

**+Vice-Chair**  
Bates, Patricia C.

**Members**  
Allen, Benjamin  
Archuleta, Bob  
Becker, Josh  
Cortese, Dave  
Dahle, Brian  
Dodd, Bill  
McGuire, Mike  
Melendez, Melissa A.  
Min, Dave  
Newman, Josh  
Rubio, Susan  
Skinner, Nancy  
Umberg, Thomas J.  
Wieckowski, Bob  
Wilk, Scott

# California State Senate

## TRANSPORTATION



**LENA GONZALEZ**  
CHAIR

**Chief Consultant**  
Randy Chinn

**Consultant**  
Amy Gilson  
Melissa White

**Assistant**  
Katie Bonin

State Capitol, Room 2209  
(916) 651-4121  
FAX: (916) 445-2209

## AGENDA

Tuesday, April 13, 2021  
9 a.m. -- Senate Chambers

### MEASURES HEARD IN FILE ORDER

#### Consent items indicated by \*

- |     |         |          |   |
|-----|---------|----------|---|
| 1.  | SB 512* | Atkins   | State highways: relinquishment: Routes 75 and 282.  |
| 2.  | SB 214* | Bates    | Neighborhood electric vehicles: County of Orange: Ranch Plan Planned Community.   |
| 3.  | SCR 12* | Bates    | CAL-FIRE Chief William R. Clayton Memorial Highway.   |
| 4.  | SB 640* | Becker   | Transportation financing: jointly proposed projects.  |
| 5.  | SB 333* | Eggman   | San Joaquin Regional Transit District: procurement.   |
| 6.  | SB 548  | Eggman   | Tri-Valley-San Joaquin Valley Regional Rail Authority: transit connectivity.  |
| 7.  | SB 21*  | Glazer   | Specialized license plates: mental health awareness.  |
| 8.  | SB 635* | Gonzalez | Cleanup activities on state highways, rights-of-way, off ramps, and homeless encampments.                                     |
| 9.  | SB 671  | Gonzalez | Transportation: Clean Freight Corridor Efficiency Assessment.   |
| 10. | SB 287* | Grove    | Vehicles: trailers.   |
| 11. | SB 580  | Hueso    | Department of Transportation: highways and roads: recycled plastics study and specifications.                                 |
| 12. | SCR 15* | Hueso    | U.S. Army SP4 Dwayne M. Patterson Memorial Highway.   |
| 13. | SCR 14* | Hurtado  | Fire Captain Ramon Figueroa and Firefighter Patrick Jones Memorial Highway.   |
| 14. | SB 227  | Jones    | Off-highway vehicles.   |
| 15. | SB 542  | Limón    | Vehicle license fees for zero-emission vehicles: sales and use taxes on medium- or heavy-duty zero-emission trucks.(Tax Levy) |
| 16. | SB 69   | McGuire  | North Coast Railroad Authority: right-of-way: Great Redwood Trail Agency: Sonoma-Marin Area Rail Transit District.            |
| 17. | SB 486  | Melendez | Driver's licenses: renewal.   |
| 18. | SB 500  | Min      | Autonomous vehicles: zero emissions.  |
| 19. | SB 623  | Newman   | Electronic toll and transit fare collection systems.  |
| 20. | SCR 7*  | Roth     | CHP Officer Andre Maurice Moye, Jr. Memorial Freeway.   |
| 21. | SB 735  | Rubio    | Vehicles: speed safety cameras.   |

- |     |         |        |  |
|-----|---------|--------|--|
| 22. | SB 790* | Stern  | Wildlife connectivity mitigation credits: Advance Mitigation Program.    |
| 23. | SCR 24* | Stern  | Los Angeles County Sheriff's Deputy Joseph Solano Memorial Overcrossing. |
| 24. | SB 366* | Umberg | Automobile dismantling: task force.                                      |
| 25. | SB 399* | Umberg | Specialized license plates: professional sports.                         |
| 26. | SB 339  | Wiener | Vehicles: road usage charge pilot program.                               |



**This bill:**

- 1) Authorizes the California Transportation Commission to relinquish to the City of Coronado SR 282 and the portion of State Route 75 within its city limits if the Department of Transportation and the city enter into an agreement.
- 2) The agreement shall require the City of Coronado to maintain the viability of these relinquished routes and to provide continuous and uninhibited defense access, continuity, and emergency capabilities for the movement of military personnel, material, and equipment in both peacetime and wartime. The City of Coronado shall not limit the type, weight, or dimensions of vehicles needed for defense purposes that may use the relinquished routes.
- 3) The City of Coronado may only alter or affect traffic on the relinquished routes if the city makes specified findings, completes specified traffic studies, and receives concurrence from Naval Base Coronado that the proposed actions are consistent with the relinquishment agreement.

**COMMENTS:**

- 1) *Purpose.* The purpose of this bill is to turn over responsibility for the portion of State Routes 75 and 282 within the City of Coronado to the city, relieving Caltrans from that responsibility.
- 2) *Relinquishments.* Each session, the Legislature passes and the governor signs numerous bills authorizing CTC to relinquish segments of the state highway system to local jurisdictions. Relinquishment transactions are generally preceded by a negotiation of terms and conditions between the local jurisdiction and Caltrans. Once an agreement has been established, CTC typically approves the relinquishment and verifies its approval via a resolution.
- 3) *Description.* This portion of State Route 75 is the main thoroughfare through Coronado. It provides access to several naval facilities including Naval Amphibious Base Coronado. SR 75 extends through the towns of Imperial Beach and San Diego. Current law already authorizes the relinquishment of SR 75 to those cities. State Route 282 is located completely within Coronado and connects additional naval facilities, including the North Island Naval Air Station, to State Route 75. Both SR 75 and SR 282 are part of the Strategic Highway Network, or STRAHNET, which is critical to the Department of Defense's domestic operations. The STRAHNET is a 62,791-mile system of roads deemed necessary for emergency mobilization and peacetime movement of heavy armor, fuel,

ammunition, repair parts, food, and other commodities to support U.S. military operations.

- 4) *Support.* Writing in support, Naval Base Coronado notes that it has worked with the author, the City of Coronado and Caltrans to ensure that the relinquished routes remain viable STRAHNET facilities.

**RELATED LEGISLATION:**

**SB 921 (Dahle, Chapter 82 of 2020)** — Authorizes relinquishment of a portion of State Route 174 in the City of Grass Valley.

**SB 1459 (Caballero, Chapter 83 of 2020)** — Authorizes relinquishment of a portion of State Route 183 in the City of Salinas.

**AB 1456 (Kiley, Chapter 619 of 2019)** — Authorizes relinquishment of a portion of Route 193 to the City of Lincoln.

**SB 989 (Wieckowski, Chapter 461 of 2018)** — Authorizes relinquishment of a portion of Route 84 to the City of Fremont.

**AB 2272 (Mayes, Chapter 433 of 2018)** — Authorizes relinquishment of a portion of Route 111 to the City of Palm Springs.

**AB 2473 (Bonta, Chapter 321 of 2018)** — Authorizes relinquishment of a portion of Route 185 to the City of San Leandro.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 7, 2021.)

**SUPPORT:**

Naval Base Coronado

**OPPOSITION:**

None received.

**-- END --**



**COMMENTS:**

- 1) *Purpose.* According to the author, “In 2015, I authored Senate Bill 241 extended from January 1, 2017 until January 1, 2022, the authority of Orange County to establish a neighborhood electric vehicle transportation plan for the Ranch Plan Planned Community. Now that the sunset date in SB 241 (Bates, 2015) is approaching, I am reintroducing the bill as Senate Bill 214, which will permanently extend the County of Orange’s authority to establish a NEV transportation plan that supports NEV use in Rancho Mission Viejo. For Rancho Mission Viejo, the community’s transportation system encourages NEV, bicycle and pedestrian alternatives to traveling by automobile. This reduces the community’s greenhouse gas emissions and helps them achieve their objective. We can reduce greenhouse gas emissions in Orange County with the increased use of neighborhood electric vehicles. Given the information we have after years of study, it is time to make permanent the County’s authority to establish a NEV transportation plan for Rancho Mission Viejo.”
- 2) *NEV background and history.* NEVs are small electric vehicles designed for low-speed neighborhood use, similar to a golf cart. They lack many of the safety features of typical automobiles (e.g., crash resistant bumpers, doors) and cost from \$10,000 to \$15,000. These vehicles have a range of 30-60 miles and are typically used for short personal trips and micro-transit service. Because these vehicles are smaller, lack important safety features, and travel at slower speeds (25 mph maximum speed), they are typically not allowed to operate on streets with posted speed limits exceeding 35 mph.

NEVs, as their name implies, can be a popular form of transportation in small communities where residents often use them for short trips to get to and from neighborhood amenities. NEVs are particularly popular in planned communities, especially retirement communities with golf courses, where roads, trails, parking, and charging facilities are specifically included in the community design to facilitate their use.

To allow for expanded use of NEVs in these types of communities, the Legislature has authorized development of NEV transportation plans which, when developed consultation with California Department of Transportation and the California Highway Patrol and adopted by ordinance, allow expanded operation of NEVs particularly on streets and highways where NEV access might otherwise be prohibited.



NEV plans have been authorized for a number of communities in California including the Ranch Plan Planned Community in Orange County, the County of Riverside, the City of Fresno, the County of Amador, the cities of Lincoln and Rocklin, and the County of San Diego. In 2006, Lincoln was the first city on California to adopt a NEV transportation plan. In a January 1, 2011 report to the Legislature, Lincoln reported that its NEV transportation plan has “generally been successful” and Rocklin reported that the early results “show promise.” While NEV plan authority has lapsed some of these jurisdictions, a 2014 SacBee article describes NEVs as hugely popular in the retirement community of Sun City Lincoln Hills. In 2019, Caltrans funded two 8-foot shoulders for shared NEV/bike lanes in Lincoln as part of a bridge widening project.

- 3) *NEVs in Ranch Plan.* The Ranch Plan community is developed by Rancho Mission Viejo, LLC. The County of Orange’s 2020 report to the legislature found that Ranch Plan’s NEV transportation plan “provided access and mobility for NEVs throughout the development, with no recorded safety or traffic problems” and recommended the program be continued. It attributed the lack of impacts to (1) Ranch Plan is a planned development with roadway size to meet traffic demands and (2) for all major roadways (usually with speed limits over 35 miles per hour, NEVs are provided with separated facilities so they do not mix with vehicular traffic. It describes Ranch Plan’s extensive NEV infrastructure program, including a mix of shared NEV and bicycle lanes, slow-speed streets, and off-street paths where NEVs can travel.

While the County of Orange has had the authority to adopt a NEV plan for Ranch Plan since the Legislature passed SB 956 in 2007, Ranch Plan’s development was delayed by the 2008 recession and the plan was not adopted until after 2015. As of the report’s publishing, 49 of Ranch Plan’s 4,000 households own NEVs, just over 1% of households.

- 4) *Safety First.* The main concern with NEV transportation plans has been safety. In its report, the City of Lincoln raised several public safety concerns, such as conflict with bicycles, conflict with motorists in shared lanes, and the difficulty of an NEV crossing traffic from the dedicated right lane to the left lane to make a left turn on a street with a speed limit in excess of 35 mph. In recognition of these unresolved safety concerns, prior legislative authority all had sunset dates.

However, the Ranch Plan report to the legislature did not identify any safety issues, and because it is a community planned specifically with NEVs in mind, it seems well placed to continue implementing its NEV plan.

#### **RELATED LEGISLATION:**

**SB 1151 (Bates, Chapter 564, Statutes of 2018)** — authorized the County of San Diego or any city in the county to establish a neighborhood electric vehicle (NEV) transportation plan until January 1, 2029.

**SB 241 (Bates, Chapter 156, Statutes of 2015)** — extended authorization of NEV Transportation Plan in Ranch Plan Planned Community in Orange County to 2022.

**SB 290 (Correa, Chapter 150, Statutes of 2011)** — extended authorization for NEV Transportation Plan in Ranch Plan Planned Community in Orange County to 2017.

**AB 61 (Jeffries, Chapter 170, Statutes of 2011)** — authorized NEV Transportation Plan in Riverside County until 2017.

**AB 1781 (Villines, Chapter 452, Statutes of 2010)** — authorized NEV Transportation Plan in City of Fresno until 2016.

**AB 584 (Huber, Chapter 437, Statutes of 2010)** — authorized NEV Transportation Plan in Amador County and cities of Jackson, Sutter Creek and Amador City until 2016.

**AB 2963 (Gaines, Chapter 199, Statutes of 2008)** — extended authorization for NEV Transportation Plan in cities of Lincoln and Rocklin to 2012.

**SB 956 (Correa, Chapter 422, Statutes of 2007)** — authorized NEV Transportation Plan in Ranch Plan Planned Community in Orange County until 2013.

**AB 2353 (Leslie, Chapter 422, Statutes of 2004)** — authorized NEV Transportation plans in cities of Lincoln and Rocklin until 2009.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 7, 2021.)

**SUPPORT:**

Rancho Mission Viejo, LLC (Sponsor)  
Building Industry Association of Southern California, INC.  
California Building Industry Association  
Orange County Business Council

County of Orange  
South Orange County Economic Coalition

**OPPOSITION:**

None received.

**-- END --**

---

**SENATE COMMITTEE ON TRANSPORTATION**  
**Senator Lena Gonzalez, Chair**  
**2021 - 2022 Regular**

---

**Bill No:** SCR 12 **Hearing Date:** 4/13/2021  
**Author:** Bates  
**Version:** 3/22/2021  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Katie Bonin

**SUBJECT:** CAL-FIRE Chief William R. Clayton Memorial Highway

**DIGEST:** This resolution designates a portion of Interstate 5 in the City of Carlsbad as the CAL-FIRE Chief William R. Clayton Memorial Highway.

**ANALYSIS:**

The committee has adopted a policy regarding the naming of state highways or structures. Under the policy, the committee will consider only those resolutions that meet all of the following criteria:

- 1) The person being honored must have provided extraordinary public service or some exemplary contribution to the public good and have a connection to the community where the highway or structure is located.
- 2) The person being honored must be deceased.
- 3) The naming must be done without cost to the state. Costs for signs and plaques must be paid by local or private sources.
- 4) The author or co-author of the resolution must represent the district in which the facility is located, and the resolution must identify the specific highway segment or structure being named.
- 5) The segment of highway being named must not exceed five miles in length.
- 6) The proposed designation must reflect a community consensus and be without local opposition.
- 7) The proposed designation may not supersede an existing designation unless the sponsor can document that a good faith effort has uncovered no opposition to rescinding the prior designation.

This resolution designates the portion of Interstate 5 from La Costa Avenue (PM R44.071) to Cannon Road (PM R47.975) in the City of Carlsbad as the CAL-FIRE Chief William R. Clayton Memorial Highway. The Department of Transportation is requested to determine the cost of appropriate signage showing this special designation and, upon receiving donations from nonstate sources covering that cost, erect those signs.

**COMMENTS:**

- 1) *Purpose.* The purpose of this resolution is to memorialize the life and service of Department of Forestry and Fire Protection (CAL-FIRE) Chief William R. Clayton.
- 2) *Background.* Chief Clayton started his 50-year firefighting career in Southern California. Chief Clayton was awarded two Medals of Valor for his extraordinary acts of bravery, making him the most decorated CAL-FIRE Chief in the history of the agency. Tragically, Chief Clayton passed on January 28, 2018.

Chief Clayton is survived by his son, Chris, his daughter, Anne, his grandchildren, Jacob and Talia, and his wife, Ila.

- 3) *Consistent with committee policy.* This resolution is consistent with the provisions of the committee's policy on highway designation.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 7.)

**SUPPORT:**

California Fire Chiefs Association  
City of Escondido  
Escondido Fire Department  
Fire Districts Association of California  
Orange County Fire Authority  
Public Policy Advocates LLC  
San Diego County Fire Chiefs Association

**OPPOSITION:**

None received.

**-- END --**

---

**SENATE COMMITTEE ON TRANSPORTATION**  
**Senator Lena Gonzalez, Chair**  
**2021 - 2022 Regular**

---

<b>Bill No:</b>	SB 640	<b>Hearing Date:</b>	4/13/2021
<b>Author:</b>	Becker		
<b>Version:</b>	4/6/2021		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Melissa White		

**SUBJECT:** Transportation financing: jointly proposed projects

**DIGEST:** This bill authorizes local governments to jointly sponsor local streets and roads projects funded by the Road Repair and Accountability Act (SB 1).

**ANALYSIS:**

*Existing law:*

- 1) SB 1 (Beall) Chapter 5, Statutes of 2017, otherwise known as the Road Repair and Accountability Act of 2017, continuously appropriates funding annually from the Road Maintenance and Rehabilitation Account to cities and counties for eligible projects on the local streets and roads (LSR) network.
- 2) Requires each city and county eligible to receive LSR funds to annually provide a list of proposed projects to be funded by their apportionment and adopted at a regular meeting by the applicable City Council or Board of Supervisors to the California Transportation Commission (CTC). Requires the list to include a description and location of the project, a proposed schedule for completion of the project, and the estimated useful life of the improvement. CTC then submits reports to the Controller for apportionment of funds.
- 3) Requires each city and county expending LSR funds to annually submit documentation to the CTC that details the expenditures, including a description and location of the completed project, the amount of funds expended, the completion date, and the estimated useful life of the improvement.

**This bill:**

- 1) Authorizes two or more eligible cities, or one or more cities and a county to jointly propose a project to fund with their respective LSR apportionments.

- 2) Requires a jointly proposed project be submitted by a designated project lead agency.
- 3) Requires a jointly proposed project to be endorsed by a Memorandum of Understanding approved by all of the entities proposing the project.
- 4) Requires the lead agency for jointly proposed projects to submit documentation to the CTC after the expenditure of LSR funds.

**COMMENTS:**

- 1) *Purpose.* According to the author, “in my district, small cities like the City of Belmont have long prioritized improving local streets and road projects by seeking funding through SB 1 (Beall, 2017), also known as the Road Repair and Accountability Act of 2017. However, they are often outbid by larger cities. Inspired by the City of Belmont in my district, SB 640 permits small cities to pool their SB 1 Local Streets and Roads dollars to bid jointly for a project where the thoroughfare runs through multiple local jurisdictions. By passing SB 640, local governments will save time and money by avoiding project delays and piecemeal projects on roads everyone utilizes.”
- 2) *The Road Repair and Accountability Act (SB 1).* In 2017, the Legislature passed and Governor Brown signed into law SB 1, (Beall), Chapter 5, Statutes of 2017, which provides an estimated \$5 billion per year for roads, transit and active transportation programs. A major component of SB 1 was providing direct, flexible funding to local governments for “fix it first” projects on the local street and road network. In 2020-2021, SB 1 provided over \$1.2 billion directly to cities and counties, distributed through a long standing formula, for these improvements. In addition to the funding, SB 1 set in place a reporting structure for the approval of projects prior to apportionment of funds and after expending the funds on a project. Specially, each year, cities and counties must submit a proposed project list adopted at a regular meeting by their City Council or Board of Supervisors that is then submitted to the CTC. Once reviewed and adopted, the list of eligible cities and counties to receive funding is sent to the Controller to begin the apportionment process for that fiscal year. Additionally, cities and counties must provide an Annual Project Expenditure Report to CTC for each year in which funding was received and expended.
- 3) *What is the problem?* According to the City of Belmont, the sponsors of the bill, in times where multiple jurisdictions have a project of mutual interest, this proposed legislation would allow them to pool their SB 1 resources for one combined regional project. Further, the city says this change would allow for



SB1 money to be stretched further and allow the regional jurisdictions to negotiate a more competitive rate than one small city could do alone. Finally, this bill would consolidate reporting to one single report by the city that takes the lead on a project, versus requiring each agency to issue their own set of reports to the CTC for the same project.

- 4) *SB 640 makes it easier to jointly sponsor projects.* According to the CTC, there are cities, and cities and counties, that have conducted joint projects using their respective LSR funds. SB 640 will help facilitate these jointly sponsored projects by streamlining the annual pre-approval process and the completed projects reporting. Specifically, SB 640 allows eligible cities or a city and county to jointly propose a project. They would designate a lead agency who will be responsible for submitting the project to the CTC on behalf of the other project partners. The participating local governments would approve a Memorandum of Understanding in addition to the project being adopted by each project partner at a public meeting. After the project is completed, the lead agency will submit the final required documentation to the CTC.

**RELATED LEGISLATION:**

**SB 1 (Beall, Chapter 5, Statutes of 2017)** — raised revenue to provide over \$5 billion annually for roads, transit and active transportation programs, including continuously appropriating funds directly to cities and counties for local streets and roads improvements.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 7, 2021.)

**SUPPORT:**

City of Belmont (sponsor)  
American Public Works Association California Advocacy Committee  
California Asphalt Pavement Association  
City of Burlingame  
City of Fresno  
City of San Carlos  
City of San Mateo  
Fresno Council of Governments  
League of California Cities  
San Mateo County  
South San Francisco Public Works Department

**OPPOSITION:**

None received.

**-- END --**

---

**SENATE COMMITTEE ON TRANSPORTATION**  
**Senator Lena Gonzalez, Chair**  
**2021 - 2022 Regular**

---

<b>Bill No:</b>	SB 333	<b>Hearing Date:</b>	4/13/2021
<b>Author:</b>	Eggman		
<b>Version:</b>	3/22/2021		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Melissa White		

**SUBJECT:** San Joaquin Regional Transit District: procurement

**DIGEST:** Makes changes to the contracting requirements for the San Joaquin Regional Transit District (RTD).

**ANALYSIS:**

*Existing law:*

- 1) Authorizes the formation of RTD, with specified powers and duties related to the operation of public transit services serving the Stockton Metropolitan area.
- 2) Requires RTD's purchases of all supplies, equipment, and materials exceeding \$50,000 to be by contract let to the lowest responsible bidder.

**This bill:**

- 1) Increases the bid threshold for the purchase of supplies, equipment, and materials, from \$50,000 to \$150,000 and allows RTD to award a contract to the responsible bidder that submits a proposal that provides the best value to the district.
- 2) Defines "best value" to mean the overall combination of quality, price, and other elements of a proposal that, when considered together, provide the greatest overall benefit relative to the requirements described in the solicitation documents.
- 3) Requires RTD to obtain a minimum of three written or oral quotes that permit the district to compare prices and terms if the expected cost of the procurement is exceeds \$5,000 and does not exceed \$150,000.

- 4) Provides that, if the Commission on State Mandates determines that this bill contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to current law governing state mandated local costs.

**COMMENTS:**

- 1) *Purpose.* According to the author, “this bill would raise the current threshold below which the San Joaquin Regional Transit District (RTD) may utilize more streamlined procurement procedures for small purchases, to \$150,000. With a threshold proposed to be pegged to the current amount authorized by federal law and the Federal Transit Administration’s (FTA) procurement guidelines for “small purchases,” this expedited procurement allows RTD to conserve time and resources. Modernizing its procurement practices will ensure that these procedures provide the maximum value for the District’s users and the wider taxing community for which RTD provides transit services. Even under this proposed threshold change, RTD must still obtain price and rate quotations from an adequate number of qualified sources, and the agency’s purchases must still comply with other federal procurement guidelines.”
- 2) *RTD.* RTD is the regional transit provider for San Joaquin County. Established in 1963 as the Stockton Metropolitan Transit District (SMTD), SMTD began providing service in 1965. In 1994, with the expansion of its service area to the entire county, SMTD became RTD.

RTD operates 32 routes in the Stockton Metropolitan Area, including 5 Bus Rapid Transit routes; 5 countywide routes; 7 Metro Hopper deviated fixed routes throughout the county, and 4 commuter routes to the Bay Area and Sacramento. RTD’s Van Go! service provides service options for county residents with seamless connections within the county. RTD also provides Dial-A-Ride service for persons who, due to their disability, are unable to use fixed-route service. In fiscal year 2020, RTD provided 3.03 million passenger trips.

- 3) *Costs are on the Rise.* This bill would increase from \$50,000 to \$150,000 the point at which purchases of supplies, equipment, and materials are required to go through a formal bid process. According to RTD, the sponsors of the bill, the costs for supplies, equipment, and materials have risen significantly while RTD’s procurement limits have remained constant. This means that minor repairs, project or supply purchases (such as bus parts and facilities equipment), increasingly exceed the limits which require a formal bid process, adding more time and requiring more resources to conduct routine procurements.

Further, RTD states that the bill adds a best value procurement option whereby RTD can award contracts based on the overall combination of quality, price, and other elements of a proposal that, when considered together, provide the greatest overall benefit relative to the requirements described in the bid documents. This option is preferred by transit agencies for such technology-dependent purchases as computers or software, or, for today's zero-emission buses, which are complex vehicles not regularly available in the usual transit marketplace.

- 4) *Federal limits.* The Fixing America's Surface Transportation (FAST) Act of 2015, set the "small purchase" amount for the FTA at \$150,000. This process allows streamlined contracting procedures for transit agencies receiving FTA funding for purchases valued under \$150,000, such as services, supplies, or other property. SB 333 would set the contracting threshold for RTD at \$150,000 which would match the federal practice.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 7, 2021.)

**SUPPORT:**

San Joaquin Regional Transit District (sponsor)

**OPPOSITION:**

None received.

-- END --

---

**SENATE COMMITTEE ON TRANSPORTATION**  
**Senator Lena Gonzalez, Chair**  
**2021 - 2022 Regular**

---

**Bill No:** SB 548 **Hearing Date:** 4/13/2021  
**Author:** Eggman  
**Version:** 4/5/2021  
**Urgency:** No **Fiscal:** No  
**Consultant:** Melissa White

**SUBJECT:** Tri-Valley-San Joaquin Valley Regional Rail Authority: transit connectivity

**DIGEST:** This bill clarifies the Tri-Valley–San Joaquin Regional Rail Authority (Authority) is a rail transit district and the project being developed by the Authority to connect the Bay Area Rapid Transit (BART) system and the Altamont Corridor Express (ACE) commuter rail service is not required to be located in the Tri-Valley region.

