# SENATE COMMITTEE ON TRANSPORTATION

# Senator Lena Gonzalez, Chair 2023 - 2024 Regular

**Bill No:** SB 55 **Hearing Date:** 4/11/2023

**Author:** Umberg

**Version:** 4/10/2023 Amended

Urgency: No Fiscal: Yes

Consultant: Jacob O'Connor

**SUBJECT:** Vehicles: catalytic converters

**DIGEST:** This bill prohibits motor vehicle dealers from selling a vehicle equipped with a catalytic converter unless the converter has been permanently marked with the vehicle's identification number, the vehicle is sold for dismantling or salvage, the vehicle is sold at a wholesale auction or a buyer declines the marking offered by the dealer.

## **ANALYSIS:**

## Existing federal law:

1) Requires the U.S. Department of Transportation to prescribe a vehicle theft prevention standard that covers major parts. (49 U.S.C §§ 33101 & 33102) This requirement includes affixing or inscribing identifying numbers or symbols on major parts. (49 C.F.R § 541.5.)

## Existing state law:

- 1) Defines a "collector motor vehicle" as a motor vehicle owned by a collector, used primarily in shows, parades, charitable functions and historical exhibitions for display, maintenance and preservation, and is not used primarily for transportation. (Vehicle Code (VEH) §259)
- 2) Requires core recyclers to maintain a written record of sales of catalytic converters including the vehicle identification number etched or engraved on the converter. (Business and Professions Code (BPC) §21610)
- 3) Prohibits core recyclers from providing payment for a catalytic converter unless:

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a) The payment is made by check and provided to the seller by mail or collected by the seller from the recycler;

- b) The core recycler obtains a clear photograph or video of the seller;
- c) The core recycler obtains a copy of a valid state or federal identification card that contains a photograph and an address of the seller;
- d) The core recycler obtains a clear photograph or video of the catalytic converter that captures the permanent marking of the vehicle identification number, if applicable; and
- e) The core recycler obtains a written statement from the seller indicating how they obtained the catalytic converter.
- 4) Prohibits the purchase of used catalytic converters, except from licensed businesses or individuals who possess documentation proving ownership that also include a vehicle identification number matching that marked on the converter. (VEH §10852.5)
- 5) Under the Automobile Sales Finance Act, requires car dealers to make detailed, specific disclosures of all charges included in automobile installment sale contracts, including "body part marking products". (Civil Code §2981 2984.6)
- 6) Requires licensed automobile dismantlers to report to the Department of Motor Vehicles when they have purchased a vehicle for the purpose of dismantling. (VEH §11520)

## This bill:

- 1) Defines, for the purpose of this legislation:
  - a) "Permanently marked" as prominently engraved, etched, welded, metal stamped, acid marked or otherwise permanently imprinted using a similarly reliable method of imparting a lasting mark on the exterior case of the catalytic converter;
  - b) "Salvage disposal auction" as an auction where a person or entity, engaged primarily in the business of selling total loss salvage vehicles on behalf of insurance companies and that has more than eight business locations in California, sells total loss salvage vehicles;

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c) "Wholesale motor vehicle auction" as an auction where the dealer conducting the auction does not take ownership of the vehicle and the vehicle is sold to a nonretail buyer for resale.

- 2) Allows core recyclers to make payments for catalytic converters by credit card or any other traceable form of payment other than cash.
- 3) Prohibits a dealer from selling any vehicle equipped with a catalytic converter unless the converter has been permanently marked with the vehicle identification number of the vehicle to which it is attached.
- 4) Allows dealers to not mark a vehicle's catalytic converter if a buyer declines the marking offered by the dealer and the dealer discloses the marking as a "body part marking product" in the sale contract.
- 5) Exempts from this requirement:
  - a) Collector motor vehicles;
  - b) Vehicles sold by a licensed automobile dismantler after being reported for dismantling;
  - c) Vehicles sold by or through a salvage pool after obtaining a salvage certificate, a certificate of title, or a similar ownership document;
  - d) Vehicles sold by or through a salvage disposal auction; and
  - e) Vehicles sold by or through a wholesale motor vehicle auction.
- 6) Delays the implementation of this requirement until January 1, 2025 for vehicles purchased from a dealer licensed in California who is also licensed in another state and does not have a warranty servicing facility in this state.

## **COMMENTS:**

1) Purpose of bill. According to the author, "Catalytic converter thefts more than quadrupled in 2021 from 2020 —and the trend shows no signs of slowing down this year. There are significant challenges in prosecuting the theft of catalytic converters under current California law. Law enforcement can make arrests of individuals in possession of suspected stolen catalytic converters, but are often unable to prove a case in court. Unlike most major parts of vehicles sold in the United States, under existing law, catalytic converters do not have a serial

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identification number on them. The serial number is crucial to establish that parts are stolen, even if the stolen vehicle has already been broken down. Therefore, SB 55 will require car dealers to give consumers the option of permanently marking a catalytic converter with its vehicle identification number (VIN) at the time of sale. Requiring the marking of catalytic converters would be a tremendous help to law enforcement in their attempts to bring this significant theft issue under control."

- 2) Vehicle identification numbers (VINs). VINs are 17-digits codes made up of numbers and letters that are assigned to vehicles when they are manufactured. This code contains information on the vehicle including the country and manufacturing plant of origin, the vehicle type, and the model year. VINs allow for unique identification and tracking of a vehicle and its parts. Federal regulations require auto manufacturers to etch or stamp a car's unique VIN on the engine, transmission and a dozen other major vehicle parts, but currently not the catalytic converter.
- 3) Catalytic converters clean car emissions. Catalytic converters are an essential and required component of motor vehicle exhaust systems. They are responsible for changing toxic emissions from the combustion engine into less-toxic alternatives before they are released into the air. Catalytic converters work by using the chemical properties of small amounts of precious metals such as rhodium, palladium and platinum to promote a chemical reaction in exhaust fumes that degrades the toxic pollutants.
- 4) Catalytic converters are attractive targets for thieves. Catalytic converters are often located in readily accessible locations in a vehicle's undercarriage. With simple equipment, a potential thief can saw off most catalytic converters in minutes, likely damaging the car in the process. The converters can then be quickly sold to scrap yards who then sell them to recyclers who reclaim the precious metals. According to a 2021 report by the Congressional Research Service titled Addressing Catalytic Converter Theft, stolen catalytic converters can be sold by thieves for anywhere from \$25 to \$500 depending on the type and model of vehicle they were stolen from. Replacing a catalytic converter, especially if additional components were damaged during the removal, can cost a consumer thousands of dollars.
- 5) Catalytic converter thefts spiked during the pandemic. Palladium and rhodium, the precious metals in catalytic converters, have become particularly valuable recently due to scarcity and disruptions in the supply chain related to the COVID-19 pandemic. While the prices have been dropping from their largest spikes over the last two years, they remain quite high. According to online

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price trackers, the price of palladium as of March 1<sup>st</sup>, 2023 was \$1453 per ounce, down 39% from its price two years prior, but up 46% from its price on the same date in 2018. Rhodium follows a similar trend, costing 74% less than it did in 2021, but 46% more than in 2018. The spike in value of palladium and rhodium increased the value of stolen converters, encouraging their theft. The pandemic may also have created more opportunities for thieves to target unattended vehicles as people traveled less.

Whatever the cause, the number of catalytic converter thefts dramatically increased over the recent years, according to an analysis from National Insurance Crime Bureau (NICB) of submitted insurance claims. According to the NICB, which is a U.S. insurance industry trade association focused on preventing insurance fraud and vehicle theft, the number of reported catalytic converter thefts nationwide has increased from 1,489 in 2018 to 64,701 in 2022. The increase in thefts has leveled off in recent years as rare metal prices have fallen, but remain much higher than they used to be. This spike in thefts is particularly notable in California, which accounted for nearly 37% of all thefts in 2022 and experienced a 40-fold increase in thefts from 2018. These numbers are based on insurance claims filings so they likely underreport the true number of thefts.

- 6) The Legislature acted to reduce thefts. In the previous legislative session a slew of bills were introduced to address the problem of increased catalytic converter thefts. The two bills that were enacted (SB 1087 (Gonzalez) and AB 1740 (Muratsuchi)) addressed this problem by focusing on the point of sale for stolen converters. They prohibited the purchase of used catalytic converters except from certain sellers and required core recyclers to track additional information about the vehicle the converter was removed from in order to better track the ownership of the converter. These changes were made to make it more difficult for thieves to sell stolen converters and disincentive the thefts. These bills have only been in statute for a few months, so it is too soon to say if they are successfully reducing thefts. One of the pieces of information that was newly required to be tracked is the VIN marked on the converter, if the converter is marked. This bill helps strengthen that recent policy by encouraging newly sold vehicles in California to have their catalytic converters marked.
- 7) Etching catalytic converters. Etching VINs to track components, discourage theft, and aid prosecution is already required for several essential vehicle components. Additional etching of VINs on windshields and other nonessential components has been marketed to consumers as an anti-theft measure. Marking parts with the VIN requires a thief to spend time and money to replace the

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marked part or remove the markings. This cuts into the profit of the theft, potentially reducing the incentive to steal the vehicle. Etching is recommended by many groups including law enforcement agencies, the California Bureau of Automotive Repair, and insurance groups. Without a VIN, proving a component was stolen from a vehicle is difficult, stymieing prosecution. Etching of VINs aids prosecution and also increases the odds that a component, if recovered by law enforcement, will be able to be returned to the original owner. Occasionally, free etching services will be offered by these groups at public events.

One of the most common methods of etching a catalytic converter is to use an engraving hand tool to etch the number into the equipment. Manual engraving tools can be purchased from hardware stores or online from a wide range of retailers for \$25 – \$400+. Chemical etch labels and kits can also be a cost-effective technique (often less than \$30) to ensure that even if the label is removed, identification information is still permanently detectable on the equipment. Automated industrial-level VIN etching machines can cost thousands, generally over \$1,000 for a small and simple machine and over \$5-10,000 for a larger and more complex machine, but many automotive professionals can still etch catalytic converters rapidly and effectively with manual tools.

- 8) Getting at those hard to reach places. While the etching process itself is often simple and inexpensive, accessing the catalytic converter for etching can be difficult for newer vehicle models. Many newer models incorporate the catalytic converter as a part of the exhaust manifold, making the catalytic converter difficult to access without disassembling a significant portion of the vehicle engine. In these cases, automobile technicians may require specialized equipment or additional time to access the catalytic converter for etching. This can greatly increase the cost of etching to the dealer, which will be reflected in the price for the consumer. It also runs the small risk of damaging the converter or other components during the removal and reattachment necessary to access these converters.
- 9) Why give dealers the responsibility to etch converters? For most other car components, VIN etching is performed by the manufacturer, eliminating concerns about accessing parts. Unfortunately, California's ability to regulate manufacturers is limited. National legislation to require manufacturers to etch catalytic converters has been reintroduced (S.154 PART Act), but given the speed of national legislation and the outsized burden California faces from converter thefts, it is reasonable for California to act where it can to protect vehicle owners. Should the national legislation be enacted this measure will not

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be entirely redundant. A benefit of requiring dealers, rather than manufacturers, to etch converters is that it will affect older vehicles if they are resold. Given the increasing average age of vehicles nationally, including used vehicle dealers will help increase the speed with which all California vehicles have their catalytic converters etched.

- 10) Giving consumers the power to decide. Requiring etching of catalytic converters would increase operating costs to dealers, which will likely be passed onto consumers. The exact amount these services will cost consumers is difficult to estimate as they will be folded into the cost of the vehicle, which itself is often negotiable. For vehicles with easy-to-access converters the cost will likely be low (~\$30) and many dealers may opt to simply etch these vehicles regardless and not include the cost in the price. For the more difficultto-access converters, services will cost more (~\$100 or more) and given the lack of evidence that a VIN would reduce the chance of a theft, a consumer might prefer to invest in some other anti-theft device. There are theftprevention alarms, cages or steel plates available at a slightly higher cost (~\$50-\$500) which might better protect their property, though no research has been performed to evaluate their efficacy either. By allowing dealers to either etch a converter or offer consumers the option to reject etching, this bill promotes converter etching for easy-to-access converters and allows consumers to decide if the cost of etching hard-to-access converters is worth the theft prevention and prosecution aid VIN etching may provide.
- 11) *Double Referral*. This bill has been double referred to the Senate Committee on Public Safety.

# **RELATED LEGISLATION:**

- **AB 1519 (Bains)** Would prohibit anyone from removing or altering the VIN marking on a catalytic converter. *This bill is pending in the Assembly Transportation Committee*.
- **AB 641 (Fong)** Would revise the definition of automobile dismantler to include a person who keeps or maintains on property owned by the person two or more used catalytic converters that have been cut from a motor vehicle using a sharp implement. *This bill is pending the Assembly Transportation Committee*.
- **SB 986 (Umberg, 2022)** Would have required a traceable method of payment for catalytic converters and prohibited dealers from selling a vehicle equipped with a catalytic converter unless the converter was engraved with the vehicle's VIN. *This bill failed passage on the Assembly floor*.

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**SB 1087 (Gonzalez, Chapter 514, Statutes of 2022)** – Prohibited any person from purchasing a used catalytic converter from anybody other than specified sellers or the verifiable owner of the vehicle and makes a violation punishable as an infraction.

**AB 1740** (Muratsuchi, Chapter 513, Statutes of 2022) – Prohibited core recyclers form purchasing or receiving a catalytic converter from any person that is not a commercial enterprise or verifiable owner of the vehicle from which the catalytic converter was removed.

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

Unknown

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 5, 2023.)

## **SUPPORT:**

Arcadia Police Officers' Association

Burbank Police Officers' Association

California Coalition of School Safety Professionals

California Contract Cities Association

California District Attorneys Association

California New Car Dealers Association

City of Alameda

City of Burbank

City of Encinitas

City of La Cañada Flintridge

City of Montebello

City of Santa Monica

City of South El Monte

Claremont Police Officers Association

Corona Police Officers Association

Crime Victims Alliance

CSAA Insurance Group

Culver City Police Officers' Association

Fullerton Police Officers' Association

Inglewood Police Officers Association

Los Angeles County District Attorney's Office

Los Angeles School Police Officers Association

Newport Beach Police Association

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Orange County Sheriff's Department
Orange County Transportation Authority
Palos Verdes Police Officers Association
Placer County Deputy Sheriffs' Association
Pomona Police Officers' Association
Prosecutors Alliance California
Riverside Police Officers Association
Riverside Sheriffs' Association
Santa Ana Police Officers Association
Upland Police Officers Association

# **OPPOSITION:**

Alliance for Automotive Innovation

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# SENATE COMMITTEE ON TRANSPORTATION

# Senator Lena Gonzalez, Chair 2023 - 2024 Regular

**Bill No:** SB 49 **Hearing Date:** 4/11/2023

**Author:** Becker **Version:** 3/21/2023

Urgency: No Fiscal: Yes

Consultant: Randy Chinn

**SUBJECT:** Renewable energy: solar canopy tax incentives: Department of

Transportation strategic plan

**DIGEST:** This bill requires the Department of Transportation (Caltrans) to develop a strategic plan to lease its right-of-way for energy infrastructure and exempts from sales and use tax the materials and supplies used to build solar canopy projects.

#### **ANALYSIS:**

## Existing law:

- 1) Vests Caltrans with control of all state highways and all property acquired for state highway purposes.
- 2) Authorizes Caltrans to issue permits for use of a state highway right-of-way necessary for telephone or electrical lines.

This bill requires Caltrans, in coordination with the California Energy Commission (CEC) and the California Public Utilities Commission (CPUC) to develop a strategic plan to lease and license department-owned rights-of-way to public utilities or other entities to build and operate renewable energy generation facilities, energy storage facilities connected to renewable energy generation facilities, and electrical transmission facilities.

# Existing law, with regard to taxes:

- 1) Imposes sales and use taxes on retailers based on the gross receipts from the sale of personal property sold at retail in this state.
- 2) Requires the state to reimburse counties and cities for revenue losses caused by sales and use tax exemptions.

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## This bill:

1) Exempts from sales and use taxes the materials and supplies purchased to construct solar canopy projects, as defined.

- 2) Provides that the state shall not reimburse any local agencies for sales and use tax revenues lost pursuant to this bill.
- 3) Makes numerous findings and declarations regarding the state's renewable energy goals.

## **COMMENTS:**

- 1) *Author's Statement*. According to the author, "California needs to build more than 100,000 megawatts of new solar generation (3 times our current amount), along with transmission to deliver it to our cities, in order to achieve our 100% clean energy goal. SB 49 supports solar and transmission lines that avoid construction on undeveloped or agricultural land, with a two-pronged strategy:
  - a) It incentivizes solar canopies (over parking lots, for example) by exempting those projects from sales tax.
  - b) It directs the Department of Transportation (Caltrans) to develop a strategic plan for making unused land within highway rights-of-way available for renewable energy generation, energy storage, and transmission lines.

With these two approaches, we will get more renewable energy built, support clean energy jobs, provide shade for cars and kids, and even earn the state revenue from leasing land for solar development."

- 2) *Easier*. The highway right-of-way (ROW) is an extremely valuable resource, particularly as a way to build electric transmission lines. Building new transmission lines is arduous, lengthy and costly, due in no small part to the difficulty of negotiating with hundreds, if not thousands, of landowners to acquire the necessary of right-of-way (ROW). Using the existing highway ROW greatly simplifies this.
- 3) Federal Government on Board. In April 2021 the Federal Highway Administration (FHWA) issued guidance on how renewable energy, electric transmission and distribution, and broadband projects can be installed in the

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highway ROW. That guidance noted that it is in the public's interest to accommodate utility facilities on the highway ROW "when such use does not adversely affect highway or traffic safety, or otherwise impair the highway or its aesthetic quality..."

- 4) *Been Thinking About That*. Caltrans has also been investigating using their ROW for solar projects. In December 2020 a researcher from the University of California, Merced submitted a research report to Caltrans, at their request, to provide guidance on the installation of utility-scale solar electric generation facilities in their ROW.<sup>1</sup>
- 5) Careful Out There. The enthusiasm for using the highway ROW for energy infrastructure must be tempered by the hazards present in the ROW. It is a dangerous environment where pedestrians, bicycles and slow-moving vehicles are often prohibited. Adding structures to support solar panels or electric transmission lines creates additional obstacles which could be accidentally struck by vehicles. Installation, operation and maintenance of electric facilities bring people and equipment into uncomfortably close proximity with fast-moving vehicles. These are among the considerations for Caltrans as it develops its strategic plan.
- 6) *Transmission Too*. The bill establishes an annual reporting requirement for Caltrans on the amount of renewable energy and storage built. The author and committee may wish to consider adding to this reporting requirement the number of miles of transmission line built.
- 7) *Opposition*. The League of California Cities is opposed to the bill because of the exemption from the sales and use tax.
- 8) Technical Amendment. On page 5, line 26 replace "facility" with "facilities"
- 9) *Double-referral*. This bill is double-referred to the Senate Committee Governance and Finance, which will cover the tax exemption sections of this proposal.

## **RELATED LEGISLATION:**

None

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

<sup>&</sup>lt;sup>1</sup> "Solar Power Initiative Using Caltrans Right-of-Way; Final Research Report" by Sarah Kurtz, University of California Merced; December 2020; Caltrans Project No. P1253.

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#### Unknown

# POSITIONS: (Communicated to the committee before noon on Wednesday, April 5, 2023.)

## **SUPPORT:**

350 Bay Area Action

350 Conejo / San Fernando Valley

350 Ventura County Climate Hub

Acela Biotek

Active San Gabriel Valley

Alliance of Nurses for Healthy Environments

Asuc External Affairs Vice President's Office

Ban Sup (single Use Plastic)

California Environmental Voters

California Interfaith Power & Light

California Native Plant Society

California Religious Action Center of Reform Judaism

California Solar & Storage Association

California State Association of Electrical Workers

Californians for Western Wilderness

Calpirg

Catholic Charities of the Diocese of Stockton

Center for Biological Diversity

Center for Community Energy

Central California Asthma Collaborative

Citizens' Climate Lobby Socal Tri-counties Chapter

Cleanearth4kids.org

Climate Action California

Climate Action Campaign

Climate Action Mendocino

Climate Hawks Vote

Climate Reality Project, Los Angeles Chapter

Climate Reality Project, Orange County

Climate Reality Project, San Fernando Valley

Direct Connect Development Company

Electreon Wireless INC.

Emerald Blue LLC

**Environment California** 

**Environmental Justice Coalition for Water** 

**Environmental Protection Information Center** 

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**Environmental Working Group** 

Environteers.org

Extinction Rebellion San Francisco Bay Area

Feminists in Action Los Angeles

Food & Water Watch

Friends Committee on Legislation of California

Friends of Harbors, Beaches and Parks

Green New Deal at UC San Diego

Habitable Designs

Hammond Climate Solutions Foundation

**Humboldt County Democratic Central Committee** 

Indivisible CA Statestrong

**Indivisible Marin** 

**Indivisible Sonoma County** 

Indivisible Yolo

Little USA Community Solar Campus

Los Angeles Business Council

Natural Heritage Institute

Pacific Environment

Peninsula Interfaith Climate Action

Progressive Zionists of California

Recolte Energy

Sacramento Area Congregations Together

San Diego 350

San Joaquin Valley Democratic Club

San Luis Obispo Mothers for Peace

Santa Cruz Climate Action Network

Sesame Solar

Sierra Club, Tehipite Chapter

Slo Climate Action

Socal 350 Climate Action

Sunflower Alliance

Sustainable Claremont

The Climate Alliance of Santa Cruz County

The Climate Center

The Ray

Visceral

West End Revitalization Association

## **OPPOSITION:**

League of California Cities

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## SENATE COMMITTEE ON TRANSPORTATION

# Senator Lena Gonzalez, Chair 2023 - 2024 Regular

**Bill No:** SB 608 **Hearing Date:** 4/11/2023

**Author:** Becker **Version:** 2/15/2023

Urgency: No Fiscal: Yes

Consultant: Jacob O'Connor

**SUBJECT:** Child health and safety: "Have a Heart, Be a Star, Help Our Kids"

license plate program

**DIGEST:** This bill increases the fees for issuance and renewal of "Have a Heart, Be a Star, Help our Kids" license plates and revises allocation of funds derived from that program. This bill reduces the percentage provided to the California Department of Social Services Community Care Licensing Division and increases the allocation of funds to childcare safety and health and First 5 county commissions.

