

AMENDED IN SENATE APRIL 17, 2001

AMENDED IN SENATE MARCH 27, 2001

SENATE BILL

No. 685

Introduced by Senator Costa

(Principal coauthors: Assembly Members Florez and Reyes)

February 23, 2001

An act to amend Sections 142001, 142050, 142052, 142200, 142201, 142250, 142251, 142254, 142257, 142258, and 142260 of, to repeal Section 142110 of, and to repeal and add Sections 142255, 142256, 142259, and 142263 of, the Public Utilities Code, and to add and repeal Section 7252.10 of the Revenue and Taxation Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 685, as amended, Costa. Fresno County Transportation Authority.

The Fresno Transportation Improvement Act provides for the establishment of the Fresno County Transportation Authority with a specified membership. Upon approval of a specified proposition by a majority vote of Fresno County voters, the authority would be authorized to impose a $\frac{1}{2}\%$ retail transactions and use tax for up to 20 years to finance highway improvements and for local transportation purposes in Fresno County, with priority given to specified state highways. The authority would terminate 2 years after the tax is last collected and existing law would be repealed at that time.

This bill would revise that act to continue the Fresno County Transportation Authority. Upon approval of a specified proposition by the Fresno voters, by a $\frac{2}{3}$ vote, the authority would be authorized to

impose a 1/2% retail transactions and use tax for up to 30 years to finance regional transportation improvements.

The bill would require the transportation planning agency to prepare a county transportation expenditure plan regarding the expenditure of the revenues expected to be derived, but that plan would not be adopted by the authority until it has been approved by the board of supervisors and the appropriate city councils. The bill would require the transportation planning agency to review the plan biennially and assess the needs for transportation improvements and would authorize the transportation planning agency to amend the plan, as specified. Because the bill would require the transportation planning agency, the Council of Fresno County Governments, to prepare and review a county transportation expenditure plan that specifies the amount and formula by which the retail transactions and use tax would be allocated, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

- 1 SECTION 1. Section 142001 of the Public Utilities Code is
- 2 amended to read:
- 3 142001. The Legislature hereby finds and declares all of the
- 4 following:
- 5 (a) In Fresno County, regional transportation improvements
- 6 and local transportation improvements and services are an
- 7 immediate high priority needed to resolve the county’s
- 8 transportation problems that threaten the economic viability and
- 9 development potential of the county and adversely impact the
- 10 quality of life therein.
- 11 (b) In order to deal in an expeditious manner with current and
- 12 future transportation problems, the county needs to develop and
- 13 implement a local funding program that goes significantly beyond



1 current federal and state funding which is inadequate to resolve
2 these problems.

3 (c) It is in the public interest to allow the voters of Fresno
4 County to continue the Fresno County Transportation Authority so
5 that local transportation decisions can be implemented in a timely
6 manner to provide regional transportation improvements and to
7 meet local transportation needs.

8 SEC. 2. Section 142050 of the Public Utilities Code is
9 amended to read:

10 142050. The Fresno County Transportation Authority is
11 hereby continued in the county, as originally created by this
12 section.

13 SEC. 3. Section 142052 of the Public Utilities Code is
14 amended to read:

15 142052. (a) Except for the Mayor of the City of Fresno, the
16 members of the authority shall serve for a term of two years.

17 (b) If any member other than the public member ceases to be
18 an elected official, that member shall cease to be a member of the
19 authority, and another member shall be appointed for the
20 remainder of the term pursuant to Section 142051.

21 SEC. 4. Section 142110 of the Public Utilities Code is
22 repealed.

23 SEC. 5. Section 142200 of the Public Utilities Code is
24 amended to read:

25 142200. The authority shall consult with, and coordinate its
26 actions to secure funding for the completion and improvement of
27 the priority regional transportation improvements with the cities
28 in the county, the board of supervisors, the Council of Fresno
29 County Governments, and the Department of Transportation for
30 the purpose of integrating its planned improvements with the other
31 transportation improvement plans and operations of other
32 transportation agencies impacting the county.

33 SEC. 6. Section 142201 of the Public Utilities Code is
34 amended to read:

35 142201. The authority shall prepare and adopt an annual
36 report each year on progress made to achieve the objective of
37 improving transportation conditions related to priority regional
38 transportation improvements and other local transportation needs.

39 SEC. 7. Section 142250 of the Public Utilities Code is
40 amended to read:



1 142250. (a) A retail transactions and use tax ordinance,
2 applicable in the incorporated and unincorporated territory of the
3 county may be imposed by the authority in accordance with
4 Section 142262 of this code and Part 1.6 (commencing with
5 Section 7251) of Division 2 of the Revenue and Taxation Code, if
6 two-thirds of the electors voting on the measure vote to approve
7 the imposition of the tax at an election which shall be called for that
8 purpose by resolution of the board of supervisors.

