



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Commission

DATE: March 18, 2015

FR: Legislation Committee

W. I.: 1131

RE: Committee Recommendations

The Legislation Committee met on March 13, 2015 and referred the following four items to the Commission:

- **AB 464 (Mullin): Local Option Sales Tax Cap.** AB 464 would raise the cap for local option sales taxes from 2 percent to 3 percent, giving local jurisdictions more options to seek voter approval for additional sales taxes to support transportation. Additionally, passage of AB 464 would allow voters to approve additional local taxes for a maximum combined rate of 10.5 percent.

Committee Recommendation: Support AB 464 (Mullin).

- **AB 157 (Levine): Richmond-San Rafael Bridge Improvements.** AB 157 is an urgency statute related to the Interstate 580 Access Improvement Project at the Richmond-San Rafael Bridge consisting of converting the shoulder in the eastbound direction to a new peak traffic lane and converting the shoulder in the westbound direction to a barrier separated bicycle-pedestrian path.

Committee Recommendation: Support and seek amendment on AB 157 (Levine).

- **H.R.680 (Blumenauer): Update, Promote, and Develop America's Transportation Essentials (UPDATE) Act of 2015.** H.R. 680 would restore solvency to the Highway Trust Fund by raising the federal excise tax on gasoline and diesel fuels. The tax increase would generate approximately \$170 billion over ten years.

Committee Recommendation: Support H.R.680 (Blumenauer).

- **H.R. 990 (King): Transportation Fringe Benefit: Transit/Parking Parity.** H.R. 990 (King) would restore equality in the federal transportation fringe benefit program by ending the financial advantage provided to those who drive to work as compared to those who take transit or vanpool. The resolution would standardize the amount for these three modes at \$235/month and increase the monthly bicycle benefit from \$20 per month to \$35 per month. All amounts would be adjusted annually for inflation beginning in 2017.

Committee Recommendation: Support H.R. 990 (King).



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Agenda Item 4a

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Memorandum

TO: Legislation Committee

DATE: March 6, 2015

FR: Executive Director

W. I. 1131

RE: AB 464 (Mullin): Local Option Sales Tax Cap

Background

AB 464 would raise the cap for local option sales taxes from 2 percent to 3 percent, giving local jurisdictions more options to seek voter approval for additional sales taxes to support transportation. California’s statewide sales tax rate is currently 7.5 percent, with the local rate varying depending on the number of local-option sales taxes approved by the voters at the city and countywide levels. Passage of AB 464 would allow voters to approve additional local taxes for a maximum combined rate of 10.5 percent.

In 2015 just three Bay Area counties — Alameda, Contra Costa and San Mateo — have local jurisdictions with sales tax rates at 9.5 percent, the maximum rate. However, because Marin and Sonoma counties each have jurisdictions with sales tax rates of 9.25 percent, they now face a 0.25 percent cap on any future countywide measure without a change in law. Passage of AB 210 (Wieckowski, 2013) granted Alameda and Contra Costa counties exception to the 2 percent local option cap if voters approved a countywide transportation sales tax up to 0.5 percent by the end of 2020. Alameda County took advantage of this option in November 2014 with the successful passage of Measure BB; the county now has four cities with a 10 percent sales tax rate (Albany, Hayward, San Leandro and Union City). Contra Costa still has the option of pursuing an additional 0.5 percent countywide sales tax measure. AB 1324 (Skinner, 2014) also provided an exception for the City of El Cerrito.

Recommendation: Support

Discussion

AB 464 gives communities more control and flexibility over the level of taxation they are willing to support to make local improvements. In support of potential transportation sales tax measures that San Mateo County or other Bay Area counties may ultimately pursue, staff recommends MTC support this legislation, consistent with our 2015 Advocacy Program.

Known Positions

Support

San Mateo County Transportation Authority

Oppose

None on file

Steve Heminger

SH: RL