## **ANALYSIS:**

# Existing law:

- 1) Establishes the "Have a Heart, Be a Star, Help Our Kids" (Kids' Plate) special interest license plate program. These plates are distinguished by the inclusion of a well which is imprinted with a heart, star, hand, or plus sign shape. (Vehicle Code §5072)
- 2) Requires an additional fee of \$50 for the initial issuance of the specialized Kids' plate with custom a character sequence, \$45 for their renewal, \$35 for their replacement if they become damaged, and \$15 for the transfer of the special license plates to another vehicle.
- 3) Requires an additional fee of \$50 for the initial issuance of the specialized Kids' plate with character sequence assigned by the Department of Motor Vehicles (DMV), \$20 for their replacement if they become damaged, and \$15 for their renewal or transfer to another vehicle.
- 4) Specifies that the net revenue derived from these fees shall be deposited in the Child Health and Safety Fund.

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5) Requires that moneys for the Child Health and Safety Fund shall be derived from the Kids' Plate program and that civil penalties on child day care facility providers shall be deposited into this fund. Requires that revenue to be allocated as follows: (Welfare and Institutions Code §18285)

- a) 50 percent, plus \$501,000, to the California Department of Social Services (CDSS) for childcare licensing and administration;
- b) 25 percent to CDSS for child abuse prevention, 90 percent of which is deposited into the county's children's trust fund while the remainder is deposited in the State's Children's Trust Fund; and
- c) 25 percent to support prevention education, training, and technical assistance on a specified list of thirteen childhood unintentional injury areas.
- 6) Requires the directors of the Department of Motor Vehicles and CDSS to annually make a determination whether the total annual receipts for the Kids' Plate program is sufficient to cover these priorities and programs and, if so, for CDSS to implement that priority or program. (WIC §18285.5)

#### This bill:

- 1) Raises the fee for a Kids' Plate special license plates from \$50 to \$90 for issuance of a personalized plate and from \$40 to \$80 for renewal of a personalized plate.
- 2) Raises the fee for a Kids' Plate with a character sequence assigned by DMV from \$20 to \$40 for issuance of a license plate and from \$15 to \$30 for renewal.
- 3) Adds injuries related to mental health to the list of unintentional childhood injury areas.
- 4) Changes the allocation of the funds collected from the program to be distributed as follows:
  - a) 5 percent of the funds shall be allocated to the California Department of Public Health (CDPH) for injury prevention;
  - b) 20 percent of the funds shall be allocated to First 5 county commissions that elect to receive and utilize the funding. These monies shall be

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distributed in various shares related to the population of each county in order to carry out programs that address the fourteen unintentional childhood injury areas;

- c) 50 percent of the funds shall be allocated to childcare safety and health. These funds shall be distributed in various percentages based on county population; and
- d) 25 percent of the funds shall be available for appropriation by the Legislature for child abuse prevention programs.

## **COMMENTS:**

- 1) Purpose of bill. According to the author "The Kids' Plates specialty vehicle license program provides critical funding to essential local commissions and state departments committed to children's safety. However, the Kids' Plates Program has not been updated since its creation in 1992 despite the needs of the communities it serves changing and growing. The Kids' Plates funding formula has caused it to fall behind the funding levels of every other specialty license plate program. As a consequence, only 15 counties have successfully accessed these funds in the last two years. Updating the Kids' Plates program is necessary to provide county and local commissions accessible funding to support their childcare safety, health licensing, and educational programs. SB 608 will modernize the Kids' Plates Program by increasing the Kids' Plates issuance and renewal fees, addressing new health concerns within the program, and directly supporting local and county commissions for child abuse prevention programs, childhood injury prevention, and childcare safety and health. By doing so, SB 608 reinvests in California's children, and those that are working hard to care for them."
- 2) *The Kids' Plate Program*. Established in statute in 1992, the Kids' Plates Program allows vehicle owners to purchase specialized license plates that contain an embossed heart, hand, star, or plus sign. Fees collected from issuing these plates goes into the Child Health and Safety Fund and is used to support three significant child health and safety issues in California: 1) unintentional childhood injuries; 2) child abuse; and 3) childcare licensing and inspection. According to the DMV, there were 71,088 Kids' Plates renewed in Financial Year 2021-2022 and 5,506 new plates issued. The program raised \$3,225,844 in revenue during that time.

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Currently, the first 50 percent of the Kids' Plate revenue plus an additional \$501,000 is dedicated to support Child Care Licensing responsibilities for child care licensing as follows: site visits, monitoring of the child care advocate program, training for investigative and licensing staff, other aspects of the child care advocate program and the salary of the chief of the child care licensing branch.

Up to 25 percent of the remaining funds support child abuse prevention efforts lead by the counties and CDSS. CDSS may, as necessary, fund appropriate administrative costs. Counties are required to use these monies to fund child abuse and neglect prevention and intervention programs operated by private nonprofit organizations or public institutions of higher education with recognized expertise in fields related to child welfare. Funds are also used to support counties' Child Abuse Prevention Coordinating Councils.

The rest of the funds support CDPH-run programs that address injury prevention, education, training, and technical assistance on a specified list of fourteen childhood unintentional injury areas.

This bill proposes major changes to where the Kids' Plate program funds will go. CDSS will no longer receive any funding from this program. First 5 county commissions would get funds as well as counties for childcare safety and health programs.

- 3) *First 5 California*. In 1998, California voters passed Proposition 10, adding a 50-cent tax to each pack of cigarettes sold to create First 5 California. First 5 California is a comprehensive system of education, health services, childcare, and other programs. It is dedicated to improving the lives of California's children. Since its creation, First 5 California has brought these critical services to millions of parents, caregivers, and children ages 0 to 5. First 5 California distributes funds to local communities through the state's 58 individual counties, all of which have created their own local First 5 county commissions. The amount of funding provided to each First 5 county commission is based upon the area's birth rate.
- 4) *Kids' Plate revenues not meeting demand*. The Unintentional Injury Policy and Program Section of CDPH oversees and administers part of the money annually appropriated under the current Kids' Plate program. According to their website, due to high demand and limited amount of available funding, entities that had previously received Kids' Plates funding in Fiscal Year 2018- 2020 were not eligible to apply for funding for Fiscal Year 2021-2023. If the increased fees proposed in this bill do not decrease the number of applicants to the Kids' Plate

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program, it would increase the funds available and allow previously funded entities to again be funded.

- 5) Comparing prices. The DMV offers several other special interest and environmental license plates with fees benefiting a variety of programs including the Lake Tahoe Conservancy, the Firefighter's Memorial Fund, and the California Arts Commission. While this bill would increase the fees of the Kids' Plate program, those fees would still be lower than the majority of other specialized license plates. For most license plates with custom character strings, the fee for initial personalized plates is \$103, and renewals is \$83. For special interest license plates with character sequences assigned by the DMV, the fee for initial plates is usually \$50, and renewals are \$40. By increasing the fees but keeping them below the cost of other, similar, plates the author hopes to avoid decreasing the number of people applying for plates while increasing the amount of revenue per plate. Because this bill has not yet been analyzed by a fiscal committee, it is unclear how raising fees in any amount may impact the total number of dollars collected through the Kids' Plate program.
- 6) *Double Referral*. This bill was double-referred to the Senate Committee on Human Services where it was heard on March 20, 2023 and passed 5-0.

## **RELATED LEGISLATION:**

**SB 374 (Ashby)** – Would increase the fee for a renewal of a California a firefighter specialized license plate from \$35 to \$40. *This bill is pending in the Senate Appropriations Committee*.

**AB 378 (Grayson)** – Would extend the deadline for receipt of the required number of paid applications for California Legacy special interest license plate designs that did not receive the required number of applications of January 1, 2025. *This bill is pending in the Assembly Appropriations Committee*.

**AB 1336 (Smith, Chapter 47, Statutes of 2019)** – Added pedestrian safety, sleep suffocation, and sports-related concussion to the list of childhood unintentional injury areas the Child Health and Safety Fund tries to address.

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

Unknown

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 5, 2023.)

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# **SUPPORT:**

California Coalition for Children's Safety and Health (Sponsor) Children's Advocacy Institute Center for Public Interest Law (Sponsor) Association of California Life & Health Insurance Companies First 5 Association of California Lucile Packard Children's Hospital - Stanford Children's Health Safe Moves

# **OPPOSITION:**

1 private citizen

-- END --

# SENATE COMMITTEE ON TRANSPORTATION

# Senator Lena Gonzalez, Chair 2023 - 2024 Regular

**Bill No:** SB 68 **Hearing Date:** 4/11/2023

**Author:** McGuire **Version:** 3/20/2023

Urgency: No Fiscal: Yes

Consultant: Jacob O'Connor

**SUBJECT:** Vehicles: safety regulations

**DIGEST:** This bill would authorize the California Highway Patrol to, by regulation, allow a driver to exceed the maximum driving time limits for tank vehicles transporting flammable liquid during a declared state of emergency.

#### **ANALYSIS:**

## Existing law:

- 1) Directs the California Highway Patrol (CHP) to adopt reasonable rules and regulations to promote the safe operation of large trucks, tractors, buses, trailers, and vehicles transporting hazardous materials. (Vehicle Code (VEH) 34500 34520.5)
- 2) Specifies that among these regulations the CHP shall establish hours-of-service regulations for drivers that are consistent with hours-of-service regulations adopted by the United States Department of Transportation. (VEH 34501.2)
- 3) Establishes several exemptions for these regulations, including that the maximum time within a work period shall be 10 hours for a driver of a tank vehicle with a capacity of more than 500 gallons transporting flammable liquid.

## This bill:

- 1) Allows the CHP to create regulations that authorize a driver of a tank vehicle with a capacity of more than 500 gallons transporting flammable liquid to exceed 10 hours of driving within a work period during a state of emergency declared by the Governor when:
  - a) Operating within state to transport aircraft fuel, pursuant to a contract with the state or the United States; and

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b) The fuel is being used for the purpose of refueling aircraft used in fire suppression or other emergency-related activities.

## **COMMENTS:**

- 1) *Purpose of bill.* According to the author "SB 68 will ensure CAL FIRE planes and helicopters have the necessary fuel to suppress fires and further support our firefighters on the ground. Since 2018, California has experienced the seven largest wildfires recorded in the State's history. A critical part of California's coordinated response to these fires relies on supplying aviation fuel for fire suppression aircrafts, but during Governor-declared emergencies, the truck drivers that transport the fuel run into issues with inflexible driving laws that create a barrier to CAL FIRE's ability to effectively respond to these fires that ravage the Golden State. SB 68 will direct CHP to create a permanent fix to address these emergencies, ensuring drivers are safe and firefighters on the ground can be supported by the firefighting aircraft above."
- 2) Driver fatigue and safety. According to a 2016 report by the National Academies of Sciences Engineering and Medicine, somewhere between 10 and 20 percent of fatal crashes involving trucks and buses involved fatigued drivers. Research has consistently shown that fatigue can cause shortfalls in performance, including slower response times, attention failures, and poor decision making. Performance shortfalls can lead in turn to driver errors or inappropriate driving practices, which then can lead to crashes. Fatigue is a particularly common problem in the trucking industry. In the past 10 years, three naturalistic studies of commercial motor vehicle drivers have used wrist actigraphy devices to record drivers' sleep times and sleep durations per 24 hours on duty and nonduty days. These studies revealed that the amount of sleep obtained by the drivers on workdays averaged just 5.0 to 6.2 hours per 24 hours.

The same report that compiled these studies identified the most effective measures at reducing fatigue as adhering to work-rest scheduling that permits sufficient sleep, driving primarily during the daytime rather than at night, being cognizant of the two anticipated circadian lulls of the 24-hour day, obtaining sleep immediately prior to a long trip, planning to take and taking periodic breaks from driving during trips, and inserting planned naps into a trip plan.

3) *Hours-of-service (HOS) regulations*. HOS regulations were first established in 1938 in order to prevent accidents caused by driver fatigue. These regulations have been updated several times since their initial implementation. Today, HOS regulations are made by the Federal Motor Carrier Safety Administration

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(FMCSA). These regulations set limits on the maximum allowable number of driving hours per day, the number of driving and working hours per week, and the minimum amount of time for rest required between shifts. In order to comply with these regulations, drivers that operate regulated vehicles are required to keep a logbook of working and resting hours or utilize an electronic logging device. These regulations apply to drivers of vehicles of over 10,001 pounds, designed to transport 16 or more passengers, designed to transport 9 or more passengers for compensation, or are transporting hazardous materials in quantities requiring notifying placards. Enforcement of these regulations is primarily conducted by CHP officers at weigh stations, though the CHP may also enforce provision through random checks on the road.

The FMCSA regulations only apply to interstate commerce or vehicles carrying hazardous substances, though most states have regulations that are similar or identical for intrastate commerce. In California, HOS regulations for intrastate commerce are made by the California Highway Patrol (CHP). California's regulations specify that the maximum number of hours a person can drive during a duty period is 10 hours for bus drivers, modified limousine drivers, or intrastate trucks transporting flammable liquid, and 12 hours for all other intrastate trucks.

4) HOS SOS; States of Emergency. When an emergency occurs the need to transport certain materials or people can outweigh the usual risks of fatigued driving. Demand can also sharply spike for certain types of products, outpacing the normal availability of drivers. To that end, the CHP has several provisions in its regulations exempting drivers from restrictions during emergencies. For example, one exception allows a driver to complete a run if that run would have been in compliance absent the emergency. Other exemptions exist for vehicles being employed by the State or local government to restore basic essential public services and operations during an emergency. However, these standing exemptions are not always sufficient. When the President or the Governor declares a state of emergency they will often waive or weaken targeted portions of the hours-of-service laws. For example, on January 4th, 2023 Governor Newsom declared a state of emergency in response to the severe winter storms and in that declaration he allowed drivers to exceed the regular HOS limits while operating a vehicle engaged in fuel transportation in support of emergency relief efforts, subject to certain conditions.

While this ability is useful in response to emergency, the jurisdictional split between inter- and intra-state travels, respectively can occasionally result in confusing patchworks where federal rules have been eased in a different way than state rules. It can also cause minor delays and confusion on the part of SB 68 (McGuire) Page 4 of 4

drivers who must track every emergency declaration to determine if rules were waived or not. This bill would attempt to alleviate that problem by authorizing the CHP to promulgate regulations describing how HOS for a specific subset of vehicles will be modified during a state of emergency. It is narrowly focused on vehicles carrying aircraft fuel used in fire suppression, which given California's increasing rate of severe wildfires, seem particularly likely to be needed in the future. Allowing the CHP to develop the regulations ahead of time, through the standard public rulemaking process, will allow for a set emergency response to provide more consistency for drivers, trucking companies, and law enforcement. Should those standing regulations prove insufficient in the face of a particularly severe disaster, the Governor will still have the power to further ease or waive rules as needed.

## **RELATED LEGISLATION:**

None

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

Unknown

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 5, 2023.)

## **SUPPORT:**

Cal Fire Local 2881 California Trucking Association

## **OPPOSITION:**

None received

# SENATE COMMITTEE ON TRANSPORTATION

# Senator Lena Gonzalez, Chair 2023 - 2024 Regular

**Bill No:** SB 301 **Hearing Date:** 4/11/2023

**Author:** Portantino **Version:** 3/16/2023

Urgency: No Fiscal: Yes

Consultant: Randy Chinn

SUBJECT: Vehicular air pollution: Zero-Emission Aftermarket Conversion

Project

**DIGEST:** This bill requires the California Air Resources Board (CARB) to establish the Zero-Emission Aftermarket Conversion Project (ZACP), using funding from the Clean Vehicle Rebate Project (CVRP) to provide an applicant with a rebate for converting a vehicle into a zero-emission vehicle (ZEV).

#### **ANALYSIS:**

# Existing law:

- 1) Defines "zero-emission vehicle" (ZEV) as a vehicle that produces no emissions of criteria pollutants, toxic air contaminants, and greenhouse gases (GHGs). (HSC §44258)
- 2) Establishes the Clean Vehicle Rebate Project (CVRP) which provides qualified applicants with a rebate for the purchase of a ZEV. (HSC §44274)

## This bill:

- 1) Requires CARB to establish the Zero-Emission Aftermarket Conversion Project (ZACP) and allocate up to \$2 million dollars annually from the CVRP to provide a qualified applicant with a rebate for an eligible vehicle that has been converted into a ZEV. Alternatively, CARB could use money from other state or federal funding sources for this purpose. Any unspent money would revert to the CVRP.
- 2) Requires CARB to develop guidelines for the program, define qualifying conversion-types for used vehicles, define eligible replacement motors, power

systems, and parts, and establish minimum eligibility criteria for an applicant to be eligible for a rebate. The guidelines shall:

- a) Limit ZACP rebates to one per vehicle.
- b) Require an eligible ZEV to have a range of at least 100 miles.
- c) Ensure the value of the vehicle being converted plus the cost of the conversion do not exceed the manufacturer suggested retail price (MSRP) limit established for the CVRP. As of February 24, 2022, those limits are \$60,000 for minivans/pickups/SUVs and \$45,000 for hatchbacks/sedans/wagons/two-seaters.
- d) Apply the income limits established for the CVRP to the program established by this bill. As of February 24, 2022, those income limits are \$135,000 for single filers, and \$200,000 for joint filers.
- e) Ensure the rebate provides cost-effective benefits to the state in reducing air pollution.
- 3) Caps the maximum rebate at \$2,000.
- 4) Directs a minimum of 25% of the rebates issued pursuant to the program established by this bill shall be issued to those eligible for the Clean Cars 4 All program.
- 5) Requires CARB to coordinate the ZACP with the enhanced fleet modernization program, the Charge Ahead California Initiative, and CVRP.

## **COMMENTS:**

1) Author's Statement. "This bill will bring California one step closer to accomplishing the goal of reducing greenhouse gas emissions to a level that is sustainable. With a large portion of greenhouse gas emissions coming from the transportation sector in California, it is necessary that we implement a program that encourages people to convert their vehicles to ZEVs to reduce the issues associated with Climate Change."

2) Ambitious Goals. Meeting California's ambitious GHG reduction goals means electrifying California's transportation system, including cars and trucks. Governor Newsom's Executive Order (EO) N-79-20 established the goal that 100% of in-state sales of new passenger cars and trucks will be zero-emission by 2035. The EO further requires that 100% of medium- and heavy-duty vehicles in the state be zero-emission by 2045 for all operations where feasible and by 2035 for drayage trucks.

Supporting these goals are a number of state and federal incentive programs. California's two biggest light-duty vehicle programs are the CVRP, which has provided rebates for more than 450,000 new vehicles, and the Clean Cars 4 All Program (CC4A), which provides rebates and incentives for new and used vehicles. Neither program provides incentives for after-market conversions.

3) *Most Bang for the Bucks?* The demand for California's clean vehicle incentive programs always exceeds available funding. This shortfall could worsen as incentives get larger to encourage adoption by lower-income Californians. This bill proposes to use funding that would otherwise go to the CVRP for aftermarket retrofits.

An aftermarket retrofit occurs when a traditionally powered vehicle has its gasoline engine removed and replaced with electric motors and batteries. Much additional work is required relating to the transmission, radiator, electrical systems and the interior heating and cooling system. It is a substantial undertaking well beyond the capabilities of most DIYers.

An April 25, 2022 article in the *Los Angeles Times* looked at the market for converting classic cars to ZEVs. According to the article, some shops have a five-year waiting list for vehicle conversions. The cost, according to the article, "starts at around \$18,000" but more expensive builds for high performance cars can run well past \$30,000.

The goal of the Clean Vehicle Rebate Programs is to reduce emissions and this type of aftermarket retrofits would seem to do that. The question is whether it is cost effective compared to California's other clean vehicle programs. Answering this question requires an assessment of whether this rebate would induce people to replace their internal combustion engines who otherwise wouldn't. Part of this calculus would recognize that the CVRP and CC4A often work in tandem with a much more substantial federal tax credit of up to \$7500, which aftermarket retrofits do not qualify for. This bill provides for this assessment as it requires CARB to ensure that any rebate from this program provide cost-effective benefits equivalent to the rebates for new ZEVs.

4) Who Approves A Conversion? According to CARB, any vehicle registered in California may be converted to a 100% electric drive, as long as all power is supplied by on-board batteries. All combustion and fuel system components must be removed prior to inspection by a Bureau of Automotive (BAR) station. The vehicle must arrive at the inspection site under its own power, and the referee must also ensure the vehicle has adequate battery storage capacity for 100% electric operation. Once the inspection is complete, the referee will sign a DMV form so the vehicle can be registered as an EV and removed from the periodic smog inspection program. It should be noted though that this examination only looks at the vehicle's emissions. There are no other exams or approvals required.