**ANALYSIS:**

*Existing law:*

- 1) Creates the Authority for purposes of planning, developing, and delivering cost-effective and responsive transit connectivity, between the BART and ACE in the Tri-Valley region.
- 2) Grants the all powers necessary for the planning, design, development, and construction of the connection between BART and ACE.
- 3) Generally exempts the state, a city, a county, a rapid transit district, or a rail transit district whose board of directors is appointed by public bodies, from complying with applicable local building and zoning ordinances.

**This bill:**

- 1) Eliminates the requirement for the Authority to create a connection between BART and ACE specifically within the Tri-Valley region.
- 2) Clarifies that the Authority was created for the purposes of operating, in addition to, planning, developing, and delivering the transit connection.

- 3) Clarifies the Authority is a “rail transit district” for the purposes of exemption from applicable local building and zoning ordinances.

**COMMENTS:**

- 1) *Purpose.* According to the author, “the Valley Link project is a project of significant importance that will improve connectivity within the Northern California Megaregion, connecting housing, people, and jobs. This bill follows up on the enabling legislation (AB 758) passed in 2017 and is needed to help pursue project implementation that is fast, cost-effective and responsive to the goals of the communities that Valley Link will serve.”
- 2) *Valley Super Commuters.* The Altamont Pass serves as the commuter corridor connecting the San Joaquin Valley to the Bay Area. The I-580 is the freeway connector and ranks as one of the most congested freeways in the Northern California mega-region during peak hours due to high volume of regional and interregional commuter, freight, and recreational traffic. Additionally, San Joaquin County, and other counties in the San Joaquin Valley are some of the fastest growing in the state. Since 1990, the number of people commuting daily from the northern San Joaquin Valley to the Bay Area has nearly tripled, growing from 32,000 to over 90,000 commuters. The Bay Area Council estimates that congestion will increase an additional 75% between 2016 and 2040. Currently, the ACE commuter train system provides an alternative to driving, bringing commuters from the northern San Joaquin Valley, such as the cities of Stockton, Lathrop, and Tracy, to the Bay Area. ACE carries nearly 3,000 commuters daily one way or 6,000 daily round trips.
- 3) *No real transit connection.* Although the ACE commuter service and BART both serve the Tri-Valley region, there is no direct transit connection between the two systems. This connection has long been a priority for the local governments and businesses, and greater Bay Area region planners. In 2016, local officials created the Altamont Regional Rail Working Group to focus on potential BART to ACE linkages to better connect the Bay Area to the Central Valley region. The Working Group was made up of local officials from the area communities, and representatives from BART and ACE. Additionally, both BART and ACE were exploring ways to connect their respective systems near Livermore, including conducting environmental reviews and dedicating funding to the project effort.
- 4) *Valley Link.* As a direct follow on to the Working Group, AB 758 (Eggman), Chapter 747, Statutes of 2017, established the Authority, with the mandate to plan and deliver cost-effective and responsive transit connectivity between the

BART and ACE in the Tri-Valley that meets the goals and objectives of the communities it will serve. AB 758 created a Board of Directors structure, made up of local officials from the affected communities and BART and ACE. The bill vested the Authority with powers necessary for planning, acquiring, leasing, developing, jointly developing, owning, controlling, using, jointly using, disposing of, designing, procuring, and constructing facilities to achieve transit connectivity. First, AB 758 required the development of a project feasibility report to outline how this could be achieved. The final report, adopted by the Authority Board of Directors in October 2019, identifies a proposed project, the so-called Valley Link, which is currently undergoing further design and environmental review. In fact, the public comment period for the draft environmental Impact Report (EIR) closed in January 2021, with Board of Directors consideration of final certification expected in May 2021.

Specifically, the proposed project is a new 42-mile, 7-station passenger rail project that will connect the existing Dublin/Pleasanton BART Station in Alameda County to the planned ACE North Lathrop Station in San Joaquin County utilizing existing transportation rights-of-way where feasible. Stations would be located at Dublin/Pleasanton (BART Intermodal), Isabel (Livermore), Greenville (Livermore), Mountain House (San Joaquin County), Downtown Tracy Station (Tracy), River Islands Station (Lathrop), and North Lathrop Station (ACE Intermodal).

The project would provide regular service throughout the day in both directions with timed connections with both BART and ACE services. The overall travel time from North Lathrop to the Dublin/Pleasanton BART Station would be approximately 61 to 65 minutes depending on direction of travel. The 2040 service plan includes 12-minute peak period headways with more limited service on the weekend, carrying an estimated 33,000 daily riders. The total project is estimated to cost between \$2.7 to \$3.4 billion, and the Authority has identified \$708 million in funding. It is anticipated that the Valley Link service would be operated by ACE.

- 4) *SB 548 clarifies various provisions of the Authority's enabling statute.* Specifically, AB 758 implies that there is a requirement for the Authority to create a connection between BART and ACE within the Tri-Valley. As the proposed project would connect the systems in the San Joaquin Valley, the bill eliminates the specific references to the Tri-Valley. The bill also clarifies that the Authority is deemed a rail transit district for the purposes of exemption from applicable local building and zoning ordinances. Regional transit agencies are generally exempt from these ordinances. The Sonoma-Marín Area Rapid Transit District (SMART), BART, San Diego Metropolitan Transportation



System (MTS), and Sacramento Regional Transit (SacRT) are examples of other rail transit or rapid transit districts in the state.

**RELATED LEGISLATION:**

**AB 758 (Eggman, Chapter 747, Statutes of 2017)** — created the Tri-Valley-San Joaquin Valley Regional Rail Authority to oversee the planning, development, and delivery of a connection between the Bay Area Rapid Transit and the Altamont Corridor Express in the Tri-Valley region.

**AB 2762 (Baker, of 2016)** — would have created the Altamont Pass Regional Rail Authority for the purposes of planning and delivering a cost effective and responsive interregional rail connection between BART and ACE in the City of Livermore. AB 2762 was held in Assembly Transportation Committee.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 7, 2021.)

**SUPPORT:**

Tri-Valley-San Joaquin Valley Regional Rail Authority (sponsor)  
Bay Area Council  
City of Dublin  
City of Lathrop  
City of Livermore  
City of Manteca  
City of Pleasanton  
City of San Ramon  
City of Tracy  
Dublin Chamber of Commerce  
Innovation Tri-valley Leadership Group  
Livermore Amador Valley Transit Authority  
Livermore Valley Chamber of Commerce  
Pleasanton Chamber of Commerce  
San Joaquin County Supervisor Robert Rickman  
San Joaquin Regional Rail Commission  
Town of Danville

**OPPOSITION:**

Train Riders Association of California

**-- END --**

---

**SENATE COMMITTEE ON TRANSPORTATION**  
**Senator Lena Gonzalez, Chair**  
**2021 - 2022 Regular**

---

<b>Bill No:</b>	SB 21	<b>Hearing Date:</b>	4/13/2021
<b>Author:</b>	Glazer		
<b>Version:</b>	4/5/2020		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Randy Chinn		

**SUBJECT:** Specialized license plates: mental health awareness

**DIGEST:** This bill requires the State Department of Education to apply to the Department of Motor Vehicles (DMV) to sponsor a mental health awareness license plate with proceeds used by the Department of Education for mental health services in public schools

**ANALYSIS:**

*Existing law:*

- 1) Provides for a specialized license plate program, under which the DMV may issue specialized license plates only on behalf of state agencies and provided that:
  - a) The license plate has “a design or contains a message that publicizes or promotes a state agency, or the official policy, mission, or work of a state agency.” The design shall not be larger than two inches by three inches and shall be confined to the left of and below the numerical series (i.e., no full-plate designs allowed).
  - b) The agency submits a minimum of 7,500 applications and accompanying fees to the DMV for the license plate. The agency has 12 months to collect these applications and fees, but it can extend that to a maximum of 24 months if it notifies and offers to refund fees to those who applied during the first 12 months. Once a plate is issued, DMV stops issuing that plate for the agency if the number of plates drops below 7,500.
- 2) Authorizes DMV to charge, in addition to the usual registration and license fees, the following additional fees for specialized license plates: \$50 for the initial issuance, \$40 for annual renewal, and \$98 to personalize. DMV deducts its administrative costs from the revenues generated. The net revenues derived

from a specialized license plate are then available upon appropriation for the sponsoring state agency to expend exclusively on projects and programs that promote the state agency's official policy, mission, or work.

**This bill:**

- 1) Requires the State Department of Education (Department) to apply to the Department of Motor Vehicles (DMV) to sponsor a mental health awareness license plate with proceeds used by the Department for mental health services in public schools.
- 2) Requires the Department accept and use donated artwork from California artists in the license plate design and include a mental health awareness message below the alphanumeric series.

**COMMENTS:**

- 1) *Purpose.* The author notes that suicide is the second leading cause of death among young people, and that COVID has only increased mental health issues. The lack of stability and support for students across the state has increased stress, anxiety and depression for all students while they try to cope with unprecedented circumstances, according to the author.
- 2) *Poor Success Rate.* Very few specialized license plate programs reach the 7,500-plate threshold. Of the 12 legislatively sponsored plates approved since 2000, only two have met the threshold.
- 3) *One More.* California currently offers 14 specialty license plates: Breast Cancer Awareness, California Agriculture, Arts Council, California Museums, Collegiate, Environmental, Help Our Kids, Lake Tahoe Conservancy, Memorial, Pet Lovers, Veterans' Organizations, Whale Tail (Coastal Commission), Yosemite Conservancy, and 60's Legacy.
- 4) *DMV Workload Concerns.* Recent specialty license plate bills have met resistance from the Administration over DMV workload issues as the agency struggled to meet demand for REAL IDs. COVID-related closures, DMV process improvements and the federal government's one-year delay of the REAL ID requirement have eased those concerns, at least temporarily. However, those concerns could be reignited should California emerge from the COVID crisis quickly and people again desire to fly. Airline traffic has been increasing since its lows of April 2020. On a Sunday in early March 2021, more passengers flew than a year ago according to TSA data.

**RELATED LEGISLATION:**

**SB 1027 (Stern, 2020)** — Requires the State Coastal Conservancy (SCC) to apply to the Department of Motor Vehicles (DMV) to sponsor the “Endless Summer” license plate and allocates the proceeds towards project and programs that promote surfing. *This bill was held in the Senate Transportation Committee.*

**SB 140 (Stern, 2019)** — Requires the State Coastal Conservancy (SCC) to apply to the Department of Motor Vehicles (DMV) to sponsor the “Endless Summer” license plate and allocates the proceeds towards project and programs that promote surfing. *This bill was held in the Senate Appropriations Committee.*

**SB 509 (Portantino, 2019)** — Requires the Department of Housing and Community Development (HCD) to apply to the Department of Motor Vehicles (DMV) to sponsor a housing crisis awareness specialized license plate program, with the fees going to support an existing program for owner-occupied workforce housing. *This bill was held in the Senate Appropriations Committee.*

**SB 593 (Umberg, 2019)** — Requires the Department of Veterans Affairs (DVA) to apply to the Department of Motor Vehicles (DMV) to sponsor a professional sports franchise license plate with the net proceeds going to the Challenged Athletes Foundation. *This bill was held in the Senate Appropriations Committee.*

**SB 1455 (Stern, 2018)** — Requires the State Coastal Conservancy (SCC) to apply to the Department of Motor Vehicles (DMV) to sponsor the “Endless Summer” license plate and allocates the proceeds towards project and programs that promote surfing. *This bill was vetoed.*

**AB 2058 (Acosta, 2018)** — Authorizes the DMV to issue personalized Gold Star Family specialized license plates. *This bill was vetoed.*

**AB 1251 (Allen, 2017)** — requires the State Coastal Conservancy to apply to the DMV to sponsor an Endless Summer license plate for a coastal conservancy awareness program. *This bill died in Assembly Transportation.*

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 7, 2021.)

**SUPPORT:**

All It Takes

Association of Regional Center Agencies

California Alliance of Child and Family Services

California Association of Marriage and Family Therapists

California Association of Social Rehabilitation Agencies

California Association of Student Councils

California Department of Education

California Hospital Association/California Association of Hospitals and Health Systems

California Psychological Association

California State Association of Psychiatrists (CSAP)

California State Pta

County Behavioral Health Directors Association of California

Dbsa California

National Alliance on Mental Illness (NAMI-CA)

Steinberg Institute

**OPPOSITION:**

None received.

**-- END --**

---

**SENATE COMMITTEE ON TRANSPORTATION**  
**Senator Lena Gonzalez, Chair**  
**2021 - 2022 Regular**

---

<b>Bill No:</b>	SB 635	<b>Hearing Date:</b>	4/13/2021
<b>Author:</b>	Gonzalez		
<b>Version:</b>	3/10/2021		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Randy Chinn		

**SUBJECT:** Cleanup activities on state highways, rights-of-way, off ramps, and homeless encampments

**DIGEST:** This bill requires Caltrans to develop a strategy for cleaning up state highways, identify statutory, funding and regulatory barriers to efficient clean up, and annually report to the Legislature on their cleanup efforts.

**ANALYSIS:**

*Existing law:*

- 1) Vests Caltrans with control of all state highways and all property acquired for state highway purposes.
- 2) Authorizes Caltrans to establish maintenance programs related to highway cleanup.
- 3) Establishes the Independent Office of Audits and Investigations within Caltrans, whose director is the Inspector General.

**This bill:**

- 1) Requires Caltrans to coordinate cleanup on state highways, rights-of-way, off ramps, and associated homeless encampments.
- 2) Requires Caltrans to solicit information from and coordinate with health and safety agencies, mental health agencies, law enforcement agencies, nonprofit organizations, and other government agencies who have jurisdiction over the maintenance and safety of roads and highways or that coordinate with the department for highway cleanup activities.
- 3) By January 1, 2023, Caltrans shall submit an assessment to the Legislature that shall include a summary of the barriers to efficient clean up coordination,

strategies for obtaining necessary resources and leveraging coordination with appropriate agencies, recommendations to address homeless encampments, and recommendations for statutory or regulatory changes to improve the cleanliness and safety of state rights-of-way.

- 4) By January 1, 2023, and annually thereafter, the Inspector General shall report to the Legislature on how well the cleanup activities are being performed in each Caltrans district.
- 5) Requires Caltrans to establish an advisory board of relevant state agencies and those local agencies who wish to participate, for the ongoing planning and coordination of cleanup activities.
- 6) Requires each Caltrans district to develop cleanup schedules every two weeks and to post those schedules on its website.

#### COMMENTS:

- 1) *Purpose.* "Keeping California's roadways free of debris and litter is critical to protecting driver safety and safeguarding the environment. However, in my district and many others across the state, Caltrans has been unable to keep pace with the need for roadside debris cleanups. SB 635 gets to the root of the problem by requiring Caltrans to report on their cleanup activities, post schedules for their cleanups, and work with state and local entities to identify the roadblocks and strategies to streamline ongoing cleanup efforts."
- 2) *Garbage Time.* Anyone who rides in a car knows that trash along the freeways has been a significant and growing problem for years. In 2016-17, Caltrans spent \$65 million to remove 330,000 cubic yards of litter, growing to \$102 million and 359,000 cubic yards in 2018-19 and \$110 million in 2019-20. About 15% of that was spent on removing trash from homeless encampments. The Governor's 2021-22 budget requests an additional \$20 million on an ongoing basis for hazardous material removal in encampments.

The problem has been particularly acute in the Bay Area where the local Regional Water Quality Control Board in 2016 issued Caltrans a notice of violation regarding timely implementation of trash control measures. In 2019, a Cease and Desist Order required Caltrans to implement specified trash control measures, the cost of which was estimated at \$1.1 billion. Funds to remove trash would otherwise be spent on road repair and maintenance.



- 3) *How'd It Get So Bad?* The increase in homelessness has greatly contributed to the problem of increased trash as homeless encampments spring up along state highway rights of way. In 2016-17, Caltrans received 2,910 requests for cleanup of homeless encampments. By 2019-20 that increased to 7,417, an increase of 155%. Yet in 2019-20, those represented only 18% of all customer service requests. The trash problem goes beyond homelessness. COVID has also made things worse by reducing available Caltrans workhours and volunteer availability. However, these problems have been present for several years and precede COVID.

So other than homelessness, what else is contributing to the trash problem? It is likely several factors including increasingly uncovered loads, an increase in littering, and illegal dumping.

- 4) *What's the Fix?* There is no easy fix to the trash problem. Increasing spending is a temporary, and perhaps necessary, fix but it deals with the symptom, not the underlying cause. This will require a combination of public information and law enforcement efforts, more engagement with local governments to leverage resources, and more utilization of volunteer and non-Caltrans employees. This bill tackles the trash problem by requiring Caltrans to develop a strategy for cleaning up its rights of way that involve other state agencies, local governments and non-profits. Homelessness is a particularly vexing problem, which has landed on Caltrans' lap simply because they are the landowner. Requiring Caltrans to work with other relevant state and local agencies with the experience and responsibility to deal with homelessness brings the right entities together.

The bill also increases accountability by requiring an annual report from the Caltrans Inspector General on the effectiveness of its trash cleanup effort by district.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 7, 2021.)

**SUPPORT:**

City of Maywood  
City of Paramount  
City of Signal Hill

**OPPOSITION:**

None received.

**-- END --**

---

**SENATE COMMITTEE ON TRANSPORTATION**  
**Senator Lena Gonzalez, Chair**  
**2021 - 2022 Regular**

---

<b>Bill No:</b>	SB 671	<b>Hearing Date:</b>	4/13/2021
<b>Author:</b>	Gonzalez		
<b>Version:</b>	4/6/2021		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Melissa White		

**SUBJECT:** Transportation: Clean Freight Corridor Efficiency Assessment

**DIGEST:** This bill requires the California Transportation Commission (CTC), in coordination with other state agencies, to develop a Clean Freight Corridor Efficiency Assessment and incorporate the recommendations into their respective programs for freight infrastructure. Also codifies existing CTC guidelines for eligible projects for the Trade Corridor Enhancement Program (TCEP).

**ANALYSIS:**

*Existing law:*

- 1) Requires the California State Transportation Agency (CalSTA) to develop a the California Freight Mobility Plan (CFMP) in accordance with federal guidelines and establish an advisory committee made up of federal, state, local, and regional representatives as well as private sector and specified interest groups, to guide CFMP development.
- 2) Establishes the Trade Corridor Enhancement Account (TCEA) to be administered by the CTC to allocate monies for infrastructure improvements on federally designated Trade Corridors of National and Regional Significance, on the Primary Freight Network, and along other corridors that have a high volume of freight movement, as determined by CTC and as identified in the CFMP. The program, known as the TCEP, is funded with revenue collected from a portion of the diesel excise tax and federal funds.
- 3) Establishes the Global Warming Solutions Act of 2006, AB 32 (Núñez), Chapter 244, Statutes of 2006, that requires the California Air Resources Board (ARB) to enact regulations and establish programs to reduce greenhouse gas (GHG) emissions to 1990 levels by 2020 including the use of market-based mechanisms (cap-and-trade) to comply with these regulations. Requires ARB

to ensure that statewide GHG emissions are reduced to at least 40% below the 1990 level by 2030.

- 4) Establishes the Clean Transportation Program, administered by the California Energy Commission (CEC), to fund projects to transform California's fuel and vehicle types to help attain the state's climate goals. The program is funded with revenue collected from vehicle and vessel registration, vehicle identification plates, and smog-abatement fees.
- 5) Federal and state law require the California Department of Transportation (Caltrans) to develop and update the long-range California Transportation Plan (CTP) every five years. The CTP provides a framework for guiding transportation decisions and investments by all levels of government and the private sector, and analysis and policy recommendations regarding current transportation issues and future trends.

**This bill:**

- 1) Requires the CTC, in coordination with the ARB, the CEC, and the Public Utilities Commission (CPUC), and the Governor's Office of Business and Economic Development (Go-Biz) to develop the Clean Freight Corridor Efficiency Assessment. Establishes the goal of the assessment is to identify freight corridors, or segments of corridors, and the infrastructure needed to support the deployment of zero-emission medium and heavy-duty vehicles.
- 2) Requires the CTC, when developing the assessment, to consider the potential for emissions reductions, the infrastructure needed for charging and alternative fueling, including parking facilities; congestion reduction; improved road safety and resiliency; and the impacts to neighboring communities.
- 3) Requires the CTC to develop the assessment in consultation with local governments, Metropolitan Planning Organizations (MPO)s, regional transportation agencies, representatives of the freight industry, environmental organizations and public health representatives.
- 4) Requires the CTC to identify all of the following in developing the assessment:
  - a) Freight corridors, or segments of corridors, to be priority corridors for the deployment of zero-emission medium- and heavy-duty vehicles.

- b) The top five freight corridors, or segments of corridors, with the heaviest freight volume and near-source exposure to exposure to diesel exhaust and other contaminants.
  - c) Projects to achieve the goals of the assessment, including medium- and heavy-duty charging and fueling infrastructure; highway improvements needed to accommodate charging and fueling infrastructure, including parking facilities; highway improvements to increase safety and throughput, such as dedicated truck lanes; improvements to local or connector streets and roads; and areas where micro-grids or similar technologies could be deployed for charging and fueling.
  - d) Potential sponsors of projects to achieve the goals of the assessment, including but not limited to, Caltrans, regional transportation agencies, local governments, freight industry, and non-profits.
  - e) Barriers and potential solutions to achieving the deployment of zero-emission medium- and heavy-duty vehicles.
  - f) The impact on roads due to increased weight of zero-emission vehicles.
  - g) Methods to avoid displacement of residents and businesses on the freight corridor when considering projects.
  - h) Potential funding opportunities for projects.
  - i) Benefits from the deployment of zero-emission medium- and heavy-duty vehicles, including environmental, air quality, public health, highway safety, and economic competitiveness.
- 5) Requires CTC to submit a report, by December 1, 2023, detailing the assessment and its recommendations for the deployment of zero-emission medium- and heavy-duty vehicles to relevant policy and fiscal committees of the Legislature.
- 6) Requires the CTC, ARB, and CEC to incorporate the Clean Freight Corridor Efficiency Assessment's finding and recommendations into their respective funding programs related to freight infrastructure and technology.
- 7) Adds eligible project types to the TCEP program, including:

- a) Projects that employ advanced and innovative technology to improve the flow of freight, such as Intelligent Transportation Systems, public infrastructure (excluding vehicles) that enables zero-emission or near zero-emission goods movement, real time information systems, weigh-in-motion devices, electronic screening and credentialing systems, traffic signal optimization, work zone management and information systems, ramp metering, and electronic cargo and border security technologies.
  - b) Environmental and community mitigation or efforts to reduce environmental impacts of freight movement, such as projects that reduce noise; overnight truck idling or truck queues; and advanced traveler information systems such as Freight Advanced Traveler Information System (FRATIS).
- 8) Requires CalSTA to include a description of needed infrastructure, projects, and operations for the deployment of zero-emission medium- and heavy-duty vehicles, and the development of freight corridors identified by the Clean Freight Corridors Efficiency Assessment in the CMFP.
  - 9) Requires the Clean Freight Corridor Efficiency Assessment's findings and recommendations be incorporated into the CTP.

**BACKGROUND:**

- 1) *Goods movement in California.* California's sea ports of entry serve as key commercial gateways for the movement of billions of dollars' worth of products annually. Overall, freight movement generates about one-third of California's economy, the fifth largest in the world, with the state's GDP at over \$3 trillion. Freight movement (also known as goods movement) is a complex web of goods being transported via ship, plane, train or truck using highways, local roads, railways, navigable waterways, key seaports, airports, warehouses, and intermodal facilities. Due to increasing market demands, freight movement is expected to continue to grow, affecting our state while also facing competition from other locations in the United States and across the world. However, despite the growth and economic benefits that goods movement represents, the industry also places a heavy burden on the state in terms of the increased demand on transportation infrastructure and increased environmental impacts. To reduce the environmental impacts of the transportation sector including freight, and to plan freight more comprehensively, the state has enacted various laws, regulations, initiatives, and executive orders.
- 2) *Better planning for freight.* Recognizing the importance of freight, the state and federal government have placed a greater emphasis on planning for and funding

goods movement projects. For example, the federal government, through the Fixing America's Surface Transportation (FAST) Act of 2015, requires states to prepare a state freight plan as a condition of getting federal freight funding and mandates that specified elements be included. To comply with these and other state requirements, CalSTA develops the California Freight Mobility Plan (CFMP), which is updated every five years to provide a long-term vision for California's freight future. The plan is put together with input from the California Freight Advisory Committee, made up of state, regional and local governments, the freight industry, and environmental, community, and safety groups. The most recent CFMP was released in March 2020 and focuses on the goals of multimodal mobility, economic prosperity, environmental stewardship, healthy communities, safety and resiliency, asset management, and connectivity and accessibility.

Further, in 2015, Governor Brown issued Executive Order B-32-15, which directed key agencies to create a sustainable freight plan with the goals of improving freight efficiency, transitioning to zero-emission technologies, and increasing competitiveness of California's freight system. These agencies adopted the Sustainable Freight Action Plan in 2016. The plan provides short and long-term goals for state agencies to consider when planning for freight sustainability, including improving freight system efficiency 25 percent by 2030, deploying over 100,000 freight vehicles and equipment capable of zero-emission operation, maximizing near-zero emission freight vehicles and equipment powered by renewable energy by 2030, and establishing a target for increased state competitiveness and future economic growth within the goods movement industry.

- 3) *Funding goods movement.* California provides funding for goods movement from a variety of agencies and sources. The ARB and CEC focus funding on cleaning up the freight sector by supporting the purchase of zero-emission medium- and heavy-duty vehicles and funding the deployment of charging technologies to facilitate their use. However, dedicated funding for goods movement corridor infrastructure is through the CTC.

