

AMENDED IN ASSEMBLY APRIL 16, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 403

Introduced by Assembly Member Bates

February 20, 2001

An act to amend Section 7104 of the Revenue and Taxation Code, relating to transportation, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 403, as amended, Bates. Transportation: funding: elderly persons.

Existing law requires, until June 30, 2006, or until another specified date, whichever date is later, that certain funds be transferred from the General Fund to the Transportation Investment Fund. The money in the Transportation Investment Fund is continuously appropriated for the purpose of making certain transfers, including a requirement that a specified percentage of the funds in the Transportation Investment Fund be transferred to cities, counties, and cities and counties, to be used only for street and highway maintenance, rehabilitation, reconstruction, and storm damage repair, as defined.

Existing law requires each city, county, and city and county to expend annually a specified amount of the allocation. Existing law requires that any funds not expended be returned to the Controller and be reallocated to other cities and counties pursuant to specified formulas.

This bill would modify that provision to authorize the Controller to reallocate returned funds only to cities within the county of origin.

~~This bill would authorize the funds transferred as specified to cities, counties, and cities and counties to be expended, all or in part, to fund~~

~~transportation services for the elderly, as defined, if all of certain conditions are met. The bill thereby would make an appropriation by expanding the purposes for which continuously appropriated funds may be expended.~~

Vote: ²/₃. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

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

1 SECTION 1. Section 7104 of the Revenue and Taxation Code
2 is amended to read:

3 7104. (a) The Transportation Investment Fund (hereafter the
4 fund) is hereby created in the State Treasury. Notwithstanding
5 Section 13340 of the Government Code, the money in the fund is
6 continuously appropriated without regard to fiscal years for
7 disbursement in the manner and for the purposes set forth in this
8 section.

9 (b) All of the following shall occur on a quarterly basis:

10 (1) The State Board of Equalization, in consultation with the
11 Department of Finance, shall estimate the amount that is
12 transferred to the General Fund under subdivision (b) of Section
13 7102 that is attributable to revenue collected for the sale, storage,
14 use, or other consumption in this state of motor vehicle fuel, as
15 defined in Section 7304.

16 (2) The State Board of Equalization shall inform the
17 Controller, in writing, of the amount estimated under paragraph
18 (1).

19 (3) The Controller shall transfer the amount estimated under
20 paragraph (1) from the General Fund to the fund.

21 (c) For each quarter during the period commencing on July 1,
22 2001, and ending on June 30, 2006, the Controller shall make all
23 of the following transfers and apportionments from the funds
24 transferred to the fund under paragraph (3) of subdivision (b) in the
25 following order:

26 (1) To the Traffic Congestion Relief Fund created in the State
27 Treasury by Section 14556.5 of the Government Code, the sum of
28 one hundred sixty-nine million five hundred thousand dollars
29 (\$169,500,000), for a total transfer of three billion three hundred
30 ninety million dollars (\$3,390,000,000).



1 (2) To the Public Transportation Account, a trust fund in the
2 State Transportation Fund, 20 percent of the amount remaining
3 after the transfer required under paragraph (1). Funds transferred
4 under this paragraph shall be appropriated by the Legislature as
5 follows:

6 (A) To the Department of Transportation, 50 percent for
7 purposes of subdivision (a) or (b) of Section 99315 of the Public
8 Utilities Code.

9 (B) To the Controller, 25 percent for allocation pursuant to
10 Section 99314 of the Public Utilities Code. Funds allocated under
11 this subparagraph shall be subject to all of the provisions
12 governing funds allocated under Section 99314 of the Public
13 Utilities Code.

14 (C) To the Controller, 25 percent for allocation pursuant to
15 Section 99313 of the Public Utilities Code. Funds allocated under
16 this subparagraph shall be subject to all of the provisions
17 governing funds allocated under Section 99313 of the Public
18 Utilities Code.

19 (3) To the Department of Transportation for expenditure for
20 programming for transportation capital improvement projects
21 subject to all of the provisions governing the State Transportation
22 Improvement Program, 40 percent of the amount remaining after
23 the transfer required under paragraph (1).

24 (4) To the Controller for apportionment to the counties,
25 including a city and county, 20 percent of the amount remaining
26 after the transfer required under paragraph (1), in accordance with
27 the following formulas:

28 (A) Seventy-five percent of the funds payable under this
29 paragraph shall be apportioned among the counties in the
30 proportion that the number of fee-paid and exempt vehicles that
31 are registered in the county bears to the number of fee-paid and
32 exempt vehicles registered in the state.

