted areas, and other populations. It may be beneficial to maintain the currently used income caps in statute until this information is provided to the Legislature to inform further decision-making around income caps.

Furthermore, as noted above, the ARB is currently planning updates to the CVRP to improve its impact within budgetary constraints. Their process is exploring the potential outcomes of various combinations of changes including increases to the electric range (to 25, 30, 40, 50, or 100 miles) and to aspects of the program not considered in this bill (rebate amounts, MSRP caps, no rebates for PHEVs, and per-person application limitations). It is important that this bill support and guide that process in the right direction.

- 8) *Committee concerns.*

(1) *Minimum PHEV electric range.* In order to ensure the Legislature does not select a small number of winners among PHEVs while still encouraging longer electric ranges, the author and committee many wish to consider amending the bill to lower and delay implementation of the electric range requirement.

(2) *Reinstate income caps.* Given that the report mandated by AB 615 (Cooper, 2017) to inform legislative decision-making around CVRP income caps was due December 31, 2018 but has not been received and that the income caps in AB 615 lapsed January 1, 2019, the author and committee may wish to consider amending the bill to reinstate the income caps previously in statute.

(3) *Report to the legislature.* So that both the report and the public process (on increasing rebates to low income and other communities) mandated by this bill can inform legislative decisions-making before these income caps expire the author and committee may wish to consider requiring ARB to prepare a report to the Legislature on the outcome of this public process.

9) *Double Referral.* This bill passed out of the Environmental Quality Committee, as amended, on June 19 on a 5 – 1 vote.

RELATED LEGISLATION:

CVRP-related bills

AB 2885 (Rodriguez, Chapter 366, Statutes of 2018) — Requires ARB to provide outreach to low-income households and low-income communities to increase consumer awareness of the CVRP. This bill also requires, until January 1, 2022, ARB to prioritize rebate payments to low-income applicants.

AB 615 (Cooper, Chapter 631, Statutes of 2017) — Extended the sunset on income eligibility restrictions under CVRP until January 1, 2019.

AB 2564 (Cooper, 2016) — Would have lowered CVRP income limits to specified levels; prioritized rebates for low-income consumers; increased rebate amounts as specified; and provided outreach to low-income households. *This bill failed passage in the Senate Environmental Quality Committee.*

SB 859 (Committee on Budget and Fiscal Review, Chapter 368, Statutes of 2016) — among other things, required outreach to low-income households for CVRP and set the following income caps for CVRP eligibility: \$150K for applicants that file taxes as a single individual, \$204K for those that file head of household, and \$300K for those that file jointly.

SB 1275 (de León, Chapter 530, Statutes of 2014) — Established the Charge Ahead California Initiative (Initiative) to provide incentives that increase the availability of zero-emission vehicles (ZEV) and near-zero-emission vehicles

(NZEV) vehicles, particularly in disadvantaged and low-and-moderate-income communities.

Bills on related clean vehicle programs

AB 1046 (Ting, 2019) — Would establish the California Electric Vehicle Initiative to provide financial incentives to the market to achieve a statewide deployment of 5,000,000 electric vehicles by December 2030. *This double referred to the Senate Environmental Quality Committee, where is to set to be heard July 3, 2019, and the Senate Transportation Committee.*

AB 193 (Cervantes, Chapter 363, Statutes of 2018) — Requires ARB to establish a Clean Reused Vehicle Rebate Program.

AB 630 (Cooper, Chapter 636, Statutes of 2017) — Establishes EFMP Plus-Up in statute and renames it the Clean Cars 4 All Program.

AB 118 (Núñez, Chapter 750, Statutes of 2007) — Established the EFMP, ARFVTP, and the AQIP.

Assembly Votes:

Floor	75 – 0
Appropriations	17 – 0
Natural Resources	11 – 0
Transportation	14 – 0

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

According to the Assembly Appropriations Committee, “ARB costs of approximately \$180,000 per year (1 PY) to adopt new caps, conduct consumer and dealership outreach, manage customer appeals, and present programmatic changes to the board.

According to the ARB, this bill would be signed after ARB’s normal cycle for funding plan development and, as such, would require additional presentation to the board outside of the normal process.”

POSITIONS: (Communicated to the committee before noon on Wednesday, July 3, 2019.)

SUPPORT:

Coalition for Clean Air
Communities for a Better Environment
Environment California
Natural Resources Defense Council
San Diego Board of Supervisors
The Greenlining Institute
Valley Clean Air Now (Valley CAN)

OPPOSITION:

Alliance of Automobile Manufacturers
California Electric Transportation Coalition
CALETC
CALSTART
Global Automakers

-- END --

SENATE COMMITTEE ON TRANSPORTATION

Senator Jim Beall, Chair

2019 - 2020 Regular

Bill No: AB 317 **Hearing Date:** 7/9/2019
Author: Diep
Version: 6/6/2019
Urgency: No **Fiscal:** Yes
Consultant: Amy Gilson

SUBJECT: Department of Motor Vehicles: appointments: unlawful sale

DIGEST: This bill makes it unlawful for any person to sell, or offer for sale, an appointment with the Department of Motor Vehicles (DMV).

ANALYSIS:

Existing law:

- 1) Specifies that the DMV has the authority to issue and renew driver's licenses and identification cards. (Vehicle Code §1500 et seq.)
- 2) Specifies that, unless otherwise stated, that any violation of the Vehicle Code is an infraction. (VEH §40000.1)
- 3) Set out the fines that shall be assessed for infraction violations of the Vehicle Code, which reach a maximum of \$250. (VEH §42001(a))
- 4) Specifies that, unless the provision or context otherwise requires, a "person" is defined throughout the Vehicle Code as including a natural person, firm, copartnership, association, limited liability company, or corporation. (VEH §100, §470)

This bill:

- 1) Makes it unlawful for any person to sell, or offer for sale, an appointment with the DMV.
- 2) Defines an "appointment" as an arrangement to receive a government service at a specified time.

COMMENTS:

- 1) *Author's Statement.* According to the author, "A company in California has been selling 'expedited appointments' to customers to guarantee appointments with the DMV within 2-3 weeks. Their employees scour the DMV website looking for appointments and then book those appointments under a customer's name by charging them a fee. This company is profiting off a free service that is provided to all Californians. If this inequity is not fixed, the current system allows those with the means to take advantage of a system that is supposed to serve Californians from all economic backgrounds."
- 2) *DMV appointments can be a scarce commodity, but wait times for walk-ins are longer than wait times with an appointment.* DMV appointments may be made either online or by phone for most services, but they may not be available soon or at a time convenient for a customer. For example, as of June 24, 2019, the next available appointment for a REAL ID at the Sacramento DMV office is on September 3, 2019 while in San Diego, there are no appointments currently available within the next 90 days (appointments may only be scheduled up to 90 days in advance).

The DMV's goals are for wait times not to exceed one hour for customers without an appointment or 18 minutes for customers with an appointment. In March, the average wait time for walk-in customers was 56 minutes and 15 minutes for customers with appointments. These figures are down from averages of almost two hours and of 22 minutes, respectively, in August 2018, when unacceptable customer wait times resulted from the DMV's implementation of the federal REAL ID requirements.¹ Since the summer of 2018, when wait times often exceeded several hours, the DMV has improved its performance and reduced those wait times to pre-REAL ID levels, facilitated by significant budget increases.

Overall, appointments can be hard to come by but having one significantly cuts down on wait time.

- 3) *Last-minute DMV appointments offered for a fee.* A company called YoGov advertises last-minute "express" DMV appointments for \$24.99.² While it may be surprising to some that anyone would pay to go to the DMV, their website promises, "we'll find you [an appointment] that's within 2-3 weeks at the latest, guaranteed! We work around the clock to look for last-minute appointment slots

¹ California Department of Motor Vehicles, *Report to the Joint Legislative Budget Committee of the State of California- Department of Motor Vehicles Monthly Status Update Report*, June 3, 2019

² As advertised, <https://yogov.org/dmv-express/>, retrieved June 24, 2019.

and cancellations at your local DMV, and then we snap up the first one we can find on your behalf! The process of finding you an appointment takes 4-7 days on average...”

According to their blog post on their Express DMV Appointments, once they have a customer who has requested an appointment, they (likely a member of their “Philippines team”³) begin manually checking the DMV website “hoping to find a last-minute opening or cancellation” to book under that customer’s name. They imply that they do not book appointments way in advance so that they can cancel it later to create a “last minute” opportunity for a customer. They also say they do not currently use any automation² but, in a recent interview with the CEO, imply that they will.³

YoGov also advertises “DMV Line Concierges” who will wait in line on a customer’s behalf (which would not be affected by this bill), along with a number of other DMV and government-related offerings.

The CEO of YoGov does not believe this bill would prohibit YoGov’s business because, he says, they are offering a service.⁴ The YoGov website states that, our service is the equivalent to having your receptionist or personal assistant check the DMV website.” Regardless, the legislative intent behind this bill is clearly to prohibit entities from charging for the provision of last-minute DMV appointments.

Furthermore, “field office employees described honoring appointments... by driving schools who sell appointments to students after booking blocks of appointments on DMV’s website,”⁵ and this practice by driving schools would also be prohibited by this bill.

Less clear is whether this legislation should prohibit individuals from seeking help or offering help booking a DMV appointment on websites such as Craigslist (the classified advertisements website) or TaskRabbit (which matches freelance labor with local demand for help with chores). However, a quick search of both sites did not yield any DMV related services or products.

³ Davis Baer, *Founder Interviews: Ryder Pearce of YoGov*, Hacker Noon, November 12, 2018 <https://hackernoon.com/founder-interviews-ryder-pearce-of-yogov-2d8e50790b4e>

⁴ Bryan Anderson, *You can pay \$25 to have someone book your DMV appointment, unless this bill becomes law*, Sacramento Bee, January 31, 2019 <https://www.sacbee.com/news/politics-government/capitol-alert/article225349465.html>

⁵ California Department of Finance Office of State Audits and Evaluations, *California Department of Motor Vehicles Performance Audit Report No. 19-2740-032*, March 2019

- 4) *How a prohibition on DMV appointment sales would be enforced and other DMV actions may also weaken appointment selling business.* This bill makes selling a DMV appointment an infraction. Other examples of infractions in the Vehicle Code include jaywalking (VEH §21954) or making an unsafe left-turn (VEH §21801). Given the very different nature of the “appointment selling” infraction, it is not entirely clear how the statute would be enforced. One potential precedent: In 2014, San Francisco’s city attorney ordered the company Monkey Parking to cease and desist from selling city street parking on a mobile app on the legal grounds that this was illegal under city ordinance and constituted an unfair business practice under the Unfair Competition Law (Business and Professions Code §17200), which contains a number of enforcement mechanisms.

The DMV can take additional steps to frustrate the DMV appointment trade including keeping walk-in wait times down; increasing the number of appointments available to better meet demand; and changing the appointment sign-up process to require a unique identifier, such as a driver’s license number, in addition to name and phone number. This last step would stop schools and businesses from reserving multiple appointments to sell to their customers. Each of these has been discussed in the Department of Finance audit of the DMV⁵ and the DMV states that it “is working with its queue system vendor to put in place additional strategies to increase appointment availability... [and] eliminate the ability to make multiple appointments with the same telephone number.”⁶ However, this bill does send a strong message that government services are truly meant to be free to everyone, regardless of income level.

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

This bill makes selling a DMV appointment an infraction. The Assembly Appropriations Committee’s fiscal analysis, below, was for a previous version of the bill, which would have made violations a misdemeanor.

