

AMENDED IN ASSEMBLY MAY 11, 2006

AMENDED IN ASSEMBLY AUGUST 16, 2005

SENATE BILL

No. 902

Introduced by Senator Denham

(Principal coauthors: Senators Ashburn and Poochigian)

(Principal coauthors: Assembly Members Arambula, Cogdill, La Malfa, Matthews, Maze, Parra, and Villines)

February 22, 2005

An act to add Sections 14682, 14682.1, and 14682.2 to the Government Code, relating to the Department of General Services. An act to add Division 32 (commencing with Section 82000) to the Water Code, relating to financing river storage and restoration projects, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds.

LEGISLATIVE COUNSEL'S DIGEST

SB 902, as amended, Denham. ~~Office of Fleet Administration. The Upper San Joaquin River Storage and San Joaquin River Restoration Bond Act of 2006.~~

Under existing law, various measures have been approved by the voters to provide funds for water projects, facilities, and programs.

This bill would enact the Upper San Joaquin River Storage and San Joaquin River Restoration Bond Act of 2006 which would, if approved by the voters, authorize the issuance and sale of bonds in the amount of \$1,225,000,000 for purposes of financing specified river storage and restoration projects.

This bill would require the Secretary of State to submit this bond act to the voters at the November 7, 2006, statewide general election.

~~(1) The Office of Fleet Administration of the Department of General Services provides transportation and commute related services statewide and is responsible for the establishment, implementation, and maintenance of policies and procedures governing state-owned mobile equipment.~~

~~This bill would require the Office of Fleet Administration, Department of General Services, to develop both a daily tracking system of all vehicles owned by the state and a policy that increases the minimum use requirement of each governmental vehicle by a state agency to 10,000 miles per year and each commercial vehicle by a state agency to 12,000 miles per year.~~

~~The bill would require the Office of Fleet Administration to review each parking garage owned by the state in order to evaluate whether the costs to operate each garage costs the state more money than other alternatives.~~

~~(2) Existing law prohibits the issuance of a purchase order or other form of documentation for the acquisition or replacement of motor vehicles against any appropriation until the Department of General Services has investigated and established the necessity for the acquisition or replacement.~~

~~This bill would institute a more stringent and thorough review of requests by state agencies for the purchase of vehicles that would include a definition of what constitutes an underutilized vehicle and a written justification by each state agency requesting the purchase of a vehicle as to why its underutilized vehicles, if any, cannot fulfill its vehicle needs.~~

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

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

- 1 *SECTION 1. Division 32 (commencing with Section 82000) is*
- 2 *added to the Water Code, to read:*

1 *DIVISION 32. THE UPPER SAN JOAQUIN RIVER*
 2 *STORAGE AND SAN JOAQUIN RIVER RESTORATION BOND*
 3 *ACT OF 2006*

4
 5 *CHAPTER 1. GENERAL PROVISIONS*
 6

7 82000. *This division shall be known, and may be cited, as the*
 8 *Upper San Joaquin River Storage and San Joaquin River*
 9 *Restoration Bond Act of 2006.*

10
 11 *CHAPTER 2. DEFINITIONS*
 12

13 82001. *As used in this division, the following terms have the*
 14 *following meanings:*

15 (a) *“Committee” means the Upper San Joaquin River Storage*
 16 *and San Joaquin River Restoration Finance Committee created*
 17 *pursuant to Section 82009.*

18 (b) *“Department” means the Department of Water Resources.*

19 (c) *“Fund” means the Upper San Joaquin River Storage and*
 20 *San Joaquin River Restoration Bond Fund of 2006 created*
 21 *pursuant to Section 82002.*

22 (d) *“State General Obligation Bond Law” means the State*
 23 *General Obligation Bond Law (Chapter 4 (commencing with*
 24 *Section 16720) of Part 3 of Division 4 of Title 2 of the*
 25 *Government Code).*

