

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: March 20, 2008

TO: Honorable Members of the Rules and Government Committee

FROM: Gerry F. Miller *Gerry F. Miller* Council File No: 08-0101
Chief Legislative Analyst Assignment No.: 08-01-2551

SUBJECT: Legislation Relative to Transportation Funding in Los Angeles County.

CLA RECOMMENDATION: Adopt the attached Resolution to include in the 2007-08 State Legislative Program SUPPORT for AB 2321 (Feuer) which would modify the Los Angeles County Metropolitan Transportation Authority's (Metro) authority to place a half cent sales tax on the ballot.

SUMMARY

As part of a broader legislative package to develop local funding options for transportation, Assemblymember Feuer has introduced AB 2321 which would modify the Los Angeles County Metropolitan Transportation Authority's (Metro) current authority to place a half cent sales tax on the ballot. The legislation would specifically amend that authorization to:

- Extend the term of the sales tax from 6 ½ years to up to 30 years.
- Retain the existing project list and require that the original funding allocations to be minimum amounts to be allocated to each project.
- Eliminate the project completion dates for certain projects.
- Require that all projects funded from the sales tax proceeds be incorporated in Metro's Long Range Transportation Plan (LRPT) as priority projects.
- Require Metro to use any excess sales tax proceeds beyond the funds needed for the projects, to implement projects in the Long Range Transportation Plan and to bond against the revenue, which is currently prohibited under existing law.

The funding generated through the increased sales tax would be dedicated to the following capital projects and programs:

- Exposition Boulevard Light Rail Transit Project from downtown Los Angeles to Santa Monica (\$925,000,000).
- Crenshaw Transit Corridor from Wilshire Boulevard to Los Angeles International Airport along Crenshaw Boulevard (\$235,500,000).
- San Fernando Valley North-South Rapidways (\$100,500,000).
- Metro Gold Line (Pasadena to Duarte) Light Rail Transit Extension (\$328,000,000).
- Metro Regional Connector (\$160,000,000).
- Metro Westside Subway Extension (\$900,000,000).
- State Highway Route 5 Carmenita Road Interchange Improvement (\$138,000,000).
- State Highway Route 5 Capacity Enhancement (State Highway Route 134 to State Highway Route 170, including access improvement for Empire Avenue) (\$271,500,000).
- State Highway Route 5 Capacity Enhancement (State Highway Route 605 to the Orange

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- County line, including improvements to the Valley View Interchange) (\$264,800,000).
- State Highway Route 5/State Highway Route 14 Capacity Enhancement (\$90,800,000).
- Capital Project Contingency Fund (\$173,000,000).
- Alameda Corridor East Grade Separations (\$200,000,000).
- MTA and Municipal Regional Clean Fuel Bus Capital (Facilities and Rolling Stock) (\$150,000,000).
- Countywide Soundwall Construction (MTA Regional List and Monterey Park/State Highway Route 60) (\$250,000,000).
- Local return for major street resurfacing, rehabilitation and reconstruction (\$250,000,000).
- Metrolink Capital Improvements (\$70,000,000).
- Eastside Light Rail Access (\$30,000,000).
- Metro Capital Program administration (10,000,000).

AB 2321 is estimated to generate an additional \$20 billion over 20 years and \$30 billion for 30 years for the above-mentioned transportation project and programs in Los Angeles County. The Resolution therefore requests that the City support this bill.

BACKGROUND

In 2003, SB 314 (Murray) was chaptered, which provided authority for Metro to place a half cent sales tax on the ballot to fund specific projects and programs. The measure provided that the funding generated from the sales tax be used for the above-mentioned list of specific transportation projects and programs. SB 314 required that the sales tax sunset in 6½ years and also exempted the sales tax from counting toward the cap on local sales taxes.

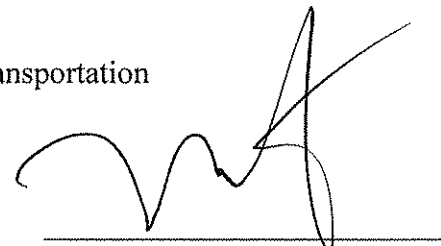
In light of the State budget challenges, approval of AB 2321 would provide Metro with an opportunity to establish an additional long-term transportation funding source.

DEPARTMENTS NOTIFIED

Department of Transportation

STATUS OF LEGISLATION

2/21 /08	Introduced
3/5/08	Referred to Assembly Committee on Transportation



 Maria Souza-Rountree
 Analyst

Attachments: 1. Resolution
 2. AB 2321 (Feuer)