According to the Assembly Appropriations Committee, the fiscal effects of this previous version of the bill were “minor costs, if any, to DMV. Possible ongoing cost pressures in the hundreds of thousands of dollars (Trial Court Trust Fund/GF) for increased court costs, including possible trial costs, given the bill creates a misdemeanor. A defendant charged with a misdemeanor is entitled to a public defender and a jury trial. If 15 new misdemeanors are filed annually statewide and proceed to trial resulting in the use of two days of court time, at an estimated cost

⁶ California Department of Motor Vehicles, *Improving the Department of Motor Vehicles: Work Action Plans*, April 23, 2019.

of approximately \$6,331 for an eight-hour day, the approximate cost to the trial courts is \$189,930.”

POSITIONS: (Communicated to the committee before noon on Wednesday, July 3, 2019.)

SUPPORT:

Allstate Insurance
Teamsters

OPPOSITION:

None received.

-- END --

This bill:

- 1) Authorizes the City of Yuba City and the Counties of Sutter and Yuba, acting jointly with a transportation-planning agency, to develop and file with the California Transportation Commission (CTC) a LATIP to replace a long-stalled state transportation project for a Feather River crossing.
- 2) Provides that the CTC is to have final approval authority of the LATIP, and provides that no LATIP shall be submitted to the CTC after July 1, 2022.
- 3) Directs the proceeds from the sale of properties previously purchased for the state-planned project, less any needed reimbursements and costs to sell the properties, to be allocated by the CTC to fund the LATIP, and exempts these proceeds from north/south split and county share formulas.

COMMENTS:

- 1) *Author's statement.* According to the author, "AB 449 isn't just about transportation; it's also about public safety. During the disaster at Oroville Dam, thousands of people were evacuated from their homes and were forced to flee over gridlocked bridges. AB 449 represents an opportunity to address future traffic issues and avoid a potential catastrophe with a common sense solution. Additionally, this solution is fiscally responsible. The estimate for a new local bridge is approximately \$130 Million, in comparison; the bridge proposed by Caltrans would cost \$175 million, as of 1995. Ultimately, allowing locals to use these funds to pursue an alternative to the state bridge project will result in a cost-effective project that meets local needs, while avoiding the need for the state to fund such a project in the future."
- 2) *Feather River project.* The Feather River crossing project is being proposed by Yuba City and Yuba and Sutter Counties. The project would replace an earlier Caltrans project that the department is no longer pursuing. The state project was proposed to be built at Bogue Road and would have crossed the river to connect to the Feather River Parkway. In anticipation of the project being built, Caltrans purchased approximately 138 acres of property in the 1990's, valued at roughly \$7 million at the time of purchase. Subsequently, Caltrans started the environmental review process for the project but never completed it. An initial value analysis study indicated the cost of the crossing was exceptionally high due to the need to raise the roadway out of the floodplain so that it would provide continuous access during flood events. As a result of this study, Caltrans shelved the project and the project has languished since. Caltrans has determined that most of the property previously purchased for the original

project is excess and is holding on to the properties in anticipation of the local agencies needing them for a locally developed Feather River crossing project.

The proposed locally developed project will consist of Yuba City using the funds from the sale of excess property to acquire the right-of way for a local bridge crossing that will be more cost effective than the original Caltrans proposal. The estimate for a new local bridge is approximately \$130 Million. In 1995, the estimate for a new bridge constructed by Caltrans was \$175 Million.

- 3) *LATIP*. In order for this local project to move forward, Yuba city, in collaboration with the regional transportation agency, the CTC, and Caltrans is required to develop and submit a LATIP for the CTC to approve. The LATIP will serve as the project proposal that, if approved by CTC, will serve as the local alternative plan for the Feather River project and allow for the revenue generated from excess property to be transferred to the project. Similar to previous legislation (see below), this bill provides the authorization to allow the City of Yuba to proceed with developing a LATIP.

RELATED LEGISLATION:

AB 810 (Gallagher, 2017) — nearly identical to this bill was ultimately vetoed by Governor Brown.

SB 416 (Liu, Chapter 468, Statutes of 2013) — directed the revenue from the sale of surplus properties in the SR 710 corridor in Los Angeles County to local transportation improvements.

SB 791 (Corbett, Chapter 705, Statutes of 2008) — authorized the use of revenues from sales of excess properties for projects in the LATIP.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, July 3, 2019.)

SUPPORT:

Yuba City
Yuba County Board of Supervisors
Yuba Sutter Chamber of Commerce

OPPOSITION:

None received.

-- END --

SENATE COMMITTEE ON TRANSPORTATION

Senator Jim Beall, Chair

2019 - 2020 Regular

Bill No:	AB 708	Hearing Date:	7/9/2019
Author:	Frazier		
Version:	7/2/2019 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Amy Gilson		

SUBJECT: Traffic violator schools

DIGEST: This bill sets multiple new requirements on traffic violator schools (TVSs), including the requirement that no TVS shall be located within 50 feet of another TVS, and places cyber security requirements on TVSs.

ANALYSIS:

Existing law:

- 1) Requires the Department of Motor Vehicles to provide a list of licensed traffic violator schools (TVSs) on its internet website. (Vehicle Code (VEH) §11205)
 - a) Specifies that the TVS list shall indicate the modalities of instruction offered and specify the cities where classroom instruction is offered. (VEH §11205)
 - b) Requires the sequential listing of TVSs to be randomized daily. (VEH §11205)
- 2) Requires a court of traffic assistance program, when providing a hard copy list of licensed traffic violator schools to a traffic violator, to provide only a current date-stamped list downloaded from the DMV's internet website and prohibits distributing a list with a date stamp that is more than 60 dates old. (VEH §11205)

Traffic violator schools (TVS) and point masking

- 1) Requires DMV to license TVS to provide traffic safety instruction, either to those who elect to attend or to those who are required to attend, for a violation of the vehicle code. (VEH §11200)

- 2) Provides that completion of TVS may result in the masking of a point and that only one conviction within 18 months will be held confidential. (VEH §1808.7)
- 3) The court may order or permit a person to attend a TVS and shall provide to each person subject to such an order or referral the DMV's current list of licensed traffic violator schools. (VEH §42005)

This bill:*Traffic violator school requirements*

- 1) Requires a TVS to meet all of the following criteria before a license may be issued:
 - a) Maintain an established place of business that is not within 50 feet of another licensed TVS, for which the office or place of business has a separate and enclosed space consisting of a minimum of 100 square feet and having a lockable entry door, and which ensures that two or more licensed TVSS do not shared the same office or place of business.
 - b) Be open to the public and maintain regular business hours Monday to Friday, excluding state and federal holidays. Post business hours on the traffic violator school's internet website.
 - c) Have an operator or employee in the office or place of business during regular business hours who is capable of successfully passing a school audit conducted by the DMV. The operator or employee shall not be an operator or employee of two or more licensed TVSSs.
 - d) Have a name that does not include a cost, price or amount of the TVS course, unless, that name accurately reflects the cost of the course.

Enforcement

- 2) Specifies that a TVS found in violation of the requirements above during a DMV inspection shall have 30 days to correct the violation and that a follow-up inspection shall be made to ensure compliance.
- 3) Requires the DMV to perform a follow up inspection to ensure compliance and, if the violation is not corrected after 30 days, the TVS shall have its license suspended immediately for 45 days and have its name removed from the department's TVS list. For each subsequent violation, the TVS shall have its

license suspended immediately for six months and have its name removed from the DMV's list. The violation shall be corrected before the TVS license is reinstated and its name is reinstated on the DMV's list.

Requirements related to the DMV's TVS list and enforcement

- 4) Requires that the traffic violator school list indicate the school's approved name, its internet website, telephone number, the modalities of instruction offered, and, if applicable, the cities where classroom instruction is offered.
- 5) Prohibits a licensed school from being listed more than once.
- 6) Requires the list to be randomized each time it is accessed.
- 7) Specifies that the approved name of a TVS shall not include a cost, price, or amount of the TVS course, unless that name accurately reflects the cost of the course.
- 8) Specifies that the DMV shall require all licensees and applicants, including owners and operators, to disclose, under penalty of perjury, if they have an ownership in, are part of a corporation, legal partnership, or limited liability corporation relating to, are a corporate officer of, or have a financial ownership in another licensed TVS in California.
- 9) Specifies that any licensee that has or fails to disclose a relationship with another TVS in California shall, for the first violation, have all TVS licenses they hold suspended for a period of one year and be subject to a fine of \$5,000 for each TVS with which the licensee has a relationship. For the second and any subsequent violation, the licensee, after notice and hearing, shall have all TVS licenses they hold suspended for a period of five years and be subject to a fine of \$10,000 for each TVS with which the licensee has a relationship.

Cybersecurity

- 10) Requires the DMV to adopt regulations to ensure that traffic violator schools protect the confidentiality and security of the personal information of all persons participating in a traffic violator school, as specified.

COMMENTS:

- 1) *Purpose.* According to the author, "AB 708 closes a loophole that allows online Traffic Violator Schools to create hundreds of similarly named schools for the

purpose of dominating the DMF referral list and thereby increasing the odds that traffic violators participating in the program will randomly select one of their registered school names. Besides closing this loophole, AB 708 would require all TV schools to meet consumer protection and technology standards and be accredited by a nationally recognized agency”

- 2) *Traffic Violator School.* Traffic violator school is typically offered to a motorist who receives a ticket for a moving violation that is considered an infraction, such as a motorist receiving a speeding ticket. Upon receiving a moving violation ticket, a motorist has the opportunity to attend traffic violator school if they have not received another ticket within 18 months. Completing traffic violator school allows a motorist to mask a point on their driving record which in turn avoids increases in car insurance premiums. Classes may be classroom based, home study (using printed, CDs or other materials) or take an online with costs ranging from \$5 to \$40 per class.
- 3) *TVSs proliferate in order to gain a competitive advantage.* The DMV licenses all TVS. To help people in need find a licensed school, the DMV is required to maintain a list of all licensed TVSs on their website. The vast majority of schools on the list are online. In fact, as June 2019, there were almost three thousand licensed online TVSs. Many of these are redundant listings that exist only to get a competitive edge by flooding the list. For example, there are 500 individually licensed schools with “CLICK OR CALL TO START” in the name. According to the author, “one operator has licensed over 1700 traffic violator schools for the purpose of controlling the DMV list... Typically, these multi affiliated school operators will serve banks of servers in one warehouse that utilize a common phone system and one or two consumer relations representatives answering the phone for the multiple schools.”
- 4) *This bill places additional requirements on traffic violator schools in order to cut down on redundant listing.* This bill prohibits colocation of TVSs, requires that each TVSs office or place of business be in a separate enclosed space of at least 100 square feet with a lockable entry doors, hold regular business hours, and have an operator or employee capable of passing a DMV school audit. It specifies that the operator or employee may not work for more than one traffic school. If found in violation, a TVS has 30 days to correct the violation and, if the violation is not corrected in 30 days, the school has its license suspended for 45 days and its name removed from the TVS list. For each subsequent violation, the license is suspended and name removed from the list for six months. Violations must be corrected before its license is reinstate and name added back on the list. TVS names containing reference to the price of the course would be prohibited, except as specified.

The bill also requires all TVS licensees and applicants, including owners and operators, to disclose to the DMV, under penalty of perjury, if they own or have other financial ties to another licensed traffic violator school in California. Failure to disclose such a relationship results in TVS license suspension for one year and a fine of \$5,000 for each school that was not disclosed. For second and subsequent violations, the suspension is five years and fine \$10,000 for each school. However, the bill does not direct DMV to do anything with this information.

This bill also seeks to improve protection of TVS customer information by requiring the DMV to develop regulations to ensure that TVSs protect the confidentially and security of the personal information, specifically, that they meet current state and federal guidelines as outlined in a specified cybersecurity standard.