26
 27 *CHAPTER 3. UPPER SAN JOAQUIN RIVER STORAGE AND SAN*
 28 *JOAQUIN RIVER RESTORATION BOND FUND OF 2006*
 29

30 82002. *The proceeds of bonds issued and sold pursuant to*
 31 *this division shall be deposited in the Upper San Joaquin River*
 32 *Storage and San Joaquin River Restoration Bond Fund of 2006,*
 33 *which is hereby created.*

1 *disasters or acts of terrorism, or response to the effects of sea*
2 *level rise.*

3 *(5) Improved riverine processes.*

4 *(6) Protection of regional economies where the unemployment*
5 *rate in a region exceeds ____ percent or in communities with an*
6 *annual median household income of less than 80 percent of the*
7 *statewide annual median household income.*

8 *(7) Regional and statewide recreational benefits.*

9 *(d) (1) The state cost share shall be integrated in a*
10 *comprehensive financing plan for an upper San Joaquin River*
11 *surface storage project that includes any federal cost shares for*
12 *federal interests identified in the project, and any other local*
13 *public agency or private cost share for water supply or power*
14 *generation benefits generated by the project.*

15 *(2) Funds provided pursuant to this section shall only be*
16 *expended on the upper San Joaquin River surface storage project*
17 *if a comprehensive finance plan is developed and implemented*
18 *for that project that obligates the recipients of project benefits to*
19 *pay an appropriate cost share for those benefits.*

20 *(e) The Director of Water Resources shall submit to the*
21 *Legislature a determination of intent to fund a state cost share*
22 *for the upper San Joaquin River surface storage project prior to*
23 *commitment of any funds provided by this section.*

24 *82004. (a) The sum of one hundred twenty-five million*
25 *dollars (\$125,000,000) shall be available, upon appropriation*
26 *from the fund, to support development of upper San Joaquin*
27 *River water storage capacity, including by any of the following*
28 *means:*

29 *(1) Completion of upper San Joaquin River surface water*
30 *storage planning, feasibility studies, and environmental*
31 *documentation pursuant to the CALFED Bay-Delta Program.*

32 *(2) Preliminary engineering design of an upper San Joaquin*
33 *River surface storage project.*

34 *(3) Identification of upper San Joaquin River storage projects*
35 *that can help protect and restore the environment.*

36 *(4) Evaluation of cost sharing arrangements for upper San*
37 *Joaquin River surface storage projects to support broad public*
38 *benefits, federal interests in the project, and local public agency*
39 *or private benefits through water supply or power generation.*

1 (5) Study and construction of groundwater storage and
 2 conjunctive use projects and programs that can provide
 3 interregional benefits.

4 (b) If a portion of the funds made available by this section are
 5 not needed for the purposes of subdivision (a), these funds may
 6 be made available, upon appropriation from the fund therefor,
 7 for the purposes set forth in Section 82003.

8

9 Article 2. San Joaquin River Restoration Program

10

11 82005. The sum of six hundred million dollars
 12 (\$600,000,000) shall be available, upon appropriation from the
 13 fund, for restoration of the San Joaquin River system above its
 14 confluence with the Merced River.

15

16 Article 3. Program Administration

17

18 82006. (a) The department may adopt regulations as
 19 necessary to implement this division or any part of this division.

20 (b) The department also may adopt regulations as necessary
 21 to implement this division or any part of this division as
 22 emergency regulations in accordance with Chapter 3.5
 23 (commencing with Section 11340) of Part 1 of Division 3 of Title
 24 2 of the Government Code. The adoption of the regulations shall
 25 be deemed to be an emergency and necessary for the immediate
 26 preservation of the public peace, health and safety, or general
 27 welfare. Notwithstanding subdivision (e) of Section 11346.1 of
 28 the Government Code, the regulations shall not remain in effect
 29 for more than two years unless the department complies with all
 30 provisions of Chapter 3.5 (commencing with Section 11340) of
 31 Part 1 of Division 3 of Title 2 of the Government Code, as
 32 required by subdivision (e) of Section 11346.1 of the Government
 33 Code.

