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Metropolitan Transportation Authority

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EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE
MAY 18, 2006

SUBJECT: STATE LEGISLATION

ACTION: SUPPORT AND ADOPT RESOLUTION

RECOMMENDATION

Adopt the following positions:

- A. SB 1384 (Kuehl) Exposition Light Rail Construction Authority – **SUPPORT** and the Resolution stating that Metro will not seek reimbursement from implementation of this measure.
- B. SB 1611 (Simitian) - Authorizes Congestion Management Agencies to impose increase vehicle fees for congestion relief projects. **SUPPORT IF AMENDED**

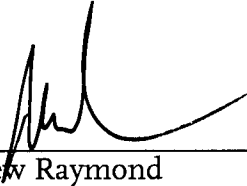
ATTACHMENTS

Attachment A: SB 1384-Legislative Analysis and Resolution

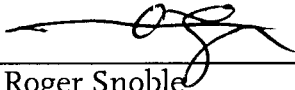
Attachment B: SB 1611-Legislative Analysis

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BILL: SB 1384

AUTHOR: STATE SENATOR SHEILA JAMES KUEHL
(D- SANTA MONICA)

TITLE: LOS ANGELES – EXPOSITION METRO LINE LIGHT RAIL PROJECT

STATUS: SENATE THIRD READING FILE

ACTION: SUPPORT AND ADOPT RESOLUTION

RECOMMENDATION

Adopt a support position on SB 1384 and adopt the attached resolution stating that Metro will not seek reimbursement from the State

ISSUE

Current law establishes the Exposition Metro Line Construction Authority and empowers the authority with all the powers necessary to implement the Los Angeles-Exposition Metro Line light rail project. SB 1384 implements clarifying changes to that law relating to the responsibilities and powers of the Authority.

PROVISIONS

Existing law establishes the Exposition Metro Line Construction Authority for the purpose of awarding and overseeing final design and construction contracts for completion of the Los Angeles-Exposition Metro Line light rail project and outlines the powers and responsibilities of the Authority. SB 1384 would clarify the roles and responsibilities of each agency.

Specifically SB 1384 would:

- Clarify that the Authority is empowered to conduct the environmental studies necessary to complete the next phase of the project.
- Clarify that the Authority is responsible for constructing all phases of the project and that Metro is responsible for operating the project.

- Clarifies that the Authority may formulate property agreements on property held in trust with Metro.
- Clarify that Metro will provide vehicles.

IMPACT ANALYSIS

SB 1384 incorporates technical amendments to the statute creating the Exposition Construction Authority. This statute was modeled on legislation that created the construction authority that built the Metro Gold Line. SB 1384 would incorporate lessons learned from the structure of that authority and clarify the roles and responsibilities of each agency.

Specifically SB 1384 makes clear that the Authority is responsible for conducting the necessary environmental studies, may enter into property agreements, that Metro will operate the line and provide vehicles. Many of these areas are generally addressed in the existing statute so SB 1384 essentially makes clear what is partially established in law.

SB 1384 will not result in any increased costs to Metro since the roles and responsibilities of Metro vis-à-vis the Authority to do not fundamentally change. Any state law that could be construed to impose additional duties on a local agency could be subject to state mandate requirements. It is possible for a local agency to waive the state mandate requirement by adopting a resolution which states that the local agency will not seek reimbursement from the state. The author's office has requested that Metro adopt such a resolution in order to move the legislation forward.

As the bill clarifies the responsibilities of both Metro and the Authority and since the bill will not result in any increased costs, staff recommends that the Board of Directors adopt a support position on SB 1384 and adopt the attached resolution waiving the ability to seek reimbursement from the State.

RESOLUTION

WHEREAS, the State Legislature is currently considering SB 1384 (Kuehl) which would make conforming changes to the statute creating the Exposition Light Rail Construction Authority (Authority).

WHEREAS, this legislation will clarify the responsibilities of the Authority and the Los Angeles County Metropolitan Transportation Authority (Metro)

WHEREAS, this legislation will not result in additional costs to Metro as it clarifies the roles and responsibilities of each agency;

NOW THEREFORE BE IT RESOLVED: that the Board of Directors of the Los Angeles County Metropolitan Transportation Authority (Metro) will not seek reimbursement from the state for any costs incurred to implement SB 1384.

PASSED AND ADOPTED, by the Los Angeles County Metropolitan Transportation Authority this 25th day of May 2006.

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY

By: _____

Title: _____

BILL: SB 1611

**AUTHOR: STATE SENATOR JOE SIMITIAN
(D-PALO ALTO)**

TITLE: CONGESTION MANAGEMENT FEES

STATUS: SENATE APPROPRIATIONS COMMITTEE

ACTION: SUPPORT

RECOMMENDATION

Adopt a support position on SB 1611 (Simitian)

ISSUE

SB 1611 would authorize Congestion Management Agencies to place a resolution on the ballot to impose an annual fee of up to \$25 fee on each vehicle registration for transportation-related programs.

PROVISIONS

Specifically, SB 1611 would:

- Authorize a Congestion Management Agency or Board of Supervisors (where there is no CMA) to place a ballot resolution before the voters that would impose an annual fee of up to \$25 for each vehicle registration.
- Require that the revenues be used for transportation-related programs.
- Require that the CMA governing board approve the placing of the resolution on the ballot by a majority vote.
- Require that the ballot may be subject to a majority vote.
- Require findings of fact that the projects and programs funded are related or benefit the persons paying the fee.
- Authorizes the CMA to utilize revenues for matching transportation general obligation bond revenues, and congestion mitigation and pollution prevention.
- Allows the CMA to authorize the Department of Motor Vehicles (DMV) to collect the fee at the time a vehicle is registered or its registration is renewed. The DMV will reimburse itself for associated costs by deducting its expenses from fee revenues that are collected prior to disbursing the revenue to the CMA.

IMPACT ANALYSIS

SB 1611 would create an optional funding option for CMA's in the state. Metro, which is the CMA for Los Angeles County, could utilize this option in the future should circumstances warrant. Current law also authorizes Metro to place on the ballot a 6 ½ year ½ cent sales tax increase. This measure would require a 2/3 vote while the mechanism proposed under SB 1611 would require a majority vote.

Metro estimates that SB 1611 could generate as much as \$187 million annually for Los Angeles County. The Metro Board of Directors would retain programming authority over the funds generated by this measure subject to the requirements of the bill. Funds generated under SB 1611 could be used for capital projects and programs such as traffic management and arterial street repairs.

The approval process in the bill requires the governing board of the CMA to include a specified finding of fact in the ballot resolution. These findings must establish that the expenditure of the funds benefits those who pay the fee. The approval process also requires a majority vote for approval at both the CMA board level to place the measure on the ballot and at the popular vote.

The State Legislature is considering a similar measure, AB 2444 authored by Assemblyman Johan Klehs of San Leandro. This bill, however, only applies to the Bay Area. AB 2444 allows an annual fee of up to \$5 to be imposed by the congestion management agencies or the Bay Area Air Quality Management District for vehicle registrations. AB 2444 is estimated to generate over \$61 million annually, \$30.5 million that will be used for congestion management and \$30.5 that will be used for environmental management.

SB 1611 has been endorsed by the Santa Clara County Board of Supervisors, and no formal opposition has been registered. Last year, a similar bill, SB 680, was approved by the Legislature but vetoed by the Governor.

Staff recommends that the Metro Board of Directors adopt a support position on SB 1611.