

**CITY OF OAKLAND**  
OFFICE OF THE CITY CLERK  
**BILL ANALYSIS**



**Date:** April 19, 2006

2006 APR 20 PM 3:05

**Bill Number:** AB 2444 & SB 1611

**Bill Author:** Assembly Member Klehs and Senator Simitian

**DEPARTMENT INFORMATION**

**Contact:** Shanna O'Hare

**Department:** Public Works Agency

**Telephone:** 238-6613 **FAX #** 238-7415 **E-mail:** sohare@oaklandnet.com

**RECOMMENDED POSITION:** Support

**Summary of the Bill:**

AB 2444 (Klehs): This bill is similar to AB 1623 (Klehs), which Oakland supported but the governor vetoed last year. AB 2444 would authorize county congestion management agencies in the Bay Area to impose, by a 2/3<sup>rd</sup> vote, an annual fee of up to \$5 per registered vehicle for transportation projects and programs to manage traffic congestion. AB 2444 also authorizes the Bay Area Air Quality Management District to impose an annual fee of up to \$5 per registered vehicle to be used by the Air District and Water Quality Control Board to mitigate the environmental impacts of motor vehicles.

SB 1611 (Simitian): This bill would authorize any congestion management agency to place a countywide measure before voters that would impose an annual fee of up to \$25 per registered vehicle. If approved by majority vote, proceeds from this fee would be used for transportation projects and programs that benefit local motorists.

Both authors are currently negotiating with the governor's office to ensure his support of whichever registration fee option moves forward. Early indications were that the governor would be supportive of locally imposed user fees.

**Positive Factors for Oakland:**

Oakland's proportional share of Alameda County's annual revenues from AB 2444, based on our population, would be approximately 28% (or roughly \$1.4 million per year with a \$5 fee). Under AB 2444, these funds could be used to defray the cost of implementing and maintaining projects in Oakland that smooth traffic flow. Some examples include interconnecting traffic signals to allow timing coordination, installing video cameras to detect traffic congestion and message boards to redirect traffic to less congested streets. Improving pedestrian and bicycle access to key transit hubs would also be an eligible use of these funds.

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Under SB1611, use of the funds would be less restrictive and could potentially be used to defray a portion of Oakland's local roadway maintenance needs. With a \$25 fee, up to \$7 million annually could be available to Oakland for transportation projects and programs.

**Negative Factors for Oakland:** None.

**PLEASE RATE THE EFFECT OF THIS MEASURE ON THE CITY OF OAKLAND:**

**Critical** (top priority for City lobbyist, city position required ASAP)

**Very Important** (priority for City lobbyist, city position necessary)

**Somewhat Important** (City position desirable if time and resources are available)

**Minimal or**  **None** (do not review with City Council, position not required)

**Known support:**

AB 2444: Transportation And Land Use Coalition (Sponsor), Alameda County Congestion Management Agency, Metropolitan Transportation Commission, Alameda County Transportation Improvement Authority, East Bay Bicycle Coalition, East Bay Municipal Utility District, Marin County Board of Supervisors, Peninsula Bicycle & Pedestrian Coalition, Rail Passenger Association of California, Save the Bay, Sierra Club California.

SB 1611: None registered.

**Known Opposition:**

AB 2444: Automobile Club of Southern California, California Motor Car Dealers Association, California State Automobile Association, Howard Jarvis Taxpayers Association, Stop Hidden Taxes Coalition

SB 1611: None registered.