- 5) *Is Traffic Violator School Effective?* Some studies have found that there is little difference in the rate of receiving another citation between the drivers who complete traffic violator school and those who do not.
- 6) *Committee concerns*
 - a) *Unnecessary provisions.* While the bill requires TVS owners and operators to disclose their ties to other TVSs under penalty of perjury, and lays out hefty penalties for noncompliance. However, it does not direct the DMV to do anything with that information. Furthermore, it prohibits an operator or employee of a TVS from working for another TVS. Neither of these provisions are necessary in order to limit redundant TVS listings given the office space requirements that block multiple schools from collocating that are also contained in the bill.
 - b) *Punitive measures.* Violations of the requirements on office space, business hours, etc. require DMV to suspend the TVS's license for 45 days for the first offense and six months for the second offense. The author and committee may wish to consider setting these as maxima, giving DMV the discretion to ensure the punishment fits the violation. Furthermore, requiring the DMV to "immediately suspend" a TVS's license may raise due process issues. The bill also prohibits a TVS from using a name that indicates the cost of their course. Notably, it appears the owner of the only TVS in opposition to the bill, Traffic101.com, also owns \$5 Dollar Traffic School.

- c) *Unnecessary to consult with the Department of Technology.* It is not necessary for the DMV to consult with the Department of Technology in order to ensure that the DMV's cybersecurity regulations and guidelines meet or exceed the specified standard. Therefore, the author and committee may wish to consider removing this requirement.

RELATED LEGISLATION:

SB 2499 (Portantino, Chapter 599, Statutes of 2010) — consolidated the licensing of all TVSS under the authority of the Department of Motor Vehicles and treats a violation as a conviction, rather than as a dismissal, if the person attends a TVSS.

Assembly Votes:

Floor	78 – 0
Appropriations	18 – 0
Transportation	14 – 0

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

According to the Assembly Appropriations Committee, "1) One-time costs of \$50,000 to \$100,000 (Motor Vehicle Account) to DMV to adopt regulations and produce or modify forms. 2) Minor, absorbable costs for DMV enforcement."

POSITIONS: (Communicated to the committee before noon on Wednesday, July 3, 2019.)

SUPPORT:

Distance Learning Company
GoodByeTicket.com
Interactive Education Concepts

OPPOSITION:

Traffic101.com

SENATE COMMITTEE ON TRANSPORTATION

Senator Jim Beall, Chair

2019 - 2020 Regular

Bill No: AB 752 **Hearing Date:** 7/9/2019
Author: Gabriel
Version: 6/28/2019
Urgency: No **Fiscal:** Yes
Consultant: Randy Chinn

SUBJECT: Public transit: transit stations: lactation rooms

DIGEST: This bill requires new or renovated multimodal transit stations, as defined, to include a lactation room if the construction begins after January 1, 2021.

ANALYSIS:

Existing law:

- 1) Generally defines commuter rail service, intercity rail, rail transit, and the high-speed rail project.
- 2) Requires large commercial airports, as defined, in California to provide a room separate from a public restroom behind security at each terminal where women can express breast milk in private.
- 3) Requires an employer to provide a reasonable period to accommodate an employee desiring to express breast milk for her infant child.
- 4) Requires an employer to provide an employee with the use of a room or other location, other than a bathroom, in close proximity to the employee's work area, for an employee to express milk in private.
- 5) Federal law requires medium and large hub commercial airports, by federal Fiscal Year 2021, to provide lactation rooms at each passenger terminal that are accessible to the public.

This bill:

Requires new or renovated multimodal transit stations, as defined, to include a lactation room if the construction begins after January 1, 2021.

Defines multimodal transit station to include:

- a) Anaheim Regional Transportation Intermodal Center
- b) Bakersfield Station
- c) Jack London Square Station in Oakland
- d) Los Angeles Union Station
- e) Robert J. Cabral Station in Stockton
- f) Sacramento Valley Station in Sacramento
- g) San Jose Diridon Station
- h) Santa Fe Depot in San Diego
- i) Salesforce Transit Center in San Francisco

Multimodal transit stations also include rail stations that meet all of the following criteria:

- a) Supports intercity rail service or high speed rail service
- b) Serves as a stop or transfer point between intercity rail or high-speed rail and local or regional rail or bus service.
- c) Has a publicly accessible indoor area of at least 5000 square feet and includes a public restroom
- d) Has onsite staff when open

Defines lactation room as a room or other location open to the public to express breast milk in a private and secure location that is apart from a public restroom and has an electrical outlet and a shelf or table.

COMMENTS:

- 1) *Purpose.* According to the author, this bill addresses a fundamental inequity for women who travel by rail or bus by ensuring that new or renovated transit stations provide a safe and adequate lactation space.
- 2) *Congress Did It.* In 2016 Congress passed and President Obama signed the BABIES Act, which requires changing stations in both women's and men's bathrooms in federal buildings. Many states have laws providing lactation space for nursing women at work including New York, Massachusetts, Illinois and Colorado.
- 3) *A Solution.* The cost of meeting this requirement need not be high. A company called Mamava makes stand-alone pods, which satisfy this bill's requirements. These are widely used in airports, including Burbank Airport, and cost about \$25,000.

- 4) *Need.* One way to gauge the need for lactation stations is to consider the usage of lactation stations in similar settings, such as certain Amtrak stations. The committee has not yet received that data.
- 5) *Minor amendment.* The author may wish to consider deleting “all” from the findings, as requiring lactation stations in every transit station would be impractical and potentially wasteful.

RELATED LEGISLATION:

AB 1976 (Limon, Chapter 940, Statutes of 2018) — requires employers to make reasonable efforts to provide an employee wishing to express breast milk in private with an area in close proximity to their workspace that is not a bathroom.

SB 937 (Wiener, 2018) — would have required that all employers provide a space with certain technical specifications for employees with a desire to express breast milk in private. This bill was vetoed in favor of AB 1976.

AB 1127 (Calderon, Chapter 755 of 2017) — requires state and local agencies and specified public facilities, including theaters, restaurants and sports arenas, to install and maintain at least one baby diaper changing station if the building or facility is open to the public.

AB 1787 (Lowenthal, Chapter 634, Statutes of 2014) — requires large commercial airports in California to provide a room separate from a public restroom behind security at each terminal where women can express breast milk in private.

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

From the Assembly Appropriations Committee:

- 1) Unknown, likely minor costs to HSR to include a lactation room in stations. While a lactation room costs money, there are currently no HSR stations. The HSR Authority assumes it could accommodate lactation rooms in the planning of stations, and do so within existing budgets. In addition, HSR indicates it is including lactation rooms in each of the HSR stations it is designing.

- 2) Unknown costs to local transit agencies, likely in the tens of thousands of dollars each. To the extent, the Commission on State Mandates determines these local costs to be reimbursable; the state would incur these costs (General Fund).

Actual local costs will depend, in large part, on the number of transit stations to which this bill applies a determination difficult to make, given the blank space in the current version of the bill. The author's office indicates the bill is to apply to only the largest of transit stations, of which there are few.

POSITIONS: (Communicated to the committee before noon on Wednesday, July 3, 2019.)

SUPPORT:

ACLU
American College of Obstetricians and Gynecologists
California Breastfeeding Coalition
California Teamsters Public Affairs Council
Capitol Corridor
Child Care Law Center

OPPOSITION:

None received.

-- END --

SENATE COMMITTEE ON TRANSPORTATION

Senator Jim Beall, Chair

2019 - 2020 Regular

Bill No: AB 759 **Hearing Date:** 7/9/2019
Author: Bigelow
Version: 6/27/2019 Amended
Urgency: No **Fiscal:** Yes
Consultant: Amy Gilson

SUBJECT: Traffic signals and barriers: work zones

DIGEST: This bill requires the use of two types of devices, automatic flagger assistance devices (AFADs) and truck mounted attenuators (TMA), for all road construction and maintenance work meeting certain specifications.

ANALYSIS:

Existing law:

- 1) Authorizes Caltrans to erect, on any highway, traffic control signals or official traffic control devices restricting the use of specified lanes or portions of the highway. (VEH §21352)
- 2) Authorizes Caltrans or its duly authorized representatives, to, while engaged in the construction of a state highway, restrict the movement of traffic at or near the construction project whenever such work interferes with or endangers the safe movement of traffic through the work. (VEH §21370)
- 3) Requires Caltrans to, after consulting with local agencies and holding public hearings, adopt rules and regulations prescribing uniform standards and specifications for all official traffic control devices in the California Manual on Uniform traffic Control Devices (CA MUTCD). (VEH §21400)

This bill:

Findings and Declaration

- 1) Makes uncodified legislative findings and declarations that it is a high priority to ensure a safe working environment for the people who construct and maintain California's transportation infrastructure and that the use of AFADs and TMAs will greatly reduce preventable injuries and deaths of these workers.

AFADs

- 2) Defines an AFAD as a trailer-mounted official traffic control signal, as specified in the manual on Uniform Traffic Control Devices.
- 3) Requires an AFAD to be used at both ends of the single lane of traffic any time the traffic on a two-way street or highway is routed to become a single lane through which two-way traffic alternatives and the allowable speed limit is 40 miles per hour or more except:
 - a. When a peace officer is performing traffic control at the scene of an accident.
 - b. When Emergency roadwork is being conducted for two hours or less to clear an impediment to driving on a street or highway, such as a fallen tree.
- 4) Requires that the cost of an AFAD be included as a separate line item in any bid for work that would require its use in compliance.

TMAs:

- 5) Defines a "TMA" as an impact attenuator that reduces damage resulting from a motor vehicle collisions by absorbing kinetic energy and is attached to a truck tractor, semi-trailer, trailer, or special construction equipment, as specified in the Manual on Uniform Traffic Control Devices.
- 6) Requires a TMA to be used any time work is conducted on the State Highway System along the highway shoulder or near a closed highway lane. (See SHC §230)
- 7) Requires the TMA to be placed a minimum of 100 feet from a work zone.
- 8) Provides that the TMA shall be designed to do all of the following:
 - a. Protect workers in a work zone from an impacting motor vehicle.
 - b. Reduce impact severity for occupants of the impacting vehicle.
 - c. Reduce impact severity for occupants of a support motor vehicle.
 - d. Reduce or eliminate damage to a support motor vehicle.
- 9) Requires the Department of Transportation (Caltrans) to develop regulations for the placement of multiple truck-mounted attenuators to ensure maximum safety near work zones.

- 10) Requires the cost of a TMA to be included as a separate line item in any bid for work that would require its use in compliance with this article.

Violations

- 11) Specifies that a violation of the bill's provisions is not a crime (otherwise, by default, a violation of the Vehicle Code would be an infraction).

COMMENTS:

- 1) *Author's statement.* "AB 759 would ensure road worker safety through the mandated use of Automated Flagger Assistance Devices for single-lane road closures, and Truck Mounted Attenuators for highway project lane closures. These important pieces of technology create a safety barrier to block a vehicle's entry to work zones, and the flagger devices shield workers from harm and include bright 12" red LED lights that are visible in all conditions. It is operated electronically from a safe location, significantly decreasing the terrifying work zone dangers that come from risky drivers."
- 2) *The road can be a dangerous place to work.* Over 300,000 miles are driven every year on California's network of highways and local streets and roads, consisting of almost 400,000 lane-miles of pavement and over 25,000 bridges.^{1,2} The workers who construct and maintain these roads face numerous hazards. The leading cause of workplace fatalities at road construction sites is being struck by vehicles and equipment. From 2007-2016, there were 45 work zone worker fatalities in California, of which 15 were Caltrans workers.³ In 2017, the National Work Zone Safety Information Clearinghouse reports that there were 46 work zone fatal crashes resulting in the deaths of two workers in California, slightly below the 2017 national average.

This bill deals, in part, with the specific dangers workers face when serving as flaggers, controlling traffic through a work zone using flags, signs or gestures. Caltrans workers have sustained 45 injuries during flagging operations from 2009 through June 2019. Five of those involved a Caltrans worker being struck by or avoiding an errant vehicle, with one of those five a fatality. Additionally, they have recorded 10 close call/near misses involving flagging since 2011. The figures do not include any injuries or deaths to flaggers not employed by

¹ U.S. Department of Transportation Federal Highway Administration, *Highway Statistics 2017*, 2017

² California Legislative Analyst's Office, *California's Transportation System*, June 2018

³ Caltrans, *Worker Fatality Statistics*, Retrieved April 26, 2019

<https://web.archive.org/web/20190426185015/http://www.dot.ca.gov/paffairs/workersmemorial/worker-fatality-statistics.html>

Caltrans.