9 (b) The election shall be held in the November 2002 or a
10 subsequent general election.

11 (c) The tax ordinance shall become operative as set forth in
12 Section 142253. The tax ordinance shall specify the period, not
13 to exceed 30 years, during which the tax is to be imposed. The tax
14 may be terminated earlier if the conditions of Sections 142255,
15 142256, 142257, and 142260 have been met.

16 SEC. 8. Section 142251 of the Public Utilities Code is
17 amended to read:

18 142251. The authority, in the *retail* transactions and use tax
19 ordinance, shall state the nature of the tax to be imposed, shall
20 provide the tax rate or rates or the maximum tax rate or rates, shall
21 specify the purposes for which the revenue derived from the tax
22 will be used, and may set a term, not to exceed 30 years, during
23 which the tax may be imposed.

24 SEC. 9. Section 142254 of the Public Utilities Code is
25 amended to read:

26 142254. The revenues from the retail transactions and use
27 taxes imposed pursuant to this chapter may be allocated by the
28 authority for the administration of this division and for
29 transportation improvement purposes, including administration of
30 this division, legal actions related thereto, planning,
31 environmental reviews, design, construction, and repair.

32 SEC. 10. Section 142255 of the Public Utilities Code is
33 repealed.

34 SEC. 11. Section 142255 is added to the Public Utilities Code,
35 to read:

36 142255. A county transportation expenditure plan shall be
37 prepared by the transportation planning agency for the expenditure
38 of the revenues expected to be derived from the tax imposed
39 pursuant to this chapter, together with other federal, state, and local



1 funds expected to be available for transportation improvements,
2 for the period during which the tax is to be imposed.

3 SEC. 12. Section 142256 of the Public Utilities Code is
4 repealed.

5 SEC. 13. Section 142256 is added to the Public Utilities Code,
6 to read:

7 142256. (a) A county transportation expenditure plan shall
8 not be adopted by the authority until it has received the approval
9 of the board of supervisors and of the city councils representing
10 both a majority of the cities in the county and a majority of the
11 population residing in the incorporated areas of the county.

12 (b) The plan shall be adopted prior to the call of the election
13 provided for in Section 142250.

14 SEC. 14. Section 142257 of the Public Utilities Code is
15 amended to read:

16 142257. (a) The expenditure plan shall specify the amount
17 and the formula by which the retail transactions and use tax shall
18 be allocated to each city and the county for local transportation
19 purposes determined to be priority projects by local governments
20 to which funds are allocated.

21 For purposes of this subdivision, the population of the county
22 is the population of the unincorporated area of the county.

23 (b) Prior to the authority allocating funds, each local
24 government shall certify to the authority that the funds will not be
25 substituted for property tax funds which are currently utilized to
26 fund existing local transportation programs. If the local
27 government is unable to segregate property tax revenues from
28 other general fund revenues which cannot be so distinguished,
29 substitution of funds from the authority for general funds is also
30 prohibited.

31 (c) The authority shall require that local governments to which
32 funds are allocated to separately account for those funds and
33 maintain records of expenditures in accordance with
34 administrative code requirements adopted by the authority.

35 SEC. 15. Section 142258 of the Public Utilities Code is
36 amended to read:

37 142258. (a) Except as otherwise provided by Section
38 142260, the transportation planning agency may amend the
39 expenditure plan. The transportation planning agency, at a
40 minimum, shall review biennially and assess the needs for



1 transportation improvements contained in the expenditure plan as
2 specified in Section 142255. As part of this review and assessment,
3 the transportation planning agency may solicit proposals for
4 transportation improvements from the Department of
5 Transportation and the cities and the county. The transportation
6 planning agency shall adopt a procedure for evaluating these
7 proposals in consultation with the Department of Transportation
8 and the cities and the county.

9 (b) Based on the evaluation, the transportation planning agency
10 shall prepare an updated plan for the expenditure of the revenues
11 expected to be derived from the *retail* transactions and use tax
12 imposed pursuant to this chapter, together with other federal, state,
13 and local improvements, for the period during which the tax is
14 imposed. The first five years of the plan shall be incorporated into
15 the transportation planning agency's annual submission to the
16 California Transportation Commission for the state transportation
17 improvement program pursuant to Chapter 2.5 (commencing with
18 Section 65080) of Division 1 of Title 7 of the Government Code.

19 (c) The expenditure plan shall also include projections of
20 revenues likely to be available from other federal, state, and local
21 funds expected to be available for expenditure plan transportation
22 improvements for the period during which the tax is imposed.