Specifically, with the passage of SB 1 (Beall), Chapter 5, Statutes of 2017, approximately \$300 million of annual state funds and approximately \$535 in total federal funds are slated specifically for freight projects, under the Trade Corridor Enhancement Program (TCEP) administered by the CTC. TCEP supports goals and principles of and is informed by the National Highway Freight Program, the CFMP, and the Sustainable Freight Action Plan. The CTC develops guidelines outlining the applicants eligible to apply for funding and types of projects that can be funded. Generally, eligible applicants are public

agencies, including Caltrans, regional transportation agencies, local governments, and port authorities. For eligible projects, the current guidelines include highway improvements; freight rail system improvements; port capacity and efficiency enhancements; truck corridor improvements, including dedicated truck lanes; border access improvements; local road and connector road improvements along major good movement corridors; port or rail projects facilitate access to facilities; advanced technology projects, including public infrastructure (excluding vehicles) that enables zero emission or near-zero emission goods movement; and projects to reduce environmental impacts of freight movement. The CTC is required to target 40% of the total funding to Caltrans and 60% to all other public applicants. Projects must comply with federal requirements and Article XIX of the California Constitution.

- 4) *Reducing emissions.* The transportation sector as a whole is responsible for over 40% of the GHG emissions in the state. More than half of that is attributable to the various types of medium- and heavy-duty vehicles and equipment. Specifically, on-road vehicles, such as trucks, delivery vans, and buses, account for 22% of emissions from the transportation sector.

Since the passage of AB 32 and SB 32, the state has developed numerous programs to reduce emissions from freight and mobile sources including accelerating the use of clean vehicles, equipment, and fuels in the goods movement sector. The various programs administered by ARB, CEC, and the CPUC focus on the early commercial deployment of new technologies, reducing local pollution through fleet turnover, and installing fueling or charging infrastructure. Funding for these programs come from a variety of sources including the state's cap-and-trade program.

In September 2020, Governor Gavin Newsom signed Executive Order (EO) N-79-20, which contained a number of historic measures to "pursue actions necessary to combat the climate crises." Specifically, the EO set a goal that 100% of in-state sales of new passenger cars and trucks would be zero-emission by 2035. Additionally, 100% of medium- and heavy-duty vehicles will be zero-emission by 2045 for all operations where feasible, and by 2035 for drayage trucks and off-road vehicles and equipment. To implement these goals, the Governor ordered the ARB to develop regulations, including requiring increasing numbers of medium- and heavy-duty vehicles to be sold and operated in California towards the target of 100% fleet transitioning by 2045.

Prior to the EO, ARB had already been moving toward fleet turnover with the Advanced Clean Truck regulation that requires an increasing percentage of medium- and heavy-duty trucks sold to be zero emission beginning in 2024



through 2035. Moreover, to implement the EO, the Advanced Clean Fleets rule is expected later this year to meet the goal of achieving a zero-emission truck and bus California fleet by 2045.

## COMMENTS:

- 1) *Purpose.* According to the author, “the emissions associated with freight corridors not only contribute to global warming—they also pose a serious risk to the health of our communities. In my district, as in many across the state, families that live near freight corridors are heavily burdened by pollution and suffer disproportionately from high rates of chronic diseases such as cancer, asthma, and other respiratory illnesses. Building cleaner freight corridors is not just an option, it is necessary to protect the health of our communities. We need to create a well-informed, robust strategy to develop infrastructure that will support clean and zero-emission vehicles, and emissions reduction goals along our most polluted freight corridors. Critically, we must ensure inter-agency collaboration and create space at the table for the local and grassroots organizations when planning the future of freight. The Clean Freight Corridor Efficiency Assessment will support these goals and build towards a future where every Californian has access to clean, breathable air.”
- 2) *Focusing on the freight corridors.* SB 671 requires the CTC, in coordination with the ARB, CEC, and CPUC, to develop a Clean Freight Corridor Efficiency Assessment. The primary goal of the assessment is to focus on the state’s freight corridors, or segments of corridors, and identify the infrastructure needed to successfully deploy zero-emission medium- and heavy-duty vehicles. Specifically, the assessment will identify corridors throughout the state that would be priority candidates for deployment, focusing on the top five corridors with the heaviest freight volume and near-source exposure to diesel exhaust. After identifying the corridor, the assessment focus on the types of projects needed to support medium- and heavy-duty zero-emission vehicles. The assessment will include recommendations for potential funding sources for the projects identified, and potential projects sponsors from the public and private sector, including the state, such as Caltrans; regional and local governments; private industry; and non-profits.

The CTC defines freight corridors very broadly. For example, the freight corridors eligible for funding from the TCEP program are defined as Bay Area, Central Valley, Central Coast, Los Angeles/Inland Empire, San Diego/Border, and “other” which covers much of Northern California. SB 671 seeks to focus on priority freight corridors, or even smaller segments of a freight corridor, specifically the top five with the heaviest freight volume and with the most

exposure to diesel exhaust. The assessment will look at the corridor as a whole, what projects are needed to fully deploy medium- and heavy-duty zero-emission vehicles and what improvements are needed to the connecting streets and roads, while also taking into account the effects on neighborhoods along the corridor to avoid displacement. This holistic approach to transportation corridors is the main purpose of the Solutions for Congested Corridors program created and funded by SB 1 (Beall). Bringing this same focus to freight corridors will help to successfully put all of the pieces together to deploy zero-emission medium- and heavy-duty technology and fully realize the benefits.

- 3) *Building zero-emission goals into freight planning and funding.* As noted, multiple state agencies fund programs to help clean up the freight sector by funding the deployment of medium- and heavy-duty zero-emission vehicles and the charging infrastructure needed to support them. But it has only been recently that the largest dedicated funding for California's freight infrastructure, the TCEP, has incorporated the zero-emission and near-zero emission goods movement. The 2020 TCEP guidelines made, "public infrastructure that enables zero-emission or near zero-emission goods movement," eligible for the program. As TCEP must adhere to federal and state constitutional restrictions, the purchase of zero-emission vehicles is not eligible. According to the CTC, no such projects were funded in the 2020 TCEP funding cycle. However, there is great interest in the program and it may just be a matter of time. All projects funded by TCEP must be included in a Metropolitan Planning Organization (MPO)s regional transportation plan/sustainable communities strategy, and MPOs are starting to build in these types of projects into their latest plans. SB 671 codifies exiting CTC guidelines for these and other advanced technology, and the mitigation of the impacts of freight on communities. Additionally, SB 671 adds zero-emission freight infrastructure and the outcomes of the assessment to the CFMP and the CTP so it is incorporated into the future planning for goods movement in California.
- 4) *Double Referral.* This bill has been double-referred to the Environmental Quality Committee.

#### **RELATED LEGISLATION:**

**AB 111 (Boerner Horvath, 2021)** — Requires CalSTA to implement a Safe and Clean Truck Infrastructure Program to support the construction and operation of zero-emission medium- and heavy-duty vehicle parking and electric vehicle charging and hydrogen refueling infrastructure on public and private properties, and to encourage the use of zero-emission vehicles. Requires the PUC, in consultation with the CEC and ARB, to establish a rate structure to promote the

adoption of zero-emission vehicles and zero-emission freight equipment. This bill is pending in the Assembly Transportation Committee.

**SB 726 (Gonzalez, 2021)** — Requires ARB and CEC, and others, to jointly develop a comprehensive transportation sustainability strategy to be adopted by various state agencies. Requires Governor to name a lead agency to coordinate zero emission deployment and implement the strategy. Requires CEC to recast their Clean Transportation Program to expand eligibility and give funding priority to projects including medium- and heavy-duty vehicle infrastructure, vehicles, research, pilot, demonstration, and deployment projects that reduce emissions from fleets in the goods movement and public transit sectors. This bill is set for hearing in the Environmental Quality committee on April 12, 2021. If passed this bill will be referred to this committee.

**AB 1389 (Reyes, 2021)** — Requires CEC to recast their Clean Transportation Program to expand eligibility to medium- and heavy-duty vehicles, including on-road and off- road vehicles, research, pilots, demonstrations, and deployment projects that reduce emissions and particulate matter from fleets in the goods movement and public transit sectors. Requires 50% of the funding be awarded to projects located in, and benefiting, disadvantaged communities. This bill is pending in the Assembly Transportation Committee.

**AB 1411 (Reyes, 2019)** — Would have established the goal of the deployment of 100,000 zero-emission medium- and heavy-duty vehicles and off-road vehicles and equipment by 2030, including the corresponding infrastructure to support them. Would have required specified state agencies to develop by January 1, 2021, and update every 5 years, an integrated action plan for sustainable freight. This bill was held in the Assembly Transportation Committee.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 7, 2021.)

**SUPPORT:**

Southern California Edison  
Union of Concerned Scientists

*(Letters submitted for the February 19, 2021, version of the bill)*

Elders Climate Action's NorCal and SoCal chapters

Los Angeles County Metropolitan Transportation Authority  
Natural Resources Defense Council (support in concept)

**OPPOSITION:**

None received.

**-- END --**

---

**SENATE COMMITTEE ON TRANSPORTATION**  
**Senator Lena Gonzalez, Chair**  
**2021 - 2022 Regular**

---

<b>Bill No:</b>	SB 287	<b>Hearing Date:</b>	4/13/2021
<b>Author:</b>	Grove		
<b>Version:</b>	3/5/2021		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Randy Chinn		

**SUBJECT:** Vehicles: trailers

**DIGEST:** This bill increases the weight of trailers that holders of different levels of drivers license holders can tow.

**ANALYSIS:**

Existing law establishes different classes of drivers license for driving different classes of vehicles:

- a) A class C drivers license authorizes holders to drive passenger cars and tow travel trailers not exceeding 10,000 pounds gross vehicle weight rating (GVWR) when the towing is not for compensation. If a trailer is a fifth wheel travel trailer between 10,000 pounds and 15,000 pounds the holder of a class C drivers license can tow it if the towing is not for compensation and the license holder passes a specialized written examination.
- b) A restricted class A drivers license authorizes holders to driver larger vehicles and tow heavier loads, though not big rigs. Additional written and skills testing is required. A restricted class A drivers license holder may tow a trailer coach exceeding 10,000 pounds or a travel trailer exceeding 15,000 pounds gross vehicle weight (GVW) or GVWR when the towing is not for compensation.

**This bill:**

- 1) Allows class C drivers license holders to tow any trailer between 10,000 pounds and 15,000 pounds GVW or GVWR if the towing is not for compensation, the trailer is coupled to the towing vehicle by a specified hitch, the trailer is used exclusively for recreational purposes, and the driver has passed a specialized written examination relating to towing safety.

- 2) Allows restricted class A drivers license holders to tow any trailer with a GVW or GVWR of more than 10,000 pounds if the towing is not for compensation and the trailer is used exclusively for recreational purposes.

**COMMENTS:**

- 1) *Purpose.* “SB 278 will level the playing field and give peace of mind to California’s horse enthusiasts and recreationalists by allowing any recreational trailer between 10,001 and 15,000 pounds GVW to be towed using a class C license with a recreational trailer endorsement. Along with specialized safety testing, which is already being implemented, this classification will ensure that families are able to safely operate their recreational trailers without fear of penalty or being impounded.”
- 2) *Inequitable Treatment.* Under current law, a recreational driver towing a 12,000-pound GVWR horse trailer needs to obtain a drivers license requiring significantly more training and testing than a recreational driver towing a 12,000 pound GVWR trailer carrying motorcycles. The former needs a commercial class A license, the latter only needs a passenger vehicle class C license with some additional safety testing. This bill seeks to rectify that inequity by allowing for a class C license in both instances provided the driver is not towing for compensation or the trailer is used exclusively for recreational purposes.
- 3) *No Safety Issue.* This language has been negotiated with the California Highway Patrol who sees no safety issues.
- 4) *What’s That?* The GVW is the weight of the trailer and its contents. The GVWR is the maximum safe loaded weight of the trailer. A 12,000-pound GVWR horse trailer could typically carry three horses.

**RELATED LEGISLATION:**

**SB 415 (Grove; 2019)** – Increase the weight of trailers that a person with a class C license could tow. This bill failed passage in the Senate Transportation Committee.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 7, 2021.)

**SUPPORT:**

None received.

**OPPOSITION:**

None received.

**-- END --**





- 6) Requires, by January 1, 2017, local agencies to adopt Caltrans standards (42700) on the use of recycled materials or to discuss why the standards are not being adopted at a public hearing. (PRC §42704.5)

**This bill:**

- 1) Authorizes Caltrans to conduct a study to assess the feasibility, cost-effectiveness, and lifecycle environmental benefits of including recycled plastic in asphalt used as a paving material in the construction, maintenance, and rehabilitation of a highway or road.
- 2) Authorizes Caltrans to develop specifications for including recycled plastic in asphalt used as a roadway paving material if the study concludes that it is feasible, cost-effective, and provides life-cycle environmental benefits.
- 3) Requires Caltrans to submit annual progress analyses to the transportation committees of each house of the Legislature by January 1 of each year, starting in 2023.
- 4) Requires a local agency that has jurisdiction over a street or highway to either adopt any specification for the use of recycled plastics that Caltrans adopts or to discuss at a regularly scheduled public hearing of the local agency's legislative or other governing body why the standards are not being adopted.

**COMMENTS:**

- 1) *Author's statement.* According to the author, "In 2011, California established a statewide goal of 75 percent recycling by 2020, and as a state, we are far from achieving this goal. The environmental and public health impacts of plastic pollution will continue to devastate the environment and cost the state millions in clean up and mitigation costs. In order to reduce our plastic surplus and meet our state's environmental and recycling goals, innovation is necessary. As the fifth largest economy in the world, California must make investments and create incentives into green technology across all industries to address the effects of climate change on our state. Municipalities across the world have experimented with the inclusion of recycled plastic in road repair projects, and, in 2018, UC San Diego reported to be the first in California to install a road on campus using recycled plastic in its asphalt mix. As our state invests in transportation infrastructure, we must ensure that we continue funding sustainable solutions that will ultimately benefit both our state and our environment. SB 1238 addresses this by conducting a study assessing the feasibility, cost-effectiveness and lifecycle environmental benefits of recycled plastics in asphalt production used for highway or road construction and repair.

Through this strategy California can uniquely position itself as an innovator in the transportation industry by introducing new technology that could revolutionize the way we look at recycled plastic.”

- 2) *Plastics in state highways? A long road.* SB 580 authorizes Caltrans to conduct a study to assess the feasibility, cost-effectiveness (including lifespan, durability, and maintenance cost of the material), and lifecycle environmental benefits of including recycled plastic in asphalt. Notably, this bill leaves the type of recycled plastic and precise application in asphalt open-ended, making the research potentially quite broad. SB 580 also authorizes Caltrans to establish specifications for cost-effective, environmentally beneficial use of recycled plastic in asphalt. For comparison, crumb rubber specifications took decades to develop and continue to be actively researched. Scaling-up from the recycled plastic road projects completed so far to prime time on California’s state highways would likely be a long road, but could create opportunities to recycle plastics that would otherwise go to waste.

The environmental benefits of incorporating plastics into roadways depends on multiple factors. For example, if using recycled plastics decreased the durability of a road, leading to frequent repaving, it could ultimately lead to more materials used and higher emissions. Similarly, developing technologies that recycle plastics that do not otherwise have a route to recycling would be more beneficial than recycling plastics that would be recycled anyways.

- 3) *What about roads beyond the state highway system?* Many transportation agencies opt to use Caltrans specifications for their own projects. To encourage recycled material use throughout the state, AB 2355 (Levine, Chapter 609, Statutes of 2014) required local agencies to either adopt Caltrans’ specifications for recycled materials or to discuss at a public hearing why the standards are not being adopted. SB 580 would require a local agency to do the same for any specification for the use of recycled plastic in asphalt that Caltrans develops.
- 4) *Using recycled materials in roads.* Many recycled materials may be used in roadwork, in accordance with Caltrans specifications. These specifications ensure the use of recycled materials maintain the quality necessary to properly maintain the roadway. Road rehabilitation, maintenance, and demolition is itself a source of recycled aggregate (gravel-like recovered concrete crushed-up to a uniform size) that can serve as new road base and subbase, the weight-bearing foundations of a road. Caltrans’ standards enable contractors to use up to 100% recycled aggregate in the road base. Furthermore, roadwork provides a recycling market for waste tires. Caltrans is required to use specified amounts of waste tires broken down into crumb rubber in asphalt pavement to replace

virgin material.

5) *Pilot projects and research into incorporating recycled plastics into roads.*

Plastics in asphalt has been considered for decades and used in demonstration projects around the world. For example, in 2012 the City of Vancouver reportedly used blue box recycled plastics as an asphalt additive. However, in the United States, a 2018 University of California at San Diego project appears to be a first. This project incorporated a recycled plastic product developed by the UK-based MacRebur into an asphalt road.

In the summer of 2020, Caltrans repaved a section of Highway 162 in Oroville using recycled asphalt pavement and liquid plastic made with single-use, plastic bottles. This pilot project used technology developed by TechniSoil Industrial, which grinds the top 3 inches of pavement and then mixes the grindings with a liquid plastic polymer binder, which comes from recycled, single-use bottles. Ultimately, that paving did not hold up and needed to be replaced by traditional asphalt. Nevertheless, testing continues, and Caltrans may install another test section using new methods designed to strengthen the recycled material.

6) *Arguments in support.* MacRebur, which develops paving products made from waste plastic, writes in support that this bill would “provide alternative uses for a significant portion of waste plastic otherwise destined for a landfill, while also increasing the strength and durability of our roads and reducing the cost of new road construction and maintenance.”

7) *Arguments in opposition.* Multiple environmental organization oppose the bill, citing concerns about plastic pollution and the climate impact of the plastics industry generally. Writing in opposition, a group of environmental organizations states, “using plastic in road and paving material will actually contribute to the overall problem of plastic pollution. For example, a recent study by the San Francisco Estuary Institute (SFEI)<sup>1</sup> found that stormwater is the primary source of microplastics in California’s coastal waters, with microplastics 300 times more likely to come from storm drains than any other source... Upcycling or downcycling plastics is not true recycling of materials, and recycling generally is promoted by the plastics industry as a solution to the plastic pollution crisis so they can keep making plastic, rather than reducing plastic production at the front end. Putting highly recyclable plastics into roads will reduce their likelihood of being truly recycled. Putting non-recyclable plastics into roads can perpetuate the creation of non-recyclable plastics.”

The California Asphalt Pavement Association is opposed unless the bill is amended to delete references to pavement specifications, writing, “While we

believe the concept of utilizing recycled plastic in asphalt pavements merits further study, we are concerned that references to the development of specifications in your bill is very premature given the evolving nature of our understanding of how asphalt mixes that incorporate recycled plastic will perform in the field, any potential environmental and safety implications (such as occupational hazards, emissions, etc.) and long-term implications for the potential reuse of asphalt pavements that have reached the end of their service life.”

**RELATED LEGISLATION:**

**SB 1238 (Hueso, 2020)** — would have authorized the Department of Transportation (Caltrans) to conduct a study to assess the feasibility, cost effectiveness, and life-cycle environmental benefits of including recycled plastics in asphalt used as paving materials, and, depending on the findings, authorizes Caltrans to develop specifications for the use of recycled plastics in asphalt. *This bill was held in the Assembly Transportation Committee due to COVID-19 limitations.*

**SB 1227 (Skinner, 2020)** — requires cities and counties to allow the use of recycled materials in road maintenance and rehabilitation in order to be eligible for Road Maintenance and Rehabilitation Program (SB 1) funds. *This bill was held in the Senate Transportation Committee due to COVID-19 limitations.*

**AB 2355 (Levine, Chapter 609, Statutes of 2014)** — required, by January 1, 2017, local agencies to adopt Caltrans standards on the use of recycled materials or to discuss why the standards are not being adopted at a public hearing.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 7, 2021.)

**SUPPORT**

American Chemistry Council  
Cal Green Alt, LLC  
Dow Chemical Company and Its Affiliate, Dow Agrosiences; the  
Macrebur Limited  
Macrebur Southern California  
Plastics Industry Association  
Progressive Club Bonita Vista High School

**OPPOSITION**

350 Silicon Valley

California Asphalt Pavement Association

California Coastkeeper Alliance

Elders Climate Action, Norcal and Socal Chapters

Heal the Bay

Northern California Recycling Association

Plastic Oceans International

Plastic Pollution Coalition, a Project of Earth Island Institute

Save Our Shores

Seventh Generation Advisors

The 5 Gyres Institute

The Center for Oceanic Awareness, Research, and Education

Upstream

Wishtoyo Chumash Foundation

Zero Waste USA

**-- END --**

---

**SENATE COMMITTEE ON TRANSPORTATION**  
**Senator Lena Gonzalez, Chair**  
**2021 - 2022 Regular**

---

<b>Bill No:</b>	SCR 15	<b>Hearing Date:</b>	4/13/2021
<b>Author:</b>	Hueso		
<b>Version:</b>	4/5/2021		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Katie Bonin		

**SUBJECT:** U.S. Army SP4 Dwayne M. Patterson Memorial Highway.

**DIGEST:** This resolution designates a portion of State Route 111 in the County of Imperial as the U.S. Army SP4 Dwayne M. Patterson Memorial Highway.

**ANALYSIS:**

The committee has adopted a policy regarding the naming of state highways or structures. Under the policy, the committee will consider only those resolutions that meet all of the following criteria:

- 1) The person being honored must have provided extraordinary public service or some exemplary contribution to the public good and have a connection to the community where the highway or structure is located.
- 2) The person being honored must be deceased.
- 3) The naming must be done without cost to the state. Costs for signs and plaques must be paid by local or private sources.
- 4) The author or co-author of the resolution must represent the district in which the facility is located, and the resolution must identify the specific highway segment or structure being named.
- 5) The segment of highway being named must not exceed five miles in length.
- 6) The proposed designation must reflect a community consensus and be without local opposition.
- 7) The proposed designation may not supersede an existing designation unless the sponsor can document that a good faith effort has uncovered no opposition to rescinding the prior designation.

This resolution designates the portion of State Route 111 in the County of Imperial, between postmile 33 and postmile 37.6, as the U.S. Army SP4 Dwayne M. Patterson. The Department of Transportation is requested to determine the cost of appropriate signage showing this special designation and, upon receiving donations from nonstate sources covering that cost, erect those signs.

**COMMENTS:**

- 1) *Purpose.* The purpose of this resolution is to memorialize the life and service of Dwayne Maxifield Patterson.
- 2) *Background.* Mr. Patterson was drafted into the United States Army in September 1965. Mr. Patterson was later deployed to the frontlines of Vietnam on March 26, 1967, as a member of the United States Army's "Big Red 1" Infantry Division. On December 3, 1967, Mr. Patterson was assigned to night defensive perimeter patrol, where he was ambushed and ultimately sustained a fatal injury.

For his service to his country and ultimate sacrifice, Mr. Patterson was awarded the Silver Star for gallantry in action, Bronze Star for Outstanding Meritorious Service and exemplary professionalism against the enemy, Purple Heart, Army Commendation Medal, Vietnam Service Medal, Republic of Vietnam Medal, and National Defense Service Medal; and he wore the 1st Infantry Badge, Army Vietnam Class A Patch, 2nd Infantry Regiment Patch, and Combat Infantryman Badge.

Mr. Patterson is survived by his widow, Donna Davis of Prosper, Texas, brothers Charles of Blythe, California, and Billy of Sun City, Arizona, and sister Darla Williams of Glendale, Arizona.

- 3) *Consistent with committee policy.* This resolution is consistent with the provisions of the committee's policy on highway designation.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 7.)

**SUPPORT:**

**SCR 15 (Hueso)**

**Page 3 of 3**

1 individual

**OPPOSITION:**

None received.

**-- END --**



---

**SENATE COMMITTEE ON TRANSPORTATION**  
**Senator Lena Gonzalez, Chair**  
**2021 - 2022 Regular**

---

<b>Bill No:</b>	SCR 14	<b>Hearing Date:</b>	4/13/2021
<b>Author:</b>	Hurtado		
<b>Version:</b>	3/9/2021		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Katie Bonin		

**SUBJECT:** Fire Captain Ramon Figueroa and Firefighter Patrick Jones Memorial Highway

**DIGEST:** This resolution designates the portion of State Route 65 in the County of Tulare as the Fire Captain Ramon Figueroa and Firefighter Patrick Jones Memorial Highway.

**ANALYSIS:**

The committee has adopted a policy regarding the naming of state highways or structures. Under the policy, the committee will consider only those resolutions that meet all of the following criteria:

- 1) The person being honored must have provided extraordinary public service or some exemplary contribution to the public good and have a connection to the community where the highway or structure is located.
- 2) The person being honored must be deceased.
- 3) The naming must be done without cost to the state. Costs for signs and plaques must be paid by local or private sources.
- 4) The author or co-author of the resolution must represent the district in which the facility is located, and the resolution must identify the specific highway segment or structure being named.
- 5) The segment of highway being named must not exceed five miles in length.
- 6) The proposed designation must reflect a community consensus and be without local opposition.

- 7) The proposed designation may not supersede an existing designation unless the sponsor can document that a good faith effort has uncovered no opposition to rescinding the prior designation.

This resolution designates the portion of California State Highway Route 65 between Teapot Dome Avenue and Linda Vista Avenue in the County of Tulare, between postmile 16.130 and postmile 20.880, as the Fire Captain Ramon Figueroa and Firefighter Patrick Jones Memorial Highway. The Department of Transportation is requested to determine the cost of appropriate signage showing this special designation and, upon receiving donations from nonstate sources covering that cost, erect those signs.

**COMMENTS:**

- 1) *Purpose.* The purpose of this resolution is to memorialize the life and service of Fire Captain Ramon Figueroa and Firefighter Patrick Jones.
- 2) *Background.* Fire Captain Figueroa and Firefighter Jones were tragically killed battling the City of Porterville Library Fire on February 18, 2020. Fire Captain Figueroa was 35 years old at that time, having served for fifteen years. Firefighter Patrick Jones was 25 years old at the time, having served three years.
- 3) *Consistent with committee policy.* This resolution is consistent with the provisions of the committee's policy on highway designation.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 7.)

**SUPPORT:**

California Professional Firefighters

**OPPOSITION:**

None received.

