

COUNTY OF NEVADA
STATE OF CALIFORNIA
BOARD OF SUPERVISORS



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Clerk of the Board

February 14, 2017

The Honorable Board of Supervisors
County of Nevada
950 Maidu Avenue
Nevada City, CA 95959

DATE OF MEETING: February 14, 2017

SUBJECT: Resolution proclaiming support for proposed legislation SB1 and AB1 for increased funding for road maintenance purposes and authorizing letters of support to be sent to the California Legislature.

RECOMMENDATION: Approve the attached Resolution.

FUNDING: None.

BACKGROUND: Nevada County maintains approximately 560 miles of roads. Although Nevada County pavement conditions are currently in the top 10 for county roads in the State, the County is in its second year of not being able to perform preventative maintenance activities, such as chip sealing and asphalt overlays, due to declining funding sources.

The County's primary revenue source for road maintenance comes from the gas tax. Subsequently, over the past 10 years, this funding source has continually declined by about 33%, while expenses have increased 20% due to inflating construction and labor costs. Staff projects that within the next 3 years, the road fund balance will be unable to support minimum cash flow requirements for road activities.

However, there are currently two bills in the California Legislature, SB1 and AB1 that have been proposed that would result in Nevada County being able to ensure fiscal soundness of our roads fund and reinstate road maintenance and rehabilitation, safety projects and complete street projects including pedestrian and bike safety, transit and stormwater elements. Both bills were introduced on December 5, 2016 by Senator Jim Beall and Assemblymember Jim Frazier, respectively. Both bills are in committee, with SB1 re-referred to the Rules Committee and AB1 referred to the Transportation Committee and the Natural Resources Committee.

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Funding from either bill could be used as matching funds for state and federal funding programs which will help the County maximize available funding. Please refer to the California State Association of Counties (CSAC) Revenue and Expenditure Analysis in Figure A, for specific comparison details on SB1 and AB1.

In summary, SB1 and AB1 propose approximately \$4.28 billion in new revenues annually that include Maintenance & Rehabilitation Investments (\$3.12 billion), Freights Investments (\$600 million), and Transit Investments (\$563 million). Additionally, \$1.81 billion in restored/returned for Maintenance & Rehabilitation Investments funding is also included which brings an increase of on-going revenues to a grand total of \$6.09 billion annually. Both SB1 and AB1 would have a significant positive fiscal impact on the County's primary source of revenue for road maintenance that would enable a proactive approach to ensure the County's quality of infrastructure and transit safety.

Therefore, I am requesting the Board approve the Resolution proclaiming support for proposed legislation SB1 and AB1 for increased funding for road maintenance purposes and authorizing letters of support to be sent to the California Legislature.

Respectfully Sincerely,



Hank Weston

Supervisor, District IV

Figure A

SB1	AB1
New Revenues	
<p>12 Cent - Gas Tax Increase - 3.12 Billion Annually Tax is levied in one (1) year</p> <p>Gas Tax Deposited into RMRA with OHV</p> <p>Vehicle Registration Fee (VHF) - \$1.3 Billion Annually VHF: \$38</p> <p>Zero Emission Vehicle Registration Fee (ZVRF) - \$20 Million Annually ZVRF: \$100 - deposited into RMRA</p> <p>Freight Investments - \$600 Million Annually 20 Cent Diesel Excise Tax - Deposited into Trade Corridors Improvement Fund</p> <p>Transit Investments - 563 Million Annually 4% Rate Increase to Sales Tax on Diesel 3.5% of increase benefits STA/PTA formula</p>	<p>12 Cent - Gas Tax Increase - 3.12 Billion Annually Tax is levied over three years; Y1: 6 Cents, Y2: 9 Cents; Y3: 12 Cents</p> <p>Gas Tax deposited into RMRA without OHV</p> <p>Vehicle Registration Fee (VHF) - 1.3 Billion Annually VHF: \$38</p> <p>Zero Emission Vehicle Registration Fee (ZVRF) - \$20 Million Annually ZVRF: \$165 - deposited into RMRA</p> <p>Freight Investments - \$600 Million Annually 20 Cent Diesel Excise Tax - Deposited into Trade Corridors Improvement Fund</p> <p>Transit Investments - \$563 Million Annually 3.5% Rate Increase to Sales Tax on Diesel Increase benefits all State Transit Account (STA) and Public Transportation Account (PTA) Allocations</p>