How many conversations have taken place is difficult to say given the limited data available. The *Los Angeles Times* article noted above focuses mainly on conversions done by car enthusiasts and classic car collectors.

After a conversion is completed, a person can re-register their car as an EV and be removed from the state's smog check program. The DMV does not have any data on how many vehicles fall into that category.

- 5) *Simpler*. The bill requires that a minimum of 25% of the rebates go to individuals eligible for the Clean Cars 4 All program, an income-based program. While the principle of ensuring that this program helps those with lower incomes, and not just those who can afford an expensive vehicle retrofit, is reasonable, the criteria for Clean Cars 4 All eligibility is complex, dependent on geographic location, household size, and income. For ease of program administration the author may wish to consider instead using the simpler income limits for the increased CVRP rebate, which is 400% of the federal poverty level.
- 6) *Double Referral* This bill was heard by the Senate Environmental Quality Committee on March 15, 2023 and approved 7-0 (consent).

## **RELATED LEGISLATION:**

**AB 2350 (Wilson; 2022)** – Virtually identical to this bill. *It passed the Senate Transportation Committee on consent but was held in the Senate Appropriations Committee.* 

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

Unknown

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 5, 2023.)

# **SUPPORT:**

Specialty Equipment Market Association (SEMA) (Sponsor) Maxwell Vehicles

# **OPPOSITION:**

None received

# SENATE COMMITTEE ON TRANSPORTATION

# Senator Lena Gonzalez, Chair 2023 - 2024 Regular

**Bill No:** SB 357 **Hearing Date:** 4/11/2023

**Author:** Portantino

**Version:** 3/29/2023 Amended

Urgency: No Fiscal: Yes

Consultant: Jacob O'Connor

**SUBJECT:** Vehicles: physician and surgeon reporting

**DIGEST:** This bill removes the requirement for physicians and surgeons to report to the DMV patients who are diagnosed with a disorder characterized by lapses in consciousness.

#### **ANALYSIS:**

## Existing law:

- 1) Requires physicians and surgeons to report immediately to the local health officer, who will then report to the Department of Motor Vehicles (DMV), the name, date of birth, and address of any patient at least 14 years or older diagnosed with a disorder characterized by lapses of consciousness. These reports shall be kept confidential and used solely by the DMV for determining eligibility for operating motor vehicles. (Health and Safety Code (HSC) §103900)
- 2) Exempts physician and surgeons from this requirement if: (17CCR §2812)
  - a) The patient's sensory motor functions are impaired to the extent that the patient is unable to ever operate a motor vehicle;
  - b) The patient states that they do not drive, never intend to drive, and the physician or surgeon believes them;
  - c) The physician or surgeon previously reported the diagnosis and believes the patient has not operated a motor vehicle; and
  - d) There is documentation in the patient's medical record that another physician or surgeon reported the diagnosis and the current physician or

surgeon believes the patient has not operated a motor vehicle.

- 3) Authorizes a physician or surgeon, if they believe that the reporting of a patient will serve the public interest, to similarly report a patient even if their condition is not characterized by lapses of consciousness.
- 4) Directs the State Department of Public Health, in consultation with the DMV and professional medical organizations, to define disorders characterized by lapses of consciousness and definitions of functional severity to guide reporting so that only diagnosed cases where there is reason to believe the condition is likely to impair the ability to operate a motor vehicle are reported.
- 5) Exempts health records reported as part of this reporting from public records disclosures. (Government Code §7930.180)
- 6) Authorizes the DMV, upon reexamination of a person's qualifications to operate a motor vehicle, to restrict, make subject to terms and conditions of probation, suspend, or revoke the driving privilege of that person. (VEH §12818)
- 7) Requires the DMV to provide notice and an opportunity to be heard whenever they restrict, make subject to the terms of conditions of probation, suspend, or revoke a person's driving privilege. (VEH §13950-§13954)
- 8) Gives drivers the right to request a hearing within 10 days after they receive notice of the order of driver's license suspension or revocation if the decision is based on a documented medical condition or disability. (VEH §14100)

## This bill:

- 1) Repeals the requirement for physicians or surgeons to report to the DMV if a patient has been diagnosed with a disorder characterized by lapses of consciousness.
- 2) Allows physicians or surgeons to report immediately to the DMV the name, date of birth, and address of every patient at least 15 years of age or older, or 14 if the patient has a junior permit, who has been diagnosed as having any physical or mental disability, disease, or disorder that could affect the safe operation of a motor vehicle.
- 3) Requires these reports to be used only by the DMV for the purpose of determining eligibility for operating a motor vehicle or for a bona fide research

project, if the data is anonymized.

- 4) Exempts a health care provider from any liability for making or not making such a report.
- 5) Requires the DMV, cooperating with the State Department of Public Health, to consult with professional medical organizations to guide reporting so that only cases where there is reason to believe that the patients' conditions are likely to impair their ability to operate a motor vehicle are reported.

## **COMMENTS:**

- 1) Purpose of the bill. According to the author, "By refining the circumstances under which physicians are required to report patients who experience a lapse of consciousness, SB 357 provides a balance between public safety and physician-patient confidentiality. Existing mandatory reporting of patients who experience lapses of consciousness can adversely affect the long-held confidential nature of the physician-patient relationship. Further, the potential disclosure of sensitive information can cause patients to be less forthcoming to physicians, which may result in inaccurate or inadequate diagnosis and treatment of the condition. Also, there are many individuals who suffer only a single episode of a lapse of consciousness or who have a condition that is easily controlled who do not pose a threat to public safety."
- 2) *Epilepsy*. Epilepsy is a group of neurological disorders characterized by recurrent seizures short changes in normal brain activity. The causes, patterns, lengths, and symptoms of seizures vary between the types of epilepsy. Common symptoms include muscle stiffening or relaxing, convulsions causing jerking in parts of the body, staring into space, confusion and lapses of consciousness. Seizures typically last between a seconds to a few minutes. Many forms of epilepsy can be managed to reduce seizures through the use of medication, behavior changes, and in some cases, surgery.

Epilepsy is one of the most common neurological disorders. According to the Center for Disease Control (CDC), in 2015 1.2% of the US population had active epilepsy (epilepsy that is characterized by multiple seizures in a year or the use of medication to control the disorder). In that same year, the CDC estimated there were 427,700 Californians with active epilepsy.

3) Lapses of consciousness and driving in California. There are several medical conditions, besides epilepsy, that can result in momentary lapses of

consciousness. If a person experiences a lapse of consciousness (LOC) while operating a vehicle or vessel they will likely lose control of the vehicle, which can result in serious crashes or death. Epilepsy is one of the most common disorders that may cause LOCs, but other conditions include syncope, hyperglycemia, hypoglycemia, dementia (including Alzheimer's disease), brain neoplasms, post-stroke symptoms and narcolepsy.

In California, if a physician diagnoses someone with a disorder characterized by a LOC they must report that person to the DMV. The DMV then evaluates the report, which in addition to basic identifying information, contains information on the frequency of the LOCs, when they occur, how likely they are to occur, and whether the medical professional advises driving or an evaluation from the DMV. Based on this information, the DMV can take five types of action. Firstly, if the DMV assesses based on the report that the LOCs are stable and controlled, or are ongoing but do not affect driving, they will take no action. According to the DMV, in 2022 they received about 34,500 physician reports on drivers and opted to take no action for about 30% of them.

If the LOCs have been controlled for three to five months the driver will be placed under Type II medical probation, which allows them to drive but requires their physician to submit a medical evaluation form on a prescribed basis. If the LOCs have been controlled for 6 or more months, but there is a possibility of further lapses, then they are placed on Type III medical probation, which allows them to drive but requires them to report on a regular basis the status of their disorder. If the LOC condition is not controlled and could affect the driver's ability to safely operate a motor vehicle then the DMV may suspend their license and if the condition is not likely to ever be brought under control they may revoke it. Upon notice of any of these actions, the person with LOCs has the right to request a hearing or review to present evidence to show that the action should not be sustained.

Several studies have shown that drivers with specific diseases that cause LOCs have higher crash rates than the general population, the exact rates differing based on the specific condition. A 2017 study by the DMV calculated crash rates of drivers in 2007 who had been reported to the DMV and whose resulting evaluation resulted in monitoring by the DMV. The study then compared the crash rates of these drivers to a random sample of the general population. This study found that people being monitored by the DMV for LOCs experienced an average crash rate of 19 crashes per 100 drivers, about 2.7 times higher than the crash rate of the general population and 1.9 times higher than the crash rate for males under 25 years old. It is important to note that the crash rates of the people in this study are likely higher than the crash rates for all people with

LOCs, as the study only examined people in that subgroup who the DMV considered to be important to monitor. However, this study does show that the DMV's policies and judgements about who in the LOC group require monitoring does align with higher crash risks.

4) *Epilepsy and driving*. Even though epilepsy is marked by LOCs, the breadth of possible symptoms mean that some types of epilepsy can pose no threat to safely operating a vehicle. Some forms of epilepsy only result in seizures during sleep. Others are minor and will not distract a person from driving. Others are characterized by warning signs, called an "aura" that allows a person to cease driving before a seizure fully occurs. Advances in medication and other treatments has made several forms of epilepsy much more controllable. However, some types of epilepsy cannot easily be controlled by medication and can pose a large risk to someone operating a vehicle.

The body of research on the risk of drivers with epilepsy is contradictory, with one study showing crash risks as high as 7 times higher than the general population, while others have found no higher risk at all. Multiple metaanalyses of these studies have been performed, including by the Federal Motor Carrier Safety Administration, which have found that epilepsy does increase the risk of crashes. No consensus on the size of the increased risk has been reached, but common results range from 30% to 70% higher than the general population. Critically, many studies, including the DMV's, show that whatever the elevated risk, it is lower than that of other groups that the DMV does not require mandatory reporting for. For example, one study conducted using traffic records from the Netherlands indicated that 1 traffic crash per 10,000 is caused by a seizure at the wheel. This compares to 6 per 10,000 caused by natural death at the wheel and 5,000 per 10,000 caused by alcohol. LOCs are the only condition mandated by California for physicians to report to the DMV, even though conditions like alcoholism or some types of heart disease likely pose a greater risk.

5) Mandatory reporting of lapses of consciousness. Since 1957, California doctors have been required to report to the local health officer patients diagnosed with disorders characterized by lapses of consciousness. Since 1990, doctors have been permitted to report patients whose condition is not categorically required to be reported if the reporting doctor has a reasonable and good faith belief it is in the public interest to report the patient. Doctors are not civilly or criminally liable to their patients for filing a mandatory or voluntary report. California is one of six states that require mandatory reporting, as do several European countries.

Mandatory reporting of LOCs, and indeed, any medical condition, is controversial. On the one hand, mandatory reporting provides the DMV with greater information necessary to promote safety on the roads. It allows the DMV to be proactive in requiring monitoring or suspension of people with LOCs, following the guidelines they've developed in concert with professional medical associations and the details provided by the reporting physician. The DMV's data shows that the actions it takes based on this information is reasonable; the subset of reported people the DMV chooses to take action with do have higher crash rates than the general public. Mandatory reporting may also encourage patients with epilepsy to comply with existing policies, such as self-reporting their condition upon applying for a license or following probation rules. In a 1992 survey of 158 patients with epilepsy, 67% of respondents reported they would observe all licensing laws if their physicians were mandated to report while 47% reported they would if their physicians were not mandated to report.

However, mandatory reporting may also discourage patients concerned about the suspension of their driving privileges from reporting their condition to their physician. According to a 2003 survey performed by the American Academy of Neurology of 208 Californian patients with epilepsy, nine percent said they had concealed relevant information from their physicians. Fifty percent of patients who had experienced a previous license suspension admitted to hiding relevant information from their physicians, compared with 16 percent of patients who had not experienced a previous suspension. This survey aligns with anecdotal claims made by the sponsors of this bill that Californians with epilepsy may not seek treatment for their conditions out of fear of having their license suspended.

People driving with unreported and therefore unmanaged epilepsy are much more dangerous on the road than people working with medical professionals to evaluate and control their seizures. Because of these concerns The American Academy of Neurology and the American Epilepsy Society have issued positions opposing mandatory reporting for epilepsy. The American Medical Association's position has been that physicians should follow the requirements of the state. They acknowledge not all physicians are in a position to evaluate the effect of a medical condition on a patient's ability to drive and that in such situations it may be advisable to refer a potentially at-risk patient for assessment. They have also asserted that physicians have a "moral responsibility" to report their patients who pose a threat and have disregarded the physician's advice to cease driving.

Ideally, we would have data comparing crashes caused by drivers with LOCs in the six states with mandatory reporting requirements to the rates in the rest of the country. Unfortunately, research of the effectiveness of mandatory reporting laws is limited. In one study performed in Canada, researchers compared the crash rate between people with epilepsy in two provinces with differing reporting requirements. This study found no significant difference in the number of self-reported accidents between the two provinces, though it suffers from serious limitations of having a sample size of only 200 people in each province and relying on self-reported survey data. Perhaps more convincingly, this question has been explored in another group with mandatory reporting requirements in the US: the elderly. A 2018 study of over 170,000 older driver crash-related hospitalizations from 2004-2009 found that there was no evidence that mandatory physician reporting laws in three states (CA, OR, PA) were associated with a lower crash hospitalization rate among the elderly. Of course, the increased risk elderly drivers may pose is tied to diminished driving ability, which can be readily assessed by the additional driving testing the state requires. Mandatory reporting may simply be redundant in that specific case, but not in the case of LOCs, where there is no reasonable way to test risk behind the wheel.

- 6) Balancing safety, expertise, and trust. Ultimately this bill raises the question of who should be primarily responsible for assessing the threat to public safety caused by a condition with LOCs: the DMV or physicians? California currently places this authority primarily with the DMV, though physicians' input and judgement is critical to the DMV's determination of action. This bill would shift that judgement primarily to physicians, though still allowing the DMV to continue current practices to evaluate and take actions for drivers who physicians report. The DMV may be better suited than individual physicians to evaluate a statistical risk to public safety, but physicians are better poised to understand the nuances of a specific condition. Physicians in the CMA primarily follow existing DMV guidelines, and likely will continue to follow whatever guidelines are developed by the DMV as required by this bill. It is difficult to predict if this will significantly change who is reported to the DMV and the resulting change in public safety, but it does seem likely this change will encourage people with epilepsy to be more honest with their physicians leading to fewer drivers with unmanaged epilepsy on the road.
- 7) Should we only exempt mandatory reporting for epilepsy? The sponsors of this bill represent people with epilepsy, but the law this bill modifies affects all conditions that cause lapses of consciousness. Not all conditions come with the same set of risks and needs. For example, the family members of people with Alzheimer's and other forms of dementia may appreciate mandatory reporting

requirements to provide an extra level of review and safety for their loved ones. Conditions like narcolepsy or hyperglycemia might be sufficiently disruptive to one's life that the risk of underreporting, even due to concerns about reporting to the DMV, is smaller because of an increased need to seek treatment. Evaluating the risks, needs, and concerns of every group that falls under the lapse of consciousness umbrella is impractical, especially as the necessary data to make such an evaluation doesn't exist for several of these conditions. Instead, it would be simpler to narrow this exemption to mandatory reporting to the group that is actively raising concerns and that has provided evidence that contextualizes the risk they pose. The author or committee may wish to amend the bill to only exempt doctors from having to report patients with seizure disorders from the mandatory reporting requirements.

8) *Double referral*. This bill has been double referred to the Senate Committee on Judiciary.

### **RELATED LEGISLATION:**

**SB 1394** (**Lowenthal, 2008**) – This bill would have eliminated, with few exceptions, the mandatory requirement that Californian physicians report to the DMV every patient whom they diagnose with a condition characterized by LOC. *This bill was vetoed by Governor Schwarzenegger*.

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

Unknown

POSITIONS: (Communicated to the committee before noon on Wednesday, April 5, 2023.)

### **SUPPORT:**

American Academy of Neurology American Epilepsy Society California Medical Association California Neurology Society California Teamsters Public Affairs Council Epilepsy Foundation Los Angeles Epilepsy Foundation of America SB 357 (Portantino)

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# **OPPOSITION:**

None received

-- END --

### SENATE COMMITTEE ON TRANSPORTATION

# Senator Lena Gonzalez, Chair 2023 - 2024 Regular

**Bill No:** SB 304 **Hearing Date:** 4/11/2023

**Author:** Laird

**Version:** 3/20/2023 Amended

Urgency: No Fiscal: Yes

Consultant: Melissa White

**SUBJECT:** Monterey-Salinas Transit District: public contracting

**DIGEST:** This bill makes changes to the contracting requirements for the Monterey-Salinas Transit District (MST).

### **ANALYSIS:**

### Existing law:

- 1) Creates MST to include all of the County of Monterey, with specified powers and duties related to public transit service.
- 2) Requires public agencies to obtain competitively bid contracts for construction projects, and contracts for supplies, equipment, and materials above a specified cost threshold. This amount varies depending on the public agency and whether it is a city, county, special district, or school, and other variables.
- 3) Requires MST to award contracts for the purchase of supplies, equipment, and materials in excess of \$100,000 to the lowest responsible bidder, or to the responsible bidder that provides the best value, as provided.
- 4) Requires MST to obtain a minimum of three quotations, as provided, that permit prices and terms to be compared, whenever the expected expenditure required for the purchase of supplies, equipment, or materials exceeds \$2,500 but does not exceed \$100,000.

### This bill:

1) Increases the existing bid threshold for MST to award contracts for the purchases of supplies, equipment, and materials from \$100,000 to \$150,000, as provided.

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2) Increases the exiting bid thresholds that require MST to obtain a minimum of 3 quotations, as provided, whenever the expected expenditure required for the purchase of supplies, equipment, or materials from \$2,500 to \$10,000 and \$100,000 to \$150,000.

- 3) Authorizes certain services, as specified, be subject to the bid thresholds. Stipulates that 'services' does not include public construction projects and architectural, landscape architectural, engineering, environmental, land surveying, or construction project management services.
- 4) Requires the authorization for services contract thresholds to sunset on January 1, 2030.
- 5) Declares that the bill may impose a state-mandated local program.

### **COMMENTS:**

- 1) *Purpose of the bill.* According to the author, "Existing law authorizes the Monterey-Salinas Transit District (MST) to streamline purchasing agreements for projects under \$100,000. This threshold has not been updated since 2010, and rising costs from inflation have complicated and delayed MST projects.
  - "Senate Bill 304 updates MST's expedited procurement threshold from \$100,000 to \$150,000 to reflect rising costs, and to align with the Federal Transit Administration's established limit. This ensures MST can continue completing small projects efficiently while maintaining the best use of public funds."
- 2) *MST*. Monterey-Salinas Transit District was created by AB 644 (Caballero, Chapter 460, Statutes of 2009) and officially formed July 1, 2010. The district succeeded Monterey-Salinas Transit Joint Powers Agency formed in 1981 when the City of Salinas joined the Monterey Peninsula Transit Joint Powers Agency, which was formed in 1972.
  - MST consists of the cities of Carmel, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, Soledad and Monterey County. A board of directors with a representative from each member jurisdiction governs the agency and appoints the general manager.

MST provides fixed route bus service on 34 routes to nearly 450,000 people in Monterey County. They operate 130 buses covering 159 square miles. MST

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also provides paratransit service through the MST Rides program for people who have a disability that prevents them from using MST's regular fixed route bus service.

3) Costs are on the rise. SB 304 would increase from \$100,000 to \$150,000 the point at which purchases of supplies, equipment, and materials are required to go through a formal bid process. The bill also expands the authorization to include contracting for the acquisition of certain services. The authorization for services is restricted to not include public construction projects and architectural, landscape architectural, engineering, environmental, land surveying, or construction project management services and would sunset on January 1, 2030.

MST's contract thresholds have not been updated for more than a decade and the increases contained in SB 304 are consistent with an inflationary adjustment.

According to MST, the sponsors of the bill, "Over the last decade, the costs for supplies, equipment, and materials have risen significantly while MST's procurement limits have remained constant. This means that minor repairs, projects or supply purchases (such as bus parts and facilities equipment) increasingly exceed the limits, requiring a lengthy formal bid process, adding more time and requiring more resources to conduct routine procurements. Additionally, MST has seen certain small services engagements, for things like a consultant to prepare a zero-emission bus transition plan, subjected to lengthy procurements that slow responsiveness and present operating challenges."

### **RELATED/PREVIOUS LEGISLATION:**

AB 2015 (Cooley, Chapter 182, Statutes of 2022) – Made various changes to the Sacramento Regional Transit District (SacRT) Act, including increasing certain bid thresholds.

**AB 1833** (Ward, Chapter 100, Statutes of 2022) – Made changes to various bidding thresholds for the San Diego Metropolitan Transit System (MTS), the North County Transit District (NCTD), and the San Diego Association of Governments (SANDAG).

**SB 333 (Eggman, Chapter 217, Statutes of 2021)** – Increased the bid threshold for San Joaquin Regional Transit District's (RTD) purchase of supplies, equipment and materials, from \$50,000 to \$75,000, and allowed the district to award a

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contract to the responsible bidder who submits a proposal that provides the best value to the district

**AB 2711** (**Eggman, 2020**) – Was similar to SB 333. *This bill was held in the Assembly Local Government Committee*.

**AB 1089 (Stone, Chapter 107, Statutes of 2019)** – Increased the bid threshold for the purchase of supplies, equipment, and materials by the Santa Cruz Metropolitan Transit District and allowed the use of best value for these contracts, and altered appointments and reimbursements for the district's board of directors.

**AB 3177 (Chavez, Chapter 544, Statues of 2018)** – Made various changes to certain bidding requirements for the NCTD, as specified.