-- END --

---

**SENATE COMMITTEE ON TRANSPORTATION**  
**Senator Lena Gonzalez, Chair**  
**2021 - 2022 Regular**

---

<b>Bill No:</b>	SB 227	<b>Hearing Date:</b>	4/13/2021
<b>Author:</b>	Jones		
<b>Version:</b>	4/5/2021		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Randy Chinn		

**SUBJECT:** Off-highway vehicles

**DIGEST:** This bill makes various changes to the identification and operation of certain off-highway vehicles (OHV), as specified.

**ANALYSIS:**

*Existing law:*

- 1) Requires motor vehicles that are unregistered because they are used exclusively off-road to be issued and display an identification plate obtained from DMV, with certain exceptions, including certain OHVs used in competitive events upon closed courses.
- 2) Requires DMV, upon identifying an OHV subject to identification, to issue to the owner a suitable identification plate that is capable of being attached to the vehicle, as specified. Further specifies a violation of the Vehicle Code is punishable as an infraction.
- 3) Requires all OHV identification plates to be displayed in a specified manner, including on the left fork leg of a motorcycle, either horizontal or vertical, and visible from the left side of the motorcycle.
- 4) Generally imposes specified fees on off-highway motor vehicles, including, among others, a service fee of \$7 for the issuance or renewal of identification for off-highway motor vehicles and a special fee of \$33 paid concurrently with the service fee. The current total fees for OHV registration are \$52.
- 5) Requires certain fees associated with OHVs to be deposited in the OHV Trust Fund, and requires moneys in the fund to be allocated for specified purposes related to off-highway recreation. Requires other fees to be deposited in Motor Vehicle Account and allocated for CHP enforcement.

- 6) Requires all OHVs to meet specified requirements, including, but not limited to, a requirement that the vehicle be equipped with a spark arrester maintained in effective working order. Certain OHVs being operated in an organized racing or competitive event upon a closed course are exempt from these requirements.

Existing California Air Resources Board (CARB) regulations:

- 1) Establish a green sticker program whereby OHVs which meet air emissions standards can operate year round.
- 2) Establish a red sticker program whereby OHVs which do not meet air emissions standards can operate during riding season as determined by CARB. By the 2022 model year, new OHVs must either meet air emissions standards or may only be used in competitive, sanctioned events. Pre-2022 model year red sticker OHVs may operate year round, rather than be limited to the riding season.

**This bill:**

- 1) Overrides the CARB regulation limiting emissions non-compliant OHVs to use only in competitive events by requiring CARB to adopt a regulation by January 1, 2024 prescribing when competition motorcycles and ATVs may operate on public lands to practice for sanctioned events. Riders shall possess a valid competition card from a competition-sanctioning organization when practicing for a sanctioned event on public lands. Until that regulation is adopted, the public land manager having jurisdiction shall administer competition practice in accordance with the schedule codified in Section 2415 of Title 13 CCR.
- 2) Requires that an OHV or ATV that is model year 2022 or newer and used solely for purposes of competition shall have a specified configuration for the vehicle identification number and product identification number is established and further requires the OHV or ATV is labeled solely for competition use by the United States Environmental Protection Agency.
- 3) Establishes a new set of fees to register a model year 2022 and later competition OHV. Annual registration fees increase from \$7 to \$9; the annual service fee is increased from \$33 to \$42. These fees, less administrative costs, are deposited into the Off-Highway Vehicle Trust Fund and shall be used exclusively for the reasonable costs of the Department of Parks and Recreation related to the activities of OHVs operated on public lands.
- 4) Imposes restrictions on the operation of a competition motorcycle or ATV on public lands, including, but not limited to, requirements that a rider possess a

current and valid competition card from a race-sanctioning organization when practicing on public lands outside of a sanctioned event, and that a competition motorcycle or ATV have an off-highway motor vehicle identification label in order to be operated on public lands.

#### COMMENTS:

- 1) *Purpose.* According to the author, “The Red Sticker has allowed competition motorcycles to operate in the state of California for the past two decades. This regulation is within the California Air Resources Board (CARB) and not within statute. The regulation is sunseting in 2021, and losing it will end a viable competition sport in California, decimate local economies that rely on this sport, wreak havoc in motorcycle sales, and stop almost \$4 million that annually go to the OHV Trust Fund. This bill’s Competition Sticker will replace the Red Sticker and continue the revenue stream, as well as the advantages of identification that come with the program—including allowing law enforcement to trace these types of vehicles.”
- 2) *Red sticker program.* As a means to address air quality and greenhouse gas compliance issues, CARB established regulations to limit the use of OHVs that do not meet emission standards applicable for California OHV riding areas. Upon establishment of the regulations, CARB and DMV worked together to develop criteria for identifying non-complying OHVs. Currently, OHVs are registered by DMV and are issued a red or green sticker depending upon certain criteria:

*Green stickers* are issued for all California OHVs year model 2002 and older, including those that were previously issued a red sticker, and to 2003 and newer complying vehicles. Green stickers are issued to OHVs for year round use at all California OHV riding areas.

*Red stickers* are issued to 2003-year model and newer OHVs that are not certified to California OHV emission standards. Red stickers are issued to OHVs that can use California OHV riding areas for seasonal use only. CARB notes that it first adopted OHV exhaust standards in 1994, in part to reduce emissions from high emitting two-stroke OHVs. In 1998, after extensive collaboration with stakeholders, the red sticker program was created.

For red sticker OHVs, permission to operate is based on a seasonal calendar that varies for the nine state OHV recreational parks and many sections of federal parklands. While some parks allow red sticker OHVs to operate year round, others enforce strict periods of operation. During peak ozone season, the

red sticker limits operation at certain off-highway recreational vehicle parks located in non-attainment areas.

- 3) *Red Sticker Sunset.* In July 2013, CARB began conducting an assessment of the red sticker program. CARB subsequently worked closely with industry stakeholders and other state agencies to develop regulatory amendments in 2019 to end the Red Sticker Program in 2021. CARB notes in its information digest pertaining to the 2019 amendments, “The red sticker program was envisioned as a temporary measure to provide stability in the market while manufacturers developed a full range of OHRV that complied with California’s emissions standards. This temporary measure has now been in effect for more than twenty years, and the majority of off-highway motorcycles (OHMC) sold in California are red sticker vehicles with no emissions controls.”
- 4) *Opposition.* Several environmental organizations oppose this bill. They are concerned that the bill undoes CARB’s regulations designed to reduce the sales of emissions non-compliant OHVs, which they contend are 1.5 – 2.5 times more polluting than compliant models. Yet the author contends that this bill will reduce the number of new non-compliant OHVs by 93%, down to about 500 per year from the current 7,500. The committee staff reached out to the Administration and they do not have a position on the bill.
- 5) *Moving Forward.* There is a legitimate disagreement on whether this bill will substantially reduce the number of new non-compliant OHVs – a goal shared by all - compared to the CARB regulation it replaces. The CARB regulation was designed to do just that, but the restrictions imposed by this bill (e.g. limiting the use of noncompliant OHVs to competition events and related practice days as determined by CARB; limiting riders to only those with a valid competition card rather than any recreational rider) are not that different and may also be effective. As the number of new non-compliant OHVs each year is relatively small, the harm from failing to reduce that number can’t be too great. In addition, this harm is offset by the economic benefits to the impacted local economies.
- 6) *Not Here.* The areas where OHVs may be used on public lands are shrinking. A recent California Coastal Commission decision phases out OHV usage at Oceano Dunes, a recreation area on the central California coast.
- 7) *Looks Familiar.* A substantially similar version of this bill (SB 1024; Jones) passed the Senate floor last year on consent. Opposition emerged in the second house but the bill nevertheless passed the Assembly only to fail passage due to a lack of time on the last night of session.

- 8) *Safety Equipment.* The bill makes several changes related to noise limitations, mufflers and spark arrestors. These amendments will require this safety equipment to be permanent and year-round regardless of weather or terrain conditions during competition events and practice for competition events. Making the code changes will allow law enforcement officers to cite for the violations.
  
- 9) *Double Referred.* The bill has been double referred to the Natural Resources and Water Committee.

**RELATED LEGISLATION:**

**SB 1024 (Jones, 2019)** — Similar to this bill. *This bill failed passage in the Senate on Concurrence.*

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 7, 2022.)

**SUPPORT:**

- Abate of California - Motorcyclists Rights & Safety Organization
- American Motorcyclist Association
- California Coast Motorsports
- Cmda-california Motorcycle Dealers Association
- Contra Costa Powersports
- District 36 Motorcycle Sports Committee, INC. (ama D36)
- Factory Powersports
- Harley-davidson of Glendale
- Harley-davidson of Santa Clarita
- Pcp Motorsports
- Sacramento Pacific International Trials Society
- Sierra Motor Sports
- Tuleyome

**OPPOSITION:**

- Coalition for Clean Air
- Natural Resources Defense Council
- Sierra Club



Union of Concerned Scientists

**-- END --**

---

**SENATE COMMITTEE ON TRANSPORTATION**  
**Senator Lena Gonzalez, Chair**  
**2021 - 2022 Regular**

---

<b>Bill No:</b>	SB 542	<b>Hearing Date:</b>	4/13/2021
<b>Author:</b>	Limón		
<b>Version:</b>	3/25/2021		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Randy Chinn		

**SUBJECT:** Zero-emission vehicles: fees

**DIGEST:** This bill reduces the vehicle license fee and state sales tax on new medium- and heavy-duty trucks zero-emission trucks to the level that would be imposed on an equivalent new diesel or gasoline truck.

**ANALYSIS:**

*Existing law:*

- 1) Imposes annual vehicle license fees (VLF) based on the “market value” of the vehicle as determined by the Department of Motor Vehicles (DMV).
- 2) Imposes sales and use taxes based on the gross receipts from the sale of property sold at retail or on the use of property purchased from a retailer based on the sales price.

**This bill:**

- 1) For purposes of determining the annual VLF, “market value” for a new medium- and heavy-duty zero-emission trucks shall be the market value of an equivalent new medium- or heavy-duty diesel or gasoline truck as determined by the State Air Resources Board (ARB).
- 2) For purposes of imposing sales and use taxes on new medium- and heavy-duty zero-emission trucks, the gross receipts excludes the amount charged that exceeds the amount that would be charged for an equivalent new medium- and heavy-duty diesel or gasoline truck as determined by ARB.
- 3) Requires reporting to the Legislature by January 1, 2023 by the California Department of Tax and Fee Administration on the use of the tax exemption.

**COMMENTS:**

- 1) This bill is double-referred to the Governance and Finance Committee, which has jurisdiction over tax issues. Therefore, the comments below focus only on Vehicle License Fees.
- 2) *Purpose.* According to the author, emissions from medium- and heavy-duty (MHD) trucks make up a significant proportion of harmful air pollution in California, despite make up just 7 percent of vehicles on the road. Heavy-duty trucks are responsible for about 35% of total statewide NOx emissions. SB 542 will create an important tax and fee incentive to meet California's goal of 100% ZEV MHD trucks by 2045, and to accomplish the state's greenhouse gas reduction targets.
- 3) *More Clean Trucks.* California policy supports clean trucks. In Executive Order N-79-20 Governor Newsom established a goal that 100% of MHD vehicles be ZEVs by 2045. Supporting this are several programs at the ARB, including the Advanced Clean Truck regulation that requires an increasing percentage of MHD trucks sold to be ZEV beginning in 2024, the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Program (HVIP) which provides vouchers to subsidize ZEV trucks and busses so that their purchase costs are roughly equal to their diesel equivalents, and a rule expected later this year to require fleets to purchase ZEVs.
- 4) *Will This Help?* Heavy-duty truck ZEVs are much more expensive than their diesel counterparts. A recent report by the UC Davis Institute of Transportation Studies noted that battery electric and fuel cell long haul trucks are 81%-190% more expensive than their diesel counterparts in 2020 but only 37% - 59% more by 2030.<sup>1</sup> This bill will save new ZEV truck buyers 0.065% of the premium for buying a ZEV truck, which is the VLF rate, or around \$1000 in the first year.<sup>2</sup> The sales tax savings would be higher as the sales tax rates are much higher than the VLF rate.
- 5) It is not clear that this bill will result in any new MHD ZEV sales because the incentives provided are only a fraction of the subsidies of the HVIP program.<sup>3</sup> Moreover, the Advanced Clean Truck regulation already requires that a specified number of ZEV trucks be sold. So rather than encourage additional

---

<sup>1</sup> Zero Emission Medium- and Heavy-duty Truck Technology, Markets, and Policy Assessments for California; University of California Institute of Transportation Studies by Andrew Burke and Marshall Miller; January 2020.

<sup>2</sup> Using the \$134,000 base price for a diesel long haul truck cited in the ITS study and a 150% ZEV premium, the savings equals \$1300 ( $\$134,000 * 150% * 0.0065$ ).

<sup>3</sup> For example, an electric step van qualifies for an HVIP subsidy of \$45,000 - \$85,000. The sales tax benefit from this bill is about \$7,000.

ZEV truck sales beyond what ARB's programs will achieve, the more likely impact is to reduce the cost of compliance with those programs. This may be desirable but that's not the stated intent of the bill and it comes at the cost of lower VLF and sales tax revenues. A more efficient use of public money may be to target the benefits of this bill to MHD ZEV truck purchasers who aren't fortunate enough to benefit from HVIP subsidy, which is currently significantly oversubscribed. This prevents double-dipping on subsidies and helps the bill accomplish its intent, encouraging additional MHD ZEV truck purchases. *The author may wish to consider making this change.*

- 6) *Easier Said Than Done.* The DMV administers the VLF which is based on the vehicle purchase price. For new vehicles the purchase price is electronically transmitted to the DMV by the dealer through one of the DMV's business partners. Substituting the ARB-determined equivalent price in lieu of the actual purchase price will require either a laborious manual intervention or some mechanism for each medium- and heavy-duty vehicle dealer to reference ARB's list of equivalent gas/diesel vehicles, select the proper comparable vehicle, and substitute the equivalent price for the actual purchase price. This seems like a non-trivial process, which may require the DMV to perform some IT revisions.

The implementation challenge for ARB is no less daunting. It will need to develop comparable costs for every ZEV MHD vehicle, keep those costs current, ensure that new vehicle dealers have the current cost tables and educate those dealers on which vehicles are comparable and how to use those tables.

- 7) *How Long?* The VLF reduction in the bill does not sunset. While subsidies may be appropriate to help an industry get started, continuing them forever may be wasteful and competitively unfair. Moreover, the reduced taxes and fees is an effort to compensate for the currently much higher purchase price for ZEV trucks. The hope and expectation is that this purchase price premium diminishes over time, much as it has for other green products like solar panels and light duty electric vehicles. In addition, ZEV trucks have other comparative benefits to gas/diesel trucks such as lower fuel costs, lower maintenance expenses, and a much better emissions profile. None of that is recognized in the sales tax and VLF subsidies. *The author may wish to consider adding a sunset.*
- 8) *Measuring Correctly?* The bill declares that its success is measured by the number of sales that qualified for the tax exemption. That seems incorrect and a very low bar. By definition, every medium- and heavy-duty ZEV sale will qualify for the tax breaks created by this bill. A fairer measure of the success of

this program would count only the sales that would have occurred because of the tax exemption in this bill.

- 9) *What Do You Mean?* The terms “medium- and heavy-duty” includes vehicles with gross vehicle weights greater than 8500 pounds. This includes large pickup trucks the size of a Ford F-350.
- 10) *Double Referral.* This bill has been double referred to the Governance and Finance Committee.

#### **RELATED LEGISLATION:**

**SB 372 (Leyva, 2021)** – Establishes a program to provide support for MHD fleet operators to enable those operators to transition their fleets to ZEVs. This bill is pending in the Environmental Quality Committee; upon passage it will be heard by the Transportation Committee.

**AB 96 (O’Donnell, 2021)** – Requires that funding be made available to support early commercial deployment of zero- and near-zero-emission heavy-duty truck technology. This bill is pending in the Assembly Transportation Committee.

**AB 906 (Carrillo, 2021)** – Exempts from taxes the gross receipts from the sale, storage and use of fuel for the operation of MHD ZEVs. This bill is pending in the Assembly Rev and Tax Committee.

**AB 784 (Mullin, Chapter 684 of 2019)** – Provides a sales and use tax exemption for the sale of specified ZEV transit buses sold to specified public agencies until January 1, 2024.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 7, 2021.)

#### **SUPPORT:**

350 Silicon Valley  
Amplify Power  
California Electric Transportation Coalition  
Elders Climate Action, Norcal and Social Chapters

**OPPOSITION:**

None received.

**-- END --**



- a) To acquire, own, operate, and lease real and personal property related to the planned transfer or all its assets, and its dissolution.
  - b) To operate railroads along the rights-of-way where they were in operation on January 1, 2018.
  - c) To accept grants or loans from state or federal agencies.
  - d) To employ an executive officer, other staff, and consultants.
- 5) Authorizes the NCRA to acquire, own, lease, and operate railroad lines and equipment, including, but not limited to, real and personal property, tracks, rights-of-way, equipment, and facilities.
- 6) Requires the NCRA to:
- a) Immediately begin planning for the transfer of all of the authority's assets and liabilities and for the dissolution of the NCRA, in coordination with state agencies.
  - b) Cooperate with its freight contractor to continue freight operations along the rights-of-way where they were in operation on January 1, 2018.
  - c) Cooperate with, and provide information upon request to, California State Transportation Agency (CalSTA), the California Natural Resources Agency (CNRA), or other state or local agencies or contractors working at the direction of CalSTA or the CNRA.
  - d) Cooperate fully with the assessment conducted by CalSTA and CNRA, which sought to provide the information necessary to determine the most appropriate way to dissolve the NCRA and dispense with its assets and liabilities.
- 7) Requires any sale, easement, or lease entered into by the NCRA after August 1, 2018, to be approved by the CTC.
- 8) Specifies that the state is not liable for any contracts, debts, or other obligations of the NCRA.



- 9) Requires CalSTA, in conjunction with CNRA, to conduct an assessment of NCRA to provide the information necessary to determine the most appropriate way to dissolve NCRA and dispense with its assets and liabilities, and report to the Legislature before July 1, 2020 with its findings and recommendations. Requires the report to include all of the following:
- a) An assessment of NCRA's debts, liabilities, contractual obligations, and litigation,
  - b) An assessment of NCRA's assets, including property, rights-of-way, easements, and equipment,
  - c) An assessment of NCRA's freight contractor lease,
  - d) A preliminary assessment of the viability of constructing a trail on the entirety of, or a portion of, the property, rights-of-way, or easements owned by NCRA and recommendations relating to the possible construction of a trail including:
    - i) Options for railbanking and the governance structure or ownership structure for a new or successor entity that is necessary to railbank property, rights-of way- and easements along the rail corridor.
    - ii) A preliminary assessment of which portions of the terrain along the rail corridor may be suitable for a trail, and;
  - e) An assessment of the options for transferring the southern portion of the rail corridor to the Sonoma-Marin Area Rail Transit District and recommendations on the specific assets and liabilities that could be transferred, including the right or abilities to operate freight rail.
- 10) Authorizes CalSTA and CNRA to request DGS, DoF, or any department within their agencies to perform the work the agencies deem necessary to carry out the assessment.

*The Sonoma-Marin Area Rail Transit District (SMART)*

- 11) Creates SMART and establishes a comprehensive set of powers and duties regarding the formation, governance, organization, maintenance, operation and potential dissolution of the district. Authorizes SMART to provide passenger rail service in the counties of Sonoma and Marin and is governed by a 12-member board of directors.
- 12) Authorizes SMART to provide a rail transit systems and provision of freight service by rail.

**This bill:**

- 1) Requires NCRA or a successor agency to convey and transfer all of its right, interests, privileges, and title, lien free, relating to its rail right-of-way south of the dividing line, including any associated real property, rail easements, branch or spur lines, leases, contracts, licenses, and certificates of public convenience and necessity, common carrier obligations held by NCRA or a successor-agency, or an associated freight operators, and railroad assets NCRA or a successor agency own to SMART.
- 2) Requires SMART to retain and maintain all common carrier rights and obligations received from NCRA or a successor agency.
- 3) Requires, on or before July 1, 2022, NCRA to transfer all of its rights, interests, privileges, and responsibilities relating to its right-of-way north of the dividing line, including any associated real property, rail easements, branch or spur lines, leases, contracts, licenses, and certificates or public convenience and necessity, common carrier obligations held by NCRA, or an associated freight operator, and railroad assets the authority owns, to its successor agency, the GRTA.
- 4) Specifies that the transfer to SMART shall not affect or negate any rights under Memorandum of Agreement 1991-2324, which was filed on January 31, 1991, with the county clerk-recorder's office for the County of Humboldt.
- 5) Specifies that, upon making the transfers to SMART and the GRTA described above, and a majority of the GRTA's board of directing being appointed, the NCRA's board of directors shall dissolve.

*From NCRA to GRTA*

- 1) Renames the NCRA the GRTA on or before July 1, 2022. Specifies that if a majority of the agency's board of directors are not appointed on or before July 1, 2022, the NCRA's board of directors shall oversee GTRA's operation until a majority of the agency's board of directors are appointed.
- 2) Establishes the goal of the GTRA as using the exiting right-of-way, or paths parallel to the right-of-way, to plan, design, construct, operate, and maintain the northern portion of the of the Great Redwood Trail in, or parallel to, the right of way.

- 3) Specifies that the agency shall assume, own, and manage all aspects of the rail operation from NCRA north of the dividing line, including but not limited to, the common carrier license, rail easements, licenses, and contracts.

*The Great Redwood Trail Agency: Definitions*

- 1) Defines "Agency" as the Great Redwood Tail Agency
- 2) Defines "Board" as the agency's' board of directors
- 3) Defines "Dividing line" as the county line separating the Counties of Mendocino and Sonoma at or near mile post 89
- 4) Defines "Northern portion of the Great Redwood Trail" as the trail planned, designed, constructed, operated, and maintained in or in parallel to, the right of way
- 5) Defines "right-of-way" as the entire length of the right-of-way transferred to GRTA

*The Great Redwood Trail Agency: Board of Directors*

- 1) Composes the board or directors of GRTA as follows:
  - a) The Governor shall appoint, subject to Senate confirmation, three board members, one representing the Department of Transportation, one representing the Natural Resources Agency, and one appointed at the Governor's discretion, who are knowledgeable about trails, parks, or rivers.
  - b) The Senate Committee on Rules shall appoint one board member who is knowledgeable about trails, parks, or rivers.
  - c) The Speaker of the Assembly shall appoint one board member who is knowledgeable about trails, parks, or rivers.
- 2) Specifies that each member of the board shall serve a term of four years or until the member's successor has been appointed.
- 3) Specifies that the board shall elect a chair from among its board members to serve a term of one year and allows the chair to serve successive terms.

4) Requires the initial board members to be appointed on or before July 1, 2022.

*The Great Redwood Trail Agency*

1) Requires GRTA, upon GRTA receiving the NCRA's rights, privileges, and responsibilities, including any associated branch or spur lines, north of the dividing line, to:

a) To the extent funding is available:

- i. Initiate or complete, or initiate and complete, the federal Surface Transportation Board's railbanking process north of the dividing line,
- ii. Inventory any parcel, easement, or contract related to the right-of-way,
- iii. Complete an environmental assessment of the conditions of the right-of-way for purposes of trail development,
- iv. Plan, design, construct, operate, and maintain a trail in, or parallel to, the right-of-way,
- v. Conduct a thorough community engagement process that includes landowners, trail advocates, environmental groups, and the community at large, and specifies items to be discussed, such as trail configurations,
- vi. Honor existing trail licenses and work with local and state governments and community groups to expeditiously provide new trail license agreements that meet the goal of this chapter,
- vii. Use the services of the California Conservation Corps and conservation organizations, wherever feasible,
- viii. Prepare a master plan for the northern portion of the Great Redwood Trail, and;
- ix. Before January 1, 2024, and annually thereafter, submit a report to the Legislature describing the agency's progress towards fulfilling the requirements and goal related to the right-of-way

- x. Regulate public access to each segment of the right-of-way until the construction of the trail segment is completed, as determined by the agency.
  - b) Authorizes GRTA, to the extent funding is available, to contract with a trail manager, with an operator to operate excursion rail service to the extent it does not interfere with the trail, work with various entities to provide fishing and river access along the right of way, seeking to discourage and prevent trespassing on private property.
- 2) Authorizes the agency to transfer its responsibilities to an appropriate state agency.
- 3) Provides the agency the rights and powers, express or implied, to carry out the purposes of the chapter including entering into contracts, collecting fees, making grants, making real property transactions, undertaking or funding projects to carry out its directives, contract with state agencies or another organization to staff the agency, apply for and accept funding, and others as specified.
- 4) Subjects the agency to the Brown Act and the California Public records Act.

#### *SMART*

- 1) Changes the definition of "rail transit," for the purpose of SMART, to include provision of freight service in addition to transportation of passengers.
- 2) Expands the duty and powers of SMART's board that currently apply to rail transit to also include freight.
- 3) Directs SMART's board to consider potential alternative to help address the housing needs of current and future employees.
- 4) Requires SMART to designate a single point of contact for the Great Redwood Trail.
- 5) Authorizes SMART to partner or contract with trail agencies, including the GRTA on creation and maintenance of the bicycle and pedestrian pathways under the district's jurisdiction.
- 6) Specifies that the ancillary bicycle and pedestrian pathways that provide connections between and access to district station sites and the district's other

pathways shall be known as the “Great Redwood Trail, Southern, Segment.”

- 7) Strikes the requirement that the district obtain coverage for the district and its employees under Title II of the federal Social Security Act and the related provisions of the Federal Contributions Act.

