REPORT TO LAW & LEGISLATION COMMITTEE
City of Sacramento

915 I Street, Sacramento, CA 95814-2671

STAFF REPORT
May 3, 2011

Honorable Members of the
Law and Legislation Committee

Title: Endorsement for SB 582 (Emmerson and Huffman) – Commute Benefit Policies

Location/Council District: Citywide

Recommendation: Support SB 582 (Emmerson and Huffman) – Commute Benefit Policies legislation.

Contacts: Fedolia "Sparky" Harris, Senior Planner, (916) 808-2996

Presenters: Fedolia "Sparky" Harris, Senior Planner

Department: Transportation

Division: Office of the Director

Organization No: 15000

Description/Analysis

Issue: Senate Bill 582 would authorize a metropolitan planning organization and an air district to jointly adopt an ordinance that would require certain employers located within their common area of jurisdiction to offer their employees specified commute benefits with the goal of reducing single-occupant vehicle trips.

Policy Considerations: The recommended action furthers the 2030 General Plan goal M 1.4 to decrease the dependence on single-occupant use of motor vehicle through Transportation Demand Management. More specifically, the recommended action complies with Policy M 1.4.1, which states that the City shall work with a broad range of agencies (e.g., SACOG, SMAQMD, Sacramento RT, Caltrans) to encourage and support programs that increase vehicle occupancy including the provision of traveler information, shuttles, preferential parking for carpools/vanpools, transit pass subsidies, and other methods.

Environmental Considerations:

California Environmental Quality Act (CEQA): Endorsement of SB 582 has no adverse environmental impacts.

Sustainability Considerations: None

Other: None

Commission/Committee Action: None.

Rationale for Recommendation: Locally, SB 582 would allow the Sacramento Area Council of Governments (SACOG) and the Sacramento Metropolitan Air Quality Management District (SMAQMD) to consider the merits of requiring certain employers within the County of Sacramento to offer to qualified employees one or more options intended to reduce the number of single-occupant commuter trips. One of the potential options is to allow qualified employees to exclude from taxable wages employee commuting expenses incurred for transit passes, vanpool memberships, or bicycle commuting, up to the maximum amount allowed by federal tax law. While some of the other options could pose an additional financial burden on employers, this option would not have any substantial local financial effect. In addition, support for SB 582 only allows SACOG and SMAQMD to consider the option of requiring commute benefits but does not ensure that both agencies will ultimately implement such an ordinance.

Financial Considerations: None as a result of this action.

Emerging Small Business Development (ESBD): There are no ESBD considerations as no goods or services are being purchased.

Respectfully Submitted by: Francesca Lee Halbakken
Francesca Lee Halbakken
Operations Manager

Approved by: Jerry Way
Jerry Way
Director of Transportation

Recommendation Approved:

for Patty Bishop
WILLIAM H. EDGAR
Interim City Manager

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AMENDED IN SENATE MARCH 29, 2011

SENATE BILL No. 582

Introduced by Senator Emmerson
(Principal coauthor: Assembly Member Huffman)

February 17, 2011

An act to add Section 65081 to the Government Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 582, as amended, Emmerson. Commute benefit policies.

Existing law requires transportation planning agencies to undertake various transportation planning activities, including preparation of a regional transportation plan. Existing law requires transportation planning agencies that are designated under federal law as metropolitan planning organizations to include a sustainable communities strategy as part of the regional transportation plan for their region. Existing law creates air quality management districts with various responsibilities relative to reduction of air pollution.

This bill, beginning on January 1, 2013, would authorize a metropolitan planning organization~~, in partnership~~ *jointly* with the local air quality management district, to adopt a commute benefit ordinance that requires covered employers operating within the common ~~jurisdiction~~ *area* of the organization and district with ~~20 or more~~ *a specified number of* covered employees to offer those employees certain commute benefits. The bill would require that the ordinance specify certain matters, including any consequences for noncompliance. *The bill would provide for the ordinance to be adopted by the county transportation commission rather than the metropolitan planning organization in those counties where the Southern California*

Association of Governments is the designated metropolitan planning organization.

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

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

SECTION 1. Section 65081 is added to the Government Code, to read:

65081. (a) It is the intent of the Legislature to encourage metropolitan planning organizations and local air quality management districts to work with local employers to adopt policies that encourage commuting by means other than ~~the single-occupancy vehicle~~ *driving alone.*

(b) ~~On~~ *Notwithstanding Section 40717.9 of the Health and Safety Code, and except as otherwise provided in subdivision (e), on* or after January 1, 2013, a metropolitan planning organization~~, in partnership with the~~ *and a* local air quality management district~~, may~~ *with respect to the common area within their respective jurisdictions may jointly* adopt a commute benefit ordinance that requires covered employers ~~with 20 or more covered employees~~ operating within the common ~~jurisdiction~~ *area* of the organization and district to offer all covered employees one of the following choices:

(1) A pretax option: a program, consistent with Section 132(f) of the Internal Revenue Code, allowing covered employees to elect to exclude from taxable wages employee commuting costs incurred for transit passes or vanpool charges, or bicycle commuting, up to the maximum amount allowed by federal tax law.