- 3) *With funding now available from SB 1, California will see increased road work in the coming years.* Maintaining existing driving infrastructure is one of the key transportation issues facing the state and local governments. SB 1 (Beall, Chapter 5, Statutes of 2017), the Road Repair and Accountability Act of 2017, provides the first significant, stable, and ongoing increase in state transportation funding in more than two decades. Each year, \$1.8 billion will be invested in maintenance and rehabilitation of the State Highway System and \$1.5 billion to repairing local streets and roads. Over all, the state has set the goal of repairing or replacing 17,000 miles of pavement; 7,700 signals, signs, and sensors; and 500 bridges. It is crucial for California to ensure safe working conditions for the workers putting in the labor to achieve these goals.

Road work safety standards are set by Caltrans and local authorities. Under current law, standards, guidance, and specifications dealing with safety during road construction and maintenance are contained in documents and specifications maintained by Caltrans and, to some extent, local authorities. These include the California Uniform Traffic Control Devices (CA MUTCD) Manual, which contains statewide standards and specifications for traffic control devices (for example, signs and lane stripes as well as AFADs and TMAs); standard specifications, which contain requirements for contractors; and the construction and maintenance manuals, which provide guidance to Caltrans staff on how to manage the construction or maintenance phase of projects.

Together, these extensive documents should be rigorous enough to require a high degree of safety and quality, specific enough to adequately address a wide variety of situations, and flexible enough for engineers to apply experience and judgment to the unique circumstances of their projects. The Committee is not aware of any similar requirements on the road construction and maintenance in statute. However, the sponsors of the bill, Pacific Highway Rentals and the California State Council of Laborers, argue that this existing structure has not done enough to protect workers doing road construction and maintenance.

- 4) *This bill focuses on two related road work scenarios where the author and sponsors of the bill argue legislation is necessary to protect workers. As solutions, it would mandate use of particular technologies. This mandate would apply across all road construction and maintenance work in the state, whether performed by Caltrans or local authorities.*

- a) *Moving human flaggers away from traffic.* This bill aims to decrease risk to workers directing (flagging) the two-directional traffic that must alternate through a single available lane when one lane of a two-lane road is closed for construction or maintenance by instead mandating the use of remote controlled flaggers. The CA MUTCD contains standards, specifications, and guidance for human flaggers, including training qualifications, high-visibility safety apparel and hand-signaling devices. It also sets standards and guidance for the use of automatic flagger assistance devices (AFADs), which are designed to be remotely operated by flaggers who is position outside the lane of traffic. The CA MUTCD authorizes, but does not mandate, the use of AFADs. Should a state or local agency elect to use AFADs, guidance in the CA MUTCD states that they should adopt a policy, based on engineering judgement, governing AFAD applications and that “the policy should also consider more detailed and/or more restrictive requirements for AFAD use, such as the following:… Volume criteria, Fail safe procedures, and Additional signing and pavement markings.” The bill does not account for the possibility that use of AFADs may not be feasible at some work zones, where there is no shoulder or where it would block pedestrian or bicycle facilities, for example. The AFAD mandate contained in this bill would only apply to roads with a normal speed limit above 40 miles per hour (during this type of road work, the traffic might be slowed down to 25 mile per hour before reaching the work zone), would exempt the scene of an accident where a peace officer is performing traffic control, and exempt emergency road work being conducted for two hours or less to clear an obstruction, such as a fallen tree, from the road. It would also require AFADs to be included as a separate line item in any relevant bid for work, which the sponsors argue is necessary to ensure contractors do not have to swallow the cost of the using device.
- b) *Setting a barrier between workers and traffic.* This bill aims to improve safety in work zones on a highway shoulder or near a closed highway lane by requiring truck mounted attenuators (TMAs) be used to create a physical barrier between workers and traffic. TMAs are designed to safely absorb the impact from errant vehicles while blocking them from entering the work zone. Currently, Caltrans specifications require contractors to use TMAs for setting and removing stationary lane closures on freeways and expressways. TMAs are also required for all moving lane closures used for construction activities, such as, pavement striping. This bill will greatly expand TMA use by requiring them for any work along a highway shoulder or near a closed highway lane. Furthermore, it appears to require multiple TMAs (Caltrans “shall develop regulations for the placement of multiple TMAs to ensure maximum safety near work zone”) and to require them

regardless of the speed limit on the highway (e.g. including on highways with speed limits below 40 miles per hour passing through an urban center). Where a road is completely closed to traffic for road work, this bill would still require a TMA be present if work is being done in the shoulder. As with AFADs, this bill would also require these TMAs to be included as a separate line item in any relevant bid for work. Where one lane of a two-lane state highway is closed, it would appear to require use of both AFADs and TMAs.

5) *Caltrans is developing or has released a number of relevant safety measures.*

Regarding AFADs, Caltrans has piloted and troubleshot a number of designs and is preparing to issue new AFAD specifications that would authorize a Caltrans district to require use of AFADs and, otherwise, would require the cost of AFADs be covered by Caltrans if a contractor requests them. Caltrans is developing and implementing safety enhancements related to the use of physical barriers to protect workers including piloting the use of empty “buffer lanes” between moving traffic lanes and work zones in certain conditions; specifying the use of TMAs under certain conditions and when it is not possible to set up a buffer lane; and expanding use of various types of barriers, such as concrete barriers.

6) *Committee concerns.*

a) *What is the best way forward?* This bill is a recent gut and amend. The Committee has not heard any stakeholders dispute that safety in the scenarios dealt with in the bill can and should be improved, nor that technologies such as AFADs and TMAs may be useful in this pursuit. The sponsors point to experience and common sense to support their approach. However, given the short timeline, the Committee also has not been provided with objective information demonstrating the problem, that the bill contains the right solution, or making the case that this is the place where intervention is most needed. Given the significant investment this bill would require, investment that could not be made in other safety initiatives, it is reasonable to ask how we know this is the best way forward.

b) *A blanket requirement and not technology neutral.* Caltrans manuals and specifications are extensive technical documents designed for providing for the many situations that must be anticipated during road construction and maintenance as well as for professional discretion. The sponsors argue that too much discretion leads to important safety measures left on the cutting room floor. However, this bill may have the unintended consequence of mandating use of AFADs and TMAs in situations where their use is infeasible (e.g. no space for the device), unneeded (e.g. use of TMAs on

highways with speed limit below 40 miles per hour), or not the right solution (e.g. where a more permanent barrier or closing the entire road could be a better option than a TMA). Furthermore, rather than setting a technology-neutral safety standard, this bill selects winners by presupposing that AFADs and TMAs are the best technologies in all cases and eliminates the possibility of using new technologies without statutory change.

c) *What would it actually take to implement these provisions?* The mandates in this bill apply to all road construction and maintenance work in the state, whether performed by Caltrans or local authorities. There may not be enough AFADs and TMAs in the state to cover all the projects for which they would be required when this bill would go into effect January 1, 2020. Project already begun or for which contracts have already been signed would need to identify available AFADs and TMAs before proceeding. Without the required AFADs and TMAs work would stop. Caltrans currently has around 850 contracts and anticipates that most of the contracts would be impacted by the proposed TMA requirement.

7) *Committee amendments.* In order to address committee concerns, the author and committee may wish to amend the bill to remove its contents and instead (1) direct Caltrans to, by a given date, update appropriate guidance to require the use of traffic control devices to physically isolate workers or the work zone from traffic, whether through distance or positive barriers, in a manner that ensures cost of using these devices is included in contracts, (2) require Caltrans to submit a report to the Legislature with findings and recommendations on the use of these traffic control devices, (3) sunset the bill's provisions.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, July 3, 2019.)

SUPPORT:

None received.

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION

Senator Jim Beall, Chair

2019 - 2020 Regular

Bill No:	AB 833	Hearing Date:	7/9/2019
Author:	Lackey		
Version:	6/25/2019 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Manny Leon		

SUBJECT: Parking penalties

DIGEST: This bill makes clarifying changes to the payment plan program for parking violations that local entities may implement, as specified.

ANALYSIS:

Existing law:

- 1) Defines a processing agency as the contracting party responsible for the processing of the notices of parking violations and notices of delinquent parking violations.
- 2) Authorizes a processing agency, after completing specified collection efforts, to file an itemized list of unpaid parking penalties and fees with the DMV, so that the DMV can collect the unpaid fines when the owner registers or renews the vehicle's registration.
- 3) Prohibits a processing agency, starting on July 1, 2018, to collect on unpaid parking penalties for tickets by filing an itemization of unpaid parking penalties and service fees with DMV for collection with the registration of a vehicle, unless the agency provides a payment plan option for indigent people, as defined, that:
 - a) Allows unpaid parking fines to be paid off in monthly installments of no more than \$25 for total amounts due that are \$300 or less, in a period within 18 months. No prepayment penalty for paying off the balance prior to the payment period may be assessed.
 - b) Waives all late fees and penalty assessments, exclusive of any state surcharges, as defined, if an indigent person enrolls in the payment plan.

Waived late fees and penalty assessments may be reinstated if the person falls out of compliance with the payment plan.

- c) Limits the processing fee to participate in a payment plan to \$5 or less for indigent persons and \$25 or less for all other persons. The processing fee may be added to the payment plan amount at the discretion of the payee.
 - d) Allows the application for indigency determination for a period of 60 calendar days from the issuance of a notice of parking violation, or 10 days after the administrative hearing determination, whichever is later.
- 4) Requires a processing agency to allow a registered owner or lessee who falls out of compliance with a payment plan a one-time extension of 45 calendar days from the date the plan becomes delinquent to resume payments before the processing agency files an itemization of unpaid parking penalties and service fees with DMV.
 - 5) Requires a processing agency to include on the notice of parking violation and its public website information regarding its payment plan option, and a Web page link and telephone number to more specified information.

This bill clarifies that late fees and/or penalty assessments associated with parking violations are not to be calculated into the \$300 programmatic cap for a local entity's payment installment plan.

COMMENTS:

- 1) *Author's statement.* According to the author, "AB 833 is a clean-up measure to last year's AB 2544, to ensure that late fees and penalty assessments are not counted in determining a person's eligibility for the payment plan establish by AB 503 (2017)."
- 2) *Spiraling Debt.* The cost of being late or being unable to pay a parking ticket on time can easily spiral out of control for an indigent person. An unpaid parking ticket can accrue multiple cycles of late fees. Local agencies are authorized to file unpaid tickets with the DMV, which can require payment in full for unpaid parking tickets when the vehicle owner renews their vehicle registration. However, if someone were unable to pay their parking tickets, then they are unlikely to be able to pay their vehicle registration, which means additional late fees and additional fines for driving an unregistered vehicle. In 2017, the Legislature passed and the Governor signed AB 503 (Lackey, Chapter

741, Statutes of 2017), to break this cycle of debt and require agencies to provide indigent people a payment plan for unpaid parking tickets that also waives late fees, prior to asking DMV to collect their unpaid parking debt, starting on July 1, 2018. In 2018, AB 2544 (Lackey, Chapter 494, Statutes of 2018) was enacted as follow up measure to clarify when local entities are to start implementing the payment plan options.

The provisions specified in this bill serve as additional clarifying measures. The author points to incidents in several cities where an individual did not qualify for the payment installment plan pursuant to AB 503 due to their late fees and penalties being incorporated into the total amount in turn exceeding the \$300 threshold. The author notes that the incorporation of both late fees/penalties and the base citation fee was not the intent when developing the payment installment plan and may in fact be disqualifying individuals who want to enroll in the plan. As a result, the author introduced this bill remedy this interpretation issue and to provide clarification as to what should be calculated towards qualifying for the payment installment plan.

