

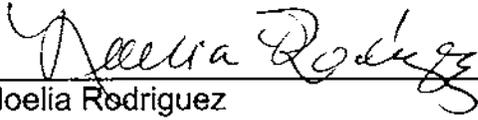
**Metro**Los Angeles County  
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metro.net**EXECUTIVE MANAGEMENT COMMITTEE  
APRIL 17, 2014****SUBJECT: STATE LEGISLATION****ACTION: ADOPT STAFF RECOMMENDED POSITIONS****RECOMMENDATION**

- A) AB 2197 (Mullin) – Temporary License Plate Program SUPPORT**
- B) AB 2707 (Chau) – Triple Bike Racks SUPPORT**
- C) SB 1 (Steinberg) – Sustainable Communities Investment Authority SUPPORT**
- D) SB 1037 (Hernandez) – Los Angeles County Metropolitan Transportation Authority Sales Tax Requirements WORK WITH AUTHOR**
- E) SB 1077 (DeSaulnier) – Vehicle Miles Traveled Fee Pilot SUPPORT**

**ATTACHMENTS**

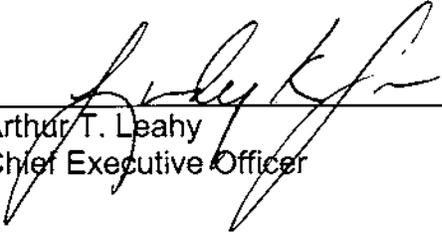
- A. AB 2197 (Mullin)
- B. AB 2707 (Chau)
- C. SB 1 (Steinberg)
- D. SB 1037 (Hernandez)
- E. SB 1077 (DeSaulnier)

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**BILL: AB 2197**

**AUTHOR: ASSEMBLYMEMBER KEVIN MULLIN  
(D-SOUTH FRANCISCO)**

**SUBJECT: TEMPORARY LICENSE PLATE PROGRAM**

**STATUS: ASSEMBLY**

**ACTION: SUPPORT**

**RECOMMENDATION**

Staff recommends that the Board approve a support position on AB 2197 which would require the Department of Motor Vehicles (DMV), in collaboration with qualified industry partners, to develop a temporary license plate system to enable vehicle dealers and minor retailers to print temporary license plates on weatherproof paper or other media and require that the system be in operation on or before July 1, 2015. This bill would also require that beginning July 1, 2015, a motor vehicle dealer or minor retailer install a temporary license plate at the time of sale, and to electronically record and transmit to the DMV's vehicle registration database certain information, including the temporary license plate number and vehicle's make and model, using the temporary license plate system.

**ISSUE**

Existing law requires the DMV, upon registering a vehicle, to issue to the owner two license plates and that both be securely fastened to the vehicle for which they are issued, and makes a violation of this requirement a crime. Existing law also requires vehicle dealers and minor retailers to attach numbered report-of-sale forms issued by the DMV to a vehicle at the time of sale, and to submit to the DMV an application for registration of the vehicle, and the applicable fees, within a specified period after the date of sale.

This bill would require the DMV, in collaboration with qualified industry partners, to develop a temporary license plate system to enable vehicle dealers and minor retailers to print temporary license plates on weatherproof paper or other media and would require that the system be in operation on or before July 1, 2015. The bill would also require, commencing July 1, 2015, a motor vehicle dealer or minor retailer to install a temporary license plate at the time of sale, and to electronically record and transmit to the DMV's vehicle registration database certain information, including the temporary license plate number and vehicle's make and model, using the temporary license plate system. The bill would make failure to display temporary license plates an infraction, and would make counterfeiting a temporary license plate a felony, as specified. By

creating a new crime and expanding the scope of an existing crime, this bill would impose a state-mandated local program.

## **DISCUSSION**

Each year, approximately 1.8 million new vehicles are purchased in California. New vehicles leave the dealership without a license plate. A small portion of used vehicles are also sold by independent dealers without plates. A permanent license plate is usually mailed to the registered owner within about three weeks of purchase, but during this period the vehicle can be driven without permanent plates.