(2) Employer-paid benefit: a program whereby the covered employer ~~covers~~ *offers employees a subsidy to offset* the monthly cost of commuting via ~~a~~ public transit ~~system requested by each covered employee or reimburses each covered employee's qualified vanpool charges.~~ *or by vanpool. In 2013, the subsidy shall be equal to either the monthly cost of commuting via transit or vanpool, or seventy-five dollars ($75), whichever is lower. This amount shall be adjusted annually consistent with the California Consumer Price Index.*

(3) Employer-provided transit: transportation furnished by the covered employer at no cost, *or low cost as determined by the*

metropolitan planning organization, to the covered employee in a vanpool or bus, or similar multipassenger vehicle operated by or for the employer.

(c) An employer offering, or proposing to offer, an alternative commuter benefit on the employer's own initiative, or an employer otherwise required to offer an alternative commuter benefit as a condition of a lease, original building permit, or other similar requirement, if the alternative is not one of the options identified in subdivision (b), may seek approval of the alternative from the metropolitan planning organization. The metropolitan planning organization may approve an alternative if it determines that the alternative provides at least the same benefit in terms of reducing single-occupant vehicle trips as any of the options in subdivision (b). An employer that offers an approved alternative to covered employees in a manner otherwise consistent with this section is not required to offer one of the options in subdivision (b).

The commute benefit ordinance shall provide covered employers with at least six months to comply after the ordinance is adopted.

~~(c)~~

(d) A commute benefit ordinance adopted pursuant to this section shall specify all of the following: (1) how the implementing agencies will inform covered employers about the ordinance, (2) how compliance with the ordinance will be demonstrated, ~~and (3)~~ *(3) the procedures for proposing and the criteria that will be used to evaluate an alternative commuter benefit pursuant to subdivision (c), and (4)* any consequences for noncompliance.

(e) In the region served by the multicounty transportation planning agency described in Section 130004 of the Public Utilities Code, the county transportation commission created in each county within that region, rather than the multicounty transportation planning agency, shall be the agency authorized to adopt the commute benefit ordinance pursuant to subdivision (b) in conjunction with the local air quality management district.

(f) Nothing in this section shall limit or restrict the statutory or regulatory authority of a metropolitan planning organization or air quality management district.

~~(d)~~

(g) As used in this section, the following terms have the following meanings:

(1) "Covered employer" means any employer for which an average of 20 or more employees per week perform work for compensation within the ~~jurisdiction~~ *area* where the ordinance adopted pursuant to this section operates, *except that a metropolitan planning organization, at its option, may provide for the ordinance to apply solely to employers with 50 or more employees otherwise meeting the requirements of this paragraph*. In determining the number of employees performing work for an employer during a given week, only employees performing work on a full-time basis shall be counted.

(2) "Covered employee" means an employee who performed at least ~~10~~ *20* hours of work per week within the previous calendar month within the ~~jurisdiction~~ *area* where the ordinance adopted pursuant to this section operates.

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Attachment 2

Positions as of April 20, 2011

SUPPORT:
Bay Area Air Quality Management District (co-sponsor)
Metropolitan Transportation Commission (co-sponsor)
Alameda-Contra Costa Transit District
American Lung Association
Brereton Architects
Britannia Oyster Point Commute Program
California Transit Association
E.L. Williams Realty
Enterprise Holdings
Environmental Defense Fund
Facebook
Genentech
San Francisco Chamber of Commerce
South San Francisco Business Center
Sunnyvale City Center
TransForm
T.Y. Lin International
Water Emergency Transportation Authority
Wendel, Rosen, Black & Dean LLP

OPPOSED:
Sacramento Metropolitan Air Quality Management District

Attachment 3

Sample Letter

May 3, 2011

The Honorable Senator Steinberg
State Senator, 6th District
State Capitol, Room 4006
Sacramento, CA 95814

Subject: Support for Senate Bill 582 (Emmerson and Huffman) – Commute Benefits Policies

Dear Senator Steinberg:

On behalf of the City of Sacramento, I am pleased to support Senate Bill 582, which will allow our Metropolitan Planning Agency (SACOG) and our Air Quality Management District (SMAQMD) to consider the merits of requiring certain employers within the County of Sacramento to offer to qualified employees one or more options intended to reduce the number of single-occupant commuter trips consistent with the goals and policies of our 2030 General Plan.

We appreciate your recognition of the importance of transportation demand management to improve our air quality and to reduce congestion and look forward to the passage of this legislation.

Sincerely,

Jay Schenirer, Chair
Law and Legislation Committee

cc: Assemblymember Roger Dickinson
Assemblymember Alyson Huber
Mayor Johnson and City Councilmembers