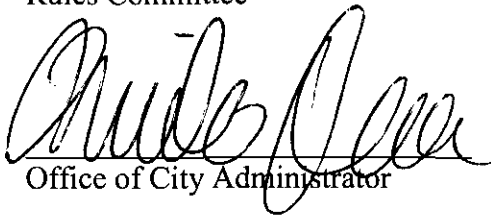
**Attach bill text and state/federal legislative committee analysis, if available.**

Respectfully Submitted,



Name: Raul A. Godinez, II  
Director, Public Works Agency

Approved for Forwarding to  
Rules Committee



Office of City Administrator

Item: \_\_\_\_\_  
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May 4, 2006

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## **Fact Sheet**

### **Senate Bill 1611 (Simitian) Congestion Management Improvements**

#### **Summary:**

SB 1611 provides local congestion management agencies with the option to generate additional local transportation funding through an increase in vehicle registration fees. Adoption of a fee would require a majority vote of the electorate. Projects funded through fee would be limited to those directly benefiting local motorists.

Current law authorizes similar vehicle registration fees for air districts and other local agencies.

#### **Need for the bill:**

In response to the State's budget shortfall, state transportation funding has been suspended. Drivers in the Los Angeles area waste over half a gallon of gas a day due to traffic congestion. An annual fee increase of a few dollars will generate millions of dollars for congestion-related and transportation-related programs. SB 1611 provides local authority to create local funding solutions to provide local transportation needs.

Under SB 1611, adoption of a fee would require a majority vote of the electorate. The level of fees, use of fee revenues, length of fee authorization, programs funded by fees, and other fee-related provisions would be approved by a ballot vote of the electorate.

SB 680 authorizes a fee of up to \$25 per vehicle.

**Introduced by Senator Simitian**February 24, 2006

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An act to add Section 9250.6 to the Vehicle Code, relating to vehicles.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 1611, as introduced, Simitian. Congestion management fees.

Existing law provides for creation of congestion management agencies in various counties with specified powers and duties relative to management of transportation congestion. Existing law provides for the imposition by air districts and certain other local agencies of fees on the registration of motor vehicles in certain areas of the state that are in addition to the basic vehicle registration fee collected by the Department of Motor Vehicles.

This bill would authorize a congestion management agency to impose an annual fee of up to \$20 on each motor vehicle registered within the county for transportation projects and programs with a relationship or benefit to the persons paying the fee. The bill would require a specific transportation program with performance measures and a budget to be adopted before the fee is imposed. The bill would require the resolution imposing the fee to incorporate the specific transportation program to be funded by the fee and specified findings of fact. The bill would require the resolution to be adopted by a 2/3 vote of the governing board. The bill would require the agency to have an independent audit conducted annually on the program and to provide a specified report to the Legislature. The bill would require the Department of Motor Vehicles, if requested, to collect the fee and distribute the proceeds, after deduction of specified administrative costs, to the agency, and would enact other related provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 9250.6 is added to the Vehicle Code, to  
2 read:

3 9250.6. (a) A county congestion management agency created  
4 pursuant to Chapter 2.6 (commencing with Section 65088) of  
5 Division 1 of Title 7 of the Government Code may, impose an  
6 annual fee of up to twenty dollars (\$20) on each motor vehicle  
7 registered in the county, with the net revenues to be used for  
8 transportation-related programs that have a relationship or benefit  
9 to the persons that pay the fee, including the provision of  
10 required matching funds for funding made available for  
11 transportation from state general obligation bonds. The agency  
12 may impose the fee only if the governing board adopts a  
13 resolution providing both for the fee and the specific  
14 transportation program in subdivision (b). The resolution shall  
15 also contain a finding of fact that the projects and programs to be  
16 funded by the fee have a relationship or benefit to the persons  
17 who will be paying the fee. Adoption of the fee, the program, and  
18 the finding of fact shall all require a two-thirds vote of the  
19 governing board at a noticed public hearing.

20 (b) Prior to imposition of the fee, the governing board shall  
21 adopt a specific program for expenditure of fee revenues, with  
22 performance measures and a budget. The program shall be  
23 adopted by the governing board at a noticed public hearing.

24 (c) The congestion management agency shall arrange for an  
25 independent audit to be conducted annually on the specific  
26 program adopted pursuant to subdivision (b), with the auditor's  
27 review and report to be provided annually to the governing board  
28 at a noticed public hearing.