While plates are required to be installed “upon receipt” or within 90 days, whichever is sooner, some vehicle owners drive their vehicles without plates for months, or even years. This poses a risk to public safety, allowing motorists to avoid detection in criminal activity, traffic and toll violations.

California’s electronic toll payment collection system — FasTrak® — relies upon a photo of a vehicle’s license plate for enforcement. In the San Francisco Bay Area, drivers without plates evaded almost \$8 million in tolls on the region’s eight toll bridges in FY 2012-13. Southern California toll facilities including Metro’s ExpressLanes lost almost \$5 million during the same time period, for a total statewide loss of over \$12 million.

Assembly Bill 2197 would establish a mandatory temporary license plate system, commonly known as a “temp tag” system, which requires both new and used auto dealers to install temp tags at the point of sale so vehicles are identifiable to law enforcement and toll operators from the point they purchase the vehicle and leave the lot.

## **DETERMINATION OF SAFETY IMPACT**

Staff has reviewed the legislation and has found that its implementation would improve public safety by helping law enforcement identify vehicles involved in traffic violations, hit and run accidents and other criminal activity.

## **FINANCIAL IMPACT**

The estimated loss of revenue in Southern California including Metro’s ExpressLanes is estimated to be approximately \$5 million in FY 2012-13.

## **ALTERNATIVES CONSIDERED**

Staff has considered adopting either an oppose or neutral position on the bill. However, an oppose position would be inconsistent with past Board positions and a neutral position would foreclose our ability to speak to an issue which could benefit our agency.

## **NEXT STEPS**

Should the Board decide to adopt a support position on this bill, staff will work with author to pursue passage of the legislation and continue to keep the Board informed as this issue is addressed throughout the legislative session.

**BILL: AB 2707**

**AUTHOR: ASSEMBLYMEMBER ED CHAU  
(D-ARCADIA)**

**SUBJECT: TRIPLE BIKE RACKS**

**STATUS: ASSEMBLY**

**ACTION: SUPPORT**

**RECOMMENDATION**

Staff recommends that the Board approve a support position on AB 2707 which would authorize Metro to install a three position bike rack only on its 40-foot buses by allowing a bike rack to extend an additional four inches from the front of the bus, as has been done for other transit agencies.

**ISSUE**

Existing law allows a public bus to include a folding bike rack, provided the device does not extend more than 36-inches from the front of the bus and bicycle handlebars do not extend more than 42-inches. The only bike rack that can fit within these limitations can hold only two bicycles. Exemptions have been granted to other agencies to install a three position bike rack.

This bill would authorize Metro to install a three position bike rack only on its 40-foot buses by allowing a bike rack to extend an additional four inches as has been done for other transit agencies.

**DISCUSSION**

Metro currently equips its bus fleet with folding bicycle racks that hold two bicycles. The racks are well utilized by patrons who use bikes to connect with our transit system. Bicycle usage on our system has grown over time and Metro has identified a need to increase bike capacity due to the increased usage. Other transit agencies in California, including Alameda County Transit, Sacramento Regional Transit and Gold Coast Transit have also found it necessary to install three position bike racks in order to accommodate demand.

Metro operates a bus fleet with over 2,200 buses. The buses are 40, 45 and 60 feet in length. Metro operates 170 routes over a 1,400 mile service area. This bill would allow Metro to install three position bike racks on our 40-foot buses which comprise just over

half of our bus fleet. The remaining portion of the fleet will continue to have two position bike racks.

