

HEATHER HADWICK

MEMBER FOR THE 1ST ASSEMBLY DISTRICT



FACT SHEET

AB 2679 – Establishing Funding Floor for Road Maintenance and Rehabilitation Program

IN BRIEF

Small California cities receive a minute share of road funding based on population that is impractical to use for road repair projects.

AB 2679 establishes a \$200,000 road funding floor for cities with a small population.

Specifically, this bill apportions up to \$200,000 on a year to each city from the Road Maintenance and Rehabilitation Account (RMRA).

BACKGROUND & ISSUE

Senate Bill 1 created the Road Maintenance and Rehabilitation Program to address deferred maintenance on the State Highway System and the local street and road system, and the RMRA for the deposit of various funds for the program. Half of the RMRA funding is allocated to the Department of Transportation and the other half is apportioned by population to eligible cities and counties.

In recent years, the revenue deposited in the RMRA has declined along with cities losing population, all while the cost of construction has rose. Effectively, small cities are being asked to perform the same level of road maintenance on an unchanged road system with less funding and higher costs. This is exacerbated due to fixed costs and economies of scale issues: many small cities are effectively unable to expend apportioned funds or forced to wait several years to accumulate funds to complete a project.

SOLUTION

By establishing a \$200,000 minimum funding floor, small cities will be able effectively manage their fixed costs by spreading them over a higher volume of projects.

Under the bill, the negative impact to larger cities is less than a fraction of a percent and will be effectively absorbed by the annual increase in gas tax revenue.

AB 2679 will ensure road maintenance dollars are stretched further by small cities and led to more projects being completed for less taxpayer resources.

SUPPORT

City of Colfax (Co-Sponsor)

Placer County Transportation Commission (Co-Sponsor)

CONTACT

Andrew Nickens

Andrew.Nickens@asm.ca.gov

(916) 319-2011