Agenda Item 2c

METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Legislation Committee DATE: April 3, 2015

FR: Executive Director W. I. 1131

RE: AB 227 (Alejo): Truck Weight Fees Returning to State Highway Account (SHA) and SHA Loan Repayment

Background
AB 227 repeals the provisions in state law that provide for the transfer of approximately $1 billion per year in truck weight fees from the State Highway Account (SHA) to pay debt service on transportation bonds. Unlike AB 4 (Linder), which the Commission took a "support and seek amendment" position on in February, AB 227 repeals the transfer permanently and specifies the use of the additional revenue to be consistent with the how revenue generated by the variable gasoline excise tax is used, specifically:

- 44 percent to cities and counties for local streets and roads
- 44 percent to the State Transportation Improvement Program
- 12 percent to the State Highway Operation and Protection Program

In addition, AB 227 requires all outstanding transportation loans from special funds to be repaid no later than December 31, 2018, two years earlier than currently required. According to the Department of Finance, the outstanding loan balance is approximately $1 billion.

Recommendation: Support

Discussion
Consistent with MTC's support for AB 4 (Linder) and our 2015 Advocacy Program, staff recommends a support position on AB 227 (Alejo).

Known Positions

Support
American Council of Engineering Companies, California
City/County Association of Governments of San Mateo County
Laborers International Union of North America
Orange County Transportation Authority

Oppose
None on file

Steve Heminger

SH: RL
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