Previous legislation authorizing three position bike racks has required that agencies utilize a route review committee (RRC) when the three position bike racks are installed on 45-foot buses. The RRC requires a unanimous vote of all participants for each route on which the three position racks will be used. Given the size of our fleet and the number of routes on which we operate, the RRC is wholly impractical to implement. In addition, the unanimous vote requirement creates veto authority for one entity. The creation of such a process on an operation issue is an inappropriate precedent. Therefore, AB 2707 would allow Metro to place the racks only on 40-foot buses where the RRC has never been applied. Metro will continue our practice of working with all employees to ensure that we operate safe and efficient service, including installing bike racks that are safe for all.

### **DETERMINATION OF SAFETY IMPACT**

Staff has reviewed the legislation and has found that its implementation would have no impact on safety at the agency.

### **FINANCIAL IMPACT**

Metro's current bus fleet has 1,412 40-foot buses. The estimated cost to retrofit triple bike racks on these buses is \$1,350,000, with the assumption that existing brackets are reused with the triple rack.

### **ALTERNATIVES CONSIDERED**

Staff has considered adopting either an oppose or neutral position on the bill. However, an oppose position would be inconsistent with past Board positions and a neutral position would foreclose our ability to speak to an issue which could benefit our agency.

### **NEXT STEPS**

Should the Board decide to adopt a support position on this bill, staff will work with author to pursue passage of the legislation and continue to keep the Board informed as this issue is addressed throughout the legislative session.

**BILL:** SB 1

**AUTHOR:** SENATOR DARRELL STEINBERG  
(D-SACRAMENTO)

**SUBJECT:** SUSTAINABLE COMMUNITIES INVESTMENT AUTHORITY

**STATUS:** SENATE

**ACTION:** SUPPORT

Staff recommends that the Board adopt a support position on SB 1 which would authorize the establishment of Sustainable Communities Investment Authorities to provide local government with another tool for economic development in transit priority project areas, small walkable communities and clean energy manufacturing sites.

### **ISSUE**

This bill would:

- Allow a city, county, or special district to form a Sustainable Communities Investment Authority to:
  - Use property tax increment revenues to repay bonds, debts and loans;
  - Implement a local transactions and use tax and designate the use of tax proceeds; and,
  - Issue bonds paid for with Authority proceeds.
- Limit an Area to three types of territory:
  - 1) Transit Priority Areas;
  - 2) Small walkable communities; and,
  - 3) Sites restricted to clean energy manufacturing.
- Prohibit a school district's property tax increment revenues from being pledged or allocated to an Authority.
- Provide that an Authority is not required to make a finding of blight or conduct a survey of blight in a project area, but can rely upon the legislative findings in this bill.
- Allow a state or local public pension fund system to invest in an Authority's public infrastructure.
- Require the local government to adopt a sustainable parking standards ordinance.
- Require an Authority that receives tax increment revenues to dedicate at least 25% for affordable housing purposes.

### **DISCUSSION**

Prior to 2011, Community Redevelopment Law authorized local governments to establish redevelopment areas which would receive all of the increase in property taxes generated within the area (tax increment). After 2011, the Legislature eliminated redevelopment agencies and established procedures to dismantle redevelopment agencies. That process is continuing.

Since the elimination of redevelopment agencies, a number of local governments have sought tools to pursue economic development. These efforts have focused on mechanisms such as infrastructure financing districts and benefit assessment districts. In 2012, Governor Brown vetoed a similar bill to SB 1, which was SB 1156 (D-Steinberg), on the grounds that more time was needed to wind down redevelopment and achieve general fund savings. Senator Steinberg has retained SB 1 as a potential tool for local government, but emphasizes that the approach prioritize sustainability. The proposed bill would authorize the formation of a Sustainable Communities Investment Authority and specify that it must comply with the provisions of Community Redevelopment Law (CRL). This bill would establish a new approach to pre-2011 Community Redevelopment Agencies and provide local agencies with tax increment financing to fund economic development and housing projects. The proposed language would establish a link between the Sustainable Communities Strategy (SB 375) and tax increment financing.

This bill is consistent with previously adopted Board policies regarding Value Capture, and the passage of the legislation would provide local governments with another tool for economic development.