RELATED LEGISLATION:

AB 2544 (Lackey, Chapter 494, Statutes of 2018) — Clarified that processing agencies, beginning on July 1, 2018, are required to provide a payment plan and waiver of late fees to indigent persons before they are able to send an itemization of unpaid parking penalties to the Department of Motor Vehicles regardless of whether the tickets were issued before or after July 1, 2018.

AB 503 (Lackey, Chapter 741, Statutes of 2017) — required the offering of a payment plan and the waiver of penalties for indigent people with unpaid parking tickets prior to filing an itemization of them at the DMV, starting on July 1, 2018.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, June 3, 2019.)

SUPPORT:

None received.

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION

Senator Jim Beall, Chair

2019 - 2020 Regular

Bill No:	AB 1025	Hearing Date:	7/9/2019
Author:	Grayson		
Version:	3/26/2019		
Urgency:	No	Fiscal:	Yes
Consultant:	Manny Leon		

SUBJECT: Transportation: California Transportation Commission: San Ramon Branch Corridor: reimbursement

DIGEST: This bill makes various changes to funding obligations relative to the Iron Horse Regional Trail and further makes changes to Iron Horse Trail Corridor Management Program Advisory Committee, as specified.

ANALYSIS:

Existing law:

- 1) Establishes the California Transportation Commission (CTC) and provides that it is responsible for programming and allocating funds for the construction of highway, passenger rail, transit, and active transportation improvements throughout California.
- 2) Directs CTC to advise and assist the Secretary of Transportation and the Legislature in formulating and evaluating state policies and plans for transportation programs in the state.
- 3) Creates the Public Transportation Account as the successor fund to the Transportation Planning and Development Account (TD&PA) and provides that the funds in the account are only available for transportation planning and mass transportation purposes.

This bill:

- 1) Relinquishes the state's rights to reimbursement established pursuant to the following CTC allocation resolutions:
 - a) Resolution MT-83-16 (December 17, 1982);
 - b) Resolution MT-86-1 (September 1985); and
 - c) Resolution MT-87-2 (July 1986).

- 2) Requires Contra Costa County to revise the bylaws of the Iron Horse Corridor Management Program Advisory Committee to:
 - a) Include a seat for a Contra Costa Transportation Authority (CCTA) representative;
 - b) Consider proposals to study new and emerging mobility modes and technologies in the corridor; and
 - c) Recommend a framework for acting on the proposals.
- 3) Includes legislative findings and declarations related to the reasons why the state should not seek reimbursement for the allocations.

COMMENTS:

- 1) *Author's statement.* According to the author, "AB 1025 removes the obligation for Contra Costa County to reimburse the state for Transportation Planning and Development Account (TP&D) grants used to develop the Iron Horse Regional Trail. It will also require the County to include a representative from the Contra Costa Transportation Authority (CCTA) on the Iron Horse Trail Corridor Management Program Advisory Committee. AB 1025 recognizes Contra Costa County's continued investment in multi-modal pathways along the San Ramon Branch Corridor, and allows the County to continue planning to maximize the Iron Horse Regional Trail's benefits for constituents in the Bay Area."
- 2) *San Ramon Branch Corridor.* Back in the 1980s, CTC provided Contra Costa County three separate allocations for the San Ramon Branch Railroad Line from the Transit Capital Improvement Abandoned Railroad Right-of-Way Program, which was funded from the TD&PA for potential transit services along the corridor. These allocations totaled roughly \$10.6 million. Each of the resolutions related to these allocations included the following language, "If Contra Costa County does not identify by June 30, 1989, a specific project for constructing a busway or exclusive mass transit guideway that uses the San Ramon Branch corridor, the County shall reimburse the State." Following extensive study and citizen input, Contra Costa County determined that constructing a busway or exclusive mass transit guideway that uses the San Ramon Branch corridor was infeasible.
- 3) *Iron Horse Regional Trail.* The developed Iron Horse Trail begins in Concord near Highway 4. This multi-use, whole-access trail between the cities of Concord and Pleasanton follows the Southern Pacific Railroad right-of-way established in 1891 and abandoned in 1978. The completed Iron Horse Regional Trail spans a distance of 32 miles. The trail connects residential and

commercial areas, business parks, schools, public transportation (BART, County Connection), open space and parks, regional trails, and community facilities

Starting in Concord, the trail runs south through Walnut Creek and crosses eastward under I-680 at Rudgear Road near a Park & Ride. From there the trail passes through a rural/residential area to connect with downtown Alamo and the Alamo Square shopping center. Continuing south, the trail follows a greenbelt through residential areas and into downtown Danville. From Danville, the trail continues across Danville Boulevard, passes back under I-680, and continues south past Pine Valley Road to the county line in San Ramon extending to the Dublin/Pleasanton BART and further on to Shadow Cliffs Regional Recreation Area.

- 4) *Reimbursements.* Under existing law, Contra Costa County remains obligated to reimburse the state due to the County's decision to not build a mass transit gateway. While the original grants were intended for the purpose of pursuing the development of a transit system, multiple studies conducted by local agencies in the region found that the San Ramon Branch Corridor was not a good fit for transit. However, on the other hand, the right-of-way that the money purchased has in fact been put to public use and is providing significant public benefit by serving as a multi-use whole access trail. Additionally, it appears it is the intent of Contra Costa County to continue to preserve this right-of-way as a multi-use trail within this corridor. Thus, as a result, after thorough study within this corridor and the ultimate development of a multi-use trail, it is within reason to relinquish Contra Costa County's funding obligations and preserve the County's commitment by designating a board seat to CCTA on the Iron Horse Trail Corridor Management Program Advisory Committee.

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

Assembly Votes

Floor: 78-0

Approps: 18-0

Trans: 15-0

POSITIONS: (Communicated to the committee before noon on Wednesday, July 3, 2019.)

SUPPORT:

Contra County Board of Supervisors

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION

Senator Jim Beall, Chair

2019 - 2020 Regular

Bill No:	AB 1046	Hearing Date:	7/9/2019
Author:	Ting		
Version:	6/20/2019		
Urgency:	No	Fiscal:	Yes
Consultant:	Randy Chinn		

SUBJECT: Air Quality Improvement Program: California Electric Vehicle Initiative

DIGEST: This bill requires the California Air Resources Board (ARB) to develop a plan to provide for the continuous funding of a program with a goal of supporting deployment of 5 million electric vehicles by December 2030 and authorizes the Treasurer to securitize the revenues the identified revenue streams.

ANALYSIS:

Existing law:

- 1) Establishes the Global Warming Solutions Act of 2006, (AB 32 Núñez, Chapter 244, Statutes of 2006) that requires ARB to establish programs to reduce greenhouse gas (GHG) emissions to 1990 levels by 2020.
- 2) Requires, pursuant to SB 32 (Pavley, Chapter 249, Statutes of 2016), that ARB ensure that statewide GHG emissions are reduced to at least 40 percent below 1990 levels by 2030.
- 3) Establishes the Air Quality Improvement Program (AQIP), administered by ARB, to fund programs that support the production, distribution, and sale of alternative fuels and vehicle technologies, as well as air emissions reduction efforts. One primary program adopted by ARB pursuant to the AQIP is the Clean Vehicle Rebate Project (CVRP).
- 4) Establishes the Charge Ahead California Initiative pursuant to SB 1275 (de León, Chapter 530, Statutes of 2014), that, among other things, includes the goal of placing at least one million zero-emission vehicles (ZEVs) and near-zero-emission vehicles (NZEVs) into service by January 1, 2023, and increasing access to these vehicles for disadvantaged, low-and- moderate-income communities and consumers.

This bill:

- 1) Requires the California Air Resources Board (ARB) to develop a plan to provide for the continuous funding of a program to provide financial incentives for electric vehicle (EV) purchases with a goal of supporting deployment of 5 million electric vehicles by December 2030.
- 2) Prohibits funds recovered from ratepayers of electric or gas utilities to be part of the funding.
- 3) Authorizes the Treasurer, upon request by ARB and approval by the Director of the Department of Finance, to securitize the revenues identified in the funding plan. If the revenues are securitized, the rebate structure shall begin at not more than \$7,500 per vehicle declining to zero, and be designed to support the deployment of 5 million ZEVs by December 2030.
- 4) Does not provide the ARB with new authority to establish new revenue sources.

COMMENTS:

- 1) *Author's Statement.* This bill requires ARB to conduct annual market forecasting for the State's progress toward ZEV deployment goals, and consider modifications to the CVRP to meet those goals. The basic flat rebate structure of the CVRP has not been revised for more than five years, while the ZEV market has dramatically changed. This bill would attempt to focus the CVRP on pushing ZEV deployment in the State closer to a sustainable consumer market.
- 2) *Like the California Solar Initiative (CSI).* The program established by this bill resembles the structure of the CSI. This program was created in 2006 to provide long term, declining subsidies for the installation of solar energy systems with a goal of making solar energy competitive without further government subsidy. This program has been largely successful as the explicit state subsidy for solar energy systems has lapsed and those systems are now fairly competitive, the credit must be shared with a similar federal subsidy program and a global effort to produce and deploy solar panels. The CSI was funded from electricity rates and cost about \$3 billion.
- 3) *Many Programs Aim to Reduce Transportation GHG Emissions.* Over the years, California has established a number of policies, goals, and programs to improve air quality and reduce GHG emissions. Most notably, AB 32

established the goal of reducing GHG emissions to 1990 levels by the year 2020 and, more recently, SB 32 established the more aggressive goal of reducing emissions 40% below 1990 levels by 2030. Below are the most important of the many transportation programs established to accomplish these goals:

- a) *CVRP* — The CVRP provides rebates to consumers in order to promote the production and use of ZEVs and NZEVs, specifically for new plug-in hybrid electric vehicles (PHEV), battery electric vehicles (BEV), or fuel-cell electric vehicles (FCEV). CVRP provides higher rebate levels for lower-income consumers according to the following table:

Income Category	PHEV	BEV	FCEV
Standard Rebate	\$1,500	\$2,500	\$5,000
Rebate for Lower-Income Consumers	\$3,500	\$4,500	\$7,000

Source: California Air Resources Board

The CVRP is the largest of the transportation related programs, having spent over \$850 million cumulatively through fiscal year 2018-19, and \$238 million in the 2019-20 budget, to promote the production and use of ZEVs and NZEVs.

- b) *Federal EV and ZEV rebates* —The federal government provides a substantial tax credit for new battery electric and plug-in hybrid EVs which are much higher than the CVRP rebates, ranging from \$2,500 - \$7,500, depending on the capacity of the EV’s battery. This rebate phases out when a manufacturer has reached certain sales thresholds, which has happened to several leading EV sellers.
- c) *Low Carbon Fuel Standard (LCFS)* — The ARB has established the LCFS which is designed to encourage the use of cleaner low-carbon fuels in California, encourage the production of those fuels, and therefore, reduce greenhouse gas emissions. Through revenue derived from the LCFS, electric and natural gas utilities fund a rebate program for EVs which currently provides up to \$800 for PG&E customers and up to \$1000 for Southern California Edison customers.
- d) *Alternative and Renewable Fuel and Advanced Vehicle Technology Program (ARVTP)* — this \$100 million per year program mostly funds fuel research and infrastructure, but a portion of the funding has gone to ZEV and NZEV vehicle deployment.