#### COMMENTS:

- 1) *Purpose.* According to the author, “SB 1029 was signed into law in 2018 and set the stage to once-and-for-all resolve the longstanding issues surrounding the North Coast Railroad Authority. For nearly 30 years, this agency has floundered with their mission to achieve rail north of Windsor, and it had become clear that we needed to create a path for the closure of the Authority and a new mission for the 300-mile-long Right of Way. SB 1029 altered NCRA’s mission to be focused on the Great Redwood Trail required an audit and assessment of their significant debts and other liabilities, as well as their assets, possible successor agencies, and a shutdown plan. This audit and assessment have been completed by the Administration and transmitted to the Legislature, and most of NCRA’s debts have been accounted for, paid, or are funded. SB 69 takes the next steps needed to finally shut down the NCRA and create the successor agency.”
- 2) *Snapshot.* NCRA was created in 1989 to operate freight rail service between the Bay Area and Humboldt Bay. However, it has never been financially self-sufficient and continues to fall deeper into debt each year. SB 1029 (McGuire, Chapter 934, Statutes of 2018) declared that it was in the public interest to finally dissolve NCRA and potentially establish a trail in its place. Therefore, SB 1029 also required CalSTA to do an assessment to provide information necessary to determine the most appropriate way to dissolve North Coast Railroad Authority and dispense with its assets and liabilities.

The general idea assessed was that the northern portion of NCRA’s right of way could be transferred to a successor agency for the purposes of developing the trail, while the southern portion would go to the SMART, which would acquire NCRA’s freight rights and could establish a southern portion of the trail alongside the rail.

CalSTA completed the SB 1029 report in 2020. SB 69 would take the next step of formally transforming the NCRA into the GRTA, replacing its existing governance structure and mandate, transferring the southern portion of the rail corridor to SMART.

The report assessed four governance options for the new GRTA: state agency, Joint Powers Authority, local agency or nonprofit organization, or repurposing the exiting NCRA as a trail agency. It did not recommend the fourth option because of NCRA's existing management challenges: it is not clearly designated a local or state agency; it does not have a sustainable funding source; the board make up of local representatives has been unsuccessful; and it would be saddled with NCRA's outstanding debt.

SB 69 aims to improve NCRA's management by creating a board that represents CalSTA, CNRA and other state appointed experts and by authorizing it to contract with state agencies or other organizations to staff the agency. However it stops short of firmly establishing it as a state agency, leaving ambiguous who is ultimately responsible for NCRA's outstanding liabilities. SB 69 identifies potential ways to generate funds from a variety of sources, including existing assets, but doesn't identify a dedicated funding source. With a price tag of at least \$1 billion, truly establishing the Great Redwood Trail will probably require a mix of local, state, and federal dollars. SB 69 would close the NCRA's long and difficult chapter. What is important now is to make sure whatever comes next is successful in itself, for the state, and for the region through which the NCRA currently runs.

- 3) *NCRA*. NCRA was formed in 1989 by the Legislature under the North Coast Railroad Authority Act. At that time, the Act was intended to ensure continuation of railroad service in Northwestern California and envisioned the railroad playing a significant role in the transportation infrastructure serving a part of the State that faced transportation challenges due to restricted access and limited transport options. The approximate 300-mile rail line is broken down into two divisions: the Russian River Division (from Lombard in Napa County to Willits in Mendocino County) and the Eel River Division (north of Willits to Samoa in Humboldt County.)

From 1991 through 2008, the California Transportation Commission (CTC) provided NCRA with an estimated \$63 million through various programs to be used for purchasing right-of-way, rolling stock, equipment, and making repairs on the rail line. Additionally, in 2006, NCRA entered into an agreement with the Northwestern Pacific Railroad Company (NWPCo) to operate service on the NCRA rail line. Currently, NWPCo is the exclusive contract freight operator for NCRA. NWPCo runs minimal and limited freight rail service, operating up to two trains a week with several cars on each run, from the Lombard Interchange into Windsor California, approximately 62 miles in distance.

Since its inception, NCRA has struggled to secure stable and/or ongoing funding sources and struggled to provide adequate service along the rail line. In June of 2017, NCRA testified at a CTC hearing where NCRA representatives informed Commissioners that NCRA has never been financially self-sufficient, operates with an annual loss, is routinely unable to pay its obligations, and possesses debts due to legal fees from environmental lawsuits. At that time, NCRA further testified that the Authority was having difficulty maintaining and expanding rail service and that they were in the process of selling excess property to pay its debt obligations. Overall, NCRA does not generate substantial revenue from its operating contract with NWPCo to cover the Authority's expenditures. Additionally, since 2011, NCRA has annually held anywhere from an estimated \$10.6 million to \$7 million in debt obligations while simultaneously operating with significant cash flow constraints. According to a recent financial statement from the 2015-16 fiscal year, NCRA had operating revenues of \$518,000, and operating expenses of approximately \$2.5 million, resulting in an operating loss of over \$2 million for that year.

- 4) *SMART*. SMART is one of the state's five commuter rail providers offering passenger rail service in Sonoma and Marin counties. SMART's initial 43 miles of rail corridor includes 10 stations, from the Sonoma County Airport to Downtown San Rafael. SMART started providing passenger service in spring 2017 and has experienced ongoing increases in general ridership. Future extensions include: Larkspur, which is scheduled to be completed in late 2019; Windsor; Healdsburg; and Cloverdale. When fully built out, SMART will provide 70 miles of passenger rail service, connecting passengers with jobs, education centers, retail hubs and housing along the Sonoma-Marin corridor, and also a bicycle-pedestrian pathway.
- 5) *SB 1029- assessing how to move forward from the NCRA quandary*. SB 1029 (McGuire, Chapter 934, Statutes of 2018) required CalSTA to conduct an assessment of the North Coast Railroad Authority (NCRA) by July 1, 2020 to provide the information necessary to determine the most appropriate way to dissolve NCRA and dispense with its assets and liabilities. It declared that it is in the public interest to dissolve NCRA and to transfer its rights-of-way to other entities for the purpose of potentially developing a trail and eliminated much of NCRA's statutory authority, leaving in place only those necessary to assist CalSTA's assessment and the dissolution of NCRA.

SB 1029 also directed CalSTA to do an assessment of the options for transferring the southern portion of the rail corridor to the Sonoma-Marin Area Rail Transit District (SMART).



SB 1029 required CalSTA to assess each of the following:

- a) An assessment of NCRA's debts, liabilities, contractual obligations, and litigations;
- b) An assessment of NCRA's assets, including property, rights-of-way, easements, and equipment;
- c) An assessment of NCRA's freight contractor lease, including the contractor's assets and liabilities to the extent the information is available;
- d) A preliminary assessment of the viability of constructing a trail on NCRA's property or easement, including which portions of the terrain may be suitable for a trail as well as options for rail banking and potential governance structures.
- e) An assessment of the options for transferring the southern portion of the rail corridor to the Sonoma-Marín Area Rail Transit District

Railbanking is a legal process by which unprofitable or unused rail corridors can be converted to trails for recreational or transportation purposes, while preserving the corridor for potential future railroad use.

- 6) *Summary of the SB 1029 report.* As of December 31, 2019, NCRA's net assets was a total debt owed of \$7.2 million. As of December 31, 2019, total known liabilities were \$7.4 million. In addition, contingent liabilities are estimated to total at least \$11 million, but many are unknown and could total additional millions of dollars. NCRA could be forced into bankruptcy if it is not dissolved, sold, or converted to a trail manager. If this happens, deferred maintenance along the corridor would continue to challenge local jurisdictions.

There are multiple potential trail management governance structures, and the assessment considered four of these options in detail: state ownership, Joint Powers Authority ownership, local and nonprofit organization ownership, and continuation of the status quo, in which NCRA continues to own the ROW but changes its mandate to focus on trail management. It assessed the strengths and weaknesses of these models and recommended against simple continuation of the status quo given NCRA's longstanding issues.

Constructing the trail itself along the entire 252-mile corridor is estimated to cost more than \$1 billion, or about \$4.6 million per mile, in 2030 dollars. However environmental remediation, mitigation, and liability costs could reach \$4 billion dollars if the rail infrastructure needs to be removed. At a recent CTC

hearing, the author's office argued that this is unlikely and best practices allow the ballast to remain in place.

Finally, the report found that "highest and best use" of the NCRA right-of-way and freight operations easement on the southern portion of the rail corridor is a transfer to SMART for passenger and freight rail operations. It is also well suited to development of rail-with-trail segments as part of the Great Redwood Trail.

- 7) *Next Steps*. The provisions specified in this bill intend to serve as the next steps in NCRA's dissolution and the creation of its successor agency, the GRTA.
- 8) *Arguments in Support*. According to the County of Marin, "After 30 years of attempts to bring rail back to the North Coast, the Legislature approved SB 1029 (2018) that, once and for all time, changed the NCRA mission from freight rail to one focused on the establishment of the Great Redwood Trail. SB 69 is the natural conclusion to that process as it completes the shift of NCRA's assets to the Sonoma Marin Area Rail Transit and to the Great Redwood Trail Agency."
- 9) *Arguments in Opposition*. According to the Train Riders Association of California, a statewide organizations that advocates to improve passenger rail service in California, "we strongly object to this bill's proposal to railbank rights-of-way that are commercial viable; and tear out the tracks to build a trail...shippers want rail service on tracks proposed for railbanking, the cost of building the trail far exceeds any reasonable level of benefit/person. That said, we don't object to rail with trail. The Report to the Legislature ordered by SB 1029... failed to consider the future transportation needs to Mendocino and Humboldt Counties; it did not disclose the legal complexities and risks of rail banking. It did not disclose the legal complexities and risks of common carrier freight rights..."

#### **RELATED LEGISLATION:**

**SB 356 (McGuire, 2019)** — would have authorized the Sonoma-Marine Area Rail Transit District (SMART) to operate both passenger and freight rail service, as well as consider potential alternatives to help address the housing needs of existing and potential employees. *SB 356 died on the Assembly Floor.*

**SB 1029 (McGuire, Chapter 934, Statutes of 2018)** — required CalSTA to conduct an assessment of the NCRA in order to provide the findings necessary to determine the most appropriate way to dissolve NCRA and dispense with its assets and liabilities, as specified.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday,  
April 7, 2021.)

**SUPPORT:**

County of Marin  
Rails-to-trails Conservancy

**OPPOSITION:**

Train Riders Association of California

-- END --

---

**SENATE COMMITTEE ON TRANSPORTATION**  
**Senator Lena Gonzalez, Chair**  
**2021 - 2022 Regular**

---

**Bill No:** SB 486 **Hearing Date:** 4/13/2021  
**Author:** Melendez  
**Version:** 2/17/2021  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Melissa White

**SUBJECT:** Driver's licenses: renewal

**DIGEST:** This bill extends the period of time before a driver's license expires from five years to eight years for persons between the ages of 25 and 70.

**ANALYSIS:**

*Existing law:*

- 1) Requires a driver to carry their valid driver's license at all times when driving a motor vehicle upon a highway.
- 2) Authorizes the Department of Motor Vehicles (DMV) to renew a person's driver's license by mail if the person is under the age of 70; has not previously renewed his or her license by mail two consecutive times for five-year periods, and does not have moving violations for the two years immediately preceding the renewal, as specified.
- 3) Federal law, the REAL ID Act, establishes minimum standards for the production and issuance of state-issued driver's licenses and identification cards (ID) in order to board a plane or gain access to certain federal facilities.
- 4) The REAL ID Act requires states to limit the period of validity of all driver's licenses and IDs that are not temporary to a period not exceeding eight years, and requires holders of REAL ID renew with the state DMV in person every at least once every 16 years.

**This bill:**

- 1) Extends the period of time before a driver's license expires from five years to eight years for persons between the ages of 25 and 70.

- 2) Prohibits a licensee from renewing his or her driver's license by mail two consecutive times.

**COMMENTS:**

- 1) *Purpose.* According to the author, "this is a simple measure that aims to have less people head into the DMV to update their license. The pandemic has shown us that in extraordinary times, Californians can renew from the safety of their own home. That we know of, there have been no issues with this. This bill just provides an additional three years for 25 to 70 before they have to renew all together."
- 2) *How do we renew driver's licenses now?* Approximately 30 million Californians hold a driver's license or identification card issued by DMV. Currently an individual must renew his or her driver's license every five years. While an original driver's license must be obtained at a DMV field office, DMV allows an individual to renew his or her license by mail up to two consecutive times, with every third renewal taking place in person. This process means an individual only needs to physically visit a DMV field office once every 15 years. When an individual renews his or her license in person, he or she must also complete a vision exam, on some occasions a written knowledge test, and have his or her photograph updated.

As with DMV vehicle registration renewals, driver's license renewal transactions can be conducted by mail or online. In 2018-2019, DMV renewed 6 million driver licenses, with approximately 1.9 million transactions occurring online or through the mail. Approximately 4.1 million renewal transactions were performed in a DMV field office. In total, DMV handled 20.2 million field office visits in 2019, with renewal transactions accounting for roughly 20%.

- 3) *REAL ID.* There has been an increase in field offices visits for driver's license renewals in recent years with the full implementation of the REAL ID Act. The REAL ID Act requires state-issued driver licenses and identification cards meet minimum identity verification and security standards in order for them to be accepted by the federal government for official purposes, such as accessing most federal facilities or boarding federally regulated commercial aircraft. Due to the COVID 19 pandemic, the federal government extended the deadline for compliance with REAL ID to October 1, 2021. After that date only REAL ID compliant driver licenses or ID cards, and other federally acceptable forms of ID (such as a passport) can be used for these purposes. Individuals initially applying for a REAL ID compliant driver license or ID card must visit a field

office and provide certain specified documents that DMV staff verify and scan. Therefore, individuals who would have been able to renew their driver's license or ID through the mail or on-line are visiting a DMV field office. As of January 2021, there are 9.6 million Californians with a REAL ID-compliant driver's license or ID. Once individuals been issued their REAL ID, they will be able to renew through the mail or online.

- 4) *REAL ID, COVID-19, and DMV wait times.* The increase in individuals visiting field office for a REAL ID compliant driver's licenses dramatically increased wait times at the DMV. In fact, at its peak, some individuals visiting certain offices could experience wait times of several hours. For example, average wait times for a non-appointment customer averaged 114 minutes in August 2018. After increased budget resources and implementation of new measures to change DMV operations, average wait times for a non-appointment customer was reduced to 37 minutes in December 2019.

In March 2020, the COVID-19 pandemic caused the shutdown of most state facilities. DMV field offices remained open to the public for limited appointments and walk-in, in-person transactions. Governor Gavin Newsom, through deceleration of a State of Emergency and a series of executive orders, authorized DMV to implement measures to allow more transactions to occur without having to visit a DMV filed office. For example, seniors over age 70 can now renew their driver's license online. This was in addition to a one-year extension for senior driver's license renewals for those expiring from March – December 2020. It is unclear if these options will remain after the pandemic ends, as the DMV notes that they are part of the COVID-19 emergency response. As of January 2021, DMV wait times for non-appointment customers averaged 22 minutes.

- 5) *SB 486 extends driver's licenses from five to eight years.* SB 486 would extend the period for a driver's license renewal from five years to eight years for persons between the ages of 25 and 70, with every other renewal taking place in person. An eight year renewal period is allowed under the REAL ID Act, and roughly 20 states allow eight year renewals. This would mean that an individual could renew his or her license by mail or online one time after eight years. They would be required to renew in person at the DMV every 16 years.
- 6) *Does SB 486 save trips to the DMV?* Under SB 486, individuals would only be required to come into a DMV field office for an in-person renewal once every 16 years instead of once every 15 years. It is unclear if this would reduce the number of DMV field office visits or alleviate customer wait times. As noted, wait times have significantly decreased, including pre-COVID-19, and as

individuals come into compliance with REAL ID the number of in-person DMV visit should decrease.

- 7) *Is this the right time for change?* As noted, the DMV is currently managing the increased in-person visits from individuals trying to meet the deadline for a REAL ID-complaint driver's license or ID by October 1, 2021. Additionally, there have been numerous changes in the operation of the DMV during the COVID-19 emergency and it is unclear whether any of those will continue after the end of the pandemic. Changing the renewal schedule for driver's licenses from five to eight years would be a major undertaking for DMV, and coupled with all that is currently happening; this is likely not the right time.
- 8) *SB 486 creates two systems.* SB 486 would essentially create two systems for license renewals to be implemented and managed by the DMV. Those individuals under 25 years of age who obtain an original driver's license would remain on the five-year renewal cycle until they are 25, but would only be able to renew once online or by mail. For example, if an individual obtains a license at 17 years of age, they would be eligible to renew online or by mail at age 22 for five more years. However, at age 27, they would be required to come into a DMV field office after a total of ten years. At that time, they would obtain a driver's license on the eight-year renewal cycle.

It is also anticipated it would take many years to get current license holders onto the new renewal schedule. It is unclear what implications this would have for DMV administration and possible confusion for driver's license holders.

- 9) *Problems with the Motor Vehicle Account?*  
When an individual obtains an original driver's license or a renewal, they are charged a \$38 fee. Those fees collected, plus vehicle registration and other fees, are deposited into the Motor Vehicle Account (MVA). The MVA has been fiscally constrained for a number of years and is projected to have a negative fund balance beginning in 2024-25. The DMV and the California Highway Patrol are predominately funded by the MVA. In 2018-19, the renewal of driver's licenses generated roughly \$216 million, of the total \$4 billion MVA revenues, with vehicle registration and other fees making up the total. The current system requires individuals to pay this \$38 fee every five years. SB 486 would extend this time to eight years. It is unclear what financial impact this would have on the MVA, but would likely result in a decrease in revenue.

#### **RELATED LEGISLATION:**

**AB 1049 (Melendez, 2017)** — would have extended the period of time before a driver's license expires from five years to eight years for persons between the ages of 25 and 70 and prohibited a licensee from renewing his or her driver's license by mail two consecutive times. AB 1049 failed passage in the Assembly Transportation Committee.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 7, 2021.)

**SUPPORT:**

None received.

**OPPOSITION:**

None received.

-- END --



---

**SENATE COMMITTEE ON TRANSPORTATION**

**Senator Lena Gonzalez, Chair**

**2021 - 2022 Regular**

---

<b>Bill No:</b>	SB 500	<b>Hearing Date:</b>	4/13/2021
<b>Author:</b>	Min		
<b>Version:</b>	4/5/2021		
<b>Urgency:</b>	No	<b>Fiscal:</b>	No
<b>Consultant:</b>	Amy Gilson		

**SUBJECT:** Autonomous vehicles: zero emissions

**DIGEST:** This bill prohibits, beginning January 1, 2025, the Department of Motor Vehicles (DMV) from registering a qualified autonomous vehicle (AV) that is not a zero emission vehicle.

**ANALYSIS:**

*Existing law:*

- 1) Establishes conditions for the operation of AVs upon public roads and requires the Department of Motor Vehicles (DMV) to adopt regulations for the operation of AVs as soon as practicable, but no later than January 1, 2015, as specified.
- 2) Defines “autonomous vehicle” to mean any vehicle equipped with autonomous technology that has been integrated into that vehicle. Specifies that an AV does not include a vehicle that is equipped with one or more collision avoidance systems, including, but not limited to, electronic blind spot assistance, automated emergency braking systems, park assist, adaptive cruise control, lane keep assist, lane departure warning, traffic jam and queuing assist, or other similar systems that enhance safety or provide driver assistance, but are not capable, collectively or singularly, of driving the vehicle without the active control or monitoring of a human operator.
- 3) Establishes the “Passenger Charter-Party Carriers Act,” which authorizes the CPUC to supervise and regulate every charter-party carrier of passengers (CPC) in the State and may do all things, necessary and convenient in the exercise of such power and jurisdiction, including issuing permits or certificates, investigating complaints against carriers, and cancel, revoke, or suspend permits and certificates for specific violations.

- 4) Requires CARB to adopt rules and regulations that would reduce the state's GHG emission levels to 1990 levels by 2020.
- 5) Provides CARB with primary responsibility for control of mobile source air pollution, including adoption of rules for reducing vehicle emissions and the specification of vehicular fuel composition.
- 6) Establishes the Clean Miles Standard and Incentive Program which requires CARB to adopt and the CPUC to implement, annual targets and goals, beginning in 2023, for the reduction of per-passenger-mile GHG emissions of vehicles used by TNC drivers.
- 7) Sets via EO-79-20 set a goal of 100% ZEVs for in-state sales of new passenger cars and trucks by 2035, and 100% of medium- and heavy duty- vehicles operating in the state be ZEVs by 2045 where feasible.

**This bill:**

- 1) Prohibits, beginning January 1, 2025, the DMV from accepting an application for original or renewal registration of a "qualifying autonomous vehicle," as defined, unless that vehicle is a zero-emissions vehicle.
- 2) Defines a "zero-emission vehicle" as a self-propelled vehicle that produces no tailpipe emissions of criteria pollutants, toxic air contaminants, and greenhouse gases from the qualifying autonomous vehicle when stationary or operating, including idling, as determined by the State Air Resources Board.
- 3) Defines a "qualifying autonomous vehicle" as a vehicle that is:
  - a) Equipped with technology that makes it capable of operation that meets the definition of Levels 4 or 5 of the SAE International's "Taxonomy Definitions for Terms Related to Driving Automation Systems for On-Road Motor Vehicles, standard J3016 (SEP2016)," as may be revised.
  - b) Permitted by the DMV for deployment.

**COMMENTS:**

- 1) *Author's Statement.* "California has set ambitious and necessary climate goals, namely 5 million zero-emission (ZEVs) by 2030 and all new passenger vehicles to be ZEVs by 2035. Automated vehicles (AVs) can be part of a clean, equitable transportation system provided they are electric, result in increased

pooling of trips, and support a multi-modal, high-occupancy transportation system. Smart policies are needed to steer AV deployment, along with other parts of the transportation system, towards a shared, electric future. One important policy is to establish requirements that future AVs be zero-emission. SB 500 helps California move toward this electric future by requiring autonomous vehicles (AVs) to be ZEVs by 2025.”

- 2) *Summary of the bill.* SB 500 would prohibit the DMV, starting January 1, 2025, from registering a qualifying AV unless it is also a zero-emission vehicle (ZEV). SB 500 defines a ZEV specifically as a vehicle that produces no tailpipe emissions, as determined by CARB, so a battery electric or fuel cell electric vehicle would qualify as a ZEV, but a plug-in hybrid would not, for the purposes of this bill. Furthermore, SB 500’s ZEV requirement would not apply to AVs that are still in the testing phase or that do not reach the highest levels of automation (level 4 or 5, see below).

Because SB 500 would prohibit the DMV from accepting applications or original *or renewal* registrations, it would essentially require any qualifying AV that is not fully electric to be retired and taken out of operation, starting 2025.

- 3) *Levels of automation.* SB 500 deals with vehicles where the automated driving system, not a human driver, are in control of the driving task. SAE International (SAE) defines levels of automation, ranging from SAE Level 0 (no automation) to SAE Level 5 (full automation under all conditions). Level 2 vehicles may include partially automated features such as lane assist and adaptive cruise control but still require the full engagement of the driver. For Level 3 vehicles, the automated driving system performs all aspects of the dynamic driving task, but the driver must be ready to take control. Level 4 vehicles are fully automated in certain conditions (e.g. on freeways) while Level 5 vehicles would provide full-time automated performance of all aspects of the driving task in all conditions.
- 4) *Background on California AV policy and regulation.*

DMV. In 2012, SB 1298 (Padilla) established conditions for the operation of automated vehicles (AV) in California. In 2014, the DMV adopted regulations for the testing of AVs on public roads requiring a test driver and established an application and approval process for a testing permit. In early 2018, the DMV adopted regulations for testing AVs without a driver at the wheel and for deployment of AVs in California. DMV began accepting applications for these permits on April 1, 2018. So far, only one company has been authorized to deploy AVs, but many others are in the testing phase: the DMV has issued 56

autonomous vehicle testing permits (with a driver) and 6 autonomous vehicle driverless testing permits.

CPUC administers safety oversight and enforcement of passenger carriers, including limousines, transportation network companies, and any AVs operated as passenger carriers. In 2018, the CPUC authorized two pilot programs that allowed participating companies to transport members of the public as passengers in AVs- either driverless or accompanied by a driver. The pilot programs did not allow permit holders to charge fares. So far, seven companies have received CPUC pilot program permits. In 2020, the CPUC created two new deployment programs, one drivered and one driverless, which will allow participants to offer passenger service, shared rides, and accept monetary compensation for rides in autonomous vehicles. To participate in the CPUC AV programs, companies must also hold AV permits from the DMV.

CalSTA. Because AVs have the potential to transform every sector of transportation, there is also policy coordination needed across state agencies. The California Transportation Agency (CalSTA) has been facilitating this work via an interagency workgroup, which recently released draft vision and guiding principles “intended to provide a framework under which California will define policies, strategies and actions to guide the development and integration of autonomous vehicles into our communities.

- 3) *Uncertainty about AVs*. AVs could enhance vehicle safety by removing human error from the driving task and improve access to mobility for many people. The path for AVs is also complicated by highly publicized accidents as well as concern for the impact on our workforce. Results may vary across different sectors of the burgeoning AV market as well, from personally-owned AVs, to potentially shared fleets, to goods movement and heavy duty AV trucking.
- 4) *AVs and the environment*. So far, AVs have barely been deployed on California’s streets. While the potential climate and congestion impacts AVs bring appear substantial, they are so far mostly theoretical. AVs could increase VMT by up to 33% and become common on the roads within decades, according to the California Transportation Plan 2050. According to different studies, anywhere from 20 percent to 95 percent of miles traveled on U.S. roads could be in automated vehicles by 2030.<sup>1</sup> According to one report, fully automated taxi fleets could become a reality between 2023 and 2030. AVs could offer congestion relief, optimization of roadway capacity, less demand for parking, and improved opportunities for pooling. However, if not properly

---

<sup>1</sup> California Transportation Plan 2050

regulated, AVs could create more congestion and sprawl, as it becomes more convenient to use the “free” time of riding in AVs for other tasks such as work or to send AV on “zero-occupant” trips as people are dropped off and send their vehicles home or elsewhere. AVs could replace transit trips, or it could provide better first- and last-mile connectivity to increase transit use. At the vehicle level, AVs could improve fuel efficiency by smoothing the frequent starts and stops in congestion but AV technology also requires additional energy to power and externally mounted AV equipment may decrease aerodynamics. The degree to which they are shared and electrified will determine the impact that AVs will have on VMT, accessibility, and other planning goals.

