

League of California Cities Transportation, Communications, and Public Works April 7, 2016 meeting in San Diego

General Update

The general update for all policy committee members focused on transportation, the budget, housing, “Cap and Trade,” the drought, drones, medical marijuana follow-up legislation, and a major announcement about storm water. The League still believes there is a “fairly strong likelihood” a transportation deal or funding package will occur this legislative session. However, the agreement may not look like anything seen to date. Senator Beall is still working across the aisle, especially with Senator Canella, for support of his \$6.5 B transportation package, and little momentum is seen at this point for AB 1591, Assembly member Frazier’s package. Also, no changes in the Governor’s transportation package have developed.

The State’s revenues remain on course with projections, and the Governor continues with his plans to put more dollars in state reserve funds. LOCC staff does not anticipate any surprises in the Governor’s May revised budget. Some adjustments will be needed for extra costs from the recent minimum wage increase legislation. The Proposition 30 sales tax increase ends on 12/31/16, but sales tax revenues are still expected to hold steady due to the robust economy. A November 2016 ballot measure will seek to extend Prop. 30.

The Assembly Housing Committee will release its \$1.1 B legislative package the week of April 11th. The Senate’s “No Place Like Home” housing funding will be incorporated into the state budget. Dollars totaling \$1.3 B still need to be allocated out of “Cap and Trade” revenues. Presently there are 48 bills circulating that spend that money.

Drought and drones were next in the discussions. Since the snow pack was 87% of normal on March 31st, things are markedly improved since 2015 when there was **no snow** for the measurement. El Niño has been kinder to Northern California than Southern California. LOCC staff expects the State Water Resources Board to ease conservation rates in the north but not the south at their April 20th meeting. Drone difficulties are increasing along with legislation to regulate them. Not surprisingly, lobbying dollars from Google, Amazon, and recreational user groups are increasing in Sacramento to stop regulation efforts. One particular bill, AB 2320 (Calderon and Low), would not allow any local control or ordinances – state jurisdiction would occur. Another bill, SB 868 (Jackson), is a better bill in the LOCC’s opinion because it does include strong local control. However, drones, as unmanned aircraft, fall under the FAA’s jurisdiction. Presently, there is a bill in the US Senate that would preempt local and state regulation of drones. Senator Dianne Feinstein may be working on an amendment that would maintain some local authority for drone regulation but also establish some federal parameters. So stay tuned.

Medical marijuana legislation includes a clean-up bill and taxation. AB 1585 (Bonta) clarifies aspects of last session's bill triad such as how the Seed Law does not apply to medical marijuana cultivation as well as a dispensary would need a local license before it can obtain a state license. SB 987 (McGuire) places a 15% tax on medical marijuana point of sale. The LOCC believes this is too high. A lower rate would allow room for local taxes as well as the state tax.

Finally, the LOCC pulled its "The California Water Conservation, Flood Control and Stormwater Management Act" from the 2016 ballot due to "really bad" polling numbers. The measure would definitely lose, so the preferred route is to find a better solution to achieve the goals of having stormwater under the "same rules" as waters and sewers.

Transportation, Communications, and Public Works Committee Actions

The Committee was asked to provide input on the following four bills:

- AB 1592 (Bonilla) Autonomous vehicles: pilot project
 - This bill would allow the Contra Costa Transportation Authority to conduct an autonomous vehicle pilot project for driverless vehicles. The Committee voted to support this pilot program. This technology should be developed in means that California can contribute and control.
- AB 2355 (Dababneh) Intercity rail services: noise mitigation
 - This bill would require the Caltrans to develop a noise and vibration mitigation program for residential neighborhoods along railroad lines where the department contracts for state-funded intercity rail services. The bill language is still very vague, talks about funding but does not mention a source, and it is not clear if Caltrans would facilitate or create a new form of state control. For these reasons, the Committee did not endorse the bill, and recommended it be watched.
- SB 1279 (Hancock) Coal shipment
 - This bill would prohibit the CTC from allocating any public funds for any project at a port facility that exports or proposes to export coal from the state if the facility is in or adjacent to a disadvantaged community. The Committee opposed this bill because it may conflict with several federal statutes and could impact commuter rail traffic.
- AB 1677 (Ting) Vehicles: tour buses: safety inspections
 - This bill would require the CHP to consult with local governments in developing tour bus inspection guidelines and allow a designated local agency to conduct the inspections. City inspections would be voluntary and no funding is allocated. Further, the Committee questioned the liabilities that local governments would incur from participation. The Committee suggested a watch position.

Here are other bills that threaten local control and the LOCC has an oppose stance:

- AB 2586 (Gatto) – Parking Bill of Rights
- SB 885 (Wolk) -- Construction Contracts
- SB 1170 (Wiekowski) – Public Contracts

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