**AB 2030 (Mullin, Chapter 143, Statutes of 2016)** – Changed specified bidding requirements for BART and the San Mateo County Transit District, including bid threshold increases for the purchase of supplies, equipment, and materials.

AB 644 (Caballero, Chapter 460, Statutes of 2009) – Enacted the Monterey-Salinas Transit District Act which dissolved the Monterey-Salinas Transit Joint Powers Agency and created the Monterey-Salinas Transit District within Monterey County to succeed to the rights, powers, duties, and obligations of the agency. The bill also created a board of directors to govern the district. The bill established thresholds for MST to award contracts for the purchase of supplies, equipment, and materials in excess of \$100,000 to the lowest responsible bidder, or to the responsible bidder that provides the best value.

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

Unknown

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 5, 2023.)

### **SUPPORT:**

Monterey-Salinas Transit District (Sponsor)
City of Gonzales
City of King
City of Marina
City of Monterey

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City of Salinas Monterey County Board of Supervisors Transportation Agency for Monterey County (TAMC)

# **OPPOSITION:**

None received

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### SENATE COMMITTEE ON TRANSPORTATION

## Senator Lena Gonzalez, Chair 2023 - 2024 Regular

**Bill No:** SB 312 **Hearing Date:** 4/11/2023

**Author:** Wiener

**Version:** 3/14/2023 Amended

Urgency: No Fiscal: Yes

**Consultant:** Randy Chinn

**SUBJECT:** State highways: true warm mix asphalt

**DIGEST:** This bill defines a new category of asphalt called "true warm mix asphalt" and award a bonus of from \$3 - \$5 per ton for its use by Caltrans.

### **ANALYSIS:**

### Existing law:

- 1) Provides that Caltrans has full possession and control of all state highways and all property acquitted for state highway purposes. (Streets and Highways Code Section 90)
- 2) Requires Caltrans, cities, and counties to use advanced technologies and material recycling techniques that reduce the cost of maintaining streets and highways and that exhibit reduced levels of greenhouse gas (GHG) emissions, where cost effective and feasible. (Streets and Highways Code Section 2030(c))
- 3) Requires Caltrans to use recycled materials unless it determines that the use of these materials is not cost effective. (Public Resources Code Section 42701)
- 4) Requires Caltrans to phase in the use of crumb rubber at specified levels on projects using asphalt where feasible. (Public Resources Code Section 42703)
- 5) Authorizes Caltrans to establish specifications for the use of reclaimed asphalt pavement of up to 40% for hot mix asphalt mixes. (Public Resources Code Section 42704)

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### This bill:

1) Defines "true warm mix asphalt" as hot mix asphalt heated to no more than 275 degrees during mixing and production.

- 2) Requires Caltrans to pay a bonus for using true warm mix asphalt of \$3 per ton when the asphalt is heated to between 251 and 275 degrees and \$5 per ton when the asphalt is heated to no more than 250 degrees.
- 3) Requires Caltrans to report to the Legislature on or before January 1, 2026, and every two years thereafter, on how much carbon dioxide was reduced by using true warm mix asphalt and the increase in use of true warm mix asphalt as a result of the bonus provided by this bill.

### **COMMENTS:**

- asphalt manufactured and laid at lower temperature, thus reducing energy use and carbon emissions by requiring Caltrans to make bonus payments on road repair contracts of \$3-\$5 per ton of warm asphalt used. Asphalt is a major source of emissions, both during the mixing process and while it is being laid. In the traditional process, asphalt is mixed between 300 and 350 degrees Fahrenheit, requiring massive amounts of fuel and release of harmful pollutants that contribute to a variety of respiratory and other health conditions. As the transportation agency for the world's fifth largest economy, Caltrans is a significant consumer of asphalt. In 2020 alone, Caltrans utilized 3,405,088 metric tons of asphalt across 443 construction paving projects. With an average carbon intensity of 50.2 to 52.1 kg CO2e/ton of mix produced, Caltrans's use of asphalt emitted roughly 174 million tons of greenhouse gas (CO2 equivalent) in 2020 alone. The State must do everything in its power to reduce GHG emissions, and SB 312 equips us with another tool to ensure we are doing so."
- 2) Asphalt 101. Asphalt is a common construction material. According to the author, Caltrans used 3.4 million tons of asphalt in 2020. Asphalt is not a single product; it has many variations and can be made in different ways. Traditional asphalt is known as hot mix asphalt (HMA). Some asphalt is made with crumb rubber, which comes from recycled tires, and is known as rubberized HMA. Other asphalt is made by reusing old asphalt, known as recycled asphalt pavement (RAP). Finally, warm mix asphalt (WMA) is defined by Caltrans as asphalt that can be produced at plants that produce HMA but at temperatures 45 85 degrees lower.

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WMA can be produced two ways, either using a chemical additive or by injecting water. All of these pavement technologies are recognized and used by Caltrans. This bill creates a new category of WMA that is based on the maximum temperature of the material.

While cost and sustainability are important issues, the durability of the material is a critical question. Assessing durability is complicated in California because the environment is so varied: scorching heat to freezing snow; desert to rainforest; saltwater and fog; soils which are rocky, sandy or clay. Knowing where and under what conditions a given type of asphalt can be used is essential to building a durable highway system.

- 3) Is this type of WMA Better? This bill establishes a new category of asphalt called "true WMA" and provides a specified bonus payment when that type of asphalt is used. The purpose of the bonus is to incentivize the use of true WMA because, it is argued, it results in significantly lower GHG emission reductions than other asphalt. While that seems to be a reasonable conclusion lower temperatures should mean lower energy use it isn't supported by sufficient published objective data. Missing are data that show the reduced amount of natural gas used during mixing, and how the reduced gas use compares with the GHG emissions of the chemical additives used to create "true WMA", according to John Harvey at the University of California Davis Pavement Research Center.
- 4) Compared to Competitors. California requires the use of rubberized HMA because it reduces tire waste. In 2020, rubberized HMA diverted 3.8 million tires from landfills. California also strongly encourages the use of RAP to support the use of recycled materials and reduce waste. Is true WMA, the material which is the subject of this bill, better than either of those types of asphalt? We don't know. Answering that question is complicated because it depends on how much we value reducing the amount of waste tires, how much we value reducing the amount of waste asphalt, and how much either of those materials reduces GHG compared to true WMA.

Pavement technology will continue to advance, offering Caltrans new choices. Recently, Caltrans installed asphalt made with recycled plastic bottles. That might turn out to be a very desirable and environmentally friendly product. Net zero asphalt, made with plant material, is also under development. But were this bill to be enacted, both of these technologies would be disadvantaged by \$3 - \$5 per ton. Caltrans should be using the most sustainable material available that is suitable to the job and cost effective. This bill will thwart that.

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5) *Implementation Issues*. This bill assumes that a batch of asphalt is made at a uniform temperature, but that isn't true. The aggregate, or rocks and sand, is often heated to a higher temperature than the binder that holds everything together. This complicates the analysis of GHG emission savings from true WMA and also raises the question of whether the temperature limit in the bill applies to the aggregate, the binder or both. The second question is how the temperature is monitored. How will Caltrans know that the asphalt temperature was continuously between 250 and 275 degrees, and therefore entitled to a \$5 per ton bonus?

- 6) *How Much?* The bill provides for a bonus of from \$3- \$5 per ton for using true WMA. Supporters have said that the \$3 per ton is based on \$1.50 per ton to cover the cost of the chemical additive to make true WMA and \$1.50 per ton to provide an extra incentive to the asphalt company. Are the GHG emission reductions from "true" WMA worth an extra \$3-\$5 per ton? No one knows because the GHG benefits aren't known. And those benefits would need to be compared to the other unsubsidized competing materials (e.g. steam injected WMA, RAP, and rubberized HMA). Note that those bonus payments would come from the existing Caltrans programs that pay to repair and maintain highways, resulting in fewer miles of highway being repaired or maintained.
- 7) Alternative Solution. Reducing GHG emissions is a critical state policy. But so too is reducing tire waste and encouraging the use of recycled pavement, both of which may also help reduce GHG emissions. In lieu of the current language, the author may wish to instead urge Caltrans to evaluate its major building materials for GHG emissions and other sustainability features and require the use of those materials whenever cost effective and suitable.

### **RELATED LEGISLATION:**

**AB 2954 (Salas, Chapter 872 of 2022)** – Requires local governments above a specified size to adopt specified Caltrans recycled material standards unless certain criteria are met.

**SB 1227 (Skinner) of 2020** – Would have required cities and counties to allow the use of recycled materials in road maintenance and rehabilitation in order to be eligible for SB 1 funds. *This bill was held by the author in Senate Transportation Committee in light of the COVID-19 pandemic*.

**SB 1238 (Hueso) of 2020** – Would have required Caltrans to conduct a study to assess the feasibility, cost effectiveness, and life-cycle environmental benefits of including recycled plastics in asphalt used as paving materials, and, depending on

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the findings, authorizes Caltrans to develop specifications for the use of recycled plastics in asphalt. *This bill died in Assembly Transportation Committee*.

**AB 2355** (Levine), Chapter 609, Statutes of 2014 – Required by January 1, 2017, local agencies to adopt Caltrans standards on the use of recycled materials or to discuss why the standards are not being adopted at a public hearing.

**AB 812 (Ma), Chapter 230, Statutes of 2012** – Authorized Caltrans to establish specifications for the use of up to 40% reclaimed asphalt pavement for hot asphalt mixes on or before January 1, 2014.

**SB 420 (Simitian), Chapter 392, Statutes of 2006** – Expanded the application of recycled-content requirements for road paving projects to all paving construction and repair projects.

**AB 338 (Levine), Chapter 709, Statutes of 2005** – Required Caltrans to make use of a specific weight of crumb rubber per metric ton of the total amount of asphalt paving materials it uses each year.

AB 574 (Wolk), Chapter 693, Statutes of 2005 – Encouraged the use of recycled concrete. Defined "recycled concrete," authorized recycled concrete to be used if a user has been informed the concrete may contain recycled materials, and prohibited recycled concrete from being sold to Caltrans or the Department of General Services only when specifically requested by the department.

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

Unknown

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 5, 2023.)

### **SUPPORT:**

Ingevity

### **OPPOSITION:**

Granite Construction Company

# -- END --

### SENATE COMMITTEE ON TRANSPORTATION

## Senator Lena Gonzalez, Chair 2023 - 2024 Regular

**Bill No:** SB 473 **Hearing Date:** 4/11/2023

**Author:** Allen

**Version:** 2/13/2023

Urgency: No Fiscal: Yes

Consultant: Jacob O'Connor

**SUBJECT:** Driver's licenses: instruction permits and provisional licenses

**DIGEST:** This bill would, commencing January 1, 2027 expand the scope of the provisional license program by expanding the applicable age range from the program to persons at least 16 years of age, but under 21 years of age.

#### **ANALYSIS:**

### Existing law:

- 1) Pursuant to the Brady-Jared Teen Driver Safety Act of 1997, establishes a provisional licensing program for licenses issued to a person between 16 and 18 years of age. (Vehicle Code (VEH) §12814.6)
- 2) Authorizes the Department of Motor Vehicles (DMV) to issue a distinctive driver's license, to persons between 16 and 18 years of age and a different distinctive license to persons 18 and 21 years of age.
- 3) Authorizes the DMV to issue an instructional permit, within 12 months of application, to a person who is: (VEH §12509)
  - a) 15 years and 6 months of age or older, and has successfully completed or is participating in a driver education and training course;
  - b) Is over 16 years of age and is applying for a restricted driver's license for the operation of United States Army or California National Guard vehicles during the course of their duties; (VEH §12814.7) or
  - c) Is over 17 years and 6 months of age.

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- 4) Before receiving a provisional license, an applicant must first:
  - a) Be issued an instructional permit, allowing the applicant to drive when taking or practicing driver training instruction as long as they are accompanied by a California-licensed driver 25 years of age or older (18 if not a minor), a driving instructor, a parent, spouse, or guardian;
  - b) Hold an instructional permit for at least six months;
  - c) Have satisfactorily completed a specified combination of approved course in drivers education and drivers training that include at least six hours of behind-the-wheel instruction;
  - d) Completed 50 hours of supervised driving practice, 10 of which are completed during darkness; and
  - e) Complete an examination required by the department.
- 5) While driving during the first 12 months after issuance of a provisional license a licensee may not, unless accompanied by a licensed driver who is 25 years or older, a driving instructor, or their parent or guardian:
  - a) Drive between the hours of 11 p.m. and 5 a.m.; and
  - b) Transport passengers who are under 20 years of age.
- 6) A licensee may drive between these hours or transport an immediate family member without accompaniment when reasonable transportation facilities are inadequate, operation of a vehicle by the licensee is necessary, and they have a document with a date specifying when the need will be ended signed by an appropriate professional under these circumstances:
  - a) Medical necessity of the licensee;
  - b) Schooling or school-authorized activities of the licensee;
  - c) Employment necessity;
  - d) Necessity of the licensee's immediate family; or
  - e) The licensee is an emancipated minor.

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7) Establishes a provisional licensing program for obtaining a driver's license to operate a two -wheel motorcycle, motor-driven cycle, motorized bicycle, moped, or bicycle with attached motor (M1 or M2 license) for people under 21 years of age. (VEH 1§2509.5) This program requires:

- a) Applicants for a license who are 15 years and 6 months to 18 years of age to have a valid motor vehicle license or complete the required driver education and training;
- b) Applicants for a license who are 15 years and 6 months to 21 years of age to successfully complete a motorcyclist safety program.
- 8) Requires a person under 21 years of age to be issued an instruction permit for six months prior to being issued a M1 or M2 license. While using an instructional permit a driver shall not:
  - a) Operate the vehicle during hours of darkness;
  - b) Drive on any freeways that have full control of access and have no crossings at grade; and
  - c) Carry any passengers except a licensed instructor.
- 9) Prohibits a law enforcement officer from stopping a vehicle for the sole purpose of determining whether the driver is in violation of these restrictions.
- 10) Establishes fines, requirements of community service, and possible restrictions upon finding that any licensee has violated the restrictions of their provisional license based on the number of offenses.
- 11) Authorizes the DMV to establish a program authorizing a driving school to issue a student license. A licensed driving school shall not issue a student license to an applicant under 17 years and 6 months of age unless that applicant shows proof of completion of an approved course in driver education.

### This bill:

1) Makes findings and declarations regarding vehicle crashes, teenage drivers, driver education, and provisional licensing.

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Beginning January 1, 2027:

2) Increases the age at which an instruction permit may be issued to a person who has not completed or is enrolled in driver education and training from 17 years and 6 months to 20 years and 6 months.

- 3) Increases the minimum age of the person accompanying and providing immediate supervision of a non-minor driver with an instructional permit from 18 years to 21 years.
- 4) Increases the age at which a licensee must first hold an instructional permit and complete drivers training and education prior to receiving a driver's license from 18 years to 21 years.
- 5) Specifies that a person of at least 18 years of age but under 21 years of age must hold an instruction permit for not less than 60 days prior to applying for a provisional driver's license.
- 6) Increases the age at which a student must complete a course in driver's education prior to being issued a student license by a licensed driving school from 17 years and 6 months to 20 years and 6 months.
- 7) Allows a licensee who is 18, 19, or 20 years of age to keep a copy of their class schedule or work schedule as proof of the necessity of employment or education for the purposes of exemptions to the requirements of their provisional license.
- 8) Specifies that the restrictions of the provisional license shall apply during the first 6 months after issuance of a provisional license to a licensee who is 18, 19, or 20 years of age at the time of issuance.
- 9) Exempts from the provisional license program a member of the California National Guard, the state Military Reserve, or the United States Armed Forces on active duty who is at least 18 years of age.
- 10) Requires all persons under 21 years of age applying for a M1 or M2 license to have a valid driver license or complete driver education and training prior to being issued an instruction permit.
- 11) Authorizes the DMV to charge a driving school a fee not to exceed \$1 for each driver education or training certificate of completion furnished by the DMV in

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order to recover the department's reasonable costs in administering this expanded program.

### Beginning January 1, 2025:

12) Requires an owner and operator of a driving school or an independent driving instructor to affirmatively offer and accept compensation in installments through the duration of instruction for up to 12 months from the first date instruction begins, with final payment due upon issuance of a certificate of completion. No additional fee, including interest charges, may be charged for accepting compensation by installment payments.

### **COMMENTS:**

- 1) *Purpose of bill*. According to the author, "California's Graduated Driver Licensing program (GDL) requires teens under age 18 to progressively earn driving privileges. This includes driver education courses, DMV tests, and a one-year provisional license period with additional restrictions. A 2013 study funded by the National Highway Transportation Safety Administration (NHTSA) found that GDL programs across the country have reduced the overall number of crashes among teen drivers up to 30 percent nationwide. However, the same study showed inexperienced 18- to 20-year-old drivers that are not covered by GDL training are involved in fatal crashes at rates up to 60 percent higher than other age groups.
  - The U.S. Centers for Disease Control and Prevention and California Department of Public Health point to motor vehicle collisions as a leading cause of death for teenagers and young adults. According to the National Highway Traffic Safety Administration (NHTSA), young drivers aged 15 to 20 accounted for nearly nine percent of drivers involved in fatal crashes in 2020 despite making up only five percent of all drivers on the road. California Highway Patrol (CHP) collision data from 2008 to 2017 similarly indicates more than 17,600 fatal or serious-injury crashes in the state involved a 15- to 20-year-old driver, representing 13 percent of all traffic fatalities in that timeframe.

SB 473 will improve the safety of California's roadways by expanding the Graduated Driver License program to include 18-20 year-old first-time drivers. This expansion will require essential driver training and education to reduce the number of serious and fatal vehicle accidents"

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2) Youth, inexperience, and driving safety. According to the Center for Disease Control (CDC), motor vehicle crashes is the leading cause of death for U.S. teens. Teen drivers aged 16 to 19 have a fatal crash rate almost three times as high as drivers ages 20 and older per mile driven. Teens are at especially high risk if they are males, driving with teen or young adult passengers, or are newly licensed. According to the NHTSA, crashes involving young drivers accounted for more than 11 percent of all 2020 traffic fatalities in California.

Teens are at such a high risk for crashes primarily due to two factors. Firstly, teens are more likely to engage in risky behavior. This results in teens being more likely to speed, drive while texting or otherwise distracted, or not use a seatbelt than older drivers. The second major reason is inexperience. Driving is a complicated task and skill that must be developed during instruction and practice. Teens are more likely to underestimate or be unable to recognize dangerous situations, and make critical errors that can lead to serious crashes. Research of teenage crash rates has shown that there is a rapid decline in crashes mere months after obtaining a license, highlighting the importance of experience in becoming a safe driver.

3) California's provisional driver's license program. One common measure to decrease crash rates among teens is through graduated driver's license (GDL) programs. These GDL programs initially restrict the driving privileges of new drivers. As those drivers gain experience and competency, the restrictions are removed, typically in three stages. Those stages begin with a learner's stage/permit, followed by an intermediate stage or provisional license, and then a full privilege license. These programs help reduce inexperience of young drivers and encourage them to avoid risky situations in the early months after being issued their license. All 50 states and the District of Columbia have some form of a GDL system in place, however, the details of the restrictions of the programs vary by state. California's current system, referred to as a provisional driver's license (PDL) program, was established in 1997 by the Brady-Jared Teen Driver Safety Act.

Under this program a new driver between the ages of 15 ½ and 17 ½ must have completed or be enrolled in a driver education course to receive an instructional permit. This permit allows them to drive a vehicle while accompanied and supervised by a parent, guardian, spouse, instructor, or licensed driver over the age of 25, for the purposes of developing their skills. They must then:

a) Hold that permit for six months;

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b) Complete their education and training course which includes at least six hours of behind-the-wheel training;

- c) Log at least 50 hours of driving with their instructional permit, 10 hours of which must be in darkness; and
- d) Pass an examination by the DMV.

After passing their examination they are issued a provisional license. A provisional licensee is prohibited from driving between 11 p.m. and 5 a.m. and transporting passengers who are under 20 years of age. This requirement does not apply if they are accompanied by their parent, guardian, driving instructor, or a licensed driver 25 years or older. A provisional licensee is also exempt from these provisions under certain circumstances, like medical necessity, schooling, or employment, as long as they carry with them a document signed by an appropriate party that specifies when the need is ended.

California has also established a PDL program for motorcycles and other motorized (non-electric) bicycles. Any applicant between 15 ½ and 18 years of age must already have a valid general driver's license or completed the required driver education and training prior to obtaining a motorcycle license. It also requires all applicants under 21 years of age to complete a specialized motorcyclist safety program. Prior to receiving a full license, anyone younger than 21 years old must first carry an instructional permit for six months, during which time they may not operate the motorcycle during hours of darkness, drive on freeways, or carry any passengers.

- 4) What's the difference in the expanded program? The PDL program proposed in this bill expands the current program from age 18 to 21. However, there are some differences the bill makes between the requirements for those under 21 and over the age 18 in recognition of the novelty of this restriction on legal adults and the increased maturity of this age group. Firstly, individuals aged 18 to 21 will only need to have an instructional permit for sixty days prior to applying for their PDL, rather than six months. Secondly, they will only be subject to the limitations of the PDL for six months after receiving their license, rather than twelve months. Finally, this bill expands the type of documents that can be used to obtain an exemption from the PDL requirements for the purposes of education or employment to include class or work schedules.
- 5) Graduated license programs save teen lives, but can increase risk for young adults. Several national studies have been performed exploring the impact of GDL programs on teen crash rates. All of these national studies reported

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significant benefits from the implementation of GDL laws, though the extent of the benefits vary between states. A 2015 meta-analysis of 14 studies indicated an overall reduction in total crashes of 16% for 16-year-old and 11% for 17-year-old drivers. However, GDL programs may also increase the crash rate for slightly older drivers, as people delay their licensure and still enter the roadways with lack of experience. A 2011 study of graduated driver licensing laws found a 26% reduction in fatal crashes of 16-year-olds, but found a 12% increases in fatal crashes for 18-year-olds in those same states. Most research has found net safety benefits for the implementation of GDL programs, even when accounting for this increase in crashes for 18-20 year old drivers.