By prohibiting the DMV from registering AVs that are not zero-emission starting in 2025, SB 500 aims to ensure the rise of AVs does not mean a rise in GHGs. Transportation GHG and criteria pollutant emissions are the product of two factors: how much vehicles emit per mile and the total number of miles traveled (VMT). By addressing the former, SB 500 tackles what is arguably the easier regulatory problem. With more ZEVs on the road, we could see significant reductions in GHG emissions, yet traffic congestion may continue to rise.

SB 500 takes a preemptive, arguably premature, approach by accelerating the adoption of ZEVs in the AV sector far ahead of implementation of existing regulations and EO N-79-20. There is a substantial body of research supporting the expectation that automation will increase VMT on the passenger side<sup>2</sup>, though this does not appear to have yet been observed in real-world AV deployment. However, there is very little research on the VMT changes that may come with the automation of the heavy-duty sector. While there are many reasons why automation could increase or decrease VMT when it comes to goods movement, the actual evidence linking heavy-duty automation to potential climate impacts is severely limited at this point.

- 5) *Timing is everything.* SB 500 plans for a California with significant AV deployment. However so far, AVs are still quite nascent. Only one company has a DMV deployment permit at this time, and on the heavy-duty side, there are not even regulations in place to allow for AV testing.

---

<sup>2</sup> “Keeping Vehicle Use and Greenhouse Gas Emissions in Check in a Driverless Vehicle World,” Policy Brief, Circella et al. (2017). *Three Revolutions. Steering Automated, Shared, and Electric Vehicles to a Better Future*, Dan Sperling (2018). California Transportation Plan 2050.

6) *Committee concerns.*

- a) Penalizing early adopters. Making it impossible for an AV owner to renew register of their preexisting AVs starting in 2025 penalizes early adopters. ***The author and committee may wish to consider limiting the ZEV requirement to newly registered vehicles.***
- b) Focus on the right vehicles. There does not appear to be much evidence that automating the heavy-duty sector will increase VMT. Nor is the issue urgent; California does not even allow the testing, let alone deployment, of heavy-duty ZEVs in California yet. Finally, heavy-duty ZEV technology is still being developed, as recognized by the ten year gap between the 100% ZEV sales targets between light duty (2035) and heavy-duty (2045) in EO-N-79-20. ***The author and committee may wish to consider focusing the bill in light-duty vehicles, including larger light duty vehicles such as pick-up trucks and minivans.***
- c) Too much too soon? AVs tested in California are commonly hybrids, plugin-hybrids or fully electric. However, only some AV companies are already working on all-electric platforms, while others may need time to come into compliance with a zero-emission requirement. The short timeframe of a 2025 implementation date arguably picks winners and losers, and could delay AV deployment and innovation, without strong climate benefits.

Furthermore, there are priorities in addition to climate that need to be examined and balanced as AVs are deployed: safety first and foremost, also how they can be deployed equitably, in ways that support pooling, promote disability accessibility, mitigate congestion impacts, support good jobs, and encourage innovation in California. There are still limited options for larger passenger ZEVs suitable for wheel chair accessibility, for example, so an inflexible 2025 implementation date could have unintended consequences including limiting accessibility of AV services. Successfully transitioning to ZEV AVs will also rely on sufficient ZEV charging and fueling infrastructure across varied potential AV applications (for example, personal use, ridehailing, urban or intercity travel).

A 2025 implementation date would require AVs to transition to ZEVs a decade before the Governor's EO targeting 100% light-duty ZEV sales generally at a time when more, not less, consistency and coordination among state ZEV policies is needed. ***The author and committee may wish to***

*consider delaying SB 500's implementation date to 2030 in order to build on the timeline of the EO, while accelerating the ZEV transition for light-duty AVs given their likelihood of increasing VMT.*

- 7) *Arguments in support.* In support of the bill, environmental groups including the Union of Concerned Scientists writes that “Automated vehicle, or autonomous vehicle (AV), technology may become the most significant change in transportation since the mass introduction of automobiles early last century. Last year, autonomous vehicles traveled almost 2 million miles on California’s public roads. Without proactive policy, widespread use of AVs could increase global warming emissions and single occupancy trips, worsen vehicle congestion, exacerbate air pollution, and deepen inequalities within our current transportation system. Fortunately, this new technology also has a tremendous potential to be part of a clean, equitable transportation system provided that they are electric, result in widespread pooling of trips, and support a multi-modal, high-occupancy transportation system. Smart policies are needed to steer AV deployment, along with other parts of the transportation system, towards a shared, electric future. One important policy is to establish requirements that future AVs be zero-emission.”

Also writing in support, Cruise, Nuro, and Zoox write, “Our electric AV services can play an important role in how the State of California addresses emission reduction in the light-duty vehicle sector. Our vehicles will help reduce emissions and congestion by reducing the number of personal vehicle trips through shared rides or batched deliveries, improved routing, and replacing trips that would otherwise be done with internal combustion engine cars and trucks with autonomous, electric vehicles. We currently have, or plan to have, zero-emission, light-duty AVs operating in California by 2025.”

- 8) *Arguments in opposition.* In opposition, several technology, industry, and trucking organizations, including the Self-Driving Coalition for Safer Streets, write that, “AV technology offers the potential to save lives, enhance mobility, and increase freight efficiency. The National Highway Traffic Safety Administration (“NHTSA”) estimates that more than 36,000 Americans died in motor vehicle crashes in 2018. The overwhelming majority of those crashes occurred due to human error. Fully autonomous vehicles have the potential to reduce fatal traffic crashes and therefore, hold the potential to save lives.

In the context of emissions, AVs are helping to lead the way on reducing emissions, with numerous companies already using battery electric vehicles

(“EVs”) or gasoline-electric hybrids for their AV fleets, and adoption of EVs is increasing. Although we anticipate that many companies will increasingly use EVs for AV testing and deployment as they are able to do so from a technology and business strategy perspective—consistent with various companies’ commitments to electrification, sustainability, and reducing emissions—imposing electrification requirements on AV entities within 4 years would impede the ability for numerous AV entities to operate in California...

In addition to delaying the ability for many AV entities to operate in California in the near-term, SB 500’s ambitious goals would entirely restrict operations of automated heavy duty vehicles. Heavy duty long-haul freight trucks play a vital role in California, with nearly 80% of California communities depending exclusively on trucks to bring the things they need most, including food, health care supplies, and consumer goods. SB 500 would require automated trucks to meet the electrification goals 20 years earlier than the Governor’s own ambitious goals, and well before battery technology and charging infrastructure actually exist to support heavy duty freight trucks on long-haul routes.”

#### **RELATED LEGISLATION:**

**SB 66 (Allen, 2021)** — creates the California Council on the Future of Transportation to provide recommendations in state policy to ensure that, as AVs are deployed, they enhance the state’s efforts to increase road safety, promote equity, and meet public health and environmental objectives. *SB 66 is pending in Senate Transportation Committee.*

**SB 570 (Wieckowski, 2021)** — exempts an AV that is designed to be operated exclusively and at all times by autonomous technology from any state law or regulation requiring the installation or maintenance of vehicle equipment that relates to or support motor vehicle operation by a human driver. *SB 570 is pending in Senate Transportation Committee.*

**AB 859 (Irwin, 2021)** — among other things, limits the data a public agency may require a mobility services operator to provide the agency and includes AVs in the definition of “mobility devices.” *AB 859 is pending in the Assembly Committee on Privacy and Consumer Protection*

**SB 336 (Dodd, 2019)** — would have required an on-board employee when public transit agencies deploy autonomous transit vehicles. *Died in the Assembly Transportation Committee.*



**SB 59 (Allen, 2019)** — directs the chair of the California Transportation Commission (CTC) to establish an advisory committee—the California Council on the Future of Transportation—to provide the Governor and Legislature with recommendations for changes in state policy to ensure California’s leadership in autonomous, driverless and connected vehicle technology. *Died in the Assembly Appropriations Committee*

**SB 936 (Allen, 2018)** — requires OPR to convene an Autonomous Vehicles Smart Planning Task Force. *This bill failed passage in the Senate.*

**SB 802 (Skinner, 2017)** — required OPR to convene an Emerging Vehicle Advisory Study Group to review and advise the Legislature on policies pertaining to new types of motor vehicles operating in California, including AVs. *Died in the Assembly Committee on Appropriations.*

**SB 1298 (Padilla, Chapter by the Secretary of State, Chapter 570, Statutes of 2012)** — established conditions for the operation of AVs upon public roadways.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 7, 2021.)

**SUPPORT:**

Union of Concerned Scientists (Sponsor)  
350 Silicon Valley  
California Interfaith Power & Light  
California State Association of Electrical Workers  
Coalition of California Utility Employees  
Cruise LLC  
Elders Climate Action, Norcal and Social Chapters  
Nuro, INC.  
Plug in America  
Zoox, INC.

**OPPOSITION:**

American Trucking Associations, INC.  
Association for Unmanned Vehicle Systems International  
California Chamber of Commerce  
California Trucking Association  
Internet Association; the

Netchoice  
Self-driving Coalition for Safer Streets  
Silicon Valley Leadership Group  
Technet

**-- END --**

---

**SENATE COMMITTEE ON TRANSPORTATION**  
**Senator Lena Gonzalez, Chair**  
**2021 - 2022 Regular**

---

<b>Bill No:</b>	SB 623	<b>Hearing Date:</b>	4/13/2021
<b>Author:</b>	Newman		
<b>Version:</b>	2/18/2021		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Amy Gilson		

**SUBJECT:** Electronic toll and transit fare collection systems

**DIGEST:** This bill makes numerous amendments to the laws related the use of personally identifiable information (PII) for the purposes of an electronic toll collection system (ETCS) or an electronic transit fare collection system (ETFCS), specifies that many of these amendments are declarative of existing law.

**ANALYSIS:**

*Existing law:*

- 1) Requires the Department of Transportation (Caltrans) to adopt specifications for the technology that enables interoperability between all electronic toll collection agencies in the state, and requires statewide compliance with these specification, except as specified. (Streets and Highway Code (SHC) §27565(a))

*This bill* specifies that Caltrans shall adopt specifications enabling intrastate interoperability and that this amendment does not constitute a change in, but are declaratory of, existing law.

*Personally identifiable information (PII)*

- 2) Requires, under the federal Moving Ahead for Progress in the 21<sup>st</sup> Century Act, electronic toll collection facilities to establish a nationwide interoperability agreement. (SHC §27565(e))

*This bill* specifies that this requirement applies specifically to interstate interoperability programs and that this amendment does not constitute a change in, but are declaratory of, existing law.

- 3) Limits, under state law, the information regarding a vehicle's use of a toll facility that a toll facility operator engaged in an interoperability program may share to: license plate number, transponder identification number, date and time of transaction, identify of the agency operating the toll facility. (SHC §27565(e))

*This bill* instead limits the information which may be shared to information specified in functional specifications and standards adopted by Caltrans and operators of tolls facilities in California on federal-aid highways for purposes of interstate interoperability.

- 4) Prohibits, except as specified, a transportation agency from selling or otherwise providing PII of any person who uses a toll facility that employs an ETCS. (SCH §31490(a))
- 5) Requires a transportation agency that employs an ETCS or an ETFCS to establish a privacy policy, to provide subscribers a copy of its privacy policy. (SHC §31490(b))

*This bill* adjusts how a transportation agency may provide subscribers a copy of the privacy policy, including but not limited to, explicitly authorizing provision of a hard copy or an electronic copy, as specified.

*This bill* also requires the privacy policy to include the process by which a subscriber provides opt-in consent to the use of their PII and the process for revoking that consent.

- 6) Requires a transportation agency to discard, within four years and six months, all information other than PII such as account name, credit card number, billing address, vehicle information, and other basic account information required to perform account functions such as billing, account settlement, or enforcement activities. (SHC §31490(c))

*This bill* creates an exemption where required to comply with the requirements of a litigation hold.

- 7) Requires a transportation agency to make every effort to purge the personal account information of an account that is closed or terminated, and in any case, prohibits maintaining this information for more than four years and six months after an account is closed or terminated. (SHC §31490(d))

*This bill* creates an exemption where required to comply with the requirements

of a litigation hold and that this amendment does not constitute a change in, but are declaratory of, existing law.

Specifies that the above requirement shall not prohibit a transportation agency or its designee from performing financial and accounting functions such as billing, account settlement enforcement or other financial activities required to operate and manage the ETCS or ETFCS. (SHC §31490(i))

*This bill* specifies that the entire section of code dealing with ETCS and ETFCS PII management (SHC §31490) shall not prohibit a transportation agency from using or providing PII for these functions; expands the list of specified functions for which a transportation agency may share PII. Provides that this amendment does not constitute a change in, but are declaratory of, existing law.

- 8) Does not prohibit a transportation agency from sharing data with another transportation agency solely to comply with ETCS interoperability standards. (SHC §31490(h))
- 9) Does not prohibit a transportation agency from using specified PII from a subscriber to communicate with the subscriber about products and services offered by the agency, a business partner, or a contractor, provided the subscriber has given express written consent to receive the communications. (SHC §31490(j))
- 10) Prohibits a transportation agency from using a nonsubscriber's PII obtained using an ETCS or ETFCS to market products or services to that nonsubscriber, except toll-related products and services contained in a notice of toll evasion. (SHC §31490(k))

*This bill* recasts the exception above to explicitly authorize a transportation agency to include toll-related products and services in an invoice or receipt for pay-by-plate toll payment. Provides that this amendment does not constitute a change in, but is declaratory of, existing law.

#### *Definitions*

- 11) Defines "transportation agency" as Caltrans, the Bay Area Toll Authority, any entity operating a toll bridge, toll lane, or toll highway within the state, any entity administering an ETFCS and any transit operator participating in that system, or any entity under contract with any of the above. (SHC §31490(l))

*This bill* specifies that the definition of “transportation agency” includes any entity under contract at any level, including subcontractors; under contract for specified purposes (billing, collection, etc.) Specifies that this amendment does not constitute a change in, but is declaratory of, existing law.

- 12) Defines “ETCS” as a system where a transponder, camera-based vehicle identification system, or other electronic medium is used to deduct payment of a toll from a subscriber’s account or to establish an obligation to pay a toll. (SHC §31490(m))
- 13) Defines “ETFCS” as a system for issuing an electronic transit pass that enables a transit passenger subscriber to use the transit systems of one or more participating transit operators without having to pay individual fares, where fares are instead deducted from the subscriber’s account as loaded onto the electronic transit pass. (SHC §31490(n))
- 14) Defines “personally identifiable information” as any information that identifies or describes a person including, but not limited to, travel pattern data, address, telephone number, email address, license plate number, photograph, bank account information, or credit card number. (SHC §31490(o))
- 15) Defines “interoperability” as the sharing of data, including personally identifiable information, across multiple transportation agencies for the sole purpose of creating an integrated transit fare payment system, integrated toll payment system, or both. (SHC §31490(p))

*Penalties for PII mismanagement*

- 15) Establishes the penalty for a transportation agency that knowingly sells PII or otherwise provides protected PII as the following:
  - a) \$2,500 or actual damages per violation of existing PII protections, whichever is greater; and,
  - b) If three or more times, \$4,000 or actual damages per violation of existing PII protections, whichever is greater. (SHC §31490(q))

**COMMENTS:**

- 1) *Purpose.* According to the author, “SB 623 clarifies existing California law to allow California toll operators to properly notify customers about emergencies and operate their businesses without the risk of unreasonable and expensive

litigation. Current state law seeks to provide guidance for how toll facility operators process toll violations and communicate information with other toll operators and customers. Unfortunately, however, recent legal interpretations on privacy and data usage have left Transportation Corridor Agencies exposed to the prospect of litigation for simply performing their normal business operations. As a consequence, toll agencies have been forced to weigh the benefits of providing emergency life-saving alerts against the prospects of class action lawsuits seeking millions in statutory damages. During the fall 2020 fires in Orange County, for example, out of fear of possible litigation, toll agencies were prevented from notifying their customers about road closures. Clarifying legislation is necessary to address the unintended consequences of the current ambiguity in relevant statutes.”

- 2) *Background on California toll facilities.* Tolling generates funds for planning, development, and operation of transportation infrastructure to supplement state funds. Typically, bonds are issued to fund the initial construction of a toll facility and then paid back by toll revenue. Toll facilities in California include local toll bridges, public toll roads, high occupancy toll lanes, and, in one instance a private toll road. Numerous public agencies and one private company operate the toll facilities in California, with varying governance and financing structures and statutory authority.

Two of the biggest toll authorities in the state are the Bay Area Toll Authority (BATA) and the Transportation Corridor Agencies, which operate the toll roads of Orange County. These and other agencies throughout the state are the subject of the lawsuits dealt with in this bill. BATA was originally created under the auspices of the Metropolitan Transportation Commission (MTC), the Bay Area’s transportation planning and financing agency, by the Legislature in 1997 to administer tolls on seven Bay Area state-owned bridges. The twenty-one MTC commissioners make up BATA’s membership. BATA reports almost 140 million transactions and over \$720 million in toll revenue in the 2016-2017 FY. However, the Golden Gate Bridge is owned and operated by the Golden Gate Bridge, Highway, and Transportation District, incorporated in 1928, and with a Board of Directors made up of local government elected and appointees from San Francisco, Marin, and several other counties within the district.

To the south, the Orange County tolls roads, State Routes 73, 133, 241, 261, which make up over 20 percent of the Orange County’s major thoroughfare highway system. In 1987, Senate Bill 1413 passed, giving Transportation Corridor Agencies, comprised of two JPAs (the Foothill/Eastern Transportation Corridor Agency and the San Joaquin Hills Transportation Corridor Agency) the authority to construct the new roads as toll facilities and issue bonds backed

by future toll revenues and development impact fees. Members of these JPAs include the County of Orange and local cities. Jointly, these tolls roads reported over 101 million transactions 326 million dollars in revenue in FY 2018.

3) *Background on Electronic Toll Collection Systems (ETCS) in California.*

Historically, a motorist would have to stop to pay a toll in cash, but the advent of ETCSs, including FasTrak, as well as Pay-by-Plate systems, are used in California to permit motorists to proceed without stopping through a toll plaza. FasTrak grew out of SB 1523 (Kopp, Chapter 1080, Statutes of 1990), which required Caltrans to develop and maintain a specification that enables interoperability between all toll agencies in the state. While only FasTrak is used in California, each toll agency is responsible for selling and maintaining FasTrak accounts and may have different requirements, such as monthly fees. Some agencies also allow motorists to pay with cash or to “pay-by-plate,” that is, by responding to an invoice mailed to the address associated with the vehicle’s license plate.

4) *California law imposes privacy protections on ETCSs.* As discussed above, the Legislature established a framework guiding how a transportation agency may use the PII of either an electronic toll collection subscriber or user of a tolled facility that employs an ETCS. (SB 1268, Simitian, Chapter 489, Statutes 2010) The privacy protections enumerated in SB 1268 include, among others:

- a) subject to certain exceptions, prohibiting a transportation agency from selling or otherwise providing PII of any person that subscribes to or uses an ETCS;
- b) requiring a transportation agency to establish a privacy policy, provide it to subscribers, and post it on their website;
- c) allowing a transportation agency to store PII for no more than four years and six months for purposes of billing, account settlement, or enforcement; and,
- d) allowing a transportation agency to provide PII to a law enforcement agency only pursuant to a search warrant.

According to Senator Simitian at the time, SB 1268 was intended to do three things. First, it prohibited transportation agencies from selling or disseminating personal data for marketing or other inappropriate purposes. Second, it established a reasonable time limit for retaining personal data. And finally, SB 1268 set the fines for violations of its intended purpose. In Senator Simitian’s fact sheet for the bill, he specifically described what he did not intend to prohibit with SB 1268, specifically, “A transportation agency, or its designee,



from performing financial and accounting functions such as billing, account settlement, enforcement, or other financial activities required to operate and manage toll facilities; or a transportation agency from sharing data with another transportation agency solely to comply with interoperability specifications and standards regarding electronic toll collection devices and technologies pursuant to existing law.”

- 5) *Ongoing lawsuits against toll agencies.* There are multiple ongoing lawsuits against various California toll agencies as well as against the private toll operators with which agencies contract. In 2019, SB 664 (Allen) was amended to deal with this issue. The scope of SB 623 is somewhat narrowed, but otherwise; SB 623 is similar to SB 664.

The lawsuits have varied, but deal largely with the protections that SB 1268 (Simitian, Chapter 489, Statutes of 2010) afforded users of ETCSs, namely FasTrak, regarding the handling of PII by the agencies. The toll agencies supporting this bill contend they are operating within existing law, consistent with the intent of SB 1268, and that, if some of the practices challenged in the lawsuits are prohibited; it would be difficult if not impossible for them to operate.

For example, when a vehicle uses a toll road without paying the required toll, the toll agency typically captures the license plate number and transmits it to the relevant state’s DMV to learn the identity of the vehicle’s registered owner, the first step in all toll collection efforts. Some plaintiffs have challenged aspects of toll agency DMV inquiry procedures, such as whether it is permissible to send out-of-state plate numbers to that state’s DMV, permissible to transmit the violation date to a DMV, and permissible to inquire a DMV again for subsequent violations. SB 1268 specified that a person whose PII has been provided in violation with the law (SHC §31490) may recover damages for each violation. News articles and court documents put the number of annual toll violations in the millions. If these DMV transmissions were disallowed, toll agencies could face potential claims in the billions of dollars. However, these lawsuits have generally been decided the toll agencies’ favor.

- 6) *Ongoing Issues- what is the law on what data may be shared?* Many of the provisions in SB 623 were retroactive in initial versions of this bill’s predecessor (SB 664 (Allen, 2019)). However, SB 623 instead declares that they “not constitute a change in, but [are] declaratory of, existing law.” Either way, they are intended to provide relief to toll agencies that are spending millions of dollars defending themselves from lawsuits based on legal interpretations they contend are inconsistent with SB 1268’s language and

intent. On the other hand, opponents of SB 623 argue against attempts to interfere in ongoing consumer class-action lawsuits.

Overall, there are fundamental disagreements between supporters and opponents of this bill over the meaning of existing law, the appropriateness of intervening in the ongoing legislation, and over how privacy concerns and toll agency needs can be balanced going forward.

On the one hand, it is important that the state protect public funds used for the development and operation of transportation facilities from what some call unnecessary, hindering class action lawsuits. It seems reasonable to ensure that the Legislature's intent when passing SB 1268, to protect the PII of subscribers to electronic toll collection systems while still enabling the transportation agencies to effectively operate their systems, is what is being carried out and that existing law is not being manipulated through the courts. Toll facilities can cost billions of dollars to construct, typically financed on expected revenues from the toll payers, and if litigation undermines the transportation agencies' ability to operate those facilities the impacts to the state could be dire.

On the other hand, there are definitely serious questions related to the length by which this bill appears to try and avoid pending litigation. Passing bills that amend sections of code involved in active legal proceedings and then specifying that these amendments are "declaratory of existing law" can jeopardize the public's trust in its government, and therefore ought to be undertaken with the utmost caution.

- 7) *Arguments in support.* Writing in support of the bill the Bay Area Toll Authority writes that, "SB 623 is vitally needed to affirm the ability of transportation agencies to use and share information necessary for the operation of toll facilities and electronic transit fare collection systems in California. For several years, toll agencies across California, including the Bay Area Toll Authority (BATA), have been involved in litigation challenging the legality of providing an individual's personally identifiable information (PII) in connection with performing fundamental activities relevant to operating and managing toll collection systems. Unfortunately, legislation passed in 2010 (SB 1268, Simitian) resulted in unintended consequences that put toll agencies in a bind that requires legislative attention..."

SB 1268 contained clear language indicating that the limitations it imposed on the use of PII were not intended to impede activities necessary to operate and manage toll collection systems. However, ambiguity in the language (not to mention hefty penalties associated with each violation) has resulted in

numerous lawsuits that have already cost toll agencies over \$10 million in revenues that would have otherwise been reinvested in our transportation system...

SB 623 preserves privacy protections that prohibit the sale or disclosure of personal information not connected with the operation of toll facilities and electronic transit fare payment systems and strengthens the requirements applicable to privacy policies so that they must clearly disclose how a customer may opt-in or opt-out of receiving specified information. It also reaffirms that personal information can be used for many day-to-day activities in the operation of toll facilities, such as collecting toll payments, notifying drivers about road closures, communicating with customers about toll facility-related incidents, and enforcing toll requirements. We believe the bill is consistent with the original goals of protecting the privacy of motorists in California by controlling how PII is collected, used and stored while ensuring that toll agencies may operate effectively without the threat of litigation.”

- 8) *Arguments in opposition.* However, opponents argue that this bill’s attempt to change the law is an end run around litigation that has been pending for years. Writing in opposition to the bill, ACLU California Action writes that, “Toll agencies have reportedly engaged in practices in violation of California law at the expense of California drivers. SB 623 would undermine pending litigation to address those violations, including a consumer class action that has already been certified in federal court, by declaring the substantive rolling back of privacy protections is ‘declaratory of existing law.’ California motorists should not be deprived of their opportunity to obtain restitution for unjust practices under existing law, nor are these proposed changes appropriate public policy going forward...”

Transportation agencies that operate electronic toll collection systems collect vast amounts of sensitive PII from motorists that drive by data collection points on toll highways and bridges, such as motorists’ travel pattern data, geolocations and date and time of travel. These agencies may combine that information with other PII about a subscriber, including name, contact information, bank account or credit card information, and other data the agency obtains in the course of establishing and maintaining a subscriber’s toll payment account.”

They take issue with multiple provisions of the bill, stating, for example, that “Current law allows sharing of PII for financial and enforcement reasons only. The changes proposed by SB 623 greatly expand when and why PII can be shared: the sharing or use would no longer need to be tied to performing

financial and accounting functions but instead would also include reasons like system optimization, issuing public safety or travel alerts, and conducting customer satisfaction surveys. Terms such as ‘system optimization’ are undefined and could mean just about anything... Additional changes to current law would also create loopholes to the limitations on when or why a transportation agency’s designee can use or share the PII. Combined with the changes to section 2, the change means that anyone who has any sort of contract with a transportation agency – whether or not they need to use or share the PII - - could use and share PII for the expanded list of reasons.”

