



**DATE** May 13, 2015  
**TO** GCTD Board of Directors  
**FROM** Steven P. Brown, General Manager *SPB*  
**SUBJECT** Review Legislative Update and Consider Positions on Bills

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## I. Executive Summary

Several state legislative bills that deal with transportation issues are currently working their way through the legislature. It's appropriate for the Gold Coast Transit District to consider taking positions on a couple of these bills that could directly affect the District. Analyses of these two bills are attached to this report.

AB 1250 would extend the bus axle weight exemption and SB 508 would revise state transit funding requirements.

**IT IS RECOMMENDED that the Board of Directors Consider Adoption of Support Positions on AB 1250 (Bloom) and SB 508 (Beall) and direct the General Manager to send letters of support to the Authors for both bills.**

## II. Discussion

Currently at least two legislative proposals are being considered that could be beneficial to the Gold Coast Transit District. Neither bill has any listed opposition at this time, but it would be advantageous for the District to take positions of support on these bills and communicate our support to the authors as these important pieces of legislation are considered by additional committees and the full Assembly and Senate.

AB 1250 (Bloom) exempts transit buses procured through a solicitation process that was issued before January 1, 2016 from the statutory weight limit of 20,500 pounds on any one axle of a bus. Current law only covers solicitations issued prior to January 1, 2013. As noted in the attached bill analysis prepared for the Assembly Committee on Transportation, the federal Transit Cooperative Research Program (TCRP) commissioned a detailed national study on the bus axle weight issue. The study was released in November 2014 and provides the most comprehensive look at the issue to date, but does not provide a clear long-term solution. Rather, the report puts forth 23 different options for addressing the axle weight issue and concludes: "There is no single operational, design, technological, or regulatory solution that resolves these issues without some undesirable consequences."

### GOLD COAST TRANSIT DISTRICT

A group of California stakeholders including cities, counties, transit agencies, and representatives from various state departments and agencies are meeting to review the 23 recommendations and weighing the pros and cons of each. Hopefully an agreement can be reached this year that will settle the axle weight issue and could eventually be amended into this bill.

It is recommended that the GCTD Board consider a SUPPORT position on AB 1250 (Bloom) to provide as much flexibility as possible to the District on any future bus orders that we may consider in the next few years.

SB 508 (Beall) would revise the requirements for Transportation Development Act (TDA) Local Transportation Funds (LTF) as well as State Transit Assistance. This new law would address the requirement that transit expenses not exceed the Consumer Price Index and exempt certain costs from the calculation of the farebox recovery ratio. Start-up costs for new services for up to 2 years are exempted and SB 508 revises the definition of "operating cost" for performance audit and certain other purposes to exclude principal and interest costs on capital projects funded with certificates of participation.

SB 508 is intended to update TDA law to better match funding eligibility with the new realities in providing transit services. This law would be very beneficial for GCTD as we look to issuing certificates of participation for the new Administration and Operations facility. The attached summary of this bill is provided courtesy of the VCTC and their state lobbyist, Delaney Hunter, as the legislative analyst office has not posted their analysis as of the writing of this report. The first hearing on this bill is set for May 5, 2015.

### **III. Recommendation**

**IT IS RECOMMENDED that the Board of Directors Consider Adoption of Support Positions on AB 1250 (Bloom) and SB 508 (Beall) and direct the General Manager to send letters of support to the Authors for both bills.**

Attachments

Date of Hearing: April 13, 2015

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

AB 1250 (Bloom) – As Amended March 19, 2015

**SUBJECT:** Vehicles: buses: gross axle weight

**SUMMARY:** Exempts transit buses procured through a solicitation process that was issued before January 1, 2016, from the statutory weight limit of 20,500 pounds on any one axle of a bus.