33 (B) Twenty-five percent of the funds payable under this
34 paragraph shall be apportioned among the counties in the
35 proportion that the number of miles of maintained county roads in
36 each county bears to the total number of miles of maintained
37 county roads in the state. For the purposes of apportioning funds
38 under this subparagraph, any roads within the boundaries of a city
39 and county that are not state highways shall be deemed to be
40 county roads.



1 (5) To the Controller for apportionment to cities, including a
2 city and county, 20 percent of the amount remaining after the
3 transfer required under paragraph (1). Funds transferred under this
4 paragraph shall be apportioned among the cities in the proportion
5 that the total population of the city bears to the total population of
6 all the cities in the state.

7 (d) Funds received under paragraphs (4) and (5) of subdivision
8 (c) shall be deposited as follows in order to avoid the commingling
9 of those funds with other local funds:

10 (1) In the case of a city, into the city account that is designated
11 for the receipt of state funds allocated for transportation purposes.

12 (2) In the case of a county, into the county road fund.

13 (3) In the case of a city and county, into a local account that is
14 designated for the receipt of state funds allocated for
15 transportation purposes.

16 ~~(e) Except as authorized under subdivision (h), funds~~

17 (e) Funds allocated to a city, county, or city and county under
18 paragraphs (4) and (5) of subdivision (c) shall be used only for
19 street and highway maintenance, rehabilitation, reconstruction,
20 and storm damage repair. For purposes of this section, the
21 following terms have the following meanings:

22 (1) "Maintenance" means either or both of the following:

23 (A) Patching.

24 (B) Overlay and sealing.

25 (2) "Reconstruction" includes any overlay, sealing, or
26 widening of the roadway, if the widening is necessary to bring the
27 roadway width to the desirable minimum width consistent with the
28 geometric design criteria of the department for 3R (reconstruction,
29 resurfacing, and rehabilitation) projects that are not on a freeway,
30 but does not include widening for the purpose of increasing the
31 traffic capacity of a street or highway.

32 (3) "Storm damage repair" is repair or reconstruction of local
33 streets and highways and related drainage improvements that have
34 been damaged due to winter storms and flooding, and construction
35 of drainage improvements to mitigate future roadway flooding
36 and damage problems, in those jurisdictions that have been
37 declared disaster areas by the President of the United States, where
38 the costs of those repairs are ineligible for emergency funding with
39 Federal Emergency Relief (ER) funds or Federal Emergency
40 Management Administration (FEMA) funds.



1 (f) (1) Cities and counties shall maintain their existing
2 commitment of local funds for street and highway maintenance,
3 rehabilitation, reconstruction, and storm damage repair in order to
4 remain eligible for the allocation of funds pursuant to paragraph
5 (4) or (5) of subdivision (c).

6 (2) In order to receive any allocation pursuant to paragraph (4)
7 or (5) of subdivision (c), the city or county shall annually expend
8 from its general fund for street, road, and highway purposes an
9 amount not less than the annual average of its expenditures from
10 its general fund during the 1996–97, 1997–98, and 1998–99 fiscal
11 years, as reported to the Controller pursuant to Section 2151 of the
12 Streets and Highways Code. For purposes of this paragraph, in
13 calculating a city’s or county’s annual general fund expenditures
14 and its average general fund expenditures for the 1996–97,
15 1997–98, and 1998–99 fiscal years, any unrestricted funds that the
16 city or county may expend at its discretion, including vehicle
17 in-lieu tax revenues and revenues from fines and forfeitures,
18 expended for street and highway purposes shall be considered
19 expenditures from the general fund. One-time allocations that
20 have been expended for street and highway purposes, but which
21 may not be available on an ongoing basis, including revenue
22 provided under the Teeter Plan Bond Law of 1994 (Chapter 6.6
23 commencing with Section 54773) of Part 1 of Division 2 of Title
24 5 of the Government Code, may not be considered when
25 calculating a city’s or county’s annual general fund expenditures.

26 (3) For any city incorporated after July 1, 1996, the Controller
27 shall calculate an annual average of expenditure for the period
28 between July 1, 1996, and December 31, 2000, that the city was
29 incorporated.