9) *Double referral*. This bill is double referred to the Senate Judiciary Committee.

#### **RELATED LEGISLATION:**

**SB 664 (Allen, 2019)** — would have made numerous amendments to the laws related the use of personally identifiable information (PII) for the purposes of an electronic toll collection system (ETCS) or an electronic transit fare collection system (ETFCS), specifies that many of these amendments are declarative of existing law, requires additional steps to be taken in order to identify an accurate address for the purpose of sending a notice of toll evasion violation, and limits a toll violation penalty to \$15 for the first three toll violations if the toll and penalty are paid within 30 days of notice. This bill was held in Assembly Privacy and Consumer Protection.

**AB 2535 (Oberholte, Chapter 435, Statutes of 2018)** — required transportation agencies to include photographic evidence in the notice of a toll evasion violation sent for failure to meet occupancy requirements in a HOT lane, if the vehicle was found to be in violation by automated devices.

**AB 493 (Daly, Chapter 79, Statutes of 2013)** — permitted toll facility operators in the state to implement technologies or business practices that provide for nationwide interoperability of electronic toll collection (ETC) programs.

**AB 179 (Bocanegra, Chapter 375, Statutes of 2013)** — expanded privacy protections afforded to electronic toll collection subscribers to include users of ETFCS.

**SB 1268 (Simitian, Chapter 489, Statutes of 2010)** — imposed privacy protections on ETCSs.

**SB 1523 (Kopp, Chapter 1080, Statutes of 1990)** — required Caltrans to develop and maintain a specification that enables interoperability between all electronic toll collection (ETC) agencies in the state.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 7, 2021.)

**SUPPORT:**

Bay Area Toll Authority (Co-Sponsor)  
California State Council of Laborers  
Foothill Eastern Transportation Corridor Agency  
Hntb Corporation  
Individual - Resident, Ladera Ranch (Orange County)  
Laguna Hills Chamber of Commerce  
Lake Forest Chamber of Commerce  
Mark Thomas  
Metropolitan Transportation Commission (Co-Sponsor)  
Orange County Business Council  
Orange County Transportation Authority  
Riverside County Transportation Commission  
San Joaquin Hills Transportation Corridor Agency  
South Orange County Economic Coalition  
Southern California Association of Governments  
Southern California Association of Governments (SCAG)  
Southwest California Legislative Council  
Terraken Geotechnical Consultants, INC.  
Wsp USA Inc.

**OPPOSITION:**

American Civil Liberties Union/northern California/southern California/San Diego and Imperial Counties  
Consumer Attorneys of California  
Consumer Federation of California  
Electronic Frontier Foundation

-- END --

---

**SENATE COMMITTEE ON TRANSPORTATION**  
**Senator Lena Gonzalez, Chair**  
**2021 - 2022 Regular**

---

<b>Bill No:</b>	SCR 7	<b>Hearing Date:</b>	4/13/2021
<b>Author:</b>	Roth		
<b>Version:</b>	4/5/2021		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Katie Bonin		

**SUBJECT:** CHP Officer Andre Maurice Moye, Jr. Memorial Freeway

**DIGEST:** This resolution designates a portion of State Highway Route 215 in the County of Riverside as the CHP Officer Andre Maurice Moye, Jr. Memorial Freeway.

**ANALYSIS:**

The committee has adopted a policy regarding the naming of state highways or structures. Under the policy, the committee will consider only those resolutions that meet all of the following criteria:

- 1) The person being honored must have provided extraordinary public service or some exemplary contribution to the public good and have a connection to the community where the highway or structure is located.
- 2) The person being honored must be deceased.
- 3) The naming must be done without cost to the state. Costs for signs and plaques must be paid by local or private sources.
- 4) The author or co-author of the resolution must represent the district in which the facility is located, and the resolution must identify the specific highway segment or structure being named.
- 5) The segment of highway being named must not exceed five miles in length.
- 6) The proposed designation must reflect a community consensus and be without local opposition.

- 7) The proposed designation may not supersede an existing designation unless the sponsor can document that a good faith effort has uncovered no opposition to rescinding the prior designation.

This resolution designates the portion of State Highway Route 215 from the Eucalyptus-Avenue overcrossing, number 56-757, at postmile R37.436 to the State Highway Route 60 junction separator, number 56-507R, at postmile R38.339 in the County of Riverside as the CHP Officer Andre Maurice Moye, Jr. Memorial Freeway. The Department of Transportation is requested to determine the cost of appropriate signage showing this special designation and, upon receiving donations from nonstate sources covering that cost, erect those signs.

#### COMMENTS:

- 1) *Purpose.* The purpose of this resolution is to memorialize the life and service of CHP Officer Andre Maurice Moye, Jr.
- 2) *Background.* Officer Moye was killed in the line of duty on August 12, 2019, while conducting a vehicle impound during a traffic stop when the driver ambushed Officer Moye with an unlawfully assembled rifle. Officer Moye was 34 at the time and had been serving the Riverside area for two years and five months.

Officer Moye is survived by his wife, Sara, father, Andre, mother, Josefa, stepfather Richard, siblings, Lissette, Michael, Codie, and Corey, grandparents Joe, Jackie, and Shirley, nieces and nephews, Chloe, Annakin, Cameron, Psalm, Luke, and Sullivan, his in-laws Tom, Cindy, Lisa, Carlos, Mark

- 3) *Consistent with committee policy.* This resolution is consistent with the provisions of the committee's policy on highway designation.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 7.)

#### SUPPORT:

California Association of Highway Patrolmen

California Professional Firefighters  
Peace Officers Research Association of California (PORAC)

**OPPOSITION:**

None received.

**-- END --**



---

**SENATE COMMITTEE ON TRANSPORTATION**  
**Senator Lena Gonzalez, Chair**  
**2021 - 2022 Regular**

---

<b>Bill No:</b>	SB 735	<b>Hearing Date:</b>	4/13/2021
<b>Author:</b>	Rubio		
<b>Version:</b>	3/10/2021		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Randy Chinn		

**SUBJECT:** Vehicles: speed safety cameras

**DIGEST:** This bill authorizes automated traffic enforcement systems to enforce speed limits in school zones.

**ANALYSIS:**

*Existing law:*

- 1) Authorizes the use of automated traffic enforcement systems to monitor stops at specified locations.
- 2) Establishes a pilot program for the adjudication of traffic infractions that does not require a personal appearance.

**This bill:**

- 1) Authorizes the use of automated photo enforcement of speed limits within 2500 feet of the perimeter of a school or college. A sign must be posted notifying motorists of the existence of the automated photo enforcement system. Only a government agency may operate the automated system.
- 2) Requires the government agency operating the automated photo enforcement system to:
  - a) Develop guidelines for screening and issuing violations and storing confidential information;
  - b) Establish guidelines for the selecting locations for automated enforcement;
  - c) Ensure the equipment is properly inspected and installed and calibrated on an annual basis;
  - d) Regularly inspect and maintain warning signs;

- e) Maintain controls necessary to ensure that violations are reviewed and approved by a governmental agency.
- 3) Specifies that the photographic records of the automated system are confidential and may only be used to enforce speeding violations. Such records may not include the driver's face but shall be available to the registered owner of the cited vehicle.
- 4) Requires the governmental agency to consider the safety data and demographics of a community before installing the automated system to ensure equitable system placement.
- 5) Prohibits the governmental agency that proposes to install the automated system from considering revenue generation as a factor when considering whether to install such a system.
- 6) Establishes that a violation recorded by the automated photo enforcement system is a civil penalty of not more than \$150. It is not a moving violation nor shall it result in an assessment of points against the license of the person found to be liable for the violation. Only a peace officer or a qualified employee of a law enforcement agency may affirm a violation occurred.
- 7) Establishes an appeal process.
- 8) Authorizes, but does not require, the governmental agency to accept payment in installments if the individual provides satisfactory evidence of an inability to pay the fine. Performance of community service in lieu of payment of the civil penalty is authorized.

**COMMENTS:**

- 1) *Purpose.* "SB 735 will help increase the safety of children and pedestrians by allowing the use of speed safety cameras in school zones to prevent speeding drivers. School zones are designed to be low-speed areas, but studies have found that two-thirds of drivers exceed the posted speed limit in a school zone during the 30-minute period before and after school. Speed safety cameras in school zones are a proven technology used in other states to change behavior and save lives."
- 2) *What's the Evidence?* There's little official evidence about traffic accidents in school zones in California. The California Highway Patrol's traffic accident

database does not record accidents with that detail so we have no evidence as to the number of school zone accidents or whether those numbers are increasing.

In support of this bill, the author makes the more general observation that speed is a contributing factor in 26% of all traffic fatalities nationwide, according to the National Highway Traffic Safety Administration, and that 134 Los Angeles pedestrians were killed by drivers in 2019, according to LAist, part of Southern California Public Radio. The author also cites a 2016 report from Safe Kids Worldwide, a nonprofit, which noted that between 2014 and 2016 the pedestrian death rate for 12-19 year olds had increased 13%.

- 3) *Improving Safety or Raising Revenues?* Automated traffic enforcement has a poor history, sometimes used to raise revenue rather than support public safety. Automated stop sign enforcement has targeted drivers for trivial and technical violations, providing a revenue source for the sponsoring agency and its contractor. Red light cameras have the same unfortunate history. This has resulted in repeal of the right to use automated enforcement, statutory establishment of minimum yellow light intervals, and prohibitions on compensation to the companies selling automated enforcement systems based on the number of tickets issued.
- 4) *Other States.* Supporters of this bill cite other states where automated speed enforcement in school zones has worked. Seattle has implemented automated photo enforcement at 14 mostly elementary schools. A 2018 study by the University of Washington found that automated photo enforcement decreased speeding violations by nearly 50%. Those violations are fines of \$237 to the vehicle owner. New York City has installed automated speed enforcement around many schools. Fifty-dollar fines are issued to the vehicle owner if the vehicle exceeds the limit by more than 10 mph between 6 am and 10 pm weekdays.
- 5) *A Very Big, Deep and Strict Net.* This bill has a number of provisions, which could be implemented very strictly and broadly, capturing drivers who unknowingly violate its provisions in trivial and unexpected ways, imposing significant fines. Because cameras can be always on, the impact is a zero tolerance policy.

The bill proposes that the school zone extend as much as 2500 feet beyond the school boundary in every direction. This is far beyond the existing school zone boundary of 500 feet where a 15 mph limit applies and well past where students would have dispersed. The bill allows the automated enforcement to be

activated seven days a week, twenty four hours a day, obviously far beyond when students could reasonably be expected to be about. The bill requires no safe haven allowing a fine to be issued for the most inconsequential overage of the speed limit. The bill does not require clear notice that the automated enforcement is activated nor what the speed limit is, raising questions of fairness. The bill does not prohibit the company operating the camera system to be compensated for each ticket issued. Finally, the bill provides weak safeguards on ensuring that the automated enforcement program isn't used to raise funds for the city.

- 6) *Alternative Approach.* Because of the poor history of automated traffic enforcement and the lack of data on the degree of the problem, *the author may wish to consider a less expansive, more calibrated approach such as a pilot program* to give the state some experience with the technology and to develop best practices for implementing the technology, keeping in mind that the goal is to improve safety. A reasonable pilot program would be limited to a few school sites, established after a public meeting by the school governing board, be restricted to the 500 foot school zone boundary, limit the operations to school days during specified hours, provide specific warning to drivers that the system is activated and what the speed limit is, establish a safe haven threshold for speed above the limit that would not be ticketed, prohibit compensation to the companies providing the automated enforcement systems that is based on tickets issued or revenue raised, and require that fines in excess of the cost of operating the automated enforcement system be remitted to the Office of Traffic Safety.
- 7) *Like a Parking Ticket, but More.* A speeding violation caught by the automated enforcement system in this bill is subject to a civil fine, like a parking ticket, of up to \$150. The fine goes to the vehicle owner, not the driver. That same speeding violation caught by a traffic officer is a moving violation for the driver that goes on his driving record, potentially raising his insurance rates and costing more. The bill provides for an appeal process, which gives cities the option of allowing payment plans or offering community service for those who demonstrate they can't pay the fine.

The \$150 maximum fine in the bill seem steep and out of step with the Legislature's recent actions to reduce the impact of parking fines. *The author may wish to consider reducing the fine to a less punitive level and to require, rather than simply authorize, cities to allow payment plans and community service.*

- 8) *Double Referral.* This bill has been double referred to the Judiciary Committee.

**RELATED LEGISLATION:**

**SB 111 (Newman, 2021)** – Authorizes automated enforcement of school bus stopping requirements. *This bill is pending in the Senate Transportation Committee.*

**AB 43 (Friedman, 2021)** – Generally authorizes lower speed limits. *This bill is pending in the Assembly Transportation Committee.*

**AB 550 (Chiu, 2021)** – Authorizes pilot programs for implementation of automated speed enforcement. *This bill is pending in the Assembly Transportation Committee.*

**AB 3277 (Jones-Sawyer, Chapter 44 of 2020)** – Expands the eligibility for payment plans for parking tickets established by AB 2544 and lengthens the period over which payments can be spread.

**AB 2544 (Lackey, Chapter 494 of 2018)** – Requires cities to offer payment plans and to waive late fees when collecting parking penalties from indigent persons.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 7, 2021.)

**SUPPORT:**

Streets Are For Everyone (sponsor)  
Active San Gabriel Valley  
Association of California School Administrators  
Boys and Girls Clubs of Greater Anaheim-Cypress  
Charter Oak Unified School District  
Children's Advocacy Institute  
Conor Lynch Foundation  
Hang Up and Drive  
Institute for Safer Trucking  
Keep Rowena Safe  
Khmer Parent Association  
Kids are 1<sup>st</sup>  
La Casa de San Gabriel Community Center

LA Trust for Children's Health  
Liam's Life  
Lime  
Los Altos Grace Schools (Long Beach)  
Los Angeles Neighborhood Initiative  
Loving Hands Community Care  
National Association of School Crossing Guards  
National Coalition for Safer Roads  
Neighborhoods United for Safe Streets  
Noah Benardout Foundation  
Plumas County Office of Education  
Plumas Unified School District  
Safe Roads Alliance  
San Francisco Marin Medical Society  
Santa Monica Safe Streets Alliance  
Santa Monica Spoke  
Servants Arms CBO  
South Bay Bicycle Coalition, Inc.  
South Central Injury Prevention Coalition  
Southern California Families for Safe Streets  
SPIN  
Sunset 4 All  
Streets for All  
Street Racing Kills  
Unidos Por La Musica  
Walk Long Beach

**OPPOSITION:**

California Association of Highway Patrolmen  
California Teamsters Public Affairs Council  
Peace Officers Research Association of California  
Safer Streets LA  
Western States Trucking Association

**-- END --**

---

**SENATE COMMITTEE ON TRANSPORTATION**  
**Senator Lena Gonzalez, Chair**  
**2021 - 2022 Regular**

---

<b>Bill No:</b>	SB 790	<b>Hearing Date:</b>	4/13/2021
<b>Author:</b>	Stern		
<b>Version:</b>	3/22/2021		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Amy Gilson		

**SUBJECT:** Wildlife connectivity mitigation credits: Advance Mitigation Program

**DIGEST:** This bill authorizes the Department of Fish and Wildlife (DFW) to give the Department of Transportation (Caltrans) credit for wildlife crossing projects, as specified, and to develop an in-lieu fee program for the purposes of wildlife connectivity mitigation crediting. It would also authorize Caltrans Advanced Mitigation Account dollars to be spent to modify or remove wildlife connectivity barrier.

**ANALYSIS:**

*Existing law:*

*General provisions Department of Transportation*

- 1) Provides that the State Department of Transportation (Caltrans) has full possession and control of the state highway system, and requires Caltrans to make improvements and maintain the state highway system.

*The Advance Mitigation Program*

- 2) Creates, under SB 1, an Advance Mitigation Program in Caltrans to protect natural resources through transportation project mitigation, accelerate project delivery, and to mitigate, to the maximum extent required by law, environmental impacts from transportation infrastructure projects. Requires Caltrans to consult with the Department of Fish and Wildlife.
- 3) Defines "Advance mitigation" as mitigation implemented before, and in anticipation of, environmental effects of planned transportation improvements.

- 4) Creates the Advance Mitigation Account as a revolving fund. Specifies the account shall be continuously appropriated and that the program is intended to become self-sustaining, with expenditures from the account later reimbursed with project funding available at the time a planned transportation project is constructed.
- 5) Authorizes Caltrans to implement the AMP by developing a programmatic mitigation plan.
- 6) Specifies that funds in the Advance Mitigation Account shall be used only to do the following, as specified:
  - a) Purchase, or fund the purchase of, credits from mitigation banks, conservation banks, or in-lieu fee programs approved by one or more permitting agencies.
  - b) Establish, or fund the establishment of, credits by establishing a mitigation bank, conservation bank, or in-lieu fee program in accordance with applicable state and federal standards.
  - c) Pay mitigation fees associated with coverage for Caltrans' or another transportation agency's projects under a natural community conservation plans or habitat conservation plans.
  - d) Prepare regional conservation assessments and regional conservation investment strategies (RCIS) or, where an RCIS has been approved by DFW, authorizes Caltrans to enter into mitigation credit agreements (MCA) with DFW or perform mitigation activities that advance the advance the RCIS, as specified.
  - e) If it is demonstrated that (a) through (d) are infeasible, authorizes Caltrans to allocate no more than 25% of the funds in the AMA to implement or fund other forms of advance mitigation.

#### *Transportation Permitting Taskforce*

- 7) Directs the California State Transportation Agency (CalSTA) Secretary, by April 1, 2018, to create a task force with the specific purpose of developing a process for early engagement of all parties in developing transportation project to improve timeliness and reliability of environmental permit approvals.



- 8) Prescribes the membership of the task force to include representatives of the following agencies:
  - a) Transportation Agency;
  - b) Natural Resources Agency;
  - c) Environmental Protection Agency;
  - d) Californian Transportation Commission;
  - e) Caltrans;
  - f) California Department of Fish and Wildlife;
  - g) California Department of Water Resources; and,
  - h) California Coastal Commission.
- 9) Directs the Secretary of CalSTA to prepare and submit a report of the task force's findings to the appropriate legislative policy and fiscal committees by December 1, 2018.
- 10) Sets forth specific requirements to be included in the report, including:
  - a) A description of the existing permitting process for transportation projects, including a discussion of where in the process delays are most likely to occur;
  - b) An identification of existing personnel positions that are supported by Caltrans and resourced to various state agencies and their costs, as well as a discussion of the benefits these resources bring to transportation programs;
  - c) Recommendations for improving the permitting process through early engagement in project development;
  - d) An identification of the resource levels needed at resource agencies to implement the improved process, as proposed; and,
  - e) An identification of legislative and/or regulatory hurdles that would need to be addressed to implement the improved process, as proposed.

*Conservation*

- 11) Authorizes the development of Natural Community Conservation Plans (NCCPs) to provide comprehensive management and conservation of wildlife,

pursuant to specified requirements.

- 12) Establishes a pilot project for a regional conservation investment strategy (RCIS) program that identifies and prioritizes regional conservation through a science-based public process while also encouraging investments in conservation through advance mitigation.
- 13) Required the DFW to investigate, study, and identify those areas in the state that are most essential as wildlife corridors and habitat linkages, as well as the impacts to those wildlife corridors from climate change.
- 14) Require DRW to report annually to the Legislature on the subject of mitigation banking, including data on the number of new bank applications, number of bank applications approved, number of credits sold, and other information, as specified.

**This bill:**

- 1) Defines a "region" as a Caltrans district.
- 2) Defines "transportation project" as a project to construct or improve a portion of the state highways system.
- 3) Requires the Department of Fish and Wildlife, in consultation with Caltrans, to provide compensatory mitigation credits to support modifications and planning of transportation projects that improve local and regional habitat connectivity and result in fish passage, wildlife connectivity, and other environmental improvements.
  - a) Specifies that these improvements may include an overpass or underpass, vegetation management, directional fencing, or barrier modification.
  - b) Requires DFW to take all of the following into account when determining the value of compensatory mitigation credits for actions undertaken by Caltrans:
    - i. The impact on the ability of wildlife to access the opposite side of the roadway, including the length of the barrier, the distance of roadway until the next wildlife crossing, and the number of lanes wildlife would need to cross.

- ii. The value of the habitat on the opposite side of the roadway, including impacts on genetic diversity, wildlife migration, and access to additional latitudes and altitudes of habitat to adapt to climate change.
  - iii. The impact on critical terrestrial habitat linkages, including, but not limited to, the Santa Monica Mountains, Santa Ana Mountains, San Gabriel Mountains, San Bernardino Mountains, Santa Cruz Mountains, and the Gabilan Mountain Range.
  - iv. Topography, watercourse presence, vegetative cover, mortality data, or other factors that increase the likelihood of use, or value of, a particular location for connectivity.
- 4) Authorizes DFW and Caltrans to consult with the United States Fish and Wildlife Service, the National Marine Fisheries Service, and the United States Army Corps of Engineers to determine the value of the compensatory mitigation credits.
- 5) Authorizes Caltrans to request that DFW issue credits for any action that Caltrans completed in excess of any legally required mitigation, if Caltrans takes actions to improve fish and wildlife connectivity in connection with a transportation project.
- 6) Authorizes Caltrans to use these compensatory mitigation credits to satisfy obligations to mitigate impacts of transportation projects on fish and wildlife required by:
- a) The California Environmental Quality Act
  - b) The California Endangered Species Act
  - c) The Lake and Streambed Alteration Program
- 7) Authorizes DFW to develop an in-lieu fee program for purpose of implementing these provisions.
- 8) Prohibits Caltrans from using these compensatory mitigation credits outside the regional in which the credits were issued.
- 9) Modifies the Advance Mitigation Program created under SB 1 to authorize the AMP to be used to modify or remove wildlife connectivity barriers not covered by existing regulatory programs.

**COMMENTS:**

- 1) *Purpose.* According the author, “Iconic California megafauna, such as mountain lions, are being decimated as they are forced to cross busy roadways to find habitat with sufficient prey and fewer competitors, putting them at risk of extinction. Many other species, including deer, badger, and endangered frogs, are also killed at alarming rates. Our warming climate amplifies the need for wildlife to roam to reach appropriate habitat. Transportation and Wildlife agencies want to work together to reduce barriers for wildlife to cross roadways, but often lack adequate incentives to invest in such projects. This bill builds off an existing crediting framework created by Caltrans and the Department of Fish & Wildlife to create an additional tool for those agencies to work together to reduce and remove barriers to wildlife connectivity. The bill is in alignment with recommendations made by the Transportation Permitting Task Force created by AB 1282 (Mullin, 2017), comprised of CalEPA, CNRA, and CalSTA, to facilitate delivery of transportation projects while protecting state natural resources.”
- 2) *Getting a jump-start on mitigation.* Obtaining environmental mitigation in advance or, rather than during, transportation projects can avoid mitigation-relayed delays. Historically, transportation agencies have implemented mitigation on a project-by-project basis once funding is approved for the final stages of a project and environmental permits are obtained. More recently, many local transportation agencies and Caltrans have begun to look at advance mitigation as a streamlined option, and agencies are in varying stages of developing comprehensive advance mitigation programs.

SB 1 (Beall, 2017) increased transportation funding for deferred maintenance and other funding, increasing the pace of transportation projects in the state. To facilitate project delivery SB 1 established the Caltrans Advance Mitigation Program (AMP) which allows the department to plan and implement mitigation solutions for its future transportation projects. Caltrans adopted program guidelines in October 2019 and, throughout 2020, began conducting mitigations needs assessments to establish Caltrans’ need for advanced mitigation in various areas throughout the state. After a needs assessment, planning may proceed to scoping advanced mitigation projects that meet the need for future transportation project.

To ensure that AMP mitigation projects provide real environmental benefits, SB 1 required that most of the mitigation funding be spent on projects that advance a regional conservation investment strategy. These strategies are voluntary, non-regulatory, non-binding conservation assessment that includes information

and analyses of important species, ecosystems, protected areas, and habitat linkages. SB 1 did not target any single type of mitigation project.

- 3) *Addressing transportation permitting challenges: AB 1282 Report.*  
Transportation projects can take many years from inception to completion. AB 1282 (Mullin, 2017) established the Transportation Permitting Task Force to address state transportation permitting challenges, including mitigation. The Task Force includes representatives of eight state agencies, including Caltrans and DFW. The Task Force's analysis showed that mitigation is one of the main topics that cuts across all of the delay causes they identified (unclear understanding of requirements, lack of coordination, ineffective design change management, need for updated procedures and guidance, staffing and workload, etc.). Challenges in mitigation design, land acquisition for mitigation, and mitigation implementation and monitoring all create delays and inefficiencies in transportation project delivery. SB 790 aims to implement several of the report's recommendations, including establishment of an in-lieu fee program, through which Caltrans could pay a fee to fund mitigation projects.
- 4) *SB 790.* Where current highway infrastructure hinders wildlife, crossings culverts, fencing, and construction of an under- or overpass encourages wildlife to use the intended crossing and avoid crossing the roadway itself. This bill aims to unlock a new source of funding for these projects: Caltrans spending on transportation project mitigation. DFW and Caltrans typically exchange mitigation on an acre-for-an-acre basis, which makes it more difficult to quantify the mitigation value of corridor crossing features.

This bill authorizes DFW to give Caltrans mitigation credits for wildlife connectivity projects. It also authorizes DFW to develop an in-lieu fee program for the purposes of wildlife connectivity mitigation crediting, which would enable Caltrans to pay a fee to fund mitigation projects. SB 790 would also explicitly authorize Advanced Mitigation Account dollar to be spent to modify or remove wildlife connectivity barrier.