29 (d) The congestion management agency shall provide a report  
30 to the Legislature on the specific program adopted pursuant to  
31 subdivision (b). The report shall include, but need not be limited  
32 to, an evaluation of the impact and performance improvements  
33 funded by the fee and the cost effectiveness of the program.

34 (e) The department shall, if requested by a congestion  
35 management agency, collect the fee imposed pursuant to this

1 section upon the registration or renewal of registration of any  
2 motor vehicle registered in the county, except those vehicles that  
3 are expressly exempt under this code from the payment of  
4 registration fees. The agency shall pay for the initial setup and  
5 programming costs identified by the department through a direct  
6 contract with the department. Any direct contract payment shall  
7 be repaid, with no restriction on the use of funds, to the agency as  
8 part of the initial net revenues distributed. After deducting all  
9 nonreimbursed costs incurred by the department pursuant to this  
10 section, the department shall distribute the net revenues to the  
11 agency.

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BILL NUMBER: AB 2444 AMENDED  
BILL TEXT

AMENDED IN ASSEMBLY APRIL 6, 2006

INTRODUCED BY Assembly Member Klehs  
( Coauthors: Assembly Members  
Lieber and Nation )

FEBRUARY 23, 2006

An act to add Chapter 2.66 (commencing with Section 65089.20) and Chapter 2.67 (commencing with Section 65089.30) to Division 1 of Title 7 of the Government Code, and to add Sections 9250.3 and 9250.4 to the Vehicle Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2444, as amended, Klehs Congestion management and motor vehicle environmental mitigation fees.

Existing law provides for the imposition by air districts and other local agencies of fees on the registration of motor vehicles in certain areas of the state that are in addition to the basic vehicle registration fee collected by the Department of Motor Vehicles.

This bill would authorize the congestion management agencies in the 9 Bay Area counties, by a 2/3 vote of all of the members of the governing board, to impose an annual fee of up to \$5 on motor vehicles registered within those counties for a program for the management of traffic congestion. The bill would require a program with performance measures and a budget to be adopted before the fee may be imposed. The bill would require the agency to have an independent audit performed on the program and to submit a report to the Legislature on the program by July 1, 2011. The bill would require the Department of Motor Vehicles, if requested, to collect the fee and distribute the net revenues, after deduction of specified costs, to the agency. The bill would require that the fees collected may only be used to pay for programs bearing a relationship or benefit to the owners of motor vehicles paying the fee, and would require the agency to make a specified finding of fact in that regard by a 2/3 vote.

This bill would also authorize the ~~Metropolitan Transportation Commission~~ Bay Area Air Quality Management District, which is the ~~regional transportation planning agency~~ air pollution control district for the 9-county Bay Area, to impose an annual fee of up to \$5 on motor vehicles registered with its jurisdiction for programs that mitigate the impacts of motor vehicles on the environment, including, but not limited to, storm water runoff mitigation projects, water quality improvement projects, and air quality improvement projects. The bill would require a program with performance measures and a budget to be adopted by the Bay Area Air Quality Management District and the California Regional Water Quality Control Board for the San Francisco Bay Region before the fee may be imposed, and would require the fee to be adopted by a 2/3 vote of ~~all of the commissioners~~ the governing board of the district. The bill would require the Department of Motor Vehicles, if requested, to collect the fee and to distribute the net revenues, after deduction of specified



costs, to the Bay Area Air Quality Management District and to the California Regional Water Quality Control Board for the San Francisco Bay Region based on a specified formula. The bill would require the recipient agencies to have an independent audit performed on the program and to submit a report to the Legislature on the program by July 1, 2011. The bill would require that the fees collected may only be used to pay for programs bearing a relationship or benefit to the owners of motor vehicles paying the fee, and would require the ~~commission~~ board to make a specified finding of fact in that regard by a 2/3 vote.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Chapter 2.66 (commencing with Section 65089.20) is added to Division 1 of Title 7 of the Government Code, to read:

CHAPTER 2.66. MANAGEMENT OF TRAFFIC CONGESTION IN THE BAY AREA

65089.20. (a) As used in this chapter, "county transportation agency" means an agency designated pursuant to Section 66531 to develop the county transportation plan.