**EXISTING LAW:**

- 1) Generally limits the gross weight on any one axle for vehicles that travel on public streets, roads, and highways (highways) to 20,000 pounds, but provides that buses of any type may impose a gross axle weight of up to 20,500 pounds.
- 2) Under federal law, prohibits California from enforcing a weight limit of under 24,000 pounds per axle for buses travelling on the federal Interstate highway system.
- 3) Exempts transit buses procured through a solicitation process that was issued before January 1, 2013, from existing statutory limits on bus weights.
- 4) Allows, until January 1, 2016, a publicly owned and operated transit system or an operator of a transit system under contract with a publicly owned and operated transit system to do the following:
  - a) Replace existing buses that exceed the current weight limits with a new model of the same or lower weight.
  - b) Procure and operate a new bus in excess of the current weight limits in order to incorporate a new fleet class into its inventory, if the governing board adopts a finding at a public hearing that the change is necessary to address a need to serve a new or existing market pursuant to its most recently adopted short-range transit plan, or to meet federal, state, or regional statutory or regulatory requirements.
- 5) Requires the governing board of a transit system, if it holds a public hearing to consider procurement of buses in excess of existing weight limits pursuant to the above provisions, to provide written notice of the public hearing to those cities and counties on whose roads the busses would travel, and place in the public record any comment or concerns it receives regarding the procurement.
- 6) Defines "fleet class" to mean a group of transit buses that have a combination of two or more of the following similar defining characteristics:
  - a) Length;
  - b) Seating capacity;

- c) Number of axles;
  - d) Fuel or power system;
  - e) Width;
  - f) Structure; and
  - g) Equipment package.
- 7) Prohibits transit buses from operating on the Interstate highway system in excess of federal weight limitations.
- 8) Requires state agencies to take into account vehicle weight impacts and the ability of vehicle manufacturers and operators to comply with laws limiting the weight of vehicles when promulgating regulations.

**FISCAL EFFECT:** None

**COMMENTS:** Since 1975, state law has prohibited the gross weight on any single axle of a transit bus from exceeding 20,500 pounds. Due to numerous state and federal mandates, including Americans with Disability Act requirements and emissions reduction equipment, transit buses today often exceed that weight, especially when carrying a large number of passengers. According to the sponsor, the California Transit Association (CTA), as many as half of the transit buses in California operating at peak commute times may exceed the state weight limit of 20,500 pounds per axle. However, during non-peak times, this percentage drops significantly due to lower ridership loads.

Several years ago, some local police departments began citing transit buses for violating the weight limit. Merely relying on the current procedures in state law for overweight vehicles - paying fines resulting from citations or paying fees and administering thousands of annual overweight vehicle permits on a city-by-city basis - would be costly and time consuming for transit agencies and other local governments statewide. Moreover, such an approach would continue to ignore the underlying problem: the Vehicle Code limit was created more than 35 years ago and simply did not contemplate today's operating environments or legal and regulatory requirements. However, simply increasing the weight limit for transit buses is not as easy as it might sound because for cities and counties, more weight equals greater wear and tear on local streets and roads.

AB 1706 (Eng), Chapter 771, Statutes of 2012, offered a short-term solution to the bus axle weight issue by exempting all existing transit buses from the state weight limit. AB 1706 additionally allowed for procurement of new buses exceeding the weight limit if they were replacing existing overweight buses or if the transit operator was introducing a new fleet class. The procurement provisions in AB 1706 were scheduled to sunset at the end of 2014. AB 1720 (Bloom), Chapter 263, Statutes of 2014, extended the sunset on the procurement provisions to the end of 2015.

The temporary fix to the bus axle weight issue came about after stakeholders - including cities, counties, transit agencies, and representatives from various state departments and agencies - put considerable effort into finding a permanent solution to the issue without coming to agreement. Because the bus axle weight issue is a complicated one that has been a subject of concern not just in California but nationwide, the federal Transit Cooperative Research Program (TCRP), an arm of the Transportation Research Board backed by the National Academy of Sciences, commissioned a detailed national study on the bus axle weight issue. The study, which was released in November of 2014, provides the most comprehensive look at the issue to date but does not provide a clear long-term solution. Rather, it puts forth 23 different options for addressing the axle weight issue and concludes: "There is no single operational, design, technological or regulatory solution that resolves these issues without some undesirable consequences"

Now that the TCRP study has been released, California stakeholders have reconvened with the goal of crafting a long-term solution to the issue that works for all parties. The stakeholders are reviewing the 23 options laid out in the study and weighing the pros and cons of each. The hope is that some agreement will be reached this year that will settle the axle weight issue once and for all, an agreement that could eventually be amended into this bill.