Evidence regarding the efficacy of California's PDL program has been generally positive. A 2003 study by the DMV found no significant decrease in teen crashes generally, but a significant, though small reduction in teenage nighttime motor vehicle collisions. A 2004 academic study was more complementary, finding the overall fatal or severe injury collision rates for 16-and 17-year-old drivers significantly decreased by 28% from 1997 to 2001.

6) Teenagers are increasingly delaying getting their driver's license. According to a 2022 analysis by the news site Green Car Congress, roughly 58% of 18-year-old Americans in 2017 had a driver's license, compared to 80% in 1983. There are a variety of reasons why this might be the case; changes in culture, reduction in driver's education courses during high school, or increased access to public transportation. However, research and surveys have suggested that the primary culprit is cost- owning a car is increasingly expensive. According to a 2016 report on teen drivers from the Governor's Highway Safety Association (GHSA), a nonprofit association of state highway safety offices including California, "Numerous studies confirm that teens were negatively impacted by the recession, making the cost of owning and operating a vehicle a hardship. Additionally, if a teen's parents were impacted by the economic downturn, it was unlikely they were able or willing to subsidize these costs, further deincentivizing teen licensure." This problem has likely only grown due to increasing costs from the COVID-19 pandemic.

Delaying licensure may be more financially viable for teens, but it undercuts the benefit of the PDL program. While being older may make one less inclined to risky behavior, age on its own does not solve for inexperience, a major driver of crash rates in new drivers. A study in 2022 of drivers in Ohio showed that drivers licensed under GDL at age 16 had a significantly lower crash rate during their first year of driving than those licensed at age 18. This shows that delaying licensure alone is not sufficient to provide safety benefits. With more drivers delaying until after the requirements of the program, California will

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increasingly experience more inexperienced drivers on the road and the current PDL program will provide fewer safety benefits.

- 7) Safety benefits of expanded PDL. The solution this bill proposes is to expand the age range of the PDL. A few other jurisdictions have taken this approach: New Jersey and Washington D.C. both have GDL programs that extend until age 21 and Maryland has one that extends until age 25. Research of Maryland's program comparing it to other's states suggests it has comparative benefits at reducing the crash rates of 18-year-old-drivers. In their 2016 report on teen drivers the GHSA recommended expanding all GDL programs to include all drivers under 21 years of age.
- 8) Who will most benefit? Who will be most burdened? A major component of why teenagers are delaying licensure is cost. Research has shown that teens who are Latino, Black, or low-income are disproportionately likely to delay obtaining their license until after age eighteen. Young adults from these communities are more likely to begin their driving career without training and experience, making them more likely to crash. The sponsors of this bill argue that the safety benefits from the expanded PDL program will therefore be focused in these low-income communities.

On the other hand, the provisional licensing program comes with important restrictions and costs. If low-income young adults are primarily delaying licensure for economic reasons then these restrictions are likely to be particularly burdensome. For many young adults obtaining a license will be an important step in obtaining a job and the waiting period needed to acquire a license under PDL may delay that process. This bill makes several exemptions to the PDL program to facilitate employment and other needs. However, these exemptions do not address an important problem: behind-the-wheel driver training is expensive, running anywhere between \$300 and \$600. This is a burden that may prevent some low-income young adults from being able to obtain a license and the associated benefits. Given that teens are already delaying licensure due to costs, this expanded program seems likely to exacerbate that problem. If many young adults further delay licensure until 21 because of the burdens of the program, then the safety benefit of the expansion will not occur.

This bill does try to ameliorate this concern. It requires all driver education training programs to accept installment payments for up to 12 months, with no interest or fees, to give young adults more flexibility in paying for their education. This may help in cases where a young adult has a job lined up or

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can raise enough funds over time to pay for the training. But it doesn't remove the basic burden of paying hundreds of dollars to obtain a license before age 21.

9) Freedom of mobility. Despite attempts to increase access and ubiquity of transit and active transportation, driving remains a privilege that is very important to mobility and success in the modern world. By expanding the PDL program this bill will place restrictions on the ability of young adults to freely drive. Anyone over the age of 18 is a legal adult and has the associated rights and responsibilities. While the PDL program offers several exemptions, it does have limitations that may stymie some common uses of a car. For example, a young adult with a provisional license would be unable to pick up a spouse or a close friend from a late-night flight if they were also under 21. When a version of this bill last passed the Legislature, AB 63 (Frazier, 2017), it was vetoed by Governor Brown who said "While I understand the author's intent of needing to address factors that contribute to the unnecessary collisions and deaths of young Californians on our highways, the provisions of this bill create a burden on a segment of adult Californians that are no longer seen as a minor in the eyes of the law. Eighteen year olds are eligible to enlist in the military, vote in national, state, and local elections, enter into contracts, and buy their own car."

That being said, age-based limitations higher than 18 are not unprecedented in California. Young adults cannot purchase alcohol, tobacco, or cannabis until they reach age 21. Young adults also cannot purchase most firearms until age 21, with some exceptions such as with a valid hunting license. While not a statutory requirement, in many states including California, a young adult cannot rent a vehicle until 21 years old.

### **RELATED LEGISLATION:**

**AB 2388 (Villapudua, 2021)** – Would have expanded the PDL program from age 18 to age 21. *This bill died in the Assembly Appropriations Committee.* 

**AB 1267** (**R. Rivas, 2019**) – Would have expanded the PDL program from age 18 to age 21. *This bill died in the Assembly Appropriations Committee*.

**AB 63 (Frazier, 2017)** – Would have expanded the PDL program from age 18 to age 21. *This bill was vetoed by Governor Brown*.

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

Unknown

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POSITIONS: (Communicated to the committee before noon on Wednesday, April 5, 2023.)

# **SUPPORT:**

Advocates for Highway and Auto Safety California Association of Highway Patrolmen California Coalition for Children's Safety and Health Impact Teen Drivers Nora Rose Hines Foundation Personal Insurance Federation of California Safe Moves

### **OPPOSITION:**

None received

-- END --

### SENATE COMMITTEE ON TRANSPORTATION

### Senator Lena Gonzalez, Chair 2023 - 2024 Regular

**Bill No:** SB 580 **Hearing Date:** 4/11/2023

**Author:** Bradford **Version:** 2/15/2023

Urgency: No Fiscal: Yes

Consultant: Randy Chinn

**SUBJECT:** Schoolbuses: stop signal arm enforcement system

**DIGEST:** This bill authorizes school districts to install automated enforcement systems on schoolbusses to enforce the requirement that vehicles must stop at stopped schoolbusses. Violations are subject to civil penalties of \$300 and are not a crime.

### **ANALYSIS:**

### Existing law:

- 1) Requires the driver of any vehicle, upon meeting or overtaking, from either direction a schoolbus that has stopped for the purpose of loading or unloading schoolchildren and displays a flashing red light signal and stop sign arm, to stop the vehicle immediately before passing the schoolbus and shall not proceed until the flashing red light signal and stop signal arm cease operation. The driver of a vehicle upon a divided highway or multiple-lane highway need not stop if they approach from the opposite direction. (Vehicle Code Section 22454)
- 2) Establishes the penalty for illegally passing a stopped schoolbus as a fine of not less than \$150 for a first offense, not less than \$500 for a second offense, and loss of driving privileges for one year for a third offense occurring within three years of the prior offenses. (Vehicle Code Section 22454.5) Each offense counts as one point against the driver's record. (Vehicle Code Section 12810)
- 3) Requires a school bus driver, upon approaching a school bus stop, to activate an approved amber warning light system beginning 200 feet before the school bus stop. (Vehicle Code Section 22112)

- 4) Requires a school bus driver to escort all students up through eighth grade who need to cross the highway. The driver shall use an approved, hand-held stop sign. (Vehicle Code Section 22112)
- 5) Authorizes the driver of a schoolbus who witnesses a vehicle illegally passing a stopped schoolbus to, within 24 hours, report the violation and furnish the vehicle license plate number and other details of the violation to the local law enforcement agency having jurisdiction who will issue a warning letter. (Vehicle Code Section 22454)

### This bill:

- 1) Authorizes school districts to install and operate cameras for automated enforcement of the law requiring drivers to stop for schoolbusses.
- 2) Requires the school district, or its contractor, within 30 days after an alleged violation is captured, to submit a copy of the recorded image showing the offending vehicle, the license plate of the vehicle, and the date, time and place of the alleged violation to an authorized law enforcement agency.
- 3) Requires the agency to review whether there is sufficient evidence that a violation occurred and, if so, certify a notice of violation, and the rebuttable presumption that the registered owner of the vehicle was the driver at the time of the violation.
- 4) Requires that the notice of violation shall be sent by first class mail within 30 days of the agency receiving the evidence of a violation, and that mailing the notice of violation constitutes notification. Contesting the violation must occur within 30 days or the right to contest is waived.
- 5) Provides that a violation of the requirement to stop for a schoolbus is not a crime and does not count against a driver's record.
- 6) Establishes that the violation is a civil penalty of \$300 of which \$250 goes to the school district associated with the school bus, \$25 goes to the law enforcement agency that issued the citation, and \$25 goes to the Safe Kids Safe Streets Fund to pay for home-to-school transportation. Nonpayment of the penalty shall result in the nonrenewal of the vehicle registration.
- 7) Narrows the law regarding when drivers need not stop for a schoolbus when coming from the opposite direction on divided highways to only divided highways where the division is an elevated barrier or unpaved median.

8) Requires, to the extent practicable, that the cameras do not identify the driver, any passenger, or the contents of the vehicle. The images from the cameras may only be used to document violations of the schoolbus stop requirement and shall be destroyed within 90 days. The images are confidential and shall not be sold.

### **COMMENTS:**

- 1) *Author's Statement*. "SB 580 encourage drivers to stop in order to cut down the number of children struck or endangered by violators of the school bus stop law. The fact that children today are struck by drivers who do not follow the law indicates that more needs to be done to enforce it to keep children safe. This bill provides school districts with another tool to ensure children are safe inside both school and its vicinity."
- 2) *Is There a Problem?* The National Highway Transportation and Safety Administration (NHTSA) provides nationwide data on schoolbus accidents. They report that in school transportation related crashes, from 2011 through 2020 there were an average of 18 children struck by vehicles annually in the United States, and 12 of those 18 were struck by the schoolbus<sup>1</sup>. California statistics show even fewer accidents. From 2013 through 2021 the California Highway Patrol reports no fatal collisions and an average of 1 injury per year. The lack of injuries may be due to current law which requires schoolbus drivers to escort children through 8<sup>th</sup> grade across streets, establishes safe stopping protocols, and provides schoolbus drivers with additional training. Given the evidence there seems to be little need for this bill.
- 3) *Bad Incentives?* This bill creates a \$300 civil penalty of which \$250 goes to the school district and \$25 goes to the law enforcement agency issuing the notice of violation, creating a strong incentive for those districts to install the automated enforcement systems and for law enforcement agencies to issue violations.
- 4) *Enforcement Issues*. Unlike red light violations, where violations are clear, the requirement to stop for a schoolbus is much less so, which raises numerous questions regarding enforcement. To ensure that following vehicles can stop safely, state law requires that the bus driver must first warn drivers that he is about to stop by activating an amber warning light 200 feet in advance. Is there a violation if the warning lights weren't activated properly? Also, where the vehicle must stop isn't clear: Is it before passing the rear bumper if coming

<sup>&</sup>lt;sup>1</sup> NHTSA National Center for Statistics and Analysis; Traffic Safety Facts -- School-Transportation Related Crashes.

from behind and the front bumper if coming in the opposite direction? What about on divided highways? Are the cameras accurate at that distance? And did the bus driver retract the stop sign and turn off the warning lights after the kids had crossed, or was it left on inadvertently for a few moments? While a law enforcement officer would be able to make these judgements in real time, this may be too complex for an automated enforcement system to fairly administer.

- 5) *Not a Crime*. Under this bill, passing a stopped schoolbus is no longer a crime so violations do not count against a driver's record. Moreover, law enforcement officers witnessing a violation cannot cite the driver.
- 6) Wrong Direction. The Legislature has changed laws so that relatively minor offenses don't lead to potential life-changing consequences, like the loss of a vehicle or driver's license. This bill moves in the opposite direction as it provides that if the civil penalty is not paid then the vehicle registration cannot be renewed.
- 7) *Equity*. Use of video enforcement systems could raise equity issues if, for example, they were only deployed in lower income neighborhoods. The bill is silent on whether equity should be considered when a school district chooses bus routes on which to deploy these automated systems.

Note that schoolbus usage varies widely among districts. Unfortunately, state data on schoolbus deployment is old. The most recent data is from 2012-13 and shows that rural school districts tend to have relatively more schoolbusses. In absolute numbers, the larger districts in the San Joaquin Valley, such as those in Kern, Fresno and Bakersfield, have several hundred school busses. But the district with the most schoolbusses by far is the Los Angeles Unified School District with 1080.

### **RELATED LEGISLATION:**

**SB 111 (Newman, 2021)** – Authorized automated enforcement of school bus stopping requirements. *This bill died in the Senate Transportation Committee*.

**AB 2084 (Jones-Sawyer, 2022)** -- Authorized automated enforcement of school bus stopping requirements. *This bill died in the Assembly Transportation Committee*.

**SB 371 (Caballero, 2019) --** Authorized a school bus video enforcement system. *This bill died in the Senate Appropriations Committee.* 

**AB 852** (Caballero, 2018) — Authorized a school bus video enforcement system. *This bill died in the Senate Transportation Committee*.

**AB 2360 (Alejo, 2016)** — Authorized a school bus video enforcement system. *This bill died in the Assembly Transportation Committee*.

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

Unknown

POSITIONS: (Communicated to the committee before noon on Wednesday, April 5, 2023.)

### **SUPPORT:**

Move LA
The San Fernando Valley Young Democrats
Visalia Unified School District

### **OPPOSITION:**

California Association of Highway Patrolmen Oakland Privacy Safer Streets LA

### SENATE COMMITTEE ON TRANSPORTATION

# Senator Lena Gonzalez, Chair 2023 - 2024 Regular

**Bill No:** SB 606 **Hearing Date:** 4/11/2023

**Author:** Alvarado-Gil

**Version:** 4/10/2023 Amended

Urgency: No Fiscal: Yes

Consultant: Jacob O'Connor

**SUBJECT:** State highways: State Route 203: reduction

**DIGEST:** This bill authorizes the California Transportation Commission to relinquish to the Town of Mammoth Lakes all or a portion of Route 203 within its jurisdiction.

### **ANALYSIS:**

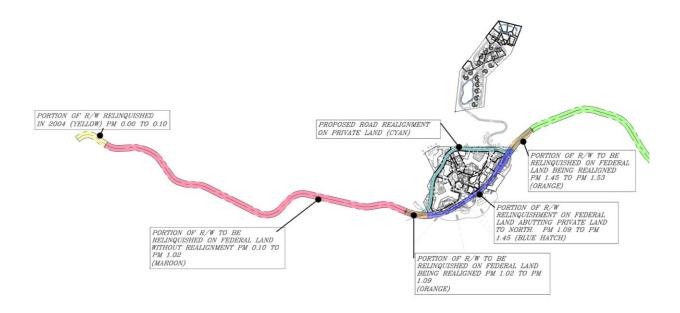
### Existing law:

- 1) Defines a "state highway" as any roadway that is acquired, laid out, constructed, improved, or maintained as a state highway pursuant to constitutional or legislative authorization. (Streets and Highways Code (SHC) §24)
- 2) Statutorily identifies state highway system routes through a description of segments of the state's regional and interregional roads that are owned and operated by the Department of Transportation (Caltrans). (SHC Article 3)
- 3) Defines Route 304 as from the Mono county line near Minaret Summit to Route 395. (SHC §503)
- 4) Specifies that it is the intent of the Legislature that the prescribed routes of the state highway system connect communities and regions of the state and that they serve the state's economy by connecting centers of commerce, industry, agriculture, mineral wealth and recreation. (SHC §300)
- 5) Allows the relinquishment of portions of state highways to local government control through a statutory process requiring the CTC to make findings that it is in the best interest of the state to include or delete a specified portion of roadway from the system. (SHC §73)

This bill authorizes the California Transportation Commission (CTC) to relinquish to the Town of Mammoth Lakes all or a portion of Route 203 within its jurisdiction relinquishment if the city and Caltrans enter into an agreement providing for the relinquishment.

### **COMMENTS:**

- 1) *Purpose of bill.* According to the author, "SB 606 will support economic development, improve traffic circulation, and preserve public access to natural resources in Mono County by relinquishing a portion of State Route 203 to the Town of Mammoth Lakes."
- 2) *Relinquishments*. Each session, the Legislature passes and the governor signs numerous bills authorizing CTC to relinquish segments of the state highway system to local jurisdictions. Relinquishment transactions are generally preceded by a negotiation of terms and conditions between the local jurisdiction and Caltrans. Once an agreement has been established, CTC typically approves the relinquishment and verifies its approval via a resolution.
- 3) Route 203. Route 203 stretches west to east between Minaret Summit and U.S Route 395 in Mono County. The Route passes through the town of Mammoth Lakes, connecting it to the U.S. route and rural communities to the west. Minaret Summit receives significant snowfall in the winter and the highway is usually closed during the winter between the Summit and the Mammoth Mountain Ski Area.
- 4) A Mammoth undertaking. This bill is primarily supported by the town of Mammoth Lakes and the Mammoth Mountain Ski Area, a 20-acre recreational development. The Ski Area is undergoing a redevelopment project. As part of this project the Area plans to build a new road that will be on the southern side of the lodge that will give visitors access to both sides of the lodge (see proposed plan below). This plan also includes building a new transit hub at the base of the lodge to make it more accessible to public transit and improve traffic circulation in the community. In order to do this, they need to make an addition to and diversion of the existing route, requiring relinquishment.



### **RELATED LEGISLATION:**

None

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

Unknown

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April, 5, 2023.)

### **SUPPORT:**

None received

### **OPPOSITION:**

None received

### SENATE COMMITTEE ON TRANSPORTATION

# Senator Lena Gonzalez, Chair 2023 - 2024 Regular

**Bill No:** SB 617 **Hearing Date:** 4/11/2023

**Author:** Newman

**Version:** 3/30/2023 Amended

Urgency: No Fiscal: Yes

**Consultant:** Melissa White

**SUBJECT:** Public contracts: progressive design-build: local and regional

agencies

**DIGEST:** This bill authorizes transit agencies, as specified, and regional transportation planning agencies (RTPA)s, as specified, to utilize progressive design-build procurement method, through January 1, 2029.

### **ANALYSIS:**

### Existing law:

- 1) Authorizes, until January 1, 2029, local agencies, defined as any city, county, city and county, or special district that provide for the production, storage, supply, treatment, or distribution of any water from any source, to use the progressive design-build process, as specified, for up to 15 public works projects each over \$5 million.
- 2) Defines "progressive design-build" as a project delivery process in which both the design and construction of a project are procured from a single entity that is selected through a qualifications-based selection at the earliest feasible stage of the project.
- 3) Authorizes, until January 1, 2025, the Department of General Services, the Department of Corrections and Rehabilitation, transit agencies, and local agencies, as defined, to use the design-build procurement process for specified public works projects.
- 4) Provides that the California Department of Transportation (Caltrans) has full possession and control of all state highways.
- 5) Authorizes Caltrans to utilize design-build procurement for up to 10 projects on the state highway system, and an additional 6 projects per fiscal year in the

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2022-23 and 2023-24 fiscal years, based on either best value or lowest responsible bid, and sunsets this authority on January 1, 2034.

- 6) Authorizes RTPAs to utilize design-build procurement for an unlimited number of projects on or adjacent to the state highway system and expressways and sunsets this authority on January 1, 2034.
- 7) Requires Caltrans or its consultants perform construction inspection services for any design-build project on or where a project interfaces with the state highway system and sunsets this authority on January 1, 2034.

### This bill:

- 1) Expands the definition of a "design-build project" for the purposes of utilizing progressive design-build procurement method, as specified, for projects beyond those related to water facilities.
- 2) Expands the definition of "local agencies" to authorize transit agencies, as specified, and RTPA's, as specified, to utilize progressive-design-build procurement method.
- 3) Stipulates that the progressive design-build authorization included in the bill does not include the authority to perform construction inspection services for projects on, or interfacing with, the state highway system.

### **COMMENTS:**

- 1) Purpose of the bill. According to the author, "As the federal government prepares to disburse the largest federal infrastructure investment in over a generation under the Infrastructure Investment and Jobs Act, it is incumbent that California grant transportation agencies the necessary flexibility to utilize an alternative contracting method which reduces risk, stretches taxpayer dollars, and renders projects more competitive in qualifying for federal funding. The passage of SB 617 will grant transportation agencies the choice of using the PDB contracting method on capital projects where agencies deem it most appropriate."
- 2) What is Design-Build? Design-build refers to a procurement and project delivery method in which both the design and construction of a project are procured from a single entity. Design-build differs from the traditional design-bid-build contracting method whereby work on a project is divided into two separate phases: design and construction. Under design-bid-build, the

sponsoring government agency is responsible for the design of the project, either by designing the project itself or by contracting with a private entity to do so. When designs are completed, the agency solicits bids from the construction industry and hires the responsible low bidder to build the project. Design-build combines these two phases into a single, comprehensive contract. Design-build is used to minimize risks for the project sponsor and to reduce the delivery schedule by overlapping the design phase and construction phase of a project.