30 (4) For purposes of paragraph (2), the Controller may request
31 fiscal data from cities and counties in addition to data provided
32 pursuant to Section 2151, for the 1996–97, 1997–98, and 1998–99
33 fiscal years. Each city and county shall furnish the data to the
34 Controller not later than 120 days after receiving the request. The
35 Controller may withhold payment to cities and counties that do not
36 comply with the request for information or that provide
37 incomplete data.

38 (5) The Controller may perform audits to ensure compliance
39 with paragraph (2) when deemed necessary. Any city or county
40 that has not complied with paragraph (2) shall reimburse the state



1 for the funds it received during that fiscal year. Any funds withheld
2 or returned as a result of a failure to comply with paragraph (2)
3 shall be reallocated to the other counties and cities whose
4 expenditures are in compliance.

5 (6) If a city or county fails to comply with the requirements of
6 paragraph (2) in a particular fiscal year, the city or county may
7 expend during that fiscal year and the following fiscal year a total
8 amount that is not less than the total amount required to be
9 expended for those fiscal years for ~~purposes~~ *the purpose* of
10 complying with paragraph (2).

11 (7) The allocation made under paragraph (4) or (5) of
12 subdivision (c) shall be expended not later than the end of the fiscal
13 year following the fiscal year in which the allocation was made,
14 and any funds not expended within that period shall be returned to
15 the Controller and shall be reallocated to the other cities ~~and~~
16 ~~counties pursuant to the allocation formulas set forth in paragraph~~
17 ~~(4) or (5) of subdivision (e).~~ *within the county of origin.*

18 (g) The Los Angeles County Metropolitan Transportation
19 Authority shall give first priority for using its share of the funds
20 made available under subparagraphs (B) and (C) of paragraph (2)
21 of subdivision (c) to providing the levels of bus service mandated
22 under the consent decree entered into by the authority on October
23 29, 1996, in the case of Labor/Community Strategy Center, et al.
24 v. Los Angeles County Metropolitan Transportation Authority.

25 ~~(h) Funds allocated to a county, city, or city and county under~~
26 ~~paragraphs (4) and (5) of subdivision (e) may be expended, all or~~
27 ~~in part, to fund transportation services for the elderly, as defined~~
28 ~~in Section 9018 of the Welfare and Institutions Code, if all of the~~
29 ~~following conditions are met:~~

30 ~~(1) The local jurisdiction adopts a resolution finding that it~~
31 ~~annually updates and funds a capital improvement program to~~
32 ~~preserve existing street and highway infrastructure and reasonably~~
33 ~~anticipates the availability of financial resources sufficient for the~~
34 ~~continued funding of that program.~~

35 ~~(2) The local jurisdiction is in compliance with subdivision (f).~~

36 ~~(3) The transportation services funded under this subdivision~~
37 ~~are for the transportation of the elderly to and from the health and~~
38 ~~social services described in Division 8.5 (commencing with~~
39 ~~Section 9000) of the Welfare and Institutions Code.~~



1 ~~(4) Following the end of each fiscal year during which a city,~~
2 ~~county, or city and county receives funding under this subdivision,~~
3 ~~the Controller shall verify the local jurisdiction's compliance with~~
4 ~~paragraphs (1) to (3), inclusive. Any city, county, or city and~~
5 ~~county that has received funding and has not complied with those~~
6 ~~provisions shall reimburse the state for those funds, and the funds~~
7 ~~shall be reallocated to any city, county, or city and county that is~~
8 ~~in compliance with those provisions.~~

9 ~~(i)~~

10 (h) For the purpose of allocating funds under this section to
11 counties, cities, and a city and county, the Controller shall use the
12 most recent population estimates prepared by the Demographic
13 Research Unit of the Department of Finance. For a city that
14 incorporated after January 1, 1998, that does not appear on the
15 most recent population estimates prepared by the Demographic
16 Research Unit, the Controller shall use the population determined
17 for that city under Section 11005.3 of the Revenue and Taxation
18 Code.

19 ~~(j)~~

20 (i) This section shall become inoperative on the date that all
21 encumbrances incurred for the projects funded under paragraph
22 (3) of subdivision (c) have been liquidated or on June 30, 2006,
23 whichever date is later, and as of the January 1 immediately
24 following that date is repealed.