In the meantime, this bill exempts transit busses that were purchased under the terms of the temporary procurement provisions from the 20,500-pound per axle weight limit. This ensures that busses that were purchased legally under the terms of AB 1706 can continue to operate legally should the old weight limits snap back into place in 2016 as scheduled under current law. While that was always the intent of both AB 1706 and AB 1720, that intent is not currently reflected in statute.

#### **REGISTERED SUPPORT / OPPOSITION:**

##### **Support**

California Transit Association (Sponsor)  
Alameda-Contra Costa Transit District  
California Association for Coordinated Transportation  
Napa County Transportation Planning Agency

##### **Opposition**

None on file

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### Senate Bill 508 (Beall)

**Summary:** SB 508:

- Deletes the current requirement, established pursuant to the Transportation Development Act (TDA), for transit operators to maintain higher farebox requirements based on the 1978–79 fiscal year.
- Exempts additional categories of expenditures from the definition of “operating cost” used to determine compliance with required farebox ratios, including, among others, certain health coverage, pension, fuel, insurance, and claims settlement costs.
- Exempts startup costs for new transit services for up to 2 years.
- Revises the definition of “operating cost” for performance audit and certain other purposes to exclude principal and interest payments on capital projects funded with certificates of participation or other lease financing mechanisms.

In addition, rather than making an operator ineligible to receive State Transit Assistance (STA) program funds for operating purposes for an entire year for failing to meet the efficiency standards, instead:

- Reduces the operator’s operating allocation by a specified percentage, based on the percentage amount that the operator failed to meet the efficiency standards, as specified.
- Excludes certain health coverage and pension costs from the definition of operating costs used to calculate compliance with the efficiency standards.
- Deletes provisions related to funds withheld, reallocated, or reverted by the transportation planning agency.

**Purpose:** To update TDA to better match funding eligibility with the new realities in providing transit services.

**Author Statement:** SB 508 addresses the multiple challenges facing transit agencies and does the following:

- Deletes the farebox recovery requirement that agencies maintain the ratio they achieved in 1978- 79, which provides a simple urban / rural requirement of 20% / 10%
- Standardizes exclusions from the definition of operating cost for both the farebox recovery ratio requirement and the STA Program qualifying criteria requirement. Thus, true “parity” is created between the two systems.
- Updates exemptions to better reflect today’s marketplace, for health and pension costs, and for standard facilities financing costs (currently treated by some auditors as an operations cost instead of a capital cost).
- Eliminates the “pass / fail” nature of the STA qualifying criteria, under which an operator – currently – could fail its CPI target by 0.01% but still lose 100% of its STA allocation for

operations. The bill replaces that provision with a new section creating a “sliding scale” or proportional approach to penalizing an operator (with regard to using the funds for operations versus capital). For example, if an operator goes over its required cost per hour target by 10%, then 10% of its STA funds could be withheld from operations.

**Existing Law:**

- **Farebox Recovery Ratio:** Operators must recover a certain percentage of their operating costs from the farebox or from the transit rider. Farebox recovery ratios must be maintained in order for operators to receive their TDA funds and their STA Program funds. TDA funds are flexible, and can be used for either operations or capital purposes. The STA Program funds can also be used for either operations or capital purposes.
- **STA Eligibility Criteria:** To receive STA funds for operating purposes, the transit operator's total operating cost per revenue vehicle hour must be maintained at or less than the previous year's cost, as adjusted by the CPI.

**Related legislation:**

N/A

**Support/Opposition (as of 3/24/15):**

Support

California Transit Association (Sponsor)

Opposition