3) Design-Build for transportation projects in California. For over 10 years, California's transportation agencies have had the ability to utilize the design-build procurement method, with some restrictions. Specifically, SB 4 (Cogdill, Second Extraordinary Session, Chapter 2, Statutes of 2009), authorized Caltrans to utilize design-build procurement for 10 state highway, bridge, or tunnel projects. Additionally, it authorized local transportation agencies to utilize design-build on five local street or road projects within the jurisdiction of the agency, if approved by the California Transportation Commission (CTC).

To continue the use of design-build, the Legislature approved AB 401 (Daly, Chapter 586, Statutes of 2013), which authorized Caltrans to use design-build procurement for an additional 10 projects on the state highway system, and provided RTPAs with unlimited authority to use design-build procurement for projects on or adjacent to the state highway system and expressways. AB 401 also assigned Caltrans the responsibility to oversee the construction inspection of projects on or interfacing with the state highway system. AB 1499 (Daly, Chapter 212, Statutes of 2021), further extended this authority for both Caltrans and RTPAs until January 1, 2034.

Transit agencies, along with other state and local agencies, and special districts, have authorization, until January 1, 2025, to use the design-build method for contracts in excess of \$1 million to procure both design and construction services. In 2014, the Legislature consolidated various provisions authorizing design-build for various state and local agencies into consistent, generally-applicable statutes by approving SB 785 (Wolk, Chapter 931, Statues of 2014).

4) What is Progressive Design-Build? Progressive design-build is a more recent variant on traditional design-build contracting. The progressive design-build model generally includes two phases. In the first phase, the sponsoring government agency uses a best value process to select a design-build entity who completes preliminary plans and preconstruction services necessary to provide a cost estimate and final design proposal. The project then "progresses" to the second phase of the project, where the sponsoring agency and the design-build entity agree to a final design, project cost, and schedule. If they cannot agree,

there is an "off ramp" between the two phases where the sponsoring agency can pursue other options, but still benefit from having the first phase work complete. This is different from traditional design-build where the awarding entity contracts with a single entity to design and construct a project at a set price before design work begins, and without a similar off ramp.

AB 137 (Committee on Budget, Chapter 77, Statutes of 2021) gave some state agencies, not Caltrans, the authority to use progressive design-build with Department of Finance and the State Public Works Board approval. Additionally, last year, the Legislature authorized the use of progressive design-build for certain local agencies for the delivery of water projects. Specifically, SB 991 (Newman, Chapter 243, Statutes of 2022), authorizes, until January 1, 2029, local agencies that provide for the production, storage, supply, treatment, or distribution of water to use progressive design-build for up to 15 specified water projects each over \$5 million. The bill outlined the progressive design-build procurement process that eligible local agencies must use:

- a) The local agency must prepare a request for qualifications to select a designbuild entity to complete the project with specified information;
- b) At the close of the solicitation period, the local agency must review the submissions based solely upon the information provided in the statement of qualifications. The local agency may also interview any of the design-build entities;
- c) Upon issuing a contract award, the local agency must publicly announce the award, the design-build entity, and the basis for the award;
- d) The local agency must develop guidelines to prevent conflicts of interest; and
- e) The local agency must develop a standard form of payment and performance bond for its design-build projects.

After selecting a design-build entity, the local agency can enter into a contract to begin design and preconstruction activities to establish a guaranteed maximum price for the project. Once the local agency has agreed to a guaranteed maximum price with the design-build entity, it has the sole discretion to amend the contract as necessary to complete the project. In the event of unforeseen site conditions, the local agency can amend its contract with the design-build entity. If the costs for completing the project exceed the guaranteed maximum price, these excess costs become the design-build entity's

responsibility. If the cost for these activities are less than the guaranteed maximum price, the design-build entity is not entitled to the difference unless there is prior written agreement concerning the sharing of these funds. If the local agency and the design-build entity do not reach agreement on a guaranteed maximum price, or the local agency otherwise elects not to amend the design-build entity's contract to complete the remaining work, the local agency can solicit proposals to complete the project from other entities.

SB 991 also requires that local agencies who use this progressive design-build authority to, no later than January 1, 2028, submit a report to the Legislature on the use of the methodology. This report must include specified information on these projects, the bidding process, subcontractors used, and assess the project's performance.

5) Expanding Progressive Design-Build to transportation agencies. SB 617 would expand the existing authority for progressive design-build for the delivery of water projects to transportation agencies for any type of project. Specifically, all RTPAs and transit agencies, as defined, would be able to use progressive design-build for up to 15 projects over \$5 million each. As SB 991 only went into effect on January 1, 2023, it does not appear that any local agency has had the opportunity to use the authority. A report is not due to the Legislature until 2028 for review prior to possibly extending the authorization past 2029. Is it too soon to extend the authority to transportation agencies? Is it needed?

As noted by the author, the recent passage of the Infrastructure Investment and Jobs Act (IIJA, P.L. 117-58), authorizes \$567 billion in spending through FY 2026 for federal transportation programs to support highway, transit, and rail investments. California is expected to receive roughly \$42 billion in formula funds alone. An additional \$100 billion is available for transportation capital projects in the form of competitive grants. This historic funding provides significant opportunities for California's RTPA's and transit agencies. Supporters of the bill contend that under design-build, significant project savings have been realized, and that the use of progressive design-build will provide "another tool in the tool box" that public agencies can use to deliver needed projects.

Writing in support, Transportation California notes, "The flexibility that progressive design build authority provides will ensure that our transportation agencies will have a contracting method that has been demonstrated to reduce risk, maintain or reduce delivery timelines and most importantly, give

California projects a better qualifying opportunity to compete for federal funding."

6) *Keeping it consistent*. In addition to transportation agencies, other local entities are also interested in utilizing progressive design-build. SB 706 (Caballero) would expand the current authorization to all local agencies, meaning cities, counties, and special districts for any type of project. Should both bills move forward, the author may want to coordinate efforts to ensure the key safeguards from SB 991 are preserved and the authorization is consistent.

### **RELATED/PREVIOUS LEGISLATION:**

**SB 706** (**Caballero**) – Would authorize cities, counties, and special districts to use progressive design-build for any project. The bill would require a report to the Legislature by December 31, 2028. *This bill is pending in the Senate Appropriations Committee*.

**SB 991 (Newman, Chapter 243, Statutes of 2022)** – Authorized local agencies that provide water service to use progressive design-build for 15 projects over \$5 million each.

SB 198 (Committee on Budget and Fiscal Review, Chapter 71, Statutes of 2022) – Authorized Caltrans to utilize design-build method of procurement for an additional 6 projects per fiscal year for the 2022-23 and 2023-24 fiscal years.

**AB 137 (Committee on Budget, Chapter 77, Statutes of 2021)** – Authorized some state agencies the authority to use progressive design-build, up to 3 public works projects, with Department of Finance and the State Public Works Board approval.

**AB 1499** (**Daly, Chapter 212, Statutes of 2021**) – Extended the sunset date from January 1, 2024 to January 1, 2034 for Caltrans and RTPAs to use the design-build procurement method for transportation projects in California.

SB 785 (Wolk, Chapter 931, Statues of 2014) – Authorized, until January 1, 2025, the Department of General Services, the Department of Corrections and Rehabilitation, and local agencies, as defined, to use the design-build procurement process for specified public works.

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

Unknown

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POSITIONS: (Communicated to the committee before noon on Wednesday, April 5, 2023.)

# **SUPPORT:**

Self-Help Counties Coalition (Sponsor)
Associated General Contractors of California
California Special Districts Association
Orange County Transportation Authority
Riverside County Transportation Commission (RCTC)
Transportation Agency for Monterey County (TAMC)
Transportation California

# **OPPOSITION:**

None received

### SENATE COMMITTEE ON TRANSPORTATION

# Senator Lena Gonzalez, Chair 2023 - 2024 Regular

**Bill No:** SB 689 **Hearing Date:** 4/11/2023

**Author:** Blakespear **Version:** 3/20/2023

Urgency: No Fiscal: Yes

Consultant: Jacob O'Connor

**SUBJECT:** Local coastal program: conformity determination

**DIGEST:** This bill would require that any project within or consistent with a bicycle transportation plan or that is solely intended to restripe a street or highway for the purpose of relieving traffic congestion shall be deemed consistent and in conformity with any applicable certified local coastal program.

#### **ANALYSIS:**

### Existing law:

- 1) Pursuant to the California Coastal Act of 1976, (Coastal Act) (Public Resources Code (PRC) §§30000 et seq.) establishes the California Coastal Commission (Coastal Commission) in the California Natural Resources Agency.
- 2) Includes legislative findings and declarations that the goals of the state for the coastal zone are to: (PRC §30001.5)
  - a) Protect, maintain, enhance, and restore the overall quality of the coastal zone environment and its natural and artificial resources;
  - b) Ensure orderly, balanced utilization and conservation of coastal zone resources;
  - c) Maximize public access to and public recreational opportunities in the coastal zone consistent with resources conservation principles and rights of private property owners;
  - d) Ensure priority for coastal-dependent and coastal-related development over other development on the coast;

- e) Encouraging state and local initiatives and cooperation in to implement coordinated planning and development for mutually beneficial uses; and
- f) Anticipate, assess, plan for, and minimize or mitigate adverse environmental and economic effects of sea level rise.
- 3) Requires each local government in the coastal zone to prepare a local coastal program (LCP) for that portion of the coastal zone within its jurisdiction, as provided. Requires the precise content of each LCP to be determined by the local government in full consultation with the Coastal Commission and full public participation. (PRC §30500)
- 4) Requires a person planning to perform or undertake any development in the coastal zone to obtain a coastal development permit (CDP) from the commission or local government enforcing a certified LCP. (PRC §30600)
- 5) Prohibits the commission from exercising its review authority over any new development within the area to which the certified LCP, or any portion thereof, applies. (PRC §30519)
- 6) Pursuant to the California Bicycle Transportation Act of 1993 (Vehicle Code §890-892) requires the California Department of Transportation (Caltrans) to establish minimum safety design criteria for the planning and construction of bikeways and roadways where bicycle travel is permitted.
- 7) Authorizes a city or county to prepare a bicycle transportation plan which shall at least include:
  - a) The estimated number of existing bicycle commuters in the plan area and the estimated increase in the number of commuters;
  - b) A map and description of existing and proposed land use, bikeways, bicycle parking facilities, and facilities for changing and storing clothes and equipment;
  - c) A description of bicycle safety and education programs, efforts by law enforcement to enforce bicycle operation rules, and the resulting effect on accidents involving bicyclists;
  - d) A description of the extent of citizen and community involvement in the development of the plan; and

- e) A description of how the plan has been coordinated and is consistent with other transportation, air quality, or energy conservation plans.
- 8) Exempts from the California Environmental Quality Act projects in an active transportation plan, a pedestrian plan, or a bicycle transportation plan for the restriping of streets and highways, bicycle parking and storage, signal timing to improve street and highway intersection operations, and the related signage for bicycles, pedestrians, and vehicles. (PRC §2108.20)
- 9) Requires the legislative body of a city or county to adopt a comprehensive general plan that includes various elements, including a circulation element. (Government Code (GOV) §§65100 et seq.)
- 10) Requires a local legislative body, upon any substantive revision of the circulation element, to modify it to plan for a balanced, multimodal transportation network. (GOV §65302)

#### This bill:

- 1) Declares that any project contained within, or consistent with, a bicycle transportation plan shall be deemed consistent, and in conformity, with any applicable certified local coastal program.
- 2) Declares that any project that is solely intended to restripe a street or highway for the purpose of relieving traffic congestion shall be deemed consistent, and in conformity, with any applicable certified local coastal program.

#### **COMMENTS:**

- 1) *Purpose of bill.* According to the author "SB 689 will help ensure that sustainable transportation projects are not unnecessarily delayed. The climate crisis we find ourselves in demands a comprehensive approach that eliminates bureaucratic hurdles and facilitates transportation projects to meet the State's climate goals. SB 689 builds on prior legislation by recognizing the inherent environmental benefits of bicycle and restriping projects and declares those projects consistent with local coastal plans."
- 2) Protecting the unique environment of California's coast. The Coastal Commission was established by Proposition 20 passed by the voters in 1972. The Legislature later made the Coastal Commission permanent through the adoption of the California Coastal Act of 1976. The Commission plans for and

regulates the use of land and water in the coastal zone (which excludes the San Francisco Bay). The Coastal Commission's mission statement states that it "is committed to protecting and enhancing California's coast and ocean for present and future generations." The Coastal Commission does so "through careful planning and regulation of environmentally sustainable development, rigorous use of science, strong public participation, education, and effective intergovernmental coordination."

Development activities in the coastal zone generally require a coastal development permit (CDP) from the Coastal Commission. Alternatively, a local government may develop a local coastal program (LCP). Once the LCP is certified by the Coastal Commission, the local government becomes the permitting body for developments within the area of the LCP. Development is broadly defined to include construction of buildings, divisions of land, and activities that change the intensity of use of land or public access to coastal waters. When reviewing or approving a CDP or LCP, the Coastal Commission considers factors such as protecting the natural resources of the coast, maximizing public access to the coast, prioritizing coastal-related development along the coast over other projects, and mitigating the effects of sea-level rise. Applications for a CDP can cost thousands of dollars, depending on the type of development being undertaken. As part of approving a CDP or LCP the Coastal Commission may require mitigation activities.

3) Planning for bicycle usage. In 1971 the Legislature passed the Transportation Development Act which used state sales tax to provide funding for improving public transportation services and encouraging regional transportation coordination. This Act made new funds available to counties and cities for capital improvements for bicycles and pedestrians. These funds caused cities and counties to build bikeways at a new pace. Unfortunately, many of these early bikeways were ill-conceived, being too narrow or poorly placed. Lessons from these implementation missteps led to the development of Caltrans' Bikeway and Planning Design Criteria Manual and an appreciation of the importance of integrating bicycle projects into larger local development plans.

Today, there are many state and federal programs focused on the development of bicycling and other forms of active transportation. These programs commonly require projects to be included in a bicycle plan to be eligible for funding. The California Bicycle Transportation Act (1994) requires all cities and counties to have an adopted bicycle plan in order to qualify to apply for the Bicycle Transportation Account funding source. Caltrans plays an oversight and review role for the Transportation Equity Act for the 21st Century (TEA-21), which created funding programs for bicycle projects that are approved by a

bicycle plan. The Complete Streets Act of 2008, required that all major revisions to a city or county's Circulation Element of their general plan include provisions for the accommodation of all roadway users, including bicyclists and pedestrians.

These bicycle plans serve as policy documents to guide the development and maintenance of the local government's bicycle network. This includes factors like which roadways bicycles have the right to use, what support facilities exist, and what non-infrastructure programs exist to support safe bicycle use. In addition to these narrow, bicycle-specific elements, a bicycle plan must also include a description of how the plan has been coordinated and is consistent with other transportation, air quality, or energy conservation plans.

4) Riding roughshod over the coast. Bicycle plans are not evaluated and designed with the same set of criteria and environmental focus as LCPs. Critically, a bicycle plan requires no specific environmental impact assessment for included projects. By requiring that any project in a bicycle plan is deemed consistent with a LCP this bill would effectively remove the oversight and review of the Coastal Commission from any bike-related project being built in their jurisdiction.

A similar exemption to the Coastal Act has been made recently, as part of SB 197 (Committee on Budget and Fiscal Review, Chapter 70, Statutes of 2022) which took several actions to implement housing related provisions of the Budget Act of 2022. This included specifying that projects receiving funds to provide housing for individuals experiencing or at risk of homelessness shall be deemed consistent and in conformity with any applicable local plan and any applicable coastal plan. Though, the stakes between finishing housing for the homeless and an element of a bicycle plan are not quite the same. Specific elements of bicycle plans, including restriping, bicycle parking and storage, signal timing, and signage, have also been exempted from review under the California Environmental Quality Act (CEQA). However a CEQA analysis does not include the same considerations required under the Coastal Act. It's important to note that by passing Proposition 20, the voters of California identified the coastal zone of being deserving of special attention and care.

Exempting bicycle transportation plans from the Coastal Act will doubtlessly save on costs and time for bicycle-related projects, but also may result in the approval of projects that have negative impacts on the coast. For example, installing a new bike path necessarily requires disruption of nearby flora and fauna. While the increase in bicycle use may improve overall air quality, if there is a corresponding decrease in vehicle use, the increased bicycle traffic

may disrupt an ecosystem unique to a particular region. The Coastal Commission has the expertise and mandate to recognize and evaluate such a risk, while a bicycle plan and a local agency would not. Even in cases where environmental benefits seem clear and coastal disruption may seem minimal the Coastal Commission's oversight may provide useful information. For example, if restriping a highway to add a bike path, it seems likely that there would be air quality and traffic benefits with no cost. However, installing a bike line would take time and disrupt traffic along that stretch of road. If the Coastal Commission has approved development nearby because the bicycle plan was implemented without their knowledge, the two projects could conflict, causing delays and increasing costs. Additionally, the elimination of parking along a road by the restriping of that road could limit access to the coast, which is a priority of the Coastal Act.

- 5) Working in tandem. There is no reason that a bicycle plan and a LCP need to conflict with each other. They both have the overall goal of allowing agencies to align their long-term planning with environmental and other priorities. If a bicycle plan aligns with a LCP then it could be included in the LCP, which would make all components of it consistent with the Coastal Act and make permitting of those projects swifter. Furthermore, integrating a bicycle plan into the LCP will make it easier for the Commission or local governments to direct mitigation measures relating to coastal development to elements of the bicycle plan. The committee and author may wish to consider amending the bill to instead facilitate the inclusion of bicycle plans in the LCP while directing the coastal commission to additionally prioritize bicycle, pedestrian, and transit access when considering approving submitted bicycle plans. Due to time constraints, these amendments will be taken in the Senate Committee on Natural Resources and Water.
- 6) *Double referral*. This bill has been double referred to the Senate Committee on Natural Resources and Water.

### **RELATED LEGISLATION:**

SB 197 (Committee on Budget and Fiscal Review, Chapter 70, Statutes of 2022) – Among other provisions, specified projects receiving funds to provide housing for the homeless shall be deemed consistent and in conformity with any applicable coastal plan.

**SB 288 (Wiener, Chapter 200, Statutes of 2020)** – Exempted, various transit-related projects such as pedestrian and bicycle facilities projects from CEQA until 2023.

**SB 922 (Wiener, Chapter 987, Statutes of 2022)** – Expanded the authority of SB 288 and extended the sunset until 2030.

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

Unknown

POSITIONS: (Communicated to the committee before noon on Wednesday, April 5, 2023.)

# **SUPPORT:**

None received

### **OPPOSITION:**

New Livable California dba Livable California

# SENATE COMMITTEE ON TRANSPORTATION

# Senator Lena Gonzalez, Chair 2023 - 2024 Regular

**Bill No:** SB 720 **Hearing Date:** 4/11/2023

**Author:** Stern

Version: 3/30/2023 Amended

Urgency: No Fiscal: Yes

Consultant: Randy Chinn

**SUBJECT:** Aviation: airports: report: emissions

**DIGEST:** This bill requires 1) airports to report to Caltrans and the California Air Resources Board (CARB) on their efforts to achieve net zero greenhouse gas (GHG) emissions; 2) airports with high volumes of low capacity private flights in disadvantaged communities shall also report their efforts to mitigate harms to those communities; and 3) Caltrans shall consider adopting regulations on airports to address their deficiencies in reducing GHG emissions and mitigating environmental harms.

#### **ANALYSIS:**

## Existing law:

- 1) Establishes the California Air Resources Board (CARB) as the air pollution control agency in California and requires CARB to control emissions from a wide array of mobile sources. (Health and Safety Code Section 39500 et seq.)
- 2) Requires CARB to ensure that statewide greenhouse gas emissions are reduced to at least 40% below 1990 levels by December 31, 2030. (Health and Safety Code Section 38566)
- 3) Recognizes the authority of the federal government to regulate the operation of aircraft and to control the use of the airways. (Public Utilities Code Section 21240)
- 4) Requires Caltrans to encourage, foster, and assist in the development of aeronautics in this state and encourage the establishment of airports and air navigation facilities. (Public Utilities Code Section 21241)

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5) Authorizes Caltrans to establish regulations and procedures and establish minimum standards consistent with and clearly within the scope of federal legislation governing aeronautics. (Public Utilities Code Section 21243)

6) Authorizes Caltrans to issue airport site approval permits. (Public Utilities Code Section 21662)

Existing federal law prohibits a state from enacting or enforcing a law relating to the price, route or service of an air carrier. (49 USC 41713)

#### This bill:

- 1) Requires airports to report to Caltrans and CARB the regulations, incentives, or other measures the airport is deploying or facilitating to achieve net zero greenhouse gas (GHG) emissions.
- 2) Requires airports with a high volume of private flights and low passenger capacity located in disadvantaged communities to report to Caltrans and CARB on its efforts to mitigate environmental justice, air quality, and other impacts on neighboring communities.
- 3) Requires Caltrans, in coordination with CARB, to consider adopting regulations to address deficiencies in the airports' efforts to reduce GHG emissions or mitigate their environmental justice or air quality impacts.

