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## *Memorandum*

TO: Advisory Council

DATE: May 7, 2008

FR: Ellen Griffin

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RE: Legislative Update

### State Legislation

The focus in Sacramento this year has been on fiscal issues, and May brings with it a number of key budget milestones. First, all bills need to have advanced out of their policy committees by now to remain viable. Likewise, all bills must clear the Senate or Assembly Appropriations committees in May, as well as their house of origin. Finally, the governor is expected to issue budget revisions based on updated revenue forecasts on May 14 — this is often referred to in Sacramento as “the May Revise.” The governor recently reported that estimated gap between proposed state spending and anticipated revenues have grown to a dizzying new height: \$20 billion.

A couple bills of interest to raise transportation revenues failed passage recently but are not necessarily dead for the session:

- AB 2480 (Huffman)—sponsored by the Transportation and Land Use Coalition (TALC), this measure would replace MTC’s existing authority to seek voter approval for up to a 10-cent regional gas tax with authority to get voter approval for up to a 10-cent regional gas fee. The new fee would be spent according to an expenditure plan to be developed by MTC and the Bay Area Air Quality Management District. Revenues would be used to mitigate impacts of climate change caused by motor vehicles and for “mobility” improvements. This measure failed to get the needed number of votes to advance from the Assembly Transportation Committee, however the author has indicated he will look for another bill to amend the provisions into, thereby keeping the proposal alive.
- SB 1731 (Yee)—attached is a fact sheet on this bill. The measure fell one vote short of what was needed to advance out of the Senate, but is up for a second vote this week.

### Federal Legislation

We are in the final year of SAFETEA (the Safe, Accountable, Flexible Transportation Equity Act: A Legacy For Users) legislation that became law on August 10, 2005. In ordinary circumstances, we could expect a full authorization proposal from the Administration with an expected term of

several years to be available. However, we are likely to start the authorization discussion anew with the incoming administration in January 2008.

Instead of surface transportation authorization, what is making news in Washington is the proposal from two of the three presidential candidates to temporarily suspend the federal tax on gasoline. Members of Congress are considering these proposals. A summer moratorium on the 18.4-cent federal gas tax would cost an estimated \$9 billion. This is money that MTC believes is desperately needed to shore up the country's aging and congested transportation infrastructure. We cannot afford to forgo these funds, when even at its current level the federal gas tax does not generate revenues sufficient to maintain our overburdened transportation network, let alone finance the expanded road and rail systems needed to cope with 120 million more Americans by 2050, and to compete in the global economy. MTC's Legislation Committee will hear updates on both authorizing legislation and the "gas tax holiday" proposals.

I will update you on the status of state and federal legislative action at your May 14 meeting. You may also view the current version of MTC's Legislative History — a compendium of current bills of interest to Bay Area transportation — on MTC's Web site:

[http://www.mtc.ca.gov/legislation/leg\\_hist.pdf](http://www.mtc.ca.gov/legislation/leg_hist.pdf)

Attachment (1)