### **DETERMINATION OF SAFETY IMPACT**

Staff has reviewed the measure for any impacts to safety and has determined that there is no impact to safety at our agency.

### **FINANCIAL IMPACT**

A Sustainable Communities Investment Authority would provide another potential source of funding for regional transportation projects. At this point, the exact financial benefit of this program cannot be determined until a decision is made about an area on which to create such authority.

### **ALTERNATIVES CONSIDERED**

Staff has considered adopting either an oppose or neutral position on the bill. However, an oppose position would be inconsistent with past Board positions and a neutral position would foreclose our ability to speak to an issue which could benefit our agency.

## **NEXT STEPS**

Should the Board adopt a support position on this bill, staff will work with the author to pursue passage of the legislation and continue to keep the Board informed as this issue is addressed throughout the legislative session.

**BILL:** SB 1037

**AUTHOR:** STATE SENATOR ED HERNANDEZ  
(D-WEST COVINA)

**SUBJECT:** LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION  
AUTHORITY SALES TAX REQUIREMENTS

**STATUS:** SENATE TRANSPORTATION AND HOUSING COMMITTEE

**ACTION:** WORK WITH AUTHOR

**RECOMMENDATION**

Staff recommends that the Board of Directors adopt a Work with Author position on SB 1037 which would outline requirements for a future transportation sales tax measure.

**ISSUE**

Senator Hernandez has introduced SB 1037 which would require Metro to take certain actions prior to placing a new sales tax measure on the ballot.

Prior to placing a measure on the ballot, SB 1037 would require Metro to:

- Update the expenditure plan to identify the specific program or source of the non-Measure R funds identified in the amended plan;
- Update the identification of the accelerated cost of a project if applicable;
- Update the expected completion dates for each project or program;
- Incorporate the updated expenditure plan into Metro's Long Range Transportation Plan (LRTP); and,
- Include in the LRTP the capital projects and capital programs submitted to Metro by the subregions.

**DISCUSSION**

SB 1037 amends Metro's current authority to place a measure on the ballot to expedite the projects in Measure R. That statute requires Metro to adopt a new expenditure plan. SB 1037 would delineate specific items that need to be in the plan. Some of these items were required of the original expenditure plan, such as the expected completion dates of the projects and the expected dates that funds would be available.

There are two provisions that differ.

The first provision that differs from the existing requirements is a provision that requires that the expenditure plan identify the specific program or source of the non-Measure R funds. This provision is problematic in that it is impossible to know the exact source of

funds for each project in an expenditure plan that could span a 30-year term. The existing Measure R expenditure plan identifies funds available to a project where there was a specific programming action such as an allocation vote by the California Transportation Commission.

The second provision that differs from the Measure R expenditure plan requirements is the requirement that the subregional projects and programs be included in the LRTP. The LRTP currently includes a listing of subregional priorities. The plan also differentiates between those projects which are funded through a given period and those projects that are in the Strategic element of the LRTP. Inclusion in the LRTP may or may not involve a specific commitment to fund a project and it should be clarified that the inclusion of a list of projects exceeding the amount of funds available is not an obligation to fund a project.

The Board has directed staff to engage the subregions in a dialog regarding their transportation priorities and that process is well underway. According to the Senator's office, SB 1037 has been introduced to formalize that process in legislation. Additionally, the Senator's office has expressed his intent to structure the legislation in a manner that would conform to Metro's process and has also expressed his willingness to amend the legislation to address any concerns.

During the process of developing Measure J, the Board reiterated a principle that the legislation authorizing the measure should be a simple authorization and not place additional requirements on Metro. It could be argued that SB 1037 is not consistent with that principle. Additionally, it could be argued that legislation should only be developed after the Board has actually formulated a proposal. For example, the Board has not finalized all decisions about a future ballot measure and this legislation may need to be amended further based on the Board's actions.

### **DETERMINATION OF SAFETY IMPACT**

Staff has reviewed the measure for any impacts to safety and has determined that there is no impact to safety at our agency.