#### **COMMENTS:**

- 1) *Purpose*. The author has introduced this bill to incentivize using appropriate sized planes for the passenger's needs and combining flights where possible.
- 2) *Background*. California has 241 airports ranging in size from major international airports like Los Angeles International to local airfields used solely for firefighting. California also has several hundred heliports.
- 3) *No Authority*. Federal law limits states' authority to regulate the operation of airplanes. While the author's concern may be well-considered, the state does not have authority to do what he wishes, at least with regard to aircraft. As California's air quality regulator, CARB advocates at federal agencies for stronger aircraft standards for smog-causing pollution and greenhouse gases. CARB has some authority to regulate airport operations and has done so with ground support equipment and airport transit vehicles at airports.

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4) *Bad Fit.* Caltrans helps with airport land use planning, publishing the California Airport Land Use Planning Handbook which establishes statewide guidelines for airport land use compatible planning. It also conducts airport safety and permit compliance inspections. But Caltrans is not a regulatory agency. It does not have the personnel, expertise or processes to establish regulations on GHG emissions. The development of regulations to reduce GHG and improve air quality is better housed at CARB or the local air quality management districts who are already charged with that responsibility.

5) *Don't Be Selfish*. The intent of the bill is to discourage the inefficient use of private planes by ensuring they didn't fly only fractionally full. This became an issue as some celebrities unwisely overshared their extravagant flying habits. Disapproval and shame was the result. This bill addresses the issue by requiring airports located in disadvantaged communities with a high volume of private flights that are only partially filled to report on their efforts to mitigate their environmental harm. This raises an enforcement question as airports may not know how full a given airplane is. And while casual overuse of airplanes may seem offensive or selfish, it is not a huge greenhouse gas emission problem. CARB's 2020 emission inventory notes that aviation, which includes commercial and private aircraft, produces just 0.8% of California's GHG emissions.

#### **RELATED LEGISLATION:**

**AB 1322** (**Rivas; 2022**) – This bill would have required CARB to develop a plan to incentivize sustainable aviation fuel. *This bill was vetoed by Governor Newsom*.

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

Unknown.

POSITIONS: (Communicated to the committee before noon on Wednesday, April 5, 2023.)

#### **SUPPORT:**

None received.

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# **OPPOSITION:**

Association of California Airports California Airports Council National Air Transportation Association

-- END --

# SENATE COMMITTEE ON TRANSPORTATION

# Senator Lena Gonzalez, Chair 2023 - 2024 Regular

**Bill No:** SB 827 **Hearing Date:** 4/11/2023

**Author:** Glazer **Version:** 2/17/2023

Urgency: No Fiscal: Yes

**Consultant:** Melissa White

SUBJECT: San Francisco Bay Area Rapid Transit District: Office of the BART

Inspector General

**DIGEST:** This bill revises the authority of the San Francisco Bay Area Rapid Transit District (BART) Inspector General (IG). Clarifies the IG's access to BART facilities, and the authority to examine records and other property, as specified. Creates a misdemeanor offense, punishable by imprisonment in a county jail not exceeding six months, or by a fine not exceeding \$1,000, or by both that imprisonment and fine, for actions, as specified, obstructing the IG in the performance of an audit or investigation.

#### **ANALYSIS:**

# Existing law:

- 1) Establishes the BART, governed by a board of directors (Board), with specified powers and duties relative to the construction and operation of a rapid transit system.
- 2) Creates an independent Office of the BART IG to ensure BART makes effective use of bridge toll revenue and other revenue and operates efficiently, effectively, and in compliance with applicable laws.
- 3) Requires the BART Board to nominate three people to the Governor and requires the Governor to appoint one of the three to serve as the IG for an initial four-year term, with an option to renew the term at will.
- 4) Authorizes the BART Board to remove the IG from office if either a 2/3rds majority of the members of the Board votes for removal or if the IG violates federal or state law or regulation, a local ordinance, or any policy or practice related to ethical practices, including but not limited to, the acceptance of gifts

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or contributions. Requires the reason for removal of the IG be stated in writing, include the basis for removal, and posted on BART's website.

- 5) Specifies the duties and responsibilities of the IG including, among others, conducting, supervising, and coordinating audits and investigations relating to the district's programs and operations.
- 6) Provides for the IG to receive \$1 million from an allocation of bridge toll revenue from the Bay Area Toll Authority (BATA), authorizes BATA to increase that amount, as specified.
- 7) Requires the Board to appoint a general manager who is responsible, subject to the direction and control of the Board, for the acquisition, construction, maintenance, and operation of the facilities of the district and also for the administration of the business affairs of the district.

#### This bill:

- 1) Stipulates that the IG is vested with the full authority to exercise all responsibility for mainlining a full scope, independent, and objective audit and investigation program, as specified.
- 2) Requires BART to give the IG access and authority to examine all records, files, documents, accounts, reports, correspondence, or other property of BART and external entities that perform work for them.
- 3) Authorizes the IG to enter any BART office or facility and access, examine and reproduce during regular business hours all records, files, documents, accounts, reports, vouchers, correspondence files, and all other records for any audit or investigation.
- 4) Requires any officer or employee of BART or entity having these records or property in their possession, under their control, or otherwise having access to them, to permit access to, and examination and reproduction of, the records or property upon the request of the IG or the IG's authorized representative.
- 5) Authorizes the IG to gain access to confidential records or property that are obtained in connection with any audit, investigation, or review conducted, unless a law specifically refers to and precludes it.
- 6) Requires that any information or documents obtained in connection with any audit, evaluation, investigation, or review conducted by the IG are subject to

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any limitations on release of the information or documents as may apply to an employee or officer of BART or external entity that provided the information or documents.

- 7) States that providing confidential information, including, but not limited to, confidential information that is subject to a privilege, does not constitute a waiver of that privilege.
- 8) Defines "confidential records or property" as records or property that may lawfully be kept confidential as a result of a statutory or common law privilege or any other law.
- 9) Prohibits the IG from destroying any papers or memoranda used to support a completed audit sooner than three years after the audit report is released to the public.
- 10) Stipulates that all books, papers, records, and correspondence of the IG pertaining to its work are public records, as specified, and shall be filed at any of the regularly maintained offices of the IG, except the following:
  - a) Personal papers and correspondence of any person providing assistance to the IG when that person has requested in writing that their papers and correspondence be kept private and confidential. Clarifies that those papers and correspondence will become public records if the written request is withdrawn, or upon the order of the IG.
  - b) Papers, correspondence, memoranda, or any substantive information pertaining to any audit not completed.
  - c) Papers, correspondence, or memoranda pertaining to any audit that has been completed, which papers, correspondence, or memoranda are not used in support of any report resulting from the audit.
  - d) Any survey of public employees that the IG determines should be kept confidential to deter retaliation if the public employees respond to the survey.
  - e) Any record of an investigation, including, but not limited to, all investigative files and work product, except that the IG, whenever the IG determines it necessary to serve the interests of the state, may issue a public report of an investigation that has substantiated an improper governmental activity, as defined, keeping confidential the identity of the employee or employees

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involved. Authorizes the IG to release any findings or evidence supporting any findings resulting from an investigation conducted pursuant to this article whenever the IG determines it necessary to serve the interests of the state.

- 11) Creates a misdemeanor offense, punishable by imprisonment in a county jail not exceeding six months, or by a fine not exceeding \$1,000, or by both that imprisonment and fine, for any of the following:
  - a) Failing or refusing to permit the examination of, access to, or reproduction of the records, files, documents, accounts, reports, correspondence, cash drawers, or cash of their office by the IG or in any way interfere with such examination conducted pursuant to this article.
  - b) Interfering, intending to deceive or defraud, or obstructing the IG in the performance of an audit, evaluation, investigation, or review.
  - c) Manipulating, correcting, altering, or changing records, documents, accounts, reports, or correspondence before or during any audit, evaluation, investigation, or review conducted.
  - d) Distributing, reproducing, releasing, or failing to safeguard confidential draft documents exchanged between IG and the entity subject to the audit, evaluation, investigation, or review conducted before the release of the final report and without the IG's express permission.
- 12) Makes a finding to demonstrate the need to impose a limitation on the public's right of access to certain meetings and writings, stating that the need for the IG to fully examine and evaluate records, files, documents, accounts, reports, correspondence, and all other property of BART and external entities that perform work for BART outweighs the interest in public disclosure of information obtained by the IG in connection with its activities.

### **COMMENTS:**

1) Purpose of the bill. According to the author, "Inspectors general are supposed to be independent watchdogs of the agency with which they serve. Unfortunately, BART's Board of Directors and management has repeatedly refused to provide the Inspector General (IG) with the full power and authority that she requires to do her job. An Alameda County Grand Jury found in June 2022 that BART obstructed the independent watchdog. 'From the beginning,' the grand jury report found, BART's management, Board of Directors and labor

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unions 'sought to undermine Inspector General Harriet Richardson's role by limiting access to information and employees.' This bill would designate powers and protections already enjoyed by the Caltrans IG to the BART IG to ensure that the office has the adequate authority to provide its voter-mandated oversight. The changes proposed in this bill are modeled after existing language in the Government Code and include nationally-recognized best practices for auditors and inspectors general. With these changes, the residents of the Bay Area – BART's rider base and primary source of revenue – could be confident that the IG can exercise the independent oversight that was intended when SB 595 was enacted in 2017 and later ratified by the voters."

2) *BART*. BART is a special district created by the State of California consisting of Alameda County, Contra Costa County, and the City and County of San Francisco. BART connects San Francisco with cities in the East Bay and suburbs in northern San Mateo County operating on five lines, 131 miles of track with 50 stations in five counties. With an average pre-COVID-19 weekday daily ridership of about 405,000 passengers, BART is the fifth-busiest heavy rail rapid transit system in the nation.

Since the pandemic, BART and other transit operators in the state have experienced huge declines in ridership. In 2022, BART's ridership was only 29% of 2019 levels, with the continuance of remote work being a major factor. Throughout the pandemic, California's transit operators sustained service with help from federal COVID-19 relief packages, with BART receiving roughly \$1.6 billion. However, with federal funds running out, BART and others are looking to the state for financial assistance. Specifically, BART is predicting operating deficits of \$140 million by fiscal year 2024-2025 and up to \$290 million for fiscal year 2025-2026. The Legislature is currently discussing possible transit operating assistance as part of the state budget process.

3) *BART IG*. Senate Bill 595 (Beall, Chapter 650, Statutes of 2017), which authorized Regional Measure 3 (RM3), also created the BART IG. The measure, which raised toll rates on the Bay Area's seven state-owned bridges, was approved by voters in 2018 in the City and County of San Francisco, Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano, and Sonoma Counties.

The IG was established to ensure BART makes effective use of bridge toll and other revenue and operates efficiently, effectively, and in compliance with applicable federal and state laws. Duties and responsibilities for the BART IG include, among others, conducting fraud and waste investigations, conducting audits, making recommendations to improve the efficiency and effectiveness of

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BART programs and operations, identifying opportunities to improve the data used to determine project resource allocations, and identifying and recommending best practices in the delivery of capital projects.

SB 595 also requires the Bay Area Toll Authority (BATA) to provide \$1 million annually from an allocation of RM3 revenue to the IG. It allows BATA to increase funding in the second and subsequent years of operation of the office, to the extent the BART IG requests and justifies the need for funds and such requests can be accommodated in BATA's budget.

4) *BART IG struggled to get up and running*. In June 2019, Governor Newsom appointed Harriet Richardson as the first BART IG. The Office of the IG Fiscal Year 2022 Annual Report says that since its inception, the office has received 133 complaints and 99 cases have been resolved. The most common allegations have been complaints alleging fraud, including theft of time and contracting fraud; unprofessional conduct, including conflict of interest and harassment; and compliance, mostly policy and procedure noncompliance.

Additionally, as detailed in the IG Fiscal Year 2021 Annual Report, as one of the first tasks of her office, the IG conducted a district-wide risk assessment to help develop an audit plan by understanding areas vulnerable to fraud, waste, or abuse, and identifying opportunities to improve efficiency and effectiveness in the use of resources.

However, Ms. Richardson detailed issues getting the office running, specifically the development and approval of a charter for the office to clarify roles and responsibilities. The charter was built on both the BART IG statute and additional requirements and authority given to other IGs in California and throughout the nation. The IG presented the charter to the BART Board of Directors in January 2021.

According to the Fiscal Year 2021 Annual Report, "the Board discussed our charter but continued it to a future meeting asking that we have discussions with labor unions before returning to the Board to adopt it. At the time, we understood the Board's request to be that we meet with union leaders to explain what our work entails and the standards that guide it, and for us to address the unions' concerns about how we would engage with represented employees who are under investigation. We were surprised, then, when the labor unions presented us with revisions to our charter, including major changes that would alter the intent of the legislation that created our office and create independence impairments."

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Further, "we discussed the unions' proposed revisions in detail and accepted changes they proposed that allowed us to stay within the confines of the law and our professional standards. However, accepting some of their revisions would mean that we would be noncompliant with the ethical principles and independence standard that the Government Code requires we follow, as well as our statutory mandates in the Public Utilities Code, and would remove the authority traditionally required of an OIG such that we cannot work independently. We, therefore, declined to accept some of the changes." The charter was not adopted.

5) Previous legislation to increase BART IG's authority. Last year, SB 1488 (Glazer) was introduced to revise the duties and responsibilities of the IG based upon statutory powers and explicit authorities of other IG offices, including the California State Auditor, the California Department of Transportation (Caltrans) IG, and the Los Angeles Metropolitan Transportation Authority (LA Metro) IG.

Specifically, the bill would have given the IG authority to identify "abuse" in addition to waste and fraud, identify best practices in the delivery of programs, and engage in fraud prevention activities, including training employees to identify and report fraud. The bill would have clarified the IG's access to BART facilities and employees, officers, contractors and the authority to examine records and other property. Additionally, this bill would have given the IG authority to issue subpoenas for witnesses, the production of records, files and documents; and the making of sworn statements.

Finally, as a follow up to any audit or investigation, SB 1488 would have required BART to respond to findings and recommendations made by the IG in no longer than 30 days.

BART and the affected labor representatives had concerns about the bill and worked with the author on amendments as it moved through the process. One of the main concerns was the ability for the IG to have access to and authority to meet with any employee or officer or contractor as necessary to complete an audit, investigation, or review. Currently, a represented BART employee has the right to be represented by their exclusive representative as an investigatory interview that the employee reasonably agrees might result in disciplinary action, commonly known as a "Weingarten right."

BART and the affected labor representatives wanted to clarify that when the IG meets with any represented employee to complete an audit, investigation, or review the IG would comply with "all the rights afforded to employees under current collective bargaining agreements."

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Labor representatives further clarified their concerns that the bill "substantially undermines existing collective bargaining agreements with respect to represented employees' rights during an investigation, applicable notice requirements, and the union's ability to effectively represent its members."

Further, "we believe that for investigations which involve represented employees or bargaining unit work, the inspector general, must seek prior cooperation and assistance of the Union in the investigations to ensure our members' rights are observed."

It is unclear how this language may affect the IG's ability to conduct work confidentially even if the employee is not the subject of an investigation but possibly a complainant or witness. However, in response to some of the concerns, amendments were taken to make clarifying changes to the authority of the IG, including explicitly stating that employees are afforded Weingarten rights.

SB 1488 was approved by Legislature, but was ultimately vetoed by Governor Newsom. In his veto message, the Governor stated, "While I agree with the intent of the legislation and appreciate the author's collaboration with the BART Board on many of the bill's provisions, I understand there is one unresolved issue regarding the notification of all represented employees of their right to representation.

"I encourage the author to work with the IG and the BART Board to resolve this remaining issue in either a charter or future legislation."

- 6) BART IG leaves post early. In March 2023, four months before the end of her term, BART IG Harriet Richardson reigned from her post. In the most recent BART IG Annual Report, Ms. Richardson states, "Although the accomplishments are ones that my team and I take great pride in, we are discouraged by BART's attempts to diminish our work. Words cannot fully express how demeaning it is to have our credibility challenged, and to face attempts to remove our ability to do our work in compliance with the professional standards that we hold in high regard."
- 7) Alameda County Grand Jury also concerned with treatment of the BART IG. The Alameda County Grand Jury, which is tasked with investigating the operations of various officers, departments, and agencies in Alameda County, looked into the issues surrounding the BART IG. In a summary of findings, the Grand Jury states, "The Grand Jury found that from the beginning, both BART's board and management impeded the IG's efforts to conduct independent oversight. In addition, board members and management supported

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union efforts to limit OIG access to their members, which stymied OIG independence and the confidentiality of investigations."

BART responded to the Grand Jury report disagreeing with many of its findings, noting that management has been receptive and responsive to recommendations made by the IG. Specifically, BART cites accepting 40 of 47 recent recommendations during the IG's audits and investigations, and that the BART Board has created an Audit Committee, which includes two public members and meets on a regular basis. BART also clarified that, "The Board and management are neutral to the conditions of engagement between the labor unions and the OIG."

8) SB 827 takes a more narrow approach to increasing BART IG authority. As noted by the author, the changes included in the proposed bill are modeled after existing IG authorities, specifically, the existing authorities afforded by the Caltrans IG. The bill is a slimmed-down version of its predecessor, and mainly focuses on the IG's authority to have access to facilities, records, and documents needed for the performance of the IG's duties. Specifically, the bill clarifies the purpose of the IG by stating that the IG is vested with the full authority to exercise all responsibility for maintaining a full scope, independent, and objective audit and investigation program. The bill also clarifies the IG's access and authority to examine all records, files, documents, accounts, reports, correspondence, and other property of BART and external entities, and requires any BART employee or external entity to permit access.

Additionally, the bill details what types of information used by the IG would remain confidential. Finally, the bill creates a misdemeanor offense punishable by imprisonment in a county jail not exceeding six months, or by a fine not exceeding \$1,000 for obstructing the IG in the performance of an audit or investigation; failing or refusing to permit the IG's access to records, files, and other relevant materials; manipulating or changing records, documents, and correspondence; or releasing or failing to safeguard confidential documents.

Unlike, SB 1488, the bill does not specifically expand the current duties and responsibilities of the IG, nor require the BART general manager to respond to the IG's findings within a certain time period. Additionally, SB 827 does not give the IG explicit authority to meet with any employee or officer or contractor necessary to complete an audit or investigation, nor does it provide for subpoena authority.

Writing in support of the bill, the Bay Area Council states, "Since its conception, BART OIG experienced challenges when carrying out the duties

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and responsibilities of the position, which include conducting audits as well as fraud and waste investigations, identifying and recommending best practices in the delivery of capital projects, and making recommendations to improve the efficiency and effectiveness of BART programs and operations, among others. The recurring challenges faced by the former BART IG have been documented and distributed in verbal and written reports to the Legislature and BART Board of Directors.

- "With BART struggling to recover its ridership and facing the daunting potential of reaching its "fiscal cliff" as early as January 2025, it is more important than ever that efficiencies are identified wherever possible and that every dollar is spent appropriately. Inherent in the process of maximizing efficiencies are strong, stable layers of accountability, and the BART IG position is no exception. Now is the time to ensure the full authority of the position of the BART IG."
- 9) *Concerns remain*. Both BART and affected labor representatives remain concerned with expansions of authority for the BART IG called for in SB 827.

BART submitted comments to the author, writing with a "support if amended" position. Specifically, BART detailed their concerns about two issues.

- "Misdemeanor Penalty -- SB 827 would make it a misdemeanor, punishable by imprisonment in a county jail for up to six months and/or a fine up to \$1,000, to obstruct the OIG in the performance of an audit, evaluation, investigation, or review. While this language may be used as a deterrent and a means to enforce the compliance of BART employees and contractors, BART has concerns with a criminal penalty approach. For example, a misdemeanor may require an individual to seek outside legal counsel and appear in court for a trial, potentially resulting in a criminal record that could impact future employment or professional licensing. BART would like to work with you and the OIG on amendments to remove the proposed criminal charge and insert language granting the OIG subpoena authority.
- "Jurisdiction of Other Audit and Oversight Entities -- Last year, you agreed to amendments within SB 1488 that clearly define the scope of the OIG as to not conflict with other audit and oversight offices, such as BART's Office of Civil Rights and the Office of the Independent Police Auditor. This language is not included within SB 827 and BART seeks to work with you and OIG on similar amendments to address the original jurisdiction, undue influence, and the independence of these three separate entities."

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Writing in opposition to the bill, the Service Employees International Union (SEIU) California states, "The Office of the BART Inspector General was created by legislation and Regional Measure 3 in 2018 after agreement from all parties involved. SB 827 throws out that agreement and proposes changes to the original authorization without the support of labor or management at BART.

"We appreciate the author's efforts to narrow this bill from the vetoed SB 1488 (Glazer) from last year, but the changes do not go far enough. Although the provisions of SB 827 mirror existing authority under Caltrans law, BART operates under the authority of an elected Board of Directors responsible for much of what is proposed to be assigned to the OIG under this bill.

"BART and interested parties are in the process of amending their charter to include many of the best practices suggested by this legislation, but replacing the threat to employee exercise of rights with the possibility of criminal referral is not an improvement. The BART contract already subjects any employee who interferes with an investigation with discipline and potential dismissal. SEIU asks that any further legislation await the outcome of the charter amendment procedures. SB 827 interferes with and supersedes the collective bargaining rights of BART employees."

10) Additional resources needed to be effective. As noted by both the IG's Annual Report and the Alameda Grand Jury, the ability of the IG to work effectively and fully implement the mission of the office requires additional resources. As mentioned, SB 595 authorized BATA to allocate \$1 million for the office from bridge toll revenue from RM3 and authorizes BATA to increase that amount.