(b) A county transportation agency may impose a fee of up to five dollars (\$5) on motor vehicles registered within the county if the board of the county transportation agency adopts a resolution providing for both the fee and a corresponding program for the management of traffic congestion as set forth in Sections 65089.21 to 65089.24, inclusive. Adoption by the board requires a vote of approval by two-thirds of all the members of the board.

(c) A fee imposed pursuant to this section shall not become operative until six months after the effective date of this section and pursuant to the resolution adopted by the board in subdivision (b).

(d) A county transportation agency may adopt a resolution by a majority vote of the board to cease collection of the fee commencing on a date determined by the county transportation agency in consultation with the Department of Motor Vehicles.

65089.21. (a) The net revenues from the fee distributed to the county transportation agency pursuant to Section 9250.3 of the Vehicle Code shall be used for purposes of congestion management consistent with the objectives of Section 65089.

(b) (1) The revenues may be used to pay for programs with a relationship or benefit to the owners of motor vehicles that are paying the fee. ~~However, the revenues may not be used for the purposes of new road construction.~~ *Eligible projects include, but are not limited to, roadway operations and improvements (not including the construction of through freeway lanes), public transit capital improvements and operations, and bicycle and pedestrian safety projects and programs.*

(2) Prior to imposing the fee, the board of the county transportation agency shall make a finding of fact by two-thirds of all the members of the board of that county transportation agency that those programs bear a relationship or benefit to the motor vehicles that will pay the fee.

(c) The purpose of the congestion management program is to address motor vehicle congestion.

(d) Not more than 5 percent of the fees distributed to the county transportation agency shall be used by the agency for its

administrative costs associated with the program.

65089.22. Prior to the imposition of the fee by the county transportation agency, a specific program with performance measures and a budget shall first be developed and adopted by the county transportation agency at a noticed public hearing.

65089.23. The county transportation agency shall have an independent audit performed on the specific program adopted pursuant to Section 65089.22 with the review and report provided to the board at a noticed public hearing.

65089.24. The county transportation agency shall provide a report to the Legislature on the specific program adopted pursuant to Section 65089.22 by July 1, 2011.

SEC. 2. Chapter 2.67 (commencing with Section 65089.30) is added to Division 1 of Title 7 of the Government Code, to read:

CHAPTER 2.67. ENVIRONMENTAL MITIGATION OF MOTOR VEHICLES IN THE BAY AREA

65089.30. (a) As used in this chapter, ~~"commission"~~ means the Metropolitan Transportation Commission. *"board" means the governing body of the Bay Area Air Quality Management District.*

(b) The ~~commission~~ board may impose a fee of up to five dollars (\$5) on motor vehicles registered within the counties in its jurisdiction if the ~~commissioners~~ members of the board adopt a resolution providing for both the fee and a corresponding program for the mitigation of the impacts of motor vehicles on the environment submitted to the ~~commission~~ board as set forth in Sections 65089.31 to 65089.34, inclusive. Adoption by the commission requires a vote of approval of two-thirds of all the ~~commissioners~~ members of the board .

(c) A fee imposed pursuant to this section shall not become operative until six months after the effective date of this section and pursuant to the resolution adopted by the ~~commission~~ board in subdivision (b).

(d) The ~~commission~~ board may adopt a resolution by majority vote to cease collection of the fee commencing on a date determined by the ~~commission~~ board in consultation with the Department of Motor Vehicles.

65089.31. (a) The net revenues available pursuant to Section 9250.4 of the Vehicle Code shall be distributed as follows:

(1) Fifty percent to the Bay Area Air Quality Management District. Of these revenues, ~~50~~ 75 percent shall be expended on projects in the county of origin, as determined by the district, and ~~50~~ 25 percent shall be expended on regional projects.

