



## Staff Report February 13, 2018

**TO:** Honorable Mayor and Members of the Town Council  
**FROM:** Brit Snipes, Public Works Director  
**DATE:** February 13, 2018  
**RE:** Senate Bill – 1 (SB-1) Update

### Recommendation

Receive and File on Senate Bill – 1 (SB-1)

### Issue Statement and Discussion

State Senate Bill 1 (SB-1), also known as the Road Repair and Accountability Act (RRAA) of 2017, was signed into a law by Governor Brown on April 28, 2017. SB-1 establishes the Road Maintenance and Rehabilitation Program (RMRP) to address deferred maintenance on the State Highway System and the local street and road system, and the Road Maintenance and Rehabilitation Account (RMRA) for the deposit of various funds for the program. The bill provides that funds shall be used for road maintenance and rehabilitation, safety projects, railroad grade separations, complete street components or traffic control devices.

The RMRP is anticipated to receive approximately \$5.2 billion annually once all new revenues take effect. The revenues will be phased-in over several years as follows:

- A 12-cent per gallon increase to the gasoline excise tax effective November 1, 2017.
- 20-cent per gallon increase to the diesel fuel excise tax effective November 1, 2017.
- Vehicle registration tax called the "Transportation Improvement Fee" with rate based on value of the motor vehicle effective January 1, 2018.
- A new \$ 100 vehicle registration tax on zero emissions (ZEV) vehicle of model year 2020 or later effective July 1, 2021.
- An annual rate increase of these taxes beginning on July 1, 2020, except for ZEV fees which take effect on July 1, 2021.

SB-1 specifies the annual allocation of funds for a number of specific transportation programs listed in the bill. The remaining revenues, estimated to reach \$2.9 billion annually, will be split 50/50 between state highways, local street, maintenance and rehabilitation. This bill continuously appropriates the RRAA revenues to cities and counties using the same formula that applies to the existing "Gas Tax Swap" of 2010. SB-1, also eliminates the annual adjustment required by the "Gas Tax Swap" of 2010, and replaces it by re-establishing the Price Base Tax at the original rate of \$0.18 cents per gallon. This change stabilizes the tax and increases revenues beginning for FY 2017-2018.

The Town of Loomis currently receives about \$140,000 per year from the Highway User Tax Account. With SB-1, the Town will receive approximately \$113,000 more annually. The Town will receive about \$37,000 in fiscal year 2017/2018 (being a partial year).

SB-1 requires that all projects proposing to use SB-1 funds are named in the budget and acknowledged by resolution. In October the Town Council passed a resolution identifying the Brace Road asphalt overlay, from Sierra College Boulevard to Horseshoe Bar Road, to be designated for SB-1 funding in Fiscal Year 2017-2018. We then submitted the proper paperwork to the CTC and started receiving our monthly allotment of SB-1 funds. These funds will be banked until they are used on the specified project.

**CEQA Requirements**

No environmental review is required for this action. Each individual project will undergo its own environmental review. The proposed projects are contained within the Town's existing right-of-way.

**Financial and/or Policy Implications**

There is not a direct fiscal impact, since the SB-1 funding was already anticipated in the Transportation Reserves revenues. Projects funded from SB-1 in the future fiscal years will be recognized and appropriated as part of future budgets. Staff will continue to pursue grant opportunities as well.

**CEQA Requirements**

There are no CEQA issues.

**Financial and/or Policy Implications**

None

**Attachments**

None