



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Community Development and Infrastructure

Subject: Adopt RMRA Project List for FY 2025/2026

Meeting Date: June 24, 2025

Formal Title: Approve Road Maintenance and Rehabilitation Account project list for projects funded by Senate Bill 1, and take related actions

Recommended Actions

1. Approve Road Maintenance and Rehabilitation Account project list for projects funded by Senate Bill 1 in Fiscal Year (FY) 2025-26; and
2. Authorize Community Development and Infrastructure to submit a copy of the approved Board package to the California Transportation Commission.

Executive Summary

To receive SB 1 Funding, the County must formally adopt a Road Maintenance and Rehabilitation Account (RMRA) project list and provide proof of board approval of this list to the California Transportation Commission (CTC).

Discussion

On April 28, 2017, the Governor signed SB 1 (Beall, Chapter 5, Statutes of 2017) to address basic road maintenance, rehabilitation, and critical safety needs on both the state highway system and local streets; specific allowable uses are defined in California Streets and Highways Code (SHC) 2030(B). This bill increases per gallon fuel excise taxes, diesel fuel sales taxes, increases vehicles registration fees, and provides for inflationary adjustments to tax rates in future years. The additional funds generated by these tax increases are deposited into the Road Maintenance and Rehabilitation Account (RMRA) and distributed to eligible cities and counties.

SB 1 stipulates that all agencies accepting RMRA funds must submit project reporting on an annual basis to the CTC. The CTC will give authorization for the State Controller to apportion RMRA funds to eligible agencies, any agency failing to submit required reporting to the CTC shall not receive RMRA funds. On August 16, 2017, the CTC adopted annual reporting guidelines (CTC Resolution G-17-23). Reporting consists of two parts: an RMRA project list to be submitted at the beginning of the fiscal year designating projects to be funded in that fiscal year, and an RMRA Project Expenditure Report at the end of the fiscal year which accounts for all RMRA expenditures which occurred in that fiscal year. Pursuant to California Streets and Highways Code (SHC) 2034(a)(1), the agency shall have the ability to fund projects that were not on the submitted RMRA project list without prior CTC authorization, so long as the project is consistent with the allowable uses outlined in SHC 2030(b) and is reported in the RMRA Project Expenditure Report.

The anticipated share of RMRA funds for the County for FY 2025-26 is \$7.0 million. Per SHC 2034(a)(1), the agency receiving RMRA funds shall provide documentation that the RMRA project list for all proposed projects to receive RMRA funding in that fiscal year has been approved by the Board of Supervisors in a regular meeting. Note that proof of approval of this project list for FY 2025-26 is due to the CTC by July 1, 2025,

and will be forwarded by Community Development and Infrastructure upon Board approval.

Financial Impact

RMRA funds in the amount of \$7.0 million will provide much needed revenue for County Road infrastructure repairs. These funds are held in the Road Fund (Funds 25100-25560) and distributed to various projects listed in the attached.

Strategic Initiatives

Equity Framework - County Facilities & Infrastructure

Operational Plan - Reliable Transportation

Climate Action - Transportation

Submitted By:

Matt Machado, Deputy CEO / Director of Community Development and Infrastructure

Recommended By:

Carlos J. Palacios, County Executive Officer

Artificial Intelligence Acknowledgment:

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.