34

35 CHAPTER 5. FISCAL PROVISIONS

36

37 82007. (a) Bonds in the total amount of one billion two
 38 hundred twenty-five million dollars (\$1,225,000,000), or so much
 39 thereof as is necessary, not including the amount of any
 40 refunding bonds, may be issued and sold to provide a fund to be

1 *used for carrying out the purposes expressed in this division and*
2 *to reimburse the General Obligation Bond Expense Revolving*
3 *Fund pursuant to Section 16724.5 of the Government Code. The*
4 *bonds, when sold, shall be and constitute a valid and binding*
5 *obligation of the State of California, and the full faith and credit*
6 *of the State of California is hereby pledged for the punctual*
7 *payment of both principal of, and interest on, the bonds as the*
8 *principal and interest become due and payable.*

9 *(b) The Treasurer shall sell the bonds authorized by the*
10 *committee pursuant to this section. The bonds shall be sold upon*
11 *the terms and conditions specified in a resolution to be adopted*
12 *by the committee pursuant to Section 16731 of the Government*
13 *Code.*

14 *82008. The bonds authorized by this division shall be*
15 *prepared, executed, issued, sold, paid, and redeemed as provided*
16 *in the State General Obligation Bond Law, and all of the*
17 *provisions of that law apply to the bonds and to this division and*
18 *are hereby incorporated in this division as though set forth in full*
19 *in this division.*

20 *82009. (a) Solely for the purpose of authorizing the issuance*
21 *and sale, pursuant to the State General Obligation Bond Law, of*
22 *the bonds authorized by this division, the Upper San Joaquin*
23 *River Storage and San Joaquin River Restoration Finance*
24 *Committee is hereby created. For the purposes of this division,*
25 *the Upper San Joaquin River Storage and San Joaquin River*
26 *Restoration Finance Committee is “the committee” as that term*
27 *is used in the State General Obligation Bond Law. The committee*
28 *consists of the Director of Finance, the Treasurer, the*
29 *Controller, the Director of Water Resources, and the Secretary of*
30 *the Resources Agency, or their designated representatives. The*
31 *Treasurer shall serve as chairperson of the committee. A*
32 *majority of the committee may act for the committee.*

33 *(b) For purposes of the State General Obligation Bond Law,*
34 *the department is designated the “board.”*

35 *82010. The committee shall determine whether or not it is*
36 *necessary or desirable to issue bonds authorized pursuant to this*
37 *division to carry out this division and, if so, the amount of bonds*
38 *to be issued and sold. Successive issues of bonds may be*
39 *authorized and sold to carry out those actions progressively, and*

1 *it is not necessary that all of the bonds authorized to be issued be*
2 *sold at any one time.*

3 *82011. There shall be collected each year and in the same*
4 *manner and at the same time as other state revenue is collected,*
5 *in addition to the ordinary revenues of the state, a sum in an*
6 *amount required to pay the principal of, and interest on, the*
7 *bonds each year, and it is the duty of all officers charged by law*
8 *with any duty in regard to the collection of the revenue to do and*
9 *perform each and every act that is necessary to collect that*
10 *additional sum.*

11 *82012. Notwithstanding Section 13340 of the Government*
12 *Code, there is hereby appropriated from the General Fund in the*
13 *State Treasury, for the purposes of this division, an amount that*
14 *will equal the total of the following:*

15 *(a) The sum annually necessary to pay the principal of, and*
16 *interest on, bonds issued and sold pursuant to this division, as*
17 *the principal and interest become due and payable.*

18 *(b) The sum necessary to carry out Section 82015,*
19 *appropriated without regard to fiscal years.*