(2) Fifty percent to the California Regional Water Quality Control Board for the San Francisco Bay Region. Of these revenues, ~~50~~ 75 percent shall be expended on projects in the county of origin, as determined by the board, and ~~50~~ 25 percent shall be expended on regional projects.

(b) (1) The revenues may be used to pay for programs that mitigate the impacts of motor vehicles on the environment, including, but not limited to, storm water runoff mitigation projects, water quality improvement projects, and air quality improvement projects , including those that address emissions that contribute to climate change . The programs shall have a relationship or benefit to the owners of motor vehicles that are paying the fee.

(2) Prior to the imposition of the fee, the ~~commission board~~ shall make a finding of fact by a two-thirds vote of all of the ~~commissioners members of the board~~ that those programs bear a relationship or benefit to the motor vehicles that will pay the fee.

65089.32. Prior to the imposition of the fee by the ~~commission board~~, a specific program with performance measures and a budget shall first be developed and adopted by the Bay Area Air Quality Management District and the California Regional Water Quality Control Board for the San Francisco Bay Region for the anticipated revenues each agency is expected to receive pursuant to Section 65089.31. The adoption shall occur at a noticed public hearing of each agency. Each agency shall submit the program and budget to the ~~commission board~~

65089.33. The Bay Area Air Quality Management District and the California Regional Water Quality Control Board for the San Francisco Bay Region shall have an independent audit performed on the specific program adopted pursuant to Section 65089.32 with the review and report provided to each agency at a noticed public hearing.

65089.34. The Bay Area Air Quality Management District and the California Regional Water Quality Control Board for the San Francisco Bay Region shall provide a report to the Legislature on the specific program adopted pursuant to Section 65089.32 by July 1, 2011.

SEC. 3. Section 9250.3 is added to the Vehicle Code, to read:

9250.3. (a) The department shall, if requested by a county transportation agency, collect the fee imposed pursuant to Section 65089.20 of the Government Code upon the registration or renewal of registration of any motor vehicle registered in the county, except those vehicles that are expressly exempted under this code from the payment of registration fees.

(b) A county transportation agency shall pay for the initial setup and programming costs identified by the Department of Motor Vehicles through a direct contract with the department. Any direct contract payment by the county transportation agency shall be repaid, with no restriction on the funds, to the county transportation agency as part of the initial revenues distributed. Regular Department of Motor Vehicles collection costs shall be in accordance with subdivision (c). These costs shall not be counted against the 5-percent administration cost limit specified in subdivision (d) of Section 65089.21.

(c) After deducting all costs incurred pursuant to this section, the department shall distribute the net revenues to the county transportation agency.

(d) As used in this section, "county transportation agency" has the same meaning as in subdivision (a) of Section 65089.20 of the Government Code.

SEC. 4. Section 9250.4 is added to the Vehicle Code, to read:

9250.4. (a) The department shall, if requested by the ~~Metropolitan Transportation Commission governing board of the Bay Area Air Quality Management District~~, collect the fee imposed pursuant to Section 65089.30 of the Government Code upon the registration or renewal of registration of any motor vehicle registered in a county within the jurisdiction of the ~~commission board~~, except those vehicles that are expressly exempted under this code from the payment of registration fees.

(b) The ~~commission board~~ shall pay for the initial setup and programming costs identified by the Department of Motor Vehicles through a direct contract with the

department. Any direct contract payment by the ~~commission~~  
board shall be repaid, with no restriction on  
the funds, to the ~~commission~~ board as  
part of the initial revenues available for distribution. Regular  
Department of Motor Vehicles collection costs shall be in accordance  
with subdivision (c).

(c) After deducting all costs incurred pursuant to this section,  
the department shall distribute the net revenues pursuant to  
subdivision (a) of Section 65089.31 of the Government Code.

