

Assembly Constitutional Amendment No. 4

RESOLUTION CHAPTER 87

Assembly Constitutional Amendment No. 4—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by adding Article XIX B thereto, relating to transportation.

[Filed with Secretary of State July 26, 2001.]

LEGISLATIVE COUNSEL'S DIGEST

ACA 4, Dutra. Transportation funding: sales and use tax revenues.

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. That law requires revenues derived from those taxes to be deposited in the Retail Sales Tax Fund. Existing law requires the balance of that fund remaining after various specified allocations to be allocated to the General Fund.

This measure would, for the 2003–04 fiscal year and each fiscal year thereafter, require all moneys that are collected during the fiscal year under the Sales and Use Tax Law, with respect to the sale or use of motor vehicle fuel, and that are required to be transferred to the General Fund pursuant to that law, to instead be transferred to the Transportation Investment Fund. This measure would, for the 2003–04 to 2007–08 fiscal years, inclusive, require moneys in that fund to be allocated for transportation purposes as provided in a specified statute. This measure would, for the 2008–09 fiscal year and each fiscal year thereafter, require moneys in the fund to be allocated only for transportation purposes specified by this measure, and would specify the allowable percentage amount to be allocated for each specified transportation purpose.

This measure would allow the Legislature to suspend or modify these requirements under certain circumstances, if the act so providing is approved by $\frac{2}{3}$ of the entire membership of each house of the Legislature.

WHEREAS, California's continuing economic prosperity and quality of life depend, in no small part, upon an expansive and efficient transportation system; and

WHEREAS, The need to maintain, expand, and improve California's multimodal transportation system increases as California continues to grow; and



WHEREAS, Public investment in transportation has failed to keep pace with California’s growth, and additional fiscal resources are needed simply to maintain, much less expand, California’s transportation system; and

WHEREAS, The failure to address California’s transportation funding needs will drain economic vitality, compromise public safety, and erode quality of life; and

WHEREAS, It is now necessary to address California’s transportation problems by providing additional state funding, in a manner that protects existing constitutional guarantees set forth in Section 8 of Article XVI of the California Constitution, for the funding of public education; now, therefore, be it

Resolved by the Assembly, the Senate concurring, That the Legislature of the State of California at its 2001–02 Regular Session commencing on the fourth day of December 2000, two-thirds of the membership of each house concurring, hereby proposes to the people of the State of California that the Constitution of the State be amended by adding Article XIX B thereto, to read:

ARTICLE XIX B

MOTOR VEHICLE FUEL SALES TAX REVENUES AND TRANSPORTATION IMPROVEMENT FUNDING

SECTION 1. (a) For the 2003–04 fiscal year and each fiscal year thereafter, all moneys that are collected during the fiscal year from taxes under the Sales and Use Tax Law (Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code), or any successor to that law, upon the sale, storage, use, or other consumption in this State of motor vehicle fuel, and that are deposited in the General Fund of the State pursuant to that law, shall be transferred to the Transportation Investment Fund, which is hereby created in the State Treasury.

(b) (1) For the 2003–04 to 2007–08 fiscal years, inclusive, moneys in the Transportation Investment Fund shall be allocated, upon appropriation by the Legislature, in accordance with Section 7104 of the Revenue and Taxation Code as that section read on the operative date of this article.

(2) For the 2008–09 fiscal year and each fiscal year thereafter, moneys in the Transportation Investment Fund shall be allocated solely for the following purposes:

- (A) Public transit and mass transportation.



(B) Transportation capital improvement projects, subject to the laws governing the State Transportation Improvement Program, or any successor to that program.

(C) Street and highway maintenance, rehabilitation, reconstruction, or storm damage repair conducted by cities, including a city and county.

(D) Street and highway maintenance, rehabilitation, reconstruction, or storm damage repair conducted by counties, including a city and county.

(c) For the 2008–09 fiscal year and each fiscal year thereafter, moneys in the Transportation Investment Fund shall be allocated, upon appropriation by the Legislature, as follows:

(A) Twenty percent of the moneys for the purposes set forth in subparagraph (A) of paragraph (2) of subdivision (b).

(B) Forty percent of the moneys for the purposes set forth in subparagraph (B) of paragraph (2) of subdivision (b).

(C) Twenty percent of the moneys for the purposes set forth in subparagraph (C) of paragraph (2) of subdivision (b).

(D) Twenty percent of the moneys for the purpose set forth in subparagraph (D) of paragraph (2) of subdivision (b).

(d) The transfer of revenues from the General Fund of the State to the Transportation Investment Fund pursuant to subdivision (a) may be suspended, in whole or in part, for a fiscal year if both of the following conditions are met:

(1) The Governor has issued a proclamation that declares that the transfer of revenues pursuant to subdivision (a) will result in a significant negative fiscal impact on the range of functions of government funded by the General Fund of the State.

(2) The Legislature enacts by statute, pursuant to a bill passed in each house of the Legislature by rollcall vote entered in the journal, two-thirds of the membership concurring, a suspension for that fiscal year of the transfer of revenues pursuant to subdivision (a), provided that the bill does not contain any other unrelated provision.

(e) The Legislature may enact a statute that modifies the percentage shares set forth in subdivision (c) by a bill passed in each house of the Legislature by rollcall vote entered in the journal, two-thirds of the membership concurring, provided that the bill does not contain any other unrelated provision and that the moneys described in subdivision (a) are expended solely for the purposes set forth in paragraph (2) of subdivision (b).