- e) *Enhanced Fleet Modernization Program (EFMP) and the EFMP Plus-Up* — At about \$30 million annually, the EFMP programs are much smaller than the CVRP. These programs encourage low-income drivers to retire their older, high emitting vehicles and replace them with newer, cleaner, more fuel efficient vehicles.
 - f) *ZEV Regulation* — The ZEV regulation requires large volume and intermediate volume vehicle manufacturers that sell cars in California to produce ZEVs and NZEVs. In general, the ZEV regulation requires that 15 percent of new car sales be ZEVs by 2025. This target is intended to achieve 1.5 million ZEVs on the road by 2025 as directed under Governor Brown's Executive Order B-16-2012. This regulation has been threatened by the U.S. Environmental Protection Agency.
 - g) *Carpool Stickers* — the most effective non-cash incentive for purchasing EVs and ZEVs is their eligibility for a carpool sticker.
- 4) *A Potentially Enormous Price Tag.* Making ZEVs competitive without government subsidies is appealing, but the cost could be high. California has roughly 600,000 ZEVs on the road today, the vast majority of which are electric. Therefore, an additional 4,400,000 ZEVs need to be sold to get to 5 million. Assuming the rebate starts at \$7500 per vehicle and declines on a straight line basis to zero, the total rebate needed is \$16.5 billion. The actual necessary rebate will depend heavily on the size and availability of a federal rebate, if any, as well as the impact of the many other programs mentioned above. The availability, price and attractiveness of new ZEV models will also have a primary influence on rebate levels.
- 5) *Continuous Appropriation/Legislative Review?* The bill provide ARB with no new authority to establish new revenue sources. So where will the additional funding come from? It has to come from ARB's existing authority: For example, ARB could increase the minimum price for cap and trade allowances, raising new GGRF funds. By requiring establishment of a continuous funding plan, this bill directs the ARB to implement a potentially multi-billion dollar program without legislative review and approval. It also allows ARB to make CVRP funding a permanent priority for GGRF funding crowding out other potentially worthy investments. While this may be the best use of GGRF funding, the legislature may want to first review the proposal in the context of other potential uses. The legislature may also want to consider the merits of the taxpayer-neutral financing option described in the bill. Alternatively, the ARB

could be required to hold public hearings and report to the legislature before implementing their program.

- 6) *I'll Gladly Pay You Tuesday* The bill contemplates financing a stream of ARB-derived revenues to provide up-front funding for the CVRP rebate program. Creating the legal framework to assure lenders of repayment, which is necessary for securitization, requires detailed legislation guided by bond counsel. (See, for example, SB 6 (Burton; Chapter 10 of the First Extraordinary Session of 2001) or SB 31 (Burton; Chapter 9 of the First Extraordinary Session of 2001), which authorized revenue bonds to help California get through the electricity crisis.) This bill does not provide the necessary assurance.
- 7) *Leaving Out an Option.* The bill prohibits the use of any funds from electric or gas customers. This is inconsistent with existing law which establishes state policy to encourage transportation electrification, and instructs the California Public Utilities Commission (CPUC) to direct electric utilities to create programs to accelerate widespread transportation electrification (see SB 350; DeLeon – Chapter 547 of 2015). This has so far resulted in substantial investment in EV charging infrastructure by the utilities. Given the enormous funding required to meet the goals of this bill, it seems unwise to rule out a potentially substantial funding source. The author may wish to consider deleting this prohibition, instead leaving it available as an option for the ARB to consider.
- 8) *Look at All the Moving Parts.* As noted above, the CVRP is only one of several programs which supports ZEVs. Meeting our ambitious ZEV goals will require a focused and coordinated effort among all programs and agencies. A reasonable determination of the necessary funding level for the CVRP program must also consider the impact of the many other programs designed to help achieve the same goal. If, for example, the federal rebate went away, the CVRP would need to increase. If the utility rebate from the LCFS increases the CVRP could be lower. The author may wish to ensure that the ARBs effort considers the effect of these other programs.
- 9) *No Charging, No Cars.* The California Energy Commission (CEC) has determined that California will need 250,000 EV charging stations to service 1.5 million ZEVs. (There is no estimate for the number needed to service 5 million ZEVs.) Currently California has about 18,000 charging stations installed, many of which have been heavily subsidized. Meeting the ZEV targets will not be possible without adequate numbers of charging stations. It is conceivable that most of the remaining 232,000 charging stations will require a significant public subsidy, especially given California's commitment to provide

ZEV access to disadvantaged communities. While the CEC will be determining the gap in available EV charging stations, no entity in state government has the responsibility for developing plans and implementing a program for closing that gap. This bill leaves this crucial element unaddressed, though it should be covered in the study required in the 2019-20 budget (see comment 11).

- 10) *Uncertain Funding.* Supporters note that the CVRP has run out of funding mid-year, creating uncertainty among potential buyers and lessening the effectiveness of the program. This is a self-inflicted wound as the state budget often provides insufficient funds for the program. For example, the ARB estimates that it will need \$400 - \$500 million to meet the CVRP needs through September 2020, well exceeding the \$238 million in the recently enacted budget. There are several ways to deal with this shortage in the near-term short of providing continuous funding, such as appropriating sufficient funding in the budget, directing supplemental funds from other programs (such as the ARFVTP) or providing for a contingency fund in the GGRF.
- 11) *The Budget Funds a Similar Study.* The 2019-20 budget provides \$1.5 million to the Secretary of the Environmental Protection Agency to “identify strategies that significantly reduce emissions from vehicles and to achieve carbon neutrality in the sector, including the transition to zero-emission light-duty vehicles, in particular passenger vehicles, the transition to zero-emission heavy vehicles, and the adoption of other technology to significantly reduce the emissions from heavy vehicles, the role of alternative fuels, and the impact of land use policies.” The results of this broader study should inform ARB’s CVRP analysis.
- 12) *Almost Exclusively Electric.* For passenger vehicles, the major auto manufacturers are focusing on electric vehicle technology, rather than hydrogen, which is the other ZEV technology. Volkswagen has announced a goal of producing 3 million EVs annually by 2025, GM plans 20 new EV models by 2023 and Toyota expects half of the vehicles it sells will be electrified by 2025. The consumer preference for electric vehicles is evident: California has about 100 times more light duty EVs on the road than light duty hydrogen vehicles. This raises the question of whether California should focus its efforts exclusively on EVs in the light duty vehicle sector.
- 13) *Senate Environmental Quality Committee Hearing and Resulting Amendment.* This bill was approved by the Senate Environmental Quality Committee on July 3, 2019. In that hearing opponents raised concerns that the bill authorized the use of “feebates”, which are a sliding scale of charges which are higher to discourage the purchase of disfavored vehicles and lower, or even negative, to

encourage the purchase of favored vehicles. In the aggregate no additional revenue would be raised. The author has agreed to amend the bill to prohibit the use of feebates for purposes of the CVRP. **The author and committee may wish to amend the bill in this committee to reflect this.**

RELATED LEGISLATION:

SB 350 (De Leon; Chapter 547 of 2015) — Requires the CPUC to direct investor-owned utilities to propose investments to accelerate widespread transportation electrification in order to reduce greenhouse gas emission to 40% below 1990 levels by 2030.

SB 1275 (De Leon; Chapter 530 of 2014) — Establishes a goal of 1 million ZEVs and near-ZEVs by January 1, 2023, requires the CVRP to reduce rebates annually based on cumulative sales, establishes programs to increase access to ZEVs for disadvantaged communities.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, July 3, 2019.)

SUPPORT:

- Advanced Energy Economy
- California Interfaith Power and Light
- Community Action to Fight Asthma
- Electric Vehicle Charging Association
- Indivisible Marin
- NextGen California
- Orinda Progressive Action Alliance
- Silicon Valley Leadership Group
- Tesla
- 350 Bay Area Action

OPPOSITION:

- Auto Alliance
- Bioenergy Association of California
- California Advanced Biofuels Alliance
- California Business Roundtable
- California Chamber of Commerce

California Fuels & Convenience Alliance
California Independent Petroleum Association
California Natural Gas Vehicle Coalition
Californians for Affordable and Reliable Energy
Clean Energy
Global Automakers
Industrial Environmental Association
National Propane Gas Association
San Gabriel Valley Economic Partnership
Trillium
TruStar Energy
Western Propane Gas Association
Western States Petroleum Association

This bill makes parking spaces served by electric vehicle (EV) charging equipment count as a standard parking spaces for purpose of complying with any applicable minimum parking requirement established by a local jurisdiction.

COMMENTS:

- 1) *Author's Statement.* AB 1100 better aligns the building code with local parking ordinances to support electric vehicle infrastructure deployment. Most parking count requirements, when developed, predated the proliferation of EV charging infrastructure, and as a result, can sometimes create barriers to installation. Many local jurisdictions have already recognized this technical incongruity and have self-corrected with updated ordinances; however, many communities have not.
- 2) *Preparing for EVs.* The widespread deployment of EVs, which is a cornerstone of California's environmental policy, requires the widespread deployment of EV charging stations. Because charging an EV can take hours, based on the power of the EV charging station and the capacity of the EV battery, EV charging often occurs at the owners' residence. In multi-unit dwellings, this can be an issue, as California's Green Building Standards Code does not count an EV parking space as a standard parking space, effectively requiring additional parking spaces to be created, increasing costs. The same effect occurs in a retail setting. This bill addresses this problem by counting an EV parking space as a standard parking space.
- 3) *Strong Policy Support for EVs.* Support for ZEVs and EVs has long been a cornerstone of California environmental policy: California has a goal of 1.5 million ZEVs by 2025 and 5 million by 2030. As the vast majority of ZEVs will be EVs, several bills supporting EV charging infrastructure have been enacted:
 - a) Assembly Bill 1092 (Levine, Chapter 410 of 2013) required the California Building Standards Commission, to adopt mandatory standards for the installation of EV charging infrastructure for parking spaces in newly constructed multifamily dwellings and nonresidential development in the next triennial edition of the California Building Code (CBC) adopted after January 1, 2014. The Commission adopted those standards as part of its 2013 intervening code cycle.
 - b) AB 2565 (Muratsuchi, Chapter 529 of 2014) requires an owner of a commercial or residential property to approve the installation of an EV charging station if it meets specified requirements and complies with the

owner's process for approving a modification to the property, and made a term in a lease of a commercial property executed, renewed, or extended on or after January 1, 2015, void and unenforceable if it prohibits or unreasonably restricts the installation of an EV charging station in a parking space.

- c) AB 1236 (Chiu, Chapter 598 of 2015) requires cities and counties to ministerially approve permits for electric vehicle charging stations that meet specified criteria and post all documentation required for permitting online. AB 1236 also required cities and counties to develop streamlined, expedited permitting processes for electric vehicles by September 30, 2016, in jurisdictions with 200,000 or more residents, and by September 30, 2017, in jurisdictions with fewer than 200,000 residents.

- 4) *Prior Committee Vote.* This bill was heard by the Senate Governance and Finance Committee on June 12, 2019 and approved 5-1.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, July 3, 2019.)

SUPPORT:

Electric Vehicle Charging Association (sponsor)
 American Building Management
 Breathe California
 BTC Power
 CalETC
 CALSTART
 ChargePoint
 ClipperCreek
 Coalition for Clean Air
 eMotorWerks
 EVBox
 EVgo
 EV Connect
 Flo
 SemaConnect
 Sierra Club
 Silicon Valley Leadership Group

Southern California Edison
Tesla
Valley Clean Air Now
Volta

OPPOSITION:

None received.

-- END --

§94589(c))

- 5) Specifies that using RNG or biogas to decrease emissions associated with the oil refining process may generate LCFS credits as long as the RNG or biogas is supplied directly to the refinery. Specifies that LCFS credits may be generated at a refinery producing hydrogen from RNG or biogas that is either directly supplied or that is from a common carrier pipeline. (17 CCR §95488.8(i)(2))

This bill:

- 1) Requires the ARB to consider allowing RNG or biogas that is delivered via a common carrier pipeline to a crude oil production or transport facility to generate Credits for Producing and Transporting Crudes Using Innovative Methods under the Low-Carbon Fuel Standard regulations.
- 2) Requires ARB's consideration to be done through a public process that may include a workshop.
- 3) Limits ARB consideration to RNG and biogas that is from a source the ARB determines directly reduces emissions of methane in the state.
- 4) Repeals these provisions January 1, 2023.