AB 2444

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Date of Hearing: April 17, 2006

ASSEMBLY COMMITTEE ON TRANSPORTATION  
Jenny Oropeza, Chair  
AB 2444 (Klehs) - As Amended: April 6, 2006

SUBJECT : Motor vehicle registration fees

SUMMARY : Allows county transportation agencies to impose registration fee surcharges of up to \$5 per year to fund congestion management activities. Specifically, this bill :

- 1) Defines a "county transportation agency" as an agency that develops the transportation plan of a county within the nine-county Bay Area's Metropolitan Transportation Commission.
- 2) Allows a county transportation agency to impose a fee of up to \$5 on motor vehicles registered within its county if the board of the county transportation agency adopts, by a two-thirds vote, a resolution providing for both the fee and a corresponding program for the management of traffic congestion.
- 3) Prohibits such a fee imposed from becoming operative until six months after the effective date of this bill and pursuant to the resolution adopted by the agency's board.
- 4) Allows a county transportation agency to cease collection of the fee through adoption of a resolution by a majority vote.
- 5) Requires the net revenues from the fee to be used for purposes of congestion management.
- 6) Allows the revenues to be used to pay for programs with a relationship or benefit to the owners of motor vehicles that are paying the fee, including but not limited to roadway operations and improvements, transit capital improvements and operations and bicycle and pedestrian projects and programs.
- 7) Requires the board of the county transportation agency, prior to imposing the fee, to make a finding of fact by two-thirds of its members that those programs bear a relationship or benefit to the motor vehicles that will pay the fee.

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- 8) Limits to 5% of the fees, a county transportation agency's administrative costs associated with the program.
  - 9) Requires a specific program with performance measures and a budget to be developed and adopted by the county transportation agency at a noticed public hearing prior to the imposition of the fee.
  - 10) Requires each county transportation agency to have an independent audit performed on its program.
  - 11) Requires each county transportation agency to provide a report to the Legislature on its adopted program by July 1, 2011.
  - 12) Allows the Bay Area Air Quality Management District (BAAQMD), by a two-thirds vote of its board, to impose a fee of up to \$5 on motor vehicles registered within the counties in its jurisdiction if it adopts a resolution providing for both the fee and a corresponding program for the mitigation of the impacts of motor vehicles on the environment.
  - 13) Prohibits the fee from becoming operative until six months after the effective date of this bill and pursuant to the resolution adopted by the BAAQMD.
  - 14) Allows the BAAQMD to adopt a resolution by majority vote to cease collection of the fee.
  - 15) Requires net revenues from the BAAQMD fee to be distributed as follows:
    - (a) 50% to the BAAQMD, of which 75% must be expended on projects in the county of origin, and 25% on regional projects.
    - (b) 50% to the California Regional Water Quality Control Board for the San Francisco Bay Region (SF Water Board), of which 75% must be expended on projects in the county of origin and 25% on regional projects.
  - 16) Allows BAAQMD revenues to be used to pay for programs that mitigate the impacts of motor vehicles on the environment, including, but not limited to, storm water runoff mitigation projects, water quality improvement projects, and air quality

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improvement and climate change projects.

- 17) Requires BAAQMD programs to have a relationship or benefit to the owners of motor vehicles that are paying the fee.
- 18) Requires BAAQMD, prior to imposing the fee, to make a finding of fact by a two-thirds vote of all of the BAAQMD board that those programs bear a relationship or benefit to the motor vehicles that will pay the fee.
- 19) Requires BAAQMD and the SF Water Board, prior to the imposition of the BAAQMD fee, to develop and adopt, at a noticed public hearing, a specific program with performance measures and a budget for the anticipated revenues each agency is expected to receive.
- 20) Requires BAAQMD and the SF Water Board to have an independent audit performed on their respective programs, with the review and report provided to each agency at a noticed public hearing.
- 21) Requires BAAQMD and the SF Water Board to provide reports to the Legislature on their programs by July 1, 2011.
- 22) Requires the Department of Motor Vehicles (DMV), if requested by a county transportation agency, to collect the fee upon the registration or renewal of registration of any motor vehicle registered in the county, except those vehicles that are expressly exempted by statute from the payment of registration fees.
- 23) Requires a county transportation agency to pay for DMV's initial setup and programming costs through a direct contract with the department.
- 24) Requires any direct contract payment by a county transportation agency to be repaid, with no restriction on the funds, to the agency as part of the initial revenues distributed.
- 25) Requires regular DMV collection costs to not be counted against the 5-percent administration cost limit.
- 26) Requires DMV, after deducting all its costs, to distribute net fee revenues to the county transportation agency.