23 (d) Before adoption of an expenditure plan, the transportation
24 planning agency shall conduct public hearings on the plan.

25 SEC. 16. Section 142259 of the Public Utilities Code is
26 repealed.

27 SEC. 17. Section 142259 is added to the Public Utilities Code,
28 to read:

29 142259. Amendments to the expenditure plan adopted
30 pursuant to Section 142255 are to provide for the use of additional
31 federal, state, and local funds, to account for unexpected revenues,
32 or to take into consideration unforeseen circumstances. The
33 transportation planning agency shall take all appropriate actions to
34 give highest priority to the projects in the initial expenditure plan,
35 and any amendments shall not delay or delete any project in the
36 initial plan without the transportation planning agency holding a
37 public hearing and documenting within the plan the reason why the
38 amendments are being recommended to the authority and are
39 necessary relative to conditions beyond control of the authority.



1 SEC. 18. Section 142260 of the Public Utilities Code is
2 amended to read:

3 142260. (a) The authority may, by the affirmative vote of a
4 majority of the members, approve, or approve subject to
5 amendment, the updated expenditure plan adopted pursuant to
6 Section 142258. The authority shall take all appropriate actions to
7 give highest priority to the projects in the initial expenditure plan,
8 and any amendments shall not delay or delete any project in the
9 initial plan without the authority holding a public hearing and
10 adopting a resolution specifically detailing the reason why the
11 amendments are necessary relative to conditions beyond control
12 of the authority.

13 (b) The authority shall notify the transportation planning
14 agency, the board of supervisors, and the city council of each city
15 in the county and provide them with a copy of the proposed
16 amendments.

17 (c) The proposed amendments shall become effective 45 days
18 after notice is given pursuant to subdivision (b). A public hearing
19 shall be held on the proposed amendments prior to final adoption
20 if any city or the county objects to the amendment in writing within
21 30 days of receiving the notice.

22 SEC. 19. Section 142263 of the Public Utilities Code is
23 repealed.

24 SEC. 20. Section 142263 is added to the Public Utilities Code,
25 to read:

26 142263. (a) The board of supervisors, as part of the ballot
27 proposition to approve the imposition of a retail transactions and
28 use tax, shall seek authorization from the electors to issue bonds
29 payable solely from the proceeds of the tax.

30 (b) The maximum bonded indebtedness which may be
31 authorized shall be an amount equal to the sum of the principal and
32 interest on the bonds, not to exceed the estimated proceeds of the
33 tax, for a period of not more than 30 years. The actual wording of
34 the proposition on any short form of ballot card, label, or other
35 device, regardless of the system of voting used, shall read as
36 follows:
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1			
2	FRESNO COUNTY TRANSPORTATION		
3	MEASURE		
4	Shall Fresno County voters authorize a 30-year		
5	extension <i>an extension of up to 30 years</i> of the current		
6	one-half cent <i>percent</i> sales tax to be used in accordance		
7	with the Expenditure Plan adopted by the authority to	YES	
8	provide countywide transportation improvement which		
9	would contribute to increased mobility, less traffic		
10	congestion, improved air quality, and increased safety?		
11	The authority is authorized to issue		
12	bonds payable from the proceeds of that tax and		
13	establishes the appropriations limit of the authority in the		
14	amount of ____ dollars (\$____).	NO	
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21 SEC. 21. Section 7252.10 is added to the Revenue and
 22 Taxation Code, to read:

23 7252.10. "District," as used in this part, also means the
 24 Fresno County Transportation Authority, if authorized to impose
 25 transactions and use taxes pursuant to this part. This section shall
 26 remain in effect as long as Division 15 (commencing with Section
 27 142000) of the Public Utilities Code remains in effect, but shall be
 28 repealed upon the repeal of that division.

29 SEC. 22. If any provision of this act or the application thereof
 30 to any circumstances is held unconstitutional, that decision shall
 31 not affect other provisions or applications of the act which can be
 32 given effect without the invalid provision or application and to this
 33 end, the provisions of this act are severable. The Legislature
 34 hereby declares that it would have passed this act, and each portion
 35 thereof, irrespective of the fact that any other portion be declared
 36 unconstitutional.

37 SEC. 23. No reimbursement is required by this act pursuant
 38 to Section 6 of Article XIII B of the California Constitution
 39 because the only costs that may be incurred by a local agency or
 40 school district are the result of a program for which legislative



1 authority was requested by that local agency or school district,
2 within the meaning of Section 17556 of the Government Code and
3 Section 6 of Article XIII B of the California Constitution.

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