COMMENTS:

- 1) *Author's Statement*, "AB 1195 incentivizes the replacement of natural gas with renewable natural gas (RNG) by requiring the California Air Resources Board to consider extending the Low Carbon Fuel Standard (LCFS) credit available for such replacement to oil producers. The bill specifies that in order to receive a credit, the RNG must be generated by a source that directly reduces methane emissions in California. As such, AB 1195 could not only reduce the greenhouse gas footprint of all oil and gas operations, but it could also assist in creating stronger in-state market for methane, which is a potent global warming gas, that would otherwise dissipate into the atmosphere."
- 2) *LCFS credits can currently be generated through the use of "innovative methods" at crude oil production or transportation facilities, including use of RNG and biogas if they are supplied directly to the facility but not including RNG and biogas drawn from a common carrier pipeline.* Transportation accounts for 50% of California's greenhouse gas emissions, including emissions from crude oil production and refining. The LCFS policy framework is designed to reduce the greenhouse gas emissions intensity (carbon intensity

(CI) of transportation fuels used in the state. For example, gasoline has a higher CI than natural gas (fossil fuel methane), which has a higher CI than RNG and biogases (e.g. methane from landfills, wastewater facilities, or dairies). In order to do a full account of emissions associated with a fuel, a fuel's CI reflects emissions over its full lifecycle, from production to use, not just at the tailpipe. Broadly, in the LCFS regulatory context, low CI fuels generate LCFS credits and, like emissions allowances under the Cap and Trade Program, these credits can be traded in order to satisfy LCFS regulations.

California has many policies to promote zero and near zero emission vehicles, fuels, and infrastructure, including aspects of the LCFS. However, this bill focuses on a different way to generate LCFS credits: using innovative methods to reduce emissions during the production or transport of crude oil. Reducing emissions from oil extraction reduces the overall emissions from traditional, fossil-based transportation fuels because about 80% of each barrel of crude oil goes to gas, diesel, and jet fuel.¹

There are five innovative methods, set in regulation, that qualify for LCFS credits. These include (1) carbon capture and sequestration (CCS), which removes GHGs from the air, (2) solar or wind electrification, and three methods that are typically used to generate steam for a specific type of oil extraction called thermally enhanced oil recovery (TEOR), (3) solar steam generation, (4) solar heat generation (5) RNG or biogas. TEOR "typically involves burning natural gas to generate steam for injection into oil-containing geologic formations. This injected steam heats the oil in place, thereby reducing its viscosity, and increasing the volume produced."²

For any of these methods to be eligible for LCFS credits, the method must be implemented onsite. Thus, in order for RNG and biogas to be eligible for LCFS credits, it must be supplied directly to the crude oil production or transportation facility, for example, from a nearby landfill or dairy. RNG or biogas drawn from a common carrier pipeline is not eligible. Similarly, CCS must take place onsite, solar or wind electricity must be produced and consumed onsite and may not come from typical utility transmission lines, steam for solar steam generation must be used onsite, and heat from solar heat generation must be used onsite. Requiring the innovative methods to be implemented onsite facilitates verification that the electricity or gas is coming from a green source and, since innovative method credits can only be generated for oil that will be

¹ U.S. Energy Information Administration, *Oil Crude and Petroleum Products Explained*, May 23, 2019. Accessed June 27, 2019 from https://www.eia.gov/energyexplained/index.php?page=oil_refining

² California Council on Science and technology, *Electricity for Natural Gas with CO2 Capture for Enhanced Oil recovery: Emission accounting under Cap-&-Trade and LCFS*, January 2015

refined in California, promotes the development of innovative projects in the state. Rather than only RNG or biogas delivered directly from a local source, this bill directs ARB to consider also allowing RNG or biogas delivered via a common carrier pipeline to qualify for LCFS credits, so long as it is from a source ARB determines directly reduces emissions of methane in the state.

- 3) *Allowing LCFS credits to be generated through the use of RNG and biogas delivered via common carrier pipeline as an “innovative method” may decrease the GHG emissions of crude oil production or transportation facilities in some cases but at the expense of greener, less polluting “innovative methods.”* There is nothing innovative about pulling gas from a pipeline, whether it is renewable or not. Still, replacing traditional fossil natural gas with RNG or biogas that directly reduces methane emissions in the state should reduce emissions regardless of where the gas comes from. It would also be inexpensive as using it would not necessitate any changes to oil production and transport facilities as they are already connected to gas pipelines. On the other hand, common carrier RNG or biogas would likely be the cheapest way to generate LCFS credits during TEOR, cheaper than solar steam or heat generation. Solar steam and heat generation are zero emission, but RNG and biogas are not. The bulk of California oil extraction happens in the Central Valley, an air basin polluted with nitrogen oxides (respiratory irritants that contribute to smog) at levels that well exceed state and federal standards. Because nitrogen oxides are byproducts of burning natural gas, RNG, or biogas, incentivizing RNG and biogas use in oil production could further degrade Central Valley air quality.
- 4) *Double referral.* This bill passed out of the Environmental Quality Committee, as amended, on June 19 on a 7 – 0 vote.

RELATED LEGISLATION:

AB 1162 (O'Donnell, 2018) — was gut and amended in the Senate with language identical to the introduced version of this bill. It would have required the state board to recognize as generating an innovative crude production method credit under the LCFS regulations the use of RNG to displace the existing use of natural gas by oil and natural gas companies that are otherwise eligible to opt in to the innovative crude provisions of the regulations. It died in Senate Rules.

Assembly Votes:

Floor	62 – 5
Appropriations	16 – 0
Natural Resources	7 – 2

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

According to the Assembly Appropriations Committee analysis of a previous version of this bill, "minor and absorbable costs."

POSITIONS: (Communicated to the committee before noon on Wednesday, July 3, 2019.)

SUPPORT:

California Chamber of Commerce
California Independent Petroleum Association
California Renewable Natural Gas Coalition
California State Pipe Traders Council
Orange County Business Council

OPPOSITION:

Sierra Club of California

-- END --

affordable housing, transitional housing, emergency shelter, feeding program, or wraparound services purposes, or any combination of these purposes.

- 2) Requires Caltrans to submit the assessment to the Governor and the fiscal and policy committees of the Legislature that oversee transportation programs on or before January 1, 2021.
- 3) Sunsets this requirement on January 1, 2022.
- 4) Provides clarifying definitions for “airspace” and “areas above or below state highways” as they pertain to Caltrans property leases.

COMMENTS:

- 1) *Author’s statement.* According to the author, “To address the ongoing homelessness crisis in California we must use all tools at our disposal. This includes rethinking available space to better serve the community. As of this year, 130,000 Californians do not have a home. Los Angeles County alone recorded 50,000 people experiencing homelessness. The high costs of living in California make it near impossible for someone that has lost their home to find alternative housing in the same neighborhood. While other bills address issues with local control in resolving homelessness across the state, AB 1226 takes a different approach and evaluates what can be done with state lands. Specifically, AB 1226 will evaluate the efficacy of building over freeways in order to provide the public with the necessary resources and services to stay rooted in the communities they call home. In urban centers, construction above below-grade airspace can help create much-needed surface area for affordable housing, transitional housing, emergency shelters, and food programs close to jobs, schools, and areas of recreation.”
- 2) *Freeway Caps.* “Freeway caps” are a structure, bridge, deck, tunnel, platform, or lid located above a freeway that supports development in the freeway right-of-way.

In March of 2017, Caltrans released a best practices guide relative to freeway caps. The guide notes, “Caps are becoming increasingly popular across the United States as they provide a way to create new developable space above freeways. This new space can be developed to meet community and/or regional needs and is especially valuable in urban areas where vacant land is scarce.” The guide further asserts, “Caps can improve communities in a number of ways. They can provide parks in park-deficient urban areas, provide a sense of place in the community, and stimulate community development and

revitalization. Caps can contribute to demand for new development, increases in property values, growth in retail sales, new employment, increased tourism, and increased quality of life. Additionally, caps can repair the fabric of communities by providing physical unity and social remediation where communities may have been divided in the past by freeway construction.” Examples of several recently constructed freeway caps include the “Park Over the Highway” in St. Louis, Missouri and “Klyde Warren Park” in Dallas, Texas. Both parks resulted from coordination among many stakeholder groups and partner agencies, along with funding from a variety of private and public sources.

- 3) *Homelessness*. While Caltrans currently has the authority to enter into one-dollar leases for excess property specifically for homeless shelters and feeding programs under certain circumstances, studying the feasibility of constructing and using freeway caps to provide a potential tool to address homelessness is a relatively new concept. The author points to a November 2015 *Los Angeles Times* article that reported on freeway encampments in Los Angeles. The article notes that the number of freeway encampments and vehicles occupied by homeless individuals increased by 85 percent from 2013 to 2015 in Los Angeles.

Moreover, according to the U.S. Housing and Urban Development Department (HUD) 2018 Annual Homeless Assessment Report to Congress, in January 2018 California had 24% of the nation’s homeless population (about 129,972 individuals). California also contains 47% of the nation’s unsheltered homeless population (89,543), including people living in vehicles, abandoned buildings, parks, or on the street. Los Angeles contains the highest number of homeless people in the state, at 49,955, where 75% of those are unsheltered. People experiencing homelessness face a variety of challenges including food and income insecurity, as well as health problems; the homeless population faces a higher risk of exposure to communicable diseases such as influenza, strep throat, sexually transmitted diseases, Hepatitis C, HIV/AIDS, and tuberculosis, among others.

This bill aims to look at the feasibility of constructing and utilizing freeway caps as a tool to address homelessness throughout the state. As this proposed use is unprecedented, it seems reasonable to first study its feasibility prior to taking any further action.

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

Assembly Votes

Floor: 62-5

Approps: 15-0

Trans: 12-1

POSITIONS: (Communicated to the committee before noon on Wednesday,
June 3, 2019.)

SUPPORT:

Alameda County Transportation Commission

Milpa

Union Station Homeless Services

OPPOSITION:

None received.

-- END --

COMMENTS:

- 1) *Author's Statement.* AB 1351 fosters a collaboration between CalSTA and local public transit operators with the goal of assessing policies and procedures regarding to paratransit services for individuals with physical and developmental disabilities. Those eligible for paratransit services experience difficulty using paratransit services when they leave the service area of their primary residence. This bill allows stakeholders to identify any barriers or lags when it comes to allowing an eligible person access (to) paratransit services.
- 2) *Need.* The author was unable to provide data describing the need for this bill. However, in a survey of several transit operators, the author found that it took weeks for an individual to obtain approval to obtain transportation from a transit operator in another area.

RELATED LEGISLATION:

SB 1376 (Hill; Chapter 701, Statutes of 2018) — establishes the "TNC Access for All Act," which requires the California Public Utilities Commission (CPUC) to develop regulations relating to accessibility for person with disabilities who use transportation network company (TNC) services.

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

From the Assembly Appropriations Committee:

- One-time costs, in the range of \$200,000 to \$300,000 (special fund), for CALSTA to conduct, via contract, the assessment and to publish it.
- Potential one-time cost pressure in later 2020 or soon thereafter for CALSTA to develop statewide guidelines. Costs to develop the guidelines should total no more than approximately \$100,000 (special fund).

POSITIONS: (Communicated to the committee before noon on Wednesday, July 3, 2019.)

SUPPORT:

Association of California State Employees with Disabilities
Association of Regional Center Agencies
California Council of the Blind

Disability Rights California
North Los Angeles County Regional Center

OPPOSITION:

None received.

-- END --

- 5) Prohibits local authorities from placing gates or other selective devices on any street, which deny or restrict the access of certain members of the public to the street, while permitting others unrestricted access to the street.
- 6) Requires that any city or county that permits, restricts, or prohibits the use of a public or private highway, the traffic control devices erected must conform to the uniform standards and specifications adopted by the California Department of Transportation.