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- 27) Requires DMV, if requested by the BAAQMD, to collect the fee upon the registration or renewal of registration of any motor vehicle registered in a county within BAAQMD's jurisdiction, except those vehicles that are expressly exempted by statute

from the payment of registration fees.

- 28) Requires the BAAQMD to pay for DMV's initial setup and programming costs through a direct contract with DMV.
- 29) Requires any direct contract payment by the BAAQMD to be repaid, with no restriction on the funds, to MTC as part of the initial revenues available for distribution.
- 30) Requires DMV, after deducting all its costs, to distribute the net revenues to the BAAQMD.

EXISTING LAW : Authorizes DMV, if requested by specified entities, to levy fees for specified purposes upon a vehicle's original or renewal registration. Current fees generate funding for such purposes as protecting air quality, providing responses to freeway emergencies, prosecuting vehicle theft, and providing fingerprint identification for local law enforcement. Most of these programs are initiated at the request of individual counties.

FISCAL EFFECT : Unknown

COMMENTS : According to the author, this bill is a followup to his AB 1623, which was vetoed by the Governor last year. (AB 1623 would have authorized the designated county transportation agencies in Alameda, Contra Costa, Marin and Napa Counties to impose a \$5 on motor vehicles registered within their respective jurisdictions for a program to manage traffic congestion and mitigate the environmental impacts of motor vehicles within those counties. The Governor vetoed that bill, stating, "I do not believe these fees should continue to be added without the approval from the people upon whom the fee is imposed.")

The author contends that the state is facing a transportation funding crisis while the Bay Area is facing a pollution crisis resulting from the operation of motor vehicles. He cites historical diversions of billions of dollars in Proposition 42 revenues from transportation programs earlier in the decade as having delayed transportation projects and notes the deleterious

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AB 2444  
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effects of motor oil, vehicle exhaust and tire and brake residue on air and water quality in the Bay Area. This bill attempts to tackle these problems by providing the subject counties "an optional tool to begin addressing traffic congestion and the environmental needs of the Bay Area."

The Marin County Board of Supervisors, writing in support of this bill, contends that it addresses "what is fast becoming a transportation crisis throughout the State and in Marin County."



They point out that the bill requires, in the Bay Area, a two-thirds vote of BAAQMD board members and that its implementation "would also provide self-help counties like Marin greater opportunities to compete for regional, State, and Federal grants by providing additional matching funds."

The California Motor Car Dealers Association notes that when vehicle owners pay their \$31 annual registration fee, they may (depending on their county) also be subject to fees for air quality districts, the California Highway Patrol, abandoned vehicle abatement, freeway call boxes, theft deterrence, and fingerprint identification. Additionally, newer vehicles that are exempt from Smog Check must pay a \$12 smog abatement fee in exchange for that privilege. Terming these as "hidden fees," the Association contends that motorists are already overburdened and should not be subject to yet another fee without a popular vote within each affected county.

The Stop Hidden Taxes Coalition, comprised of over 60 statewide groups, regional organizations and private businesses, deems this bill's proposed fee to be a tax increase and believes it should be subject to a two-thirds legislative vote.

Legislative History : This bill is similar to AB 104 (Nation) that was vetoed by Governor Davis in 2001 and AB 204 (Nation) that died in the Senate Transportation Committee in 2004. Both of those bills applied only to the nine Bay Area counties.

