

Date of Hearing: June 30, 2021

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair

SB 640 (Becker) – As Amended May 20, 2021

Policy Committee: Transportation

Vote: 15 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill authorizes two or more eligible cities, or one or more cities and a county, to propose a project be jointly funded with their respective local streets and roads (LSR) apportionments, which are continuously appropriated each year from the Road Maintenance and Rehabilitation Account (RMRA). The bill requires any party to such a jointly funded project endorse the project and funding through a memorandum of understanding (MOU), and requires the MOU to identify the project's lead agency and describe each party's contribution to the project.

FISCAL EFFECT:

Minor costs to the California Transportation Commission (CTC) and the State Controller's Office to update program guidelines.

COMMENTS:

In 2017, the Legislature passed the Road Repair and Accountability Act of 2017 (SB 1 (Beall), Chapter 5, Statutes of 2017) to fund the state's severe backlog of road repairs and maintenance. To provide an estimated \$5.2 billion in annual funding, the act increased a number of fuel and sales taxes and instituted fees. Statute directs SB 1 revenues to a variety of transportation programs, including over \$1 billion annually to the RMRA for local projects, via what is known as LSR apportionments. Currently, to receive an LSR apportionment, a city or county submits a proposed project list, adopted at a regular meeting by the city or county's governing body, to CTC. The CTC, reviews and adopts the proposals, then sends the list of eligible recipients to the State Controller, which apportions funding for the coming fiscal year to each eligible city and county, according to statutory formula.

According to CTC, local governments have applied jointly to CTC for LSR apportionment. However, according to the State Controller, state law "does not allow agencies to pool resources with funds apportioned" under the RMRA-LSR program. (See https://sco.ca.gov/aud_road_maintenance_sb1.html.) This bill would explicitly allow local governments to jointly propose funding an LSR project.

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