<p>.5% of increase benefits Transit and Intercity Rail Corridor Program (TIRCP)</p> <p>Increase Existing Cap and Trade Expenditures 10% to 20% of total cap and trade auction proceeds for TIRCP 5% to 10% of total cap and trade auction proceeds for Low Carbon Transit Operations Program (LCTOP)</p> <p>Total New Revenue - 4.28 Billion</p>	<p>Increase Existing Cap and Trade Expenditures 10% to 20% of total cap and trade auction proceeds for TIRCP 5% to 10% of total cap and trade auction proceeds for Low Carbon Transit Operations Program (LCTOP)</p> <p>Total New Revenue - 4.28 Billion</p>
<p>Restored/Returned Revenues</p>	
<p>Maintenance & Rehabilitation Investments - \$1.81 Billion Annually Truck Weight Fees - \$500 Million Highway User Tax Account (HUTA) Allocated via 44 STIP/44 LSR/12 SHOPP split Phase in specific percentage of weight fee rev Cap Transfer to 50% of total weight fee rev collected in FY21-22</p> <p>Eliminate annual BOE adjustments of price-based excise tax Reset Rate to 17.3 Cents Directed to HUTA Allocated via 44/44/12 split</p> <p>Return \$125 M in price-based revenues from sale of fuel for non-highway purposes Directed to HUTA Allocated via 44/44/12 split</p> <p>Return \$60 M in Misc. transportation Revenues Directed to RMRA Allocated via 50 state/50 local split after off-the top set-aside</p> <p>Total Restored/Returned Revenue: \$1.81 Billion</p>	<p>Maintenance & Rehabilitation Investments - \$1.81 Billion Annually Truck Weight Fees - \$500 Million Highway User Tax Account (HUTA) Allocated via 44 STIP/44 LSR/12 SHOPP split Phase in Specific \$ Amount Cap the weight fee transfer to the General Fund to \$500 M in FY21-22</p> <p>Eliminate annual BOE adjustments of price-based excise tax Reset Rate to 17.3 Cents Directed to HUTA Allocated via 44/44/12 split</p> <p>Return \$125 M in price-based revenues from sale of fuel for non-highway purposes Directed to HUTA Allocated via 44/44/12 split</p> <p>Return \$60 M in Misc. transportation Revenues Directed to RMRA Allocated via 50 state/50 local split after off-the top set-aside</p> <p>Total Restored/Returned Revenue: \$1.81 Billion</p>
<p>One Time Revenues</p>	
<p>Maintenance & Rehabilitation Investments - \$703 M in Transportation Loans 50/50 split between state/locals</p> <p>Total One-Time Revenues - \$703 M</p>	<p>Maintenance & Rehabilitation Investments - \$703 M in Transportation Loans 50/50 split between state/locals</p> <p>Total One-Time Revenues - \$703 M</p>
<p>Total Revenue - \$6.09 Billion</p>	<p>Total Revenue - \$6.09 Billion</p>
<p>Expenditures - By Account for Road Purposes</p>	
<p>Road Maintenance & Rehabilitation Account (RMRA) - \$3.18 Billion Annually \$3.12 B from Gas Tax, VRF, ZVRF \$60 M from returned revenues</p> <p>Take-down before formula allocation \$200 M annually for State Local Partnership Program (SLPP) \$80 M annually for the Active Transportation Program (ATP)</p>	<p>Road Maintenance & Rehabilitation Account (RMRA) - \$3.18 Billion Annually \$3.12 B from Gas Tax, VRF, ZVRF \$60 M from returned revenues</p> <p>Take-down before formula allocation \$200 M annually for State Local Partnership Program (SLPP) \$80 M annually for the Active Transportation Program (ATP)</p>