SB 658 (Kuehl - 2005) would have authorized a \$6 vehicle registration fee in coastal and Bay Area counties in order to fund specified environmental mitigation projects. SB 680 (Simitian - 2005) would have authorized the Santa Clara Valley Transportation Authority to adopt a \$5 vehicle registration fee for up to eight years to finance traffic and transportation improvements in that county. AB 1208 (Yee - 2005) would have authorized the San Francisco Board of Supervisors to impose a \$5

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vehicle registration fee in order to fund street improvements. All three of these bills were vetoed by Governor Schwarzenegger, using roughly the same veto message as was offered for AB 1623.

Double Referral : This bill is also referred to the Committee on Local Government.

REGISTERED SUPPORT / OPPOSITION :

Support

Transportation And Land Use Coalition (Sponsor)

East Bay Bicycle Coalition  
East Bay Municipal Utility District  
Marin County Board of Supervisors  
Peninsula Bicycle & Pedestrian Coalition  
Rail Passenger Association of California  
Save the Bay  
Sierra Club California

Opposition

Automobile Club of Southern California  
California Motor Car Dealers Association  
California State Automobile Association  
Howard Jarvis Taxpayers Association  
Stop Hidden Taxes Coalition

\_\_\_\_\_ Analysis Prepared by : Howard Posner / TRANS. / (916) 319-2093



2006 APR 20 PM 3:06  
INTRODUCED BY COUNCIL MEMBER \_\_\_\_\_

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**RESOLUTION DECLARING THE CITY OF OAKLAND'S SUPPORT  
FOR AB 2444 (KLEHS) and SB 1611 (SIMITIAN)  
(Vehicle Registration Fee for Congestion Management and Related Environmental Mitigation)**

**WHEREAS**, current economic conditions have reduced transportation funding from state and federal sources while congestion on freeways and local roads continues to be a significant problem for residents and employees in Alameda County; and

**WHEREAS**, traffic congestion impacts the economy of the county and the ability of employers in Alameda County to attract and keep employees; and

**WHEREAS**, improvements in the operation of local arterials, improvements in the operations of transit, and improvements in the operations of freeways can provide relief from congestion; and

**WHEREAS**, transportation improvements can have environmental impacts that require mitigation; and

**WHEREAS**, the Alameda County Congestion Management Agency (CMA) was created in 1991 by a joint powers agreement among the cities of Alameda County and the County of Alameda to provide a forum for addressing congestion and other transportation issues; and

**WHEREAS**, State Assemblyman Johan Klehs, at the request of the CMA, introduced AB 2444 in the 2006 session of the California Legislature that would authorize the Bay Area congestion management agencies, by a 2/3rds vote of their members, to levy up to a \$5 vehicle registration fee aimed at addressing traffic congestion; and

**WHEREAS**, a proportional share (based on population) of the revenues generated by the CMA-imposed registration fee would be earmarked for projects in Oakland that improve the flow of traffic and address the environmental impacts of transportation improvements; and

**WHEREAS**, AB 2444 would also authorize the Bay Area Air Quality Management District to impose an annual fee of up to \$5 per registered vehicle to be used by the Air District and Water Quality Control Board to mitigate the environmental impacts of motor vehicles; and

**WHEREAS**, State Senator Joseph Simitian introduced SB 1611, which would authorize any congestion management agency in California to place before voters a measure that would impose an annual fee of up to \$25 per registered vehicle, if approved by majority vote, to fund projects benefiting local motorists; and

**WHEREAS**, negotiations are underway with the governor's office to determine which of these two bills will advance, or whether they will be merged.

**NOW THEREFORE BE IT RESOLVED**, that the Oakland City Council supports AB 1623 (Klehs) and SB 1611 (Simitian) to levy a vehicle registration fee for congestion management projects, roadway maintenance, and environmental mitigation of transportation projects.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2006

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, AND PRESIDENT DE LA FUENTE

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council  
of the City of Oakland, California