### **FINANCIAL IMPACT**

The financial impact to the agency depends upon the clarity of the language of the bill. If the language is not clear in that taking these actions does not obligate Metro to fund any specific project beyond that which it has voted to fund, then the bill will have no financial impact. If the result of this process is, however, an obligation to fund projects, the impacts could be significant.

### **ALTERNATIVES CONSIDERED**

Staff considered recommending an oppose position based on the Board's position on the legislation authorizing Measure J. This alternative is still available, but since

Senator Hernandez has expressed his intent to work with Metro and his willingness to consider amendments, staff felt a work with author position was more appropriate.

**NEXT STEPS**

Should the Board decide to adopt a work with author position on this bill, staff will work with author to address the issues highlighted in this report and will keep the Board informed as the bill proceeds through the legislative process.

**BILL:** SB 1077

**AUTHOR:** SENATOR MARK DESAULNIER  
(D-CONCORD)

**SUBJECT:** VEHICLE MILES TRAVELED

**STATUS:** SENATE

**ACTION:** SUPPORT

**RECOMMENDATION**

Staff recommends that the Board approve a support position for SB 1077 which would require the Department of Motor Vehicles (DMV) to develop and implement a pilot program designed to assess specific issues related to implementing a Vehicle-Miles-Traveled (VMT) fee in California.

**ISSUE**

Existing law establishes the DMV and provides for its general powers and duties, including, among other things, the registration of vehicles, the licensing of drivers and the general regulation of vehicles.

This bill would:

- Require the DMV to develop and implement, by July 1, 2015, a pilot program designed to assess specified issues related to implementing a VMT in California;
- Require that the DMV prepare and submit a specified report of its findings to the policy and fiscal committees of the Legislature no later than June 30, 2016; and,
- Provide that these provisions would be repealed on January 1, 2018.

**DISCUSSION**

In 1990, the voters approved Proposition 111, which increased the excise tax on gasoline and diesel, known collectively as the gas tax, to 18-cents per gallon. The gas tax is a critical funding source for both maintaining and expanding the state highway system. California has not increased the base gas tax since Prop 111 was passed.

Due to inflation, the purchasing power of the state's gas tax has steadily diminished over time – a dollar in 1995 is worth 55 cents today. Meanwhile, demographic trends are resulting in Californians driving fewer miles per capita, while vehicles in California are driving more miles per gallon of gas. These factors combined result in a disastrous decline in state transportation revenues. Both public and private sector officials agree that this decline in revenues will lead to fewer construction contracts and decaying state

transportation facilities, ultimately resulting in devastating impacts to the state's overall economy.

California is not alone in facing this transportation fiscal cliff. In order to address this challenge, states have been considering various ways to replace the gas tax with something that more closely aligns with a fee for use. One popular alternative is a vehicle- miles-traveled, or VMT, fee that would link the amount of road-use taxes paid directly to the number of miles driven. This way, transportation revenues will better align with the cost of maintaining and operating our transportation system.

### **DETERMINATION OF SAFETY IMPACT**

Staff has reviewed the legislation and has found that its implementation would have no impact on safety at the agency.

### **FINANCIAL IMPACT**

Staff has analyzed the legislation to determine if there will be any financial impact to the agency. There will be no financial impact to the agency unless Metro decides to implement such a demonstration project. Should the agency decide to implement a VMT demonstration project there will be costs associated with the development and implementation of the program. The program could also generate funds for future transportation projects and programs.

### **ALTERNATIVES CONSIDERED**

Staff has considered adopting either an oppose or neutral position on the bill. However, an oppose position would be inconsistent with past Board positions and a neutral position would foreclose our ability to speak to an issue which could benefit our agency.

### **NEXT STEPS**

Should the Board decide to adopt a support position on this bill, staff will work with author to pursue passage of the legislation and continue to keep the Board informed as this issue is addressed throughout the legislative session.