This bill:

- 1) Makes findings and declarations pertaining to the 1000 block of Lombard Street in San Francisco, otherwise known as the "Crooked Street", as specified.
- 2) Declares the intent of the Legislature to authorize the Board of Supervisors of the City and County of San Francisco to approve a reservation and pricing pilot for vehicles to use the Crooked Street to manage traffic congestion.
- 3) Provides various definitions relative to the provisions specified in this bill.
- 4) Authorizes the Board of Supervisors to conduct a reservation and pricing pilot program for vehicles that use the Crooked Street by adopting an ordinance.
- 5) Requires the Board of Supervisors prior to adopting the ordinance to create the pilot program to make a variety of findings, as specified.
- 6) Requires the Board of Supervisors to conduct at least two public outreach meetings or hearings within San Francisco to consider stakeholder views prior to adoption of the ordinance.
- 7) Requires the ordinance to do all of the following:
 - a) Designate of a board or agency to administer the pilot program;
 - b) Prioritize the goals of significantly reducing local congestion and queues for vehicles seeking to travel down the Crooked Street and ensuring that program revenues are sufficient to implement the program and support traffic management activities in the area;
 - c) Specify how the program would be adjusted if program revenues exceed the cost to implement the program, including any allocation of the excess funds;

- d) Specify congestion reduction objectives and goals to be achieved, public involvement and consultation requirements, and performance measure requirements;
 - e) Require the program administrator to evaluate the feasibility of policies to maintain access for those who cannot access the Crooked Street as pedestrians; and,
 - f) Require the program administrator to evaluate the performance of the pilot program and submit a report to the Legislature after one year and five years of implementation.
- 8) Authorizes the Board of Supervisors to specify the powers and duties of the program administrator, as specified.
- 9) Provides that the pilot program is to sunset seven years after the beginning of the program.

COMMENTS:

- 1) *Author's statement.* According to the author, "The San Francisco County Transportation Authority (SFCTA), after an exhaustive public process, concluded a study in 2017 on managing access to the "Crooked Street" segment of Lombard Street, which attracts over 2 million visitors each year. This study recommended establishing a reservation and pricing program for access to the Crooked Street. AB 1605 authorizes the City and County of San Francisco to establish and administer this reservation and pricing program."
- 2) *Crooked Street.* The so-called "Crooked Street," a residential segment of Lombard Street in San Francisco's Russian Hill neighborhood, is one of the city's most prominent landmarks. The Crooked Street, with its distinctive switchbacks, flowers, and vistas draws visitors from both around the world and locally, approximately 2 million visitors each year, roughly half in vehicles and half pedestrians. Traffic congestion on the street lasts roughly 12 hours a day, covers over three blocks, and takes up to 45 minutes to traverse the street. As overall tourism has increased in recent years, so has the number of tourists on the Crooked Street, and crowd control issues around the area have become more challenging.

- 3) *Study.* In February of 2017, the San Francisco County Transportation Authority (SFCTA) led a study on managing access to the Crooked Street. The study detailed the existing conditions of the Crooked Street and surrounding neighborhood, including extreme and increasing safety concerns related to vehicle congestion, pedestrian congestion, livability, and tourism, with these issues spilling over to surrounding blocks on both ends of the Crooked Street, including an elementary school two blocks away.

One of the study's long-term recommendations is to implement a reservation and pricing system for vehicles in order to manage congestion, including the vehicle queues that form at peak periods. Specifically, an electronic system would be developed to manage reservations for and price access to the Crooked Street. The reservation system would be an all-electronic system, supported by a website, mobile app, and possible on-street kiosks to enable reservations, payments, and user support. The primary goal of the system would be to manage demand while being self-sustaining, with prices and number of available reservations slots would be set for to meet that goal.

- 4) *Pilot program.* The Crooked Street pilot program is modeled after the recent implementation of a reservation parking system at Muir Woods National Monument in Marin County. On-site parking management began at Muir Woods in December 2017, with reservations for entrance being accepted online and by phone in January 2018. Parking reservations cost \$8 per car, while shuttle reservations cost \$3 per person. Over the 10-year initial duration of the program, parking prices will automatically increase by \$0.50 every 2 years, while shuttle prices will increase \$0.25 every 2 years. All vehicles arriving at the park are required to have a reservation, and no reservations can be made on site. There is no remaining publicly available on-street, free/unreserved parking, and those parking on the road are subject to a \$99 citation. To date, the Muir Woods pricing program has been successful managing the traffic volume of park attendees.

This bill aims to establish a similar pilot program for the 1000 block of Lombard Street otherwise known as the "Crooked Street." The provisions specified in this bill require San Francisco to first hold several public hearings and enact an ordinance with several requirements included in the ordinance. The pilot program also includes reporting requirements to the Legislature one year and five years after the commencement of the pilot program and also authorizes the pilot program to remain in effect no longer than seven years once the pilot program begins. With the demonstrated success of similar pricing/reservation programs and the accountability measures provided in this

bill, it seems reasonable to provide San Francisco with the policy tools to attempt managing the traffic and public safety issues surrounding the 1000 block of Lombard Street.

5) *Double Referral*. This bill was double referred to the Senate Governance and Finance Committee where is passed out of that committee on a 4-1 vote.

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

Assembly Votes

Floor: 51-18

Trans: 11-3

POSITIONS: (Communicated to the committee before noon on Wednesday, July 3, 2019.)

SUPPORT:

San Francisco County Transportation Authority (sponsor)
The Honorable Catherine Stefani, Supervisor
Russian Hill Neighbors, San Francisco
San Francisco Board of Supervisors

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION

Senator Jim Beall, Chair

2019 - 2020 Regular

Bill No:	AB 1687	Hearing Date:	7/9/2019
Author:	Jones-Sawyer		
Version:	6/20/2019		
Urgency:	No	Fiscal:	Yes
Consultant:	Randy Chinn		

SUBJECT: Outdoor advertising displays: exemptions

DIGEST: This bill expands the exemptions from the Outdoor Advertising Act (OAA) for sports stadiums.

ANALYSIS:

Existing law:

- 1) Establishes the OAA, which regulates the size, illumination, orientation, and location of advertising displays adjacent to and within specified distances of interstate or primary highways, and, with some exceptions, specifically prohibits any advertising display from being placed or maintained on property adjacent to a section of landscaped highway.
- 2) Generally exempts OAA application to on premise advertising displays, which include those advertising the sale of the property upon which it is placed or that advertise the business conducted, services rendered, or goods produced or sold on the property. Local government regulates on premise displays, except for certain safety requirements.
- 3) Exempts advertising displays associated with sports arenas, as defined, from specific provisions of the OAA, provided that advertising display only includes products, goods, or services sold within that area on a regular basis, or marketed or promoted in that area pursuant to a sponsorship marketing plan, provided that the display is authorized by January 1, 2021. Advertising for distilled spirits, tobacco, firearms, or sexually explicitly material is not permitted.
- 4) Defines a "sponsorship marketing plan" as an agreement between the property owner, facility owner, facility operator, or occupant of the premises of an arena and a sponsor pursuant to which the sponsor is allowed to include its logo, slogan, and that the agreement is for a duration of not less than one year.

- 5) Requires the Department of Transportation (Caltrans) to assess penalties for a violation of the OAA, as specified.
- 6) Provides, by contractual agreement, for Caltrans to administer the federal Outdoor Advertising Control (OAC) program, which has restrictions similar to California's OAA program, including maximum sign size, sign spacing, location, illumination, and content. If the state fails to properly administer the federal program, the state shall lose 10% of its federal highway funding.

This bill:

- 1) Extends the exemption from the OAA for advertising displays on the premises of a sports arenas for displays authorized as of January 1, 2021 to January 1, 2028.
- 2) Relaxes the requirement that the sponsorship marketing plans, which are required of the sports arenas, be of one-year duration and instead allows for weekly marketing plans during a sports league season or at least 30 days duration if outside the sports league season.

COMMENTS:

- 1) *Author's Statement.* Existing law places a number of limitations on the ability of stadiums and arenas to advertise and, by extension generate revenue. As California continues to encourage the construction of stadiums without the use of public dollars, we must amend existing law to provide additional flexibility in finding revenue streams. This bill is a modest change in the law that will protect California taxpayers while encouraging development and job creation.
- 2) *What Does the Arena Exemption Provide?* A combination of state and federal requirements govern the placement and operation of all outdoor advertising. Advertising displays associated with sports arenas have been exempted from some state requirements, though state law cannot provide an exemption from the federal requirements. The primary benefit of the sports arena is that it allows advertising displays to be erected on landscaped and scenic highways. While the arena exemption also applies to other state law that, for example, limits the size and character of the displays (e.g. glare, flashing lights), federal law covers most of the same provisions.
- 3) *In the Beginning.* The arena exemption was established in 2008, a result of an effort to develop alternatives to public funding of professional sports arenas.

Over the years, the exemption was clarified to limit the advertising displays to products and services actually sold at the arena and to products and services with which the arena had a sponsorship plan of at least one year. This was viewed as a compromise which addressed the concerns of arena developers to maximize advertising revenue and the outdoor advertising industry which faced new, heavily funded competition that built new advertising displays in areas which had previously been off-limits to outdoor advertisers.

- 4) *Fair Competition?* The arena exemption was originally established to help fund new sports arenas. In this case the arena associated with the sponsor has already been built and is home to a successful soccer team and numerous events. The shortening of the duration of the sponsorship marketing plan proposed in this bill will increase the revenue for the bill sponsor as it will allow advertising for special events and promotions. However, it comes at the expense of the traditional outdoor advertising companies, which were legally prohibited from building the same advertising displays because they did not enjoy the same exemption as the arenas. Whether this is fair is the basis for supporting or opposing this bill. It should be noted that this exemption will apply to all arena billboards, not just the ones associated with the bill sponsor.
- 5) *Sunset Extension?* The extension of the sunset opens the door for many other arenas to take advantage of the arena exemption. But there's been no demonstration by any other entity that such an exemption is necessary. And it is not needed by the sponsor of this bill as the necessary approvals will be obtained by the existing sunset date. The author may wish to consider deleting the sunset extension.
- 6) *Last Time.* The last major revision to the OAA was in 2016 when legislation was passed to allow additional outdoor advertising associated with a large entertainment venue in downtown Los Angeles (AB 1373; Santiago – Chapter 853 of 2016). This committee included language to ensure that federal highway funding was not put at risk by the associated displays by ensuring that the displays were preapproved before construction. The author may wish to consider including similar language in this bill.
- 7) *Gut and Amend.* This is a new bill which, until June 20, dealt with prisoner rehabilitation.

RELATED LEGISLATION:

AB 700 (Jones-Sawyer; Chapter 337 of 2017) — Extends the sunset on the arena exemption created in SB 31 from January 1, 2019 to January 1, 2021.

AB 1373 (Santiago; Chapter 853 of 2016) — Authorized additional outdoor advertising associated with a large entertainment venue in downtown Los Angeles.

SB 31 (Padilla; Chapter 542 of 2013) — Allows arenas to display advertising on two displays for products, goods, or services sold on premises as well as part of a long-term sponsorship marketing plan if the arena is on public land and has a capacity of 15,000 or more seats. Authority to erect new displays sunsets on January 1, 2019.

SB 190 (Perata; Chapter 54 of 2001) — Exempted from the OAA the prohibition against placing advertising displays adjacent to landscaped freeways, up to five advertising structures or signs (billboards) used to support the Oakland-Alameda County Coliseum Complex.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, July 3, 2019.)

SUPPORT:

Los Angeles Football Club (sponsor)
Oakland Athletics

OPPOSITION:

Bulletin Displays
California State Outdoor Advertising Association
General Outdoor Advertising
Lamar Advertising
Meadown Outdoor Advertising
Stott Outdoor Advertising
Veale Outdoor Advertising

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