Office of Senate Floor Analyses
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THIRD READING

Bill No: AB 90
Author: Committee on Budget
Amended: 6/22/20 in Senate
Vote: 21

PRIOR VOTES NOT RELEVANT

SENATE BUDGET & FISCAL REVIEW COMMITTEE: 13-5, 6/24/20
AYES: Mitchell, Beall, Caballero, Durazo, Hurtado, Leyva, McGuire, Monning, Pan, Roth, Skinner, Stern, Wieckowski
NOES: Nielsen, Dahle, Melendez, Moorlach, Morrell

SUBJECT: Transportation

SOURCE: Author

DIGEST: This bill provides for statutory changes necessary to enact the transportation provisions of the Budget Act of 2020.

ANALYSIS: This bill, as part of the 2021-21 Budget package, makes the following statutory changes to implement the Budget Act:

1) *Statutory Relief for Transit Agencies.* This bill provides several types of temporary statutory relief for transit agencies impacted by the COVID-19 pandemic. Specifically, it does the following:

    a) Institutes hold harmless provision for calculation and allocation of State Transit Assistance (STA) Program, STA-State of Good Repair, and Low Carbon Transit Operations Program allocations (Local Revenue Basis Only) for the 2020-2021 and 2021-2022 budget years. For 50 percent of all funds allocated under these three programs, current law requires the State Controller to calculate funding apportionments for each eligible transit agency based on the ratio that the transit agency's local revenue bears to the total local revenue of all eligible transit agencies within the jurisdiction of each agency's transportation planning agency, county transportation commission, or regional board. This bill directs the State Controller to "freeze" for the 2020-21 and 2021-22 budget years the local revenue allocation factors used most recently before the pandemic; and, to allocate to transit agencies funds under these three programs using those same allocation factors, as opposed to updating the factors each year.

b) Temporarily suspends the financial penalties associated with the Transportation Development Act's requirements that transit agencies obtain specified fixed percentages of their operating budgets from passenger fares for the 2020-2021 and 2021-2022 budget years. Current law requires transit agencies to obtain specified fixed percentages of their operating budgets from passenger fares (often called "farebox recovery ratio requirements") in order to receive their full share of the Transportation Development Act's Local Transportation Fund (LTF) revenues. Transit agencies that fail to meet this requirement face financial penalties, which reduce the LTF funding available to them for capital and operations. As transit ridership has declined due to the COVID-19 pandemic, this language would prevent agencies from being penalized due to the ongoing public health crisis.

c) Temporarily suspends, for the 2020-2021 and 2021-2022 budget years, the financial penalties associated with the State Transit Assistance Program's requirement that transit agencies' operating cost per revenue vehicle hour may not exceed operating cost per revenue vehicle hour adjusted by regional CPI, year over year. Current law requires transit agencies to hold operating cost per revenue vehicle hour constant year-over-year, as adjusted for inflation, in order to apply their share of State Transit Assistance Program funds fully toward operations. Transit agencies that fail to meet this requirement face financial penalties, which limit the funding from their total share that could be applied to operations (i.e. these dollars may only be used for capital expenditures). Suspending this requirement would prevent transit agencies from being penalized for increasing maintenance and sanitation spending during the ongoing public health crisis.

2) *Aircraft Jet Fuel*. This bill requires retailers of aircraft jet fuel to report quarterly to the California Department of Tax and Fee Administration (CDTFA) on their sales of aircraft jet fuel. This bill makes failure to comply with this requirement subject to a fine. It would further require CDTFA to post the information from these reports online on a quarterly basis to comply with applicable Federal Aviation Administration policy.

3) *High Speed Rail Business Plan*. This bill delays the delivery of the final High Speed Rail 2020 Business Plan until December 15, 2020. It also specifies that the Project Update Report which would otherwise be delivered by March 1, 2021 is not required. This bill also clarifies that the final Business Plan is still subject to review from the High Speed Rail Peer Review Group.

4) *Heavy Duty Vehicle Inspection and Maintenance Program*. This bill appropriates $1,705,000 from the Air Pollution Control Fund for the Department of Motor Vehicles (DMV) to implement the requirements of SB 210 (Leyva, Chapter 298, Statutes of 2019). The requested funds will allow the DMV to develop an IT system that will receive data from the California Air Resources Board regarding heavy-duty truck smog violations to assist the Board in improving its emissions control program for heavy-duty vehicles.

FISCAL EFFECT: Appropriation: Yes Fiscal Com.: Yes Local: No

According to the Senate Budget and Fiscal Review Committee, the provisions of this bill are necessary to implement the requirements of the 2020-21 Budget.

SUPPORT: (Verified 6/23/20)

None received

OPPOSITION: (Verified 6/23/20)

None received

Prepared by: Sandy Perez / B. & F.R. /
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