The IG's most recent Annual Report notes, "After conducting a thorough analysis of our funding needs, we determined that we require an additional \$1.7 million to \$1.8 million in annual funding to achieve our objectives and ensure that we function as an independent office. With that information, we requested that the Bay Area Toll Authority (BATA) increase our budget to \$2.7 million and \$2.8 million in fiscal years 2023 and 2024, respectively."

On March 29, 2023, BART and the Metropolitan Transportation Commission (MTC), who oversees BATA, announced a new proposal to increase the BART IG's budget to \$2.7 million annually. BART and MTC plan to take the request to their respective boards later this spring.

11) Double referral. SB 827 is double referred to the Senate Judiciary Committee.

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#### **RELATED/PREVIOUS LEGISLATION:**

**SB 1488** (**Glazer**, **2022**) – Would have revised the duties and responsibilities of the BART IG and provided that the IG shall have the independence necessary to conduct all of its audits and investigations in conformity with specified standards. Clarified the IG's access to BART facilities and employees, officers, contractors and the authority to examine records and other property, as specified. *This bill was vetoed by Governor Newsom*.

SB 595 (Beall, Chapter 650, Statutes of 2017) — Authorized a special election in the Bay Area, known as Regional Measure 3, to consider a proposed increase in the amount of the toll rate charged on the state-owned toll bridges in that area to be used for specified projects and programs. Also created the Independent Office of the BART IG within BART, with specified powers and responsibilities for audits and investigations. Also provided for the IG to receive \$1,000,000 from an allocation of bridge toll revenue, in the second and subsequent years of operation of the office, authorized an increase that amount.

SB 87 (Committee on Budget and Fiscal Review, Chapter 32, Statues of 2019)

— The Transportation Budget Trailer bill added new powers and duties to the Caltrans Office of Audits and Investigations.

**SB 1 (Beall, Chapter 5, Statues of 2017)** – Provided more the \$5 billion annually in new funding for transportation infrastructure. Also created the Independent Office of Audits and Investigations within Caltrans, with specified powers and duties.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 5, 2023.)

### **SUPPORT:**

Association of Local Government Auditors Bay Area Council Livable California Mission Street Neighbors

#### **SUPPORT IF AMENDED:**

Bay Area Transportation Working Group

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San Francisco Bay Area Rapid Transit District (BART)

# **OPPOSITION:**

American Federation of State, County, and Municipal Employees (AFSCME) California Conference Board of The Amalgamated Transit Union Service Employees International Union (SEIU) California

-- END --

# SENATE COMMITTEE ON TRANSPORTATION

# Senator Lena Gonzalez, Chair 2023 - 2024 Regular

Bill No: SCR 25 Hearing Date: 4/11/2023

**Author:** Seyarto **Version:** 2/13/2023

Urgency: No Fiscal: Yes

**Consultant:** Melissa White

**SUBJECT:** Deputy Darnell Andrew Calhoun Memorial Highway

**DIGEST:** This resolution designates the portion of State Highway Route 15 from Central Avenue to N. Main Street in the City of Lake Elsinore and the County of Riverside as the "Deputy Darnell Andrew Calhoun" Memorial Highway.

#### **ANALYSIS:**

## Existing law:

1) Assigns the California Department of Transportation (Caltrans) the responsibility of operating and maintaining state highways, including the installation and maintenance of highway signs.

# Committee Policy:

The committee has adopted a policy regarding the naming of state highways or structures. Under the policy, the committee will consider only those resolutions that meet all of the following criteria:

- 1) The person being honored must have provided extraordinary public service or some exemplary contribution to the public good and have a connection to the community where the highway or structure is located.
- 2) The person being honored must be deceased.
- 3) The naming must be done without cost to the state. Costs for signs and plaques must be paid by local or private sources.
- 4) The author or co-author of the resolution must represent the district in which the facility is located, and the resolution must identify the specific highway segment or structure being named.

- 5) The segment of highway being named must not exceed five miles in length.
- 6) The proposed designation must reflect a community consensus and be without local opposition.
- 7) The proposed designation may not supersede an existing designation unless the sponsor can document that a good faith effort has uncovered no opposition to rescinding the prior designation.

#### This resolution:

- 1) Recounts the life and career of Deputy Darnell Andrew Calhoun.
- 2) Designates the portion of State Highway Route 15 from Central Avenue to N. Main Street in the City of Lake Elsinore and the County of Riverside as the "Deputy Darnell Andrew Calhoun" Memorial Highway.
- 3) Requests Caltrans to determine the cost of appropriate signs consistent with the signing requirements for the state highway system showing this special designation and, upon receiving donations from nonstate sources sufficient to cover that cost, to erect those signs.

#### **COMMENTS:**

- 1) Purpose of the resolution. According to the author, "Deputy Sheriff Darnell was an important part of his community and a role model in law enforcement. His dedication to family and community stood him apart from his peers. A son, father, husband, and brother, Deputy Sheriff Darnell lived with great respect and admiration in the community through his work in his church and through his family's restaurant."
- 2) Background. Deputy Darnell Andrew Calhoun was born on June 24, 1992 in Pomona and was the oldest brother of three. He received his bachelor's degree in criminology and justice studies from the California State University, San Marcos. After college, Calhoun married his wife Vanessa and they had two children and one on the way prior to his passing. Calhoun worked in his early years at his family's restaurant and in 2019, he joined the San Diego Police Department. In February of 2022, Calhoun continued his law enforcement career as a Deputy Sherriff with the Riverside County Sheriff's Department, where he patrolled out of the Lake Elsinore Station. On January 13, 2023, Deputy Calhoun was tragically killed when responding to a domestic violence

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call. Deputy Calhoun is survived by his immediate family and his parents, Lonnie Darnell and Renee Calhoun.

Writing in support of the resolution, the City of Lake Elsinore states "The portion of State Highway Route 15 from Central Avenue to N. Main Street runs directly through the City of Lake Elsinore and will serve as memorial to a dedicated public servant who made the ultimate sacrifice in the line of duty. The City of Lake Elsinore is forever grateful and will remember Deputy Calhoun for his dedication to defend and protect our community."

3) *Consistent with committee policy*. This resolution is consistent with committee policy.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 5, 2023.)

### **SUPPORT:**

California State Sheriffs' Association City of Lake Elsinore Los Angeles County Sheriff's Department Riverside County Sheriff's Office San Bernardino County Sheriff's Department San Diego County Sheriff's Department

#### **OPPOSITION:**

None received

# SENATE COMMITTEE ON TRANSPORTATION

# Senator Lena Gonzalez, Chair 2023 - 2024 Regular

**Bill No:** SB 84 **Hearing Date:** 4/11/2023

**Author:** Gonzalez **Version:** 3/13/2023

Urgency: Yes Fiscal: Yes

Consultant: Randy Chinn

**SUBJECT:** Clean Transportation Program: Air Quality Improvement Program:

funding

**DIGEST:** This bill extends the sunset on the funding for the Clean Transportation Program and the Air Quality Improvement Program, and revises the terms of those programs.

### **ANALYSIS:**

### Existing law:

1) Establishes, through Executive Order, goals for the deployment of Zero Emission Vehicles (ZEV), including having 100% of light-duty vehicles sold be ZEVs by 2035 and 100% of medium- and heavy-duty vehicles sold be ZEVs by 2045.

# Clean Transportation Program

- 2) Establishes the Alternative and Renewable Fuels and Vehicle Technology Program (now known as the Clean Transportation Program, or CTP), administered by the California Energy Commission (CEC), to develop and deploy technologies and alternative and renewable fuels to help attain the state's climate change policies. Funding for the CTP program comes from miscellaneous vehicle-related charges include vehicle registration fees, boat registration fees and special license identification fees. (HSC § 44272) These fees sunset on January 1, 2024.
- 3) In administering the CTP, the CEC is required to provide preferences to projects meeting any of fourteen criteria:
  - a) Helps transition from the use of petroleum fuels
  - b) Consistency with climate change policy

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- c) Reduces air pollutants
- d) Decreases the discharge of water pollutants
- e) Does not adversely impact the sustainability of the state's natural resources
- f) Provides non-state matching funds
- g) Promotes California-based firms and jobs
- h) Uses existing or proposed fuel infrastructure
- i) Reduces GHG emissions by at least 10%
- j) Uses alternative fuel blends of at least 20%
- k) Drives new technology
- 1) Transitions workers to alternative and renewable fuel and vehicle technology sectors
- m) The project is in a non-attainment area
- n) The project advances the comprehensive strategy for vehicles as articulated in the California Air Resources Board's Mobile Source Strategy.
- 4) Limits CTP funding only to projects that meet any of the following 13 criteria:
  - a) Develop and improve alternative and renewable low-carbon fuels
  - b) Optimize alternative and renewable fuels for existing engine technologies
  - c) Produce alternative and renewable low-carbon fuels
  - d) Decrease the impact of the alternative and renewable fuel life-cycle carbon footprint
  - e) Develop alternative and renewable fuel infrastructure
  - f) Develop and improve technology for all vehicles that provide better fuel efficiency and lower GHG emissions
  - g) Accelerate the commercialization of alternative and renewable fuels
  - h) Retrofit medium- and heavy-duty vehicles for higher fuel efficiency
  - i) Promote alternative and renewable fuel infrastructure development
  - j) Workforce training programs related to technologies that transform fuels and vehicles
  - k) Block grants and incentive programs administered by public entities and not-for-profit technology entities
  - 1) Assessments performed by state agencies to determine the impacts of increasing the use of low-carbon transportation fuels and technologies
  - m) Funding for homeowners to offset costs to supply plug-in electric vehicles

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## Air Quality Improvement Program

1) Establishes the Air Quality Improvement Program (AQIP), administered by the California Air Resources Board (CARB), with the primary purpose of funding projects to reduce criteria air pollutants, improve air quality, and provide funding for research to determine and improve the air quality impacts of alternative transportation fuels and vehicles, vessels and equipment technologies. Funding for the AQIP comes from fees on special license identification fees and vessel fees. These fees sunset on January 1, 2024.

- 2) Requires CARB to provide a preference to projects with higher cost-benefit scores and authorizes CARB to give a preference based on the following criteria:
  - a) Reductions in criteria or toxic air pollutants
  - b) Contribution to regional air quality improvement
  - c) Ability to promote the use of clean alternative fuels and vehicle technologies
  - d) Ability to achieve climate change benefits
  - e) Ability to support clean vehicle market transformation
  - f) Ability to leverage private capital investments
- 3) Limits eligible projects to the following:
  - a) On- and off-road equipment projects
  - b) Projects that provide mitigation for off-road gasoline exhaust
  - c) Projects that provide research to determine air quality impacts of alternative fuels
  - d) Projects that augment the University of California's agricultural experiment station and cooperative extension programs
  - e) Incentives for small off-road equipment replacement
  - f) Incentives for medium- and heavy-duty vehicles and equipment mitigation
- 4) Requires CARB to submit a biannual report evaluating the AQIP.

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This bill:

1) Extends the sunset on the expiring fees (smog abatement, vehicle registration, vessel registration, special identification plates) for 11 years, until January 1, 2035.

- 2) Beginning January 1, 2025, requires the CEC to ensure that the CTP supports:
  - Annually increasing deployment of infrastructure and other projects that advance the adoption of medium- and heavy-duty vehicles
  - Annually increasing deployment of light-duty vehicle infrastructure to fill gaps in current deployment, as specified.
- 3) Beginning January 1, 2025, requires that no less than 50% of the CTP expenditures shall be on programs and projects that directly benefit or serve residents of disadvantaged communities and low-income Californians, and at least 50% of the funds for location-based investments be expended in disadvantaged and low-income communities. A non-exclusive list of eligible categories of projects which could count toward this requirement is specified. Requires the CEC to consult with specified advisory groups to ensure that these provisions are implemented.
- 4) Revises the CTP by eliminating a preference for projects which reduce greenhouse gas emissions from gasoline and diesel fuels, and projects which use higher blends of alternative fuels.
- 5) Revises the purpose of the AQIP to focus on reducing criteria air pollutants in goods movement and in nonattainment basis, and to remove research as a program purpose.

### **COMMENTS:**

1) *Author's Statement*. "The transportation sector is the single largest contributor of emissions in California, and decarbonizing this sector will require consistent and long-term funding commitments to spur the transformative changes that are needed to meet our ambitious climate and air quality goals. Over the last fifteen years, the Clean Transportation Program, the Air Quality Improvement Program, and the Enhanced Fleet Modernization Program have proven themselves as some of the most important and transformative programs in this statewide effort. Unfortunately, the dedicated funding that supports these

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programs will sunset on January 1, 2024, leaving these critical programs unfunded and unable to continue to help support our zero emission transition. SB 84 will ensure these important state efforts do not cease to exist, by extending the existing fees that fund the programs, at their current levels, through 2035. The bill will also make programmatic changes to ensure investments in clean technologies continue to be effective, equitable, and in-line with current greenhouse gas and pollution reduction goals. This includes requiring 50% of the Clean Transportation Program funds to be spent on programs and projects that directly benefit or serve residents of disadvantaged and low-income communities."

- 2) *Background*. Transportation is the largest source of greenhouse gas emissions in California, about 40% overall. Vehicles are also a major source of air pollution; air pollution from mobile sources is responsible for about 80% of nitrogen oxide emissions and 90% of diesel particulate matter emissions. In 2008 the Legislature established the vehicle-related fees which are the subject of this bill to primarily support climate and air quality programs. Those fees were to have sunset in 2016. In 2013 the Legislature extended the sunset on those fees at the same amount until 2024 in AB 8 (Chapter 401 of 2013). Three programs are funded, the CTP, the AQIP and the Enhanced Fleet Modernization Program (EFMP).
- 3) *How Much*? The fee extensions in the bill are \$3 in vehicle registration fees, \$10 in vessel registration fees, \$8 in smog abatement fees, and \$5 on identification plates for construction and agricultural vehicles. These fees annually raise about \$185 million with most coming from the vehicle registration and smog abatement fees. About \$110 million goes to the CTP, \$42 million goes to the AQIP, and \$33 million goes to the EFMP.
- 4) What Did We Get? Through August 2021 the CTP invested more than \$1 billion and installed or planned 15,154 EV charging stations, funded 83 new or upgraded hydrogen fueling stations, funded 27 manufacturing projects, launched 71 projects to promote production of sustainable fuels within California, provided workforce training for more than 20,000 individuals, and created several new programs and standards. It is difficult to judge the effectiveness or efficiency of these investments given the wide variety of goals and purposes of the program.

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<sup>&</sup>lt;sup>1</sup>. 2021-2023 Investment Plan Update for the Clean Transportation Program; December 2021; CEC-600-2021-038-CMF.

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The biggest AQIP program is the Truck Loan Assistance Program. Through June 2022 the program has invested \$214 million, with nearly half benefitting disadvantaged communities, and financed 40,400 clean vehicles and equipment.

The biggest EFMP program is Clean Cars 4 All (CC4A) which provides incentives for lower-income households to scrap their older, more polluting vehicles for cleaner vehicles. A recent study found that over six years the CC4A spent \$90 million and placed 11,000 vehicles in eligible households.<sup>2</sup> According to a recent CARB report<sup>3</sup>, the CC4A program is about half as efficient as the Clean Vehicle Rebate Program in terms of cost per GHG reduction or cost per criteria pollutant reduction, though that CC4A program intentionally provides greater incentives because it is targeted to lower-income households who need more assistance.

- 5) *Do This*. The bill requires that the CTP focus on light-duty vehicle charging, medium- and heavy-duty vehicle charging and deployment, and equity. This reflects the current major challenges to a successful ZEV transition as the lack of vehicle charging, particularly at the homes of lower-income individuals, is one of the biggest barriers to light-duty vehicle adoption. The cost and availability of medium- and heavy-duty ZEVs is a big problem attracting increasing attention, while the difficulty in building higher-capacity charging stations may be the most serious limitation of all.
- 6) Equity Emphasis. Many California environmental and transportation policies provide special consideration for disadvantaged communities. California's Clean Cars 4 All program is only available to low income residents in disadvantaged communities. The Clean Vehicle Rebate Program (CVRP) provides higher rebates for low- and moderate-income customers. The CPUC's program to subsidize EV charging infrastructure provides higher rebates for low income customers. And the federal government, through its Justice40 initiative, has a goal of 40% of federal investments in clean transportation, transit, clean energy, and climate change go to disadvantaged communities. This bill continues that special consideration and makes it stronger by requiring that at least 50% of CTP funds go to disadvantaged communities and low income Californians.
- 7) *Time for an Update?* Many of the provisions in this bill date back almost 10 years to AB 118 in 2014 and in some cases back to the original statute of 2008.

<sup>&</sup>lt;sup>2</sup> Procedural Equity in Implementing California's Clean Cars 4 All Program by Pierce, Connolly and Blanco; UCLA Luskin Center for Innovation; May 2021.

<sup>&</sup>lt;sup>3</sup> FY 2022-23 Low Carbon Transportation Investments and Air Quality Improvement Program Funding Plan, Appendix H.

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But the problems identified in 2008 have gotten far more acute. California has responded with new laws, programs and goals along with substantial resources. Should the programs and funding addressed in this bill be updated to reflect this changed environment? Some issues to consider:

- a) *Goal Alignment*. Since 2008 we have established much more aggressive goals for zero-emission vehicles and much more stringent regulation of criteria pollutants. Should those goals and regulations be reflected in these programs?
- b) *Funding*. This bill raises about \$185 million annually. Is this sufficient to achieve the goals in the necessary timeframe? This should be considered in the context of the new programs that California has instituted since 2008 (e.g. cap and trade, low carbon fuels), new federal funding, the progress made from the last 15 years of the CTP and AQIP, and state General Fund expenditures. Also, vehicle registration fees, which provide the majority of funding raised by this bill, are regressive. Does this strike the right balance between fairness and equity?
- c) *Muddled statute*. The CTP statute amended by this bill has been layered upon over the years creating a somewhat muddled mix. It is clear that this bill strongly emphasizes increasing funding for vehicles, particularly zero-emission vehicles, and their associated charging infrastructure, as well as requiring minimum investments to help disadvantaged communities. But this emphasis is in the context of other existing provisions which establish different preferences. Some clean-up will sharpen the statute and provide greater assurance that the resulting program reflects the author's intent.
- 7) Opposition. Opposition comes from the hydrogen industry who asks for 30% of the CTP funding annually, for a total of \$300 million, which it argues will create a statewide and self-sufficient fueling network of 1000 stations. This request would establish the only industry-specific set-aside in the CTP. It isn't clear why the hydrogen industry doesn't believe it would receive reasonable funding from the CTP if left to compete like every other technology.

Battery electric cars are far ahead of the hydrogen competition: In 2022, less than 1% of the ZEVs sold in California were hydrogen. The other 99% were battery electric.<sup>4</sup> Hydrogen-powered cars are not yet available in commercial quantities in California, nor anywhere the world. The competition for medium-and heavy-duty vehicles is much closer, though one major manufacturer

<sup>&</sup>lt;sup>4</sup> California Energy Commission; New ZEV sales in California for 2022: 292,496 battery electric, 50,748 plug in hybrids, 2,574 hydrogen.

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recently said that hydrogen powertrains were 3-5 years behind battery electric powertrains. Like battery electric technology, hydrogen will need government support to become competitive. That support exists. A good example is the \$7 billion federal clean hydrogen hub program intended to reduce the cost and increase the capacity to produce sustainable hydrogen. Rather than set aside a specific amount for one technology it may be preferable to leave the funding decision to the CEC who can focus the funding where it is most needed to achieve our goals.

- 8) *Budget Proposal*. The Governor's Budget requests extension of the same fees as this bill until July 1, 2035. Only minor modifications to the programs are proposed, the most notable is limiting the CTP funding to zero-emission technologies.
- 9) *Double Referral*. This bill has been double-referred to the Senate Environmental Quality Committee.
- 10) Urgency. This is an urgency bill requiring a 2/3 vote on the floor.

### **RELATED LEGISLATION:**

**Budget Trailer Bill** – The Governor has proposed a budget trailer bill to extend the sunset of the existing Clean Transportation Program at the existing funding level until July 1, 2035.

**AB 241 (Reyes)** – Identical to this bill. *This bill is pending in the Assembly Transportation Committee.* 

**AB 2836 (Garcia; Chapter 355 of 2022)** – Extends various fees that support the Carl Moyer Memorial Air Quality Standards Attainment Program until January 1, 2034.

**SB 726** (Gonzalez; 2021) – Revises the Alternative and Renewable Fuel and Vehicle Technology Program. *This bill died in the Assembly*.

**AB 8 (Perea; Chapter 401 of 2013)** – Extended the sunset on the fees established in AB 118 until 2024.

**AB 118 (Nunez; Chapter 750 of 2008)** – Established the Fleet Modernization Program, the Alternative and Renewable Fuel and Vehicle Technology Program, and the Air Quality Improvement Program funded by vehicle registration fees, smog abatement fees, vessel registration fees and special identification plate fees.

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

Unknown

POSITIONS: (Communicated to the committee before noon on Wednesday, April 5, 2023.)

### **SUPPORT:**

Abb INC.

Byd Motors, INC.

CA Coalition for Clean Air

California Electric Transportation Coalition

Calstart

Chargepoint, INC

Chargie

Electric Vehicle Charging Association

**Evbox INC** 

Evgo Services LLC

Flo

Freewire Technologies

Nrdc

Proterra

**Q**merit

The Greenlining Institute

Valley CAN (Clean Air Now)

Volvo Group North America

Xeal

Zeem Solutions, INC.

# **OPPOSITION:**

California Hydrogen Business Council California Hydrogen Coalition