- 5) *Committee amendments.* To avoid singling out a particular type of mitigation for consideration under the Advanced Mitigation Program, ***the author and committee may wish to consider amending the bill to remove the provision explicitly authorizing Advance Mitigation Account funds to be used to "modify or remove wildlife connectivity barriers not covered by existing regulatory programs."***

6) *Double referral.* This bill is double referred to the Senate Committee on Natural Resources and Water.

**RELATED LEGISLATION:**

**SCR 62 (Stern, 2019)** — this resolution would have designated a yet-to-be constructed overpass serving as a wildlife crossing over State Route 101 in the County of Los Angeles west of the Liberty Canyon freeway exit as the Wildlife Crossing at Liberty Canyon. *SCR 62 died in the Assembly Appropriations Committee.*

**SB 1372 (Monning, 2020)** — would have built off of existing programs and plans proactively protect and enhance wildlife corridors and design infrastructure to maximize wildlife connectivity. *The author held SB 1372 in the Senate Transportation Committee due to COVID-19 limitations.*

**AB 1282 (Mullin, Chapter 643, Statutes of 2017)** — established a Transportation Permitting Taskforce and requires the taskforce to provide a report to the Legislature, as specified.

**SB 1 (Beall, Chapter 5, Statutes of 2017)** — increases several taxes and fees to raise roughly \$5.2 billion in new transportation revenues annually and makes adjustments for inflation every year. Also established the AMP and tasks Caltrans to oversee the program administration, planning, delivery, implementation, and tracking.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 7, 2021.)

**SUPPORT:**

Action for Animals  
Amah Mutsun Tribal Band  
Animal Legal Defense Fund  
Animal Welfare Institute  
Animazonia Wildlife Foundation  
Arroyos & Foothills Conservancy  
Biodiversity First!  
Brentwood Alliance of Canyons & Hillsides  
California Chaparral Institute

California Council for Wildlife Rehabilitators  
California Institute for Biodiversity  
California Waterfowl Association  
California Wildlife Center  
California Wildlife Foundation  
Center for Biological Diversity  
Citizens for Los Angeles Wildlife (CLAW)  
City of Thousand Oaks  
Coastal Ranches Conservancy  
Cougar Conservancy  
County of Ventura, Second District County Supervisor Linda Parks  
Endangered Habitats League  
Escondido Creek Conservancy, the  
Extinction Rebellion Sf Bay  
Felidae Conservation Fund  
Friends of Harbors, Beaches and Parks  
Happy Hen Animal Sanctuary  
Hills for Everyone  
In Defense of Animals  
Live Oak Associated, Inc,  
Los Padres Forest Watch  
Madrone Audubon Society  
Madrone Audubon Society, Sonoma County  
Midpeninsula Regional Open Space District  
Mojave Desert Land Trust  
National Wildlife Federation  
Nature for All  
North County Watch  
Ojai Valley Green Coalition  
Pathways for Wildlife  
Paula Lane Action Network  
People for The Ethical Treatment of Animals  
Placer Land Trust  
Planning and Conservation League  
Poison Free Agoura  
Poison Free Malibu  
Preserve Wild Santee  
Protect San Benito  
Raptors are The Solution  
San Bernardino Valley Audubon Society  
Santa Barbara Audubon Society  
Santa Clara Valley Audubon Society

Santa Clara Valley Open Space Authority  
Santa Susana Mountain Park Association  
Sierra Club California  
Social Compassion in Legislation  
Sonoma County Agricultural Preservation and Open Space District  
Temescal Canyon Association  
The Cougar Fund  
The Federation of Hillside and Canyon Associations, INC.  
The Human Society of The United States  
The Trust for Public Land  
Thousand Oaks; City of  
Ventana Wilderness Alliance  
Voters for Animal Rights  
Western Watersheds Project  
Wildcare  
Wildfutures  
Wildlands Network  
Wishtoyo Foundation

**OPPOSITION:**

None received.

**-- END --**



---

**SENATE COMMITTEE ON TRANSPORTATION**  
**Senator Lena Gonzalez, Chair**  
**2021 - 2022 Regular**

---

<b>Bill No:</b>	SCR 24	<b>Hearing Date:</b>	4/13/2021
<b>Author:</b>	Stern		
<b>Version:</b>	4/5/2021		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Katie Bonin		

**SUBJECT:** Los Angeles County Sheriff's Deputy Joseph Solano Memorial Overcrossing

**DIGEST:** This resolution designates the overpass on State Route 118 at Balboa Boulevard in the County of Los Angeles as the Los Angeles County Sheriff's Deputy Joseph Solano Memorial Overcrossing.

**ANALYSIS:**

The committee has adopted a policy regarding the naming of state highways or structures. Under the policy, the committee will consider only those resolutions that meet all of the following criteria:

- 1) The person being honored must have provided extraordinary public service or some exemplary contribution to the public good and have a connection to the community where the highway or structure is located.
- 2) The person being honored must be deceased.
- 3) The naming must be done without cost to the state. Costs for signs and plaques must be paid by local or private sources.
- 4) The author or co-author of the resolution must represent the district in which the facility is located, and the resolution must identify the specific highway segment or structure being named.
- 5) The segment of highway being named must not exceed five miles in length.
- 6) The proposed designation must reflect a community consensus and be without local opposition.

- 7) The proposed designation may not supersede an existing designation unless the sponsor can document that a good faith effort has uncovered no opposition to rescinding the prior designation.

This resolution designates the overcrossing on State Route 118 at Balboa Boulevard in the County of Los Angeles as the Los Angeles County Sheriff's Deputy Joseph Solano Memorial Overcrossing. The Department of Transportation is requested to determine the cost of appropriate signage showing this special designation and, upon receiving donations from nonstate sources covering that cost, erect those signs.

**COMMENTS:**

- 1) *Purpose.* The purpose of this resolution is to memorialize the life and service of Los Angeles County Sheriff's Deputy Joseph Solano.
- 2) *Background.* Los Angeles County Sheriff's Deputy Joseph Solano was shot and killed on June 10, 2019 in the City of Alhambra. Deputy Solano was 50 years old at that time, having served for 13 years as a deputy sheriff.
- 3) *Consistent with committee policy.* This resolution is consistent with the provisions of the committee's policy on highway designation.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 7.)

**SUPPORT:**

Los Angeles County Sheriff's Department  
Peace Officers Research Association of California (PORAC)

**OPPOSITION:**

None received.

-- END --

---

**SENATE COMMITTEE ON TRANSPORTATION**  
**Senator Lena Gonzalez, Chair**  
**2021 - 2022 Regular**

---

<b>Bill No:</b>	SB 366	<b>Hearing Date:</b>	4/13/2021
<b>Author:</b>	Umberg		
<b>Version:</b>	3/25/2021		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Amy Gilson		

**SUBJECT:** Automobile dismantling: task force

**DIGEST:** This bill reconstitutes the Vehicle Dismantling Industry Strike Team (VDIST) and implement several of the recommendations from the VDIST's 2020 report to the legislature.

**ANALYSIS:**

*Existing law:*

- 1) Defines an "automobile dismantler," as a person who dismantles three or more personal vehicles within any 12-month period, and prohibits any person from acting as an automobile dismantler without first having procured a license or temporary permit issued by DMV.
- 2) Requires an applicant for an auto dismantler's license to provide DMV with information as to his or her character, honesty, integrity, and reputation, as DMV may consider necessary.
- 3) Requires an applicant for a new license or the renewal of a license to submit all of the following information as part of the application, if the applicant is required by other provisions of law to have the following permits, numbers, or plans:
  - a) BOE resale permit number;
  - b) Identification number issued by the California Environmental Protection Agency (CalEPA);
  - c) A statement indicating that the applicant has either filed an application for a stormwater permit or is not required to obtain a stormwater permit;

- d) A statement indicating that the applicant has either filed a hazardous materials business plan or is not required to file that plan; and,
  - e) The tax identification number assigned by the Franchise Tax Board.
- 4) Requires the Department of the California Highway Patrol to inspect vehicles previously declared a total loss during the dismantling process when such vehicles are later presented to DMV for registration after reconstruction.
  - 5) Specifies that, unless a different penalty is provided, every person convicted of a misdemeanor for a violation of the vehicle code shall be punished by a fine of up to one thousand dollars and/or by imprisonment for up to six months.
  - 6) Required DMV to collaborate with the State Board of Equalization, the California Environmental Protection Agency, the Department of Toxic Substances Control, the State Water Resources Control Board, the Department of Resources Recycling and Recovery, and the State Air Resources Board (aka strike team) to investigate occurrences of unlicensed automobile dismantling, including resulting tax evasion and environmental damage. The strike team sunset on January 1, 2020.
  - 7) Required the strike team to submit a report to the Legislature by January 1, 2019.

**This bill:**

- 1) Recreates the strike team with the same duties, sunsets the strike team on January 1, 2025.
- 2) Requires the strike team to submit a report to the Legislature including the number of unlicensed dismantlers investigated and the number of investigations that resulted in enforcement actions; compliance progress; and any additional recommendations.
- 3) Deletes a conflicting statute, specifying that the DMV does not have a duty to investigate alleged violations, as recommended by the strike team report.
- 4) Changes the fine structure to set minimum fines of \$250, \$500, and \$1,000 for first, second, and subsequent violations.
- 5) Specifies that a building or place used for the purpose of unlawful auto dismantling is a nuisance subject to being enjoined, abated, and prevented, and for which damages may be recovered.

**COMMENTS:**

- 1) *Purpose.* According to the author, “Unlicensed auto dismantling is a sleeper environmental, environmental justice, economic, and public health issue. The resulting environmental and public health damage to our communities called for an urgent action from the Legislature in 2016, which resulted in the signing of AB 1858 (Santiago). This measure required the DMV to coordinate enforcement and compliance activity related to unlicensed vehicle dismantling with other state agencies. Since then, there have been over 40 operations throughout California, which have resulted in the identification of 824 unlicensed dismantlers.”

Senate Bill (SB) 366 will simply extend the Vehicle Dismantling Industry Strike Team (VDIST) for 3 years so that this successful work can continue. Additionally, the bill will implement recommendations from the strike team’s report to the legislature. These recommendations include: requiring escalating penalties for repeat offenders; establishing a public nuisance/abatement process for locations where unlicensed dismantling is occurring; and a report by the department on their findings and recommendations to the Legislature by January 1, 2024.”

- 2) *What It is.* Vehicle dismantling is the process of disassembling junked vehicles so that parts can be reused and the non-reusable parts recycled or otherwise disposed of. This is a dirty business; vehicles are laden with petrochemicals and toxic materials, which must be properly handled, as well as many pounds of recyclable metals, glass and rubber. The DMV has estimated that 1.2 million vehicles are disposed of annually in California and nearly one third are processed by unlicensed dismantlers.
- 3) *How Did We Do?* The multi-agency strike team submitted their required report to the Legislature on January 21, 2020. That report noted that unlicensed auto dismantlers operate in the underground economy and do not comply with the licensing requirements, environmental regulatory requirements, insurance obligations, workplace safety requirements, and tax liability that licensed automobile dismantlers comply with. The report tallied numerous successful prosecutions, identified statutory and regulatory weaknesses, and recommended continuation of the strike team.

This bill recreates the strike team for three years and implements several of its recommendations. It deletes a conflicting statute; changes the penalties for acting as unlicensed automobile dismantler by implementing an escalating fine

structure; and provides for abatement and authority to shut down a business that poses and immediate threat to public safety.

- 4) *Come Clean*. Supporters note the significant environmental benefits of licensed auto dismantling and the unfair competition resulting from unlicensed dismantlers.

According to the State of California Automobile Dismantlers, "It is estimated by the licensed automobile dismantling industry that annually at least 40 percent of the 1.2 million End-of-Life-Vehicles (ELV) in California, or 480,000 vehicles, are being acquired by unlicensed and unregulated automobile dismantlers. The 480,000 vehicles that are unaccounted for represent nearly \$100 million in uncollected sales taxes and fees, over 2 million unaccounted for tires and over 2 million gallons of unaccounted for hazardous fluids. Licensed dismantlers are also required to properly remove, collect, manifest, and recycle most of these materials and fluids including lead acid batteries, mercury switches, catalytic convertors, coolant lithium-ion batteries and freon.

VDIST was charged with investigating violations of environmental laws, non-payment of taxes and fees due the state and local jurisdictions and vehicle code violations, resulting in harm to the environment, public health and creating an un-level playing field for the licensed automobile dismantler community. VDIST conducted 40 enforcement operations in the state from July 2017 to January 1, 2020.

VDIST opened a total of 1105 cases during this time, 824 of which were for unlicensed automobile dismantling. So far, these cases have led to 556 citations for violations of unlicensed automobile dismantler laws and other associated crimes. In addition, the strike team referred 202 cases to state environmental agencies and 81 cases to the California Department of Tax and Fee Administration for further investigation and enforcement. The accomplishments of the VDIST to-date and the proposed extension and reforms contained in SB 366 are important steps in continuing to address the serious problem of unlicensed and unregulated automobile dismantling in California."

- 5) *Clarification needed*. Should this bill move forward, the author may wish to consider clarifying that the minimum fines specified in the bill are subject to the maximum fine specified in Section 42002 of the Vehicle Code.

**RELATED LEGISLATION:**

**AB 238 (Santiago, 2020)** —would have reinstated the multi-agency Vehicle Dismantler Industry Strike Team (VDIST) until 2024, as specified. This bill was held on suspense in the Senate Appropriations Committee.

**AB 1858 (Santiago, Chapter 449, Statutes of 2016)** — required the state Department of Motor Vehicles (DMV) to collaborate with specified agencies to coordinate enforcement and compliance activity related to unlicensed automobile dismantling. Sunset the bill's provisions on January 1, 2020

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 7, 2021.)

**SUPPORT:**

State of California Auto Dismantlers Association (Sponsor)  
Automotive Recyclers Association  
California Association of Environmental Health Administrators (CAEHA)  
California Coastkeeper Alliance  
California Metals Coalition  
California Waterkeepers  
Californians Against Waste  
Capitol Strategic Advisors, LLC  
Coastal Environmental Rights Foundation  
Lkq Corporation  
Riverside Sheriff's Association  
Santa Clara Police Officers' Association

**OPPOSITION:**

None received.

-- END --





sponsoring state agency to expend exclusively on projects and programs that promote the state agency's official policy, mission, or work.

**This bill:**

- 1) Requires the Department of Veterans Affairs (DVA) to apply to the Department of Motor Vehicles (DMV) to sponsor a specialty license plate program for California professional sports franchises with the proceeds going to programs promoting the official work of the DVA.
- 2) Authorizes the specialty plates to also be used on motorcycles.
- 3) Requires the DVA to enter into a memorandum of understanding with each California professional sports franchise that will participate in the program, which authorizes the use of officially licensed logos or emblems.
- 4) Provides that the specialty license plate shall provide a space not larger than 2 inches by 3 inches to the left of the alphanumeric figures for the logo or emblem and a space not wider than five-eighths of an inch below the alphanumeric figures for a message.

**COMMENTS:**

- 1) *History of special-interest license plates.* The DMV is required to issue, upon legislative authorization, a special-interest license plate bearing a distinctive design or decal of a sponsoring organization to any vehicle owner that paid specified fees, if the sponsoring organization met certain conditions. These conditions included that the sponsor of a special-interest license plate had to collect 7,500 applications and fees for a special license plate in order to pay DMV's costs of creating a new plate, which are approximately \$375,000 or 7,500 applications times the \$50 fee. In the case of this bill, the DMV would need 7500 applications from any one professional sports team to issue the specialty license plate.
- 2) *We're Exceptional.* The author notes that California is one of only two states that has professional sports teams but does not offer specialty license plates to support those teams. Thirty-one states and the District of Columbia provide 143 different professional sports team license plates, according to the author.
- 3) *One More.* California currently offers 14 specialty license plates: Breast Cancer Awareness, California Agriculture, Arts Council, California Museums, Collegiate, Environmental, Help Our Kids, Lake Tahoe Conservancy,

Memorial, Pet Lovers, Veterans' Organizations, Whale Tail (Coastal Commission), Yosemite Conservancy, and 60's Legacy.

- 4) *Outlook is poor.* The track record of specialty license plates reaching the 7,500 threshold is poor. Of the 12 legislatively sponsored plates approved in the last two decades, only two have met the threshold (60's Legacy, Breast Cancer Awareness). There are currently three specialty license plate proposals that are taking reservations. Each has attracted few applicants.
- 5) *A Little More Work to Do.* As this bill progresses the author may wish to consider specifying the message that would be included at the bottom of the license plate, or at least establishing a process for determining the message.

**RELATED LEGISLATION:**

**SB 1027 (Stern, 2020)** - Requires the State Coastal Conservancy (SCC) to apply to the Department of Motor Vehicles (DMV) to sponsor the "Endless Summer" license plate and allocates the proceeds towards project and programs that promote surfing. *This bill was held in the Senate Transportation Committee.*

**SB 140 (Stern, 2019)** - Requires the State Coastal Conservancy (SCC) to apply to the Department of Motor Vehicles (DMV) to sponsor the "Endless Summer" license plate and allocates the proceeds towards project and programs that promote surfing. *This bill was held in the Senate Appropriations Committee.*

**SB 509 (Portantino, 2019)** - Requires the Department of Housing and Community Development (HCD) to apply to the Department of Motor Vehicles (DMV) to sponsor a housing crisis awareness specialized license plate program, with the fees going to support an existing program for owner-occupied workforce housing. *This bill was held in the Senate Appropriations Committee.*

**SB 593 (Umberg, 2019)** - Requires the Department of Veterans Affairs (DVA) to apply to the Department of Motor Vehicles (DMV) to sponsor a professional sports franchise license plate with the net proceeds going to the Challenged Athletes Foundation. *This bill was held in the Senate Appropriations Committee.*

**SB 1455 (Stern, 2018)** - Requires the State Coastal Conservancy (SCC) to apply to the Department of Motor Vehicles (DMV) to sponsor the "Endless Summer" license plate and allocates the proceeds towards project and programs that promote surfing. *This bill was vetoed.*

**AB 2058 (Acosta, 2018)** - Authorizes the DMV to issue personalized Gold Star Family specialized license plates. *This bill was vetoed.*

**AB 1251 (Allen, 2017)** - Requires the State Coastal Conservancy to apply to the DMV to sponsor an Endless Summer license plate for a coastal conservancy awareness program. *This bill died in Assembly Transportation.*

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 7, 2021.)

**SUPPORT:**

Anaheim Ducks (sponsor)

**OPPOSITION:**

None received.

**-- END --**

---

**SENATE COMMITTEE ON TRANSPORTATION**  
**Senator Lena Gonzalez, Chair**  
**2021 - 2022 Regular**

---

<b>Bill No:</b>	SB 339	<b>Hearing Date:</b>	4/13/2021
<b>Author:</b>	Wiener		
<b>Version:</b>	4/5/2021		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Randy Chinn		

**SUBJECT:** Vehicles: road usage charge pilot program

**DIGEST:** This bill extends the Road Usage Charge Technical Advisory Committee until January 1, 2027.

**ANALYSIS:**

*Existing law:*

- 1) Requires the Chair of the California Transportation Commission to create a Road Usage Charge (RUC) Technical Advisory Committee (TAC) in consultation with the Secretary of the Transportation Agency.
- 2) Requires the TAC to study RUC alternatives to the gas tax and make recommendations to the Secretary on the design of a pilot program.
- 3) Requires the Transportation Agency, based on the recommendations of the TAC, to implement a pilot program to identify and evaluate issues related to the implementation of a RUC by January 1, 2017 and submit a report to the Legislature by June 30, 2018.
- 4) All of the above provisions are repealed on January 1, 2023.

**This bill:**

- 1) Extends the sunset on the RUC TAC until January 1, 2027.
- 2) Requires the state Transportation Agency to implement a RUC pilot program to identify and evaluate issues related to the collection of revenue for a road charge program by January 1, 2023.
- 3) Requires that the pilot program:

- a) To be voluntary except for state-owned vehicles;
  - b) To assess a mileage based fee and receive a credit for state fuel taxes and electric vehicle fees that have been paid during the pilot program;
  - c) To consist of two study groups with different mileage-based fees. One group will be assessed a per mile fee determined by the TAC. The second group will be assessed an individually calculated per mile fee equal to the state per-gallon fuel tax divided by the United States EPA's estimated fuel economy rating for the make, model and year of the vehicle.
- 4) Requires an interim report to the Legislature by January 1, 2024 and a final report to the Legislature by July 1, 2026.

**COMMENTS:**

- 1) *Purpose.* "The current gas tax structure is becoming a less effective basis for transportation infrastructure funding. As policies, encouraging electric vehicles continue to be implemented, and as gasoline consumption continues to decrease, California will need to ensure a secure, stable funding future for transportation. Extending the Road Charge pilot allows for the California Transportation Commission and the California State Transportation Agency to better study and comprehend one of the promising alternatives to the gas tax."
- 2) *Gas tax becoming unsustainable.* The excise tax on fuels was originally created in the early 20th century to serve as a substitute user fee for the construction, maintenance, and operation of the transportation system. At the time, it was technologically very difficult to track actual usage of the roadway by vehicle, but most vehicles on the road were very similar and experienced similar mileage. Therefore, a tax on fuels served as a suitable stand-in for usage.

Because of advancements in drive train technology, relying on a gas tax for funding roads has become less fair and sustainable. Vehicles which create the same demands on our streets are increasingly paying very different taxes to repair and build those streets; a Toyota Prius driver will pay less than half the gas tax of a driver of a typical car and less than one-quarter of the gas tax of the driver of a Chevy Suburban, assuming both drives the same number of miles. Electric vehicles pay no gas tax at all, though with the passage of SB 1 (Beall, Chapter 5, Statutes of 2017) they are assessed an annual \$100 Road Improvement Fee to partially make up for it.

Total gas tax revenue will decline as cars become more efficient. In addition, the push for more zero emission vehicles (ZEVs), most recently in Governor

Newsom's Executive Order N-79-20, will accelerate this decline. While ZEVs were less than 6% of new car sales in 2020, that percentage will climb as new, more affordable models become available. A recent analysis shows that under reasonable scenarios of ZEV adoption, California annual transportation revenues could be as much as \$1 billion less than under a business as usual model by 2025 and \$2 billion less by 2030.<sup>1</sup>

- 3) *Not Just Us*. California was among the first states to implement a Road Charge pilot project in 2016. Since then many other states have experimented, and even implemented, a RUC in lieu of a gas tax including Washington, Oregon, Utah, Colorado and a partnership of 17 eastern states and the District of Columbia. The Biden Administration has also expressed an interest in a RUC as a substitute for the 18 cent/gallon federal gas tax.
- 4) *Mileage-Based Charges; Two Ways*. The appeal of a RUC is that it seems inherently fairer to pay for the road when you use it. This gets at the unfairness of a gas tax when some vehicles use the road but don't pay for gas. Paying to use the road also creates an incentive to use the road less, which supports reductions in vehicle miles travelled (VMT). But some are concerned that the incentive for efficiency created by the existing gas tax -- inefficient vehicles use more gas, and therefore pay more gas taxes, than efficient vehicles as noted in the Prius/Suburban comparison above -- is lost under a traditional RUC where all vehicles pay the same per mile. This bill recognizes this concern by establishing a second RUC pilot where the mileage based rate is adjusted based on the efficiency of the vehicle, as represented by the US EPA fuel economy rating. Less efficient vehicles pay a higher per mile charge than less efficient vehicles. This retains the incentive to reduce VMT and to drive efficient vehicles. However, some may see this as a less fair application of a RUC as all light-duty vehicles create the same costs of using a road no matter how fuel-efficient they are.

#### 2021 US EPA Mileage Ratings

Ford F-150 6 cylinder	20 mpg
Toyota Camry 4 cylinder	29 mpg
Toyota Camry hybrid	52 mpg
Tesla Model Y	125 mpge

There are some issues with using the US EPA fuel economy ratings which the author should consider if the bill moves: EPA fuel economy ratings are not

---

<sup>1</sup> "The Impact of the COVID-19 Recovery on California Transportation Revenue: A Scenario Analysis through 2040" by Asha Weinstein Agrawal, Hannah King, Martin Wachs and Jeremy Marks. Mineta Transportation Institute. Project WP 2054; December 2020. Another significant factor in transportation revenue loss is reduction in vehicle miles travelled.

issued for larger passenger vehicles and trucks, which will impact the second pilot. The fuel economy ratings have been criticized as overstating the vehicle's actual fuel economy, which would result in a revenue under collection. For electric vehicles, the fuel economy ratings are the equivalent to the number of miles the vehicle can go using a quantity of fuel with the same energy content as a gallon of gasoline. This is different from the greenhouse gas (GHG) emissions because the GHG emissions depend on the source of the electric generation. Finally, a vehicle-specific mileage charge will be a bigger administrative challenge than a single statewide mileage charge.

- 5) *Pilot program results.* California's road charge pilot program, which was completed in 2017, was the largest pilot program in the nation, involving more than 5,000 vehicles from throughout the state and testing several variations of a per-mile charge. Valuable information and experience were obtained, but the results of that test made it clear that much more work needs to be done before a substitute for the gas tax can be proposed. Using federal funding, the California Department of Transportation (Caltrans) is currently investigating a pay-at-the-pump/charging station model as a gas tax alternative. It's worth noting that a RUC of 1.8 cents/mile was equivalent to the state gas tax.

#### **RELATED LEGISLATION:**

**SB 1328 (Beall; Chapter 698 of 2018)** – Extended the sunset on the RUC TAC until January 1, 2023.

**SB 1077 (DeSaulnier; Chapter 835 of 2014)** – Established the RUC TAC and required the State Transportation Agency to implement a RUC pilot program by January 1, 2017.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 7, 2021.)

#### **SUPPORT:**

American Automobile Association of Northern California, Nevada & Utah  
Automobile Club of Southern California  
Bay Area Council  
Bay Area Rapid Transit (BART)  
California Transit Association  
California Transportation Commission

East Bay for Everyone  
Fossil Free California  
Transportation California  
Vulcan Materials Company

**OPPOSITION:**

None received.

**-- END --**