20 *82013. The department may request the Pooled Money*
21 *Investment Board to make a loan from the Pooled Money*
22 *Investment Account, in accordance with Section 16312 of the*
23 *Government Code, for purposes of carrying out this division. The*
24 *amount of the request shall not exceed the amount of the unsold*
25 *bonds that the committee has, by resolution, authorized to be*
26 *sold for the purpose of carrying out this division. The department*
27 *shall execute those documents required by the Pooled Money*
28 *Investment Board to obtain and repay the loan. Any amounts*
29 *loaned shall be deposited in the fund to be allocated by the board*
30 *in accordance with this division.*

31 *82014. Notwithstanding any other provision of this division,*
32 *or of the State General Obligation Bond Law, if the Treasurer*
33 *sells bonds pursuant to this division that include a bond counsel*
34 *opinion to the effect that the interest on the bonds is excluded*
35 *from gross income for federal tax purposes under designated*
36 *conditions, the Treasurer may maintain separate accounts for the*
37 *bond proceeds invested and for the investment of earnings on*
38 *those proceeds, and may use or direct the use of those proceeds*
39 *or earnings to pay any rebate, penalty, or other payment, as may*
40 *be required under federal law or take any other action with*

1 *respect to the investment and use of those bond proceeds*
2 *required or desirable under federal law in order to maintain the*
3 *tax-exempt status of those bonds and to obtain any other*
4 *advantage under federal law on behalf of the funds of this state.*

5 82015. *For the purposes of carrying out this division, the*
6 *Director of Finance may authorize the withdrawal from the*
7 *General Fund of an amount not to exceed the amount of the*
8 *unsold bonds that have been authorized by the committee to be*
9 *sold for the purpose of carrying out this division. Any amounts*
10 *withdrawn shall be deposited in the fund. Any money made*
11 *available under this section shall be returned to the General*
12 *Fund, with interest at the rate earned by the money in the Pooled*
13 *Money Investment Account, from proceeds received from the sale*
14 *of bonds for the purpose of carrying out this division.*

15 82016. *All money deposited in the fund that is derived from*
16 *premium and accrued interest on bonds sold pursuant to this*
17 *division shall be reserved in the fund and shall be available for*
18 *transfer to the General Fund as a credit to expenditures for bond*
19 *interest.*

20 82017. *Pursuant to Chapter 4 (commencing with Section*
21 *16720) of Part 3 of Division 4 of Title 2 of the Government Code,*
22 *the cost of bond issuance shall be paid out of the bond proceeds.*
23 *These costs shall be shared proportionally by each program*
24 *funded through this bond act.*

25 82018. *The bonds issued and sold pursuant to this division*
26 *may be refunded in accordance with Article 6 (commencing with*
27 *Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of*
28 *the Government Code, which is a part of the State General*
29 *Obligation Bond Law. Approval by the voters of the state for the*
30 *issuance of the bonds described in this division includes the*
31 *approval of the issuance of any bonds issued to refund any bonds*
32 *originally issued under this division or any previously issued*
33 *refunding bonds.*

34 82019. *The Legislature hereby finds and declares that,*
35 *inasmuch as the proceeds from the sale of bonds authorized by*
36 *this division are not “proceeds of taxes” as that term is used in*
37 *Article XIII B of the California Constitution, the disbursement of*
38 *these proceeds is not subject to the limitations imposed by that*
39 *article.*

1 *SEC. 2. Section 1 of this act shall become operative upon the*
2 *approval by the voters of the Upper San Joaquin River Storage*
3 *and San Joaquin River Restoration Bond Act of 2006, as set forth*
4 *in Section 1 of this act.*

5 *SEC. 3. Notwithstanding any other provision of law, the*
6 *Secretary of State shall submit Section 1 of this act to the voters*
7 *at the November 7, 2006, statewide general election in*
8 *accordance with the provisions of the Elections Code and the*
9 *Government Code governing the submission of statewide*
10 *measures to the voters.*

11 *SEC. 4. (a) Notwithstanding any other provision of law, all*
12 *ballots of the November 7, 2006, statewide general election shall*
13 *have printed thereon and in a square thereof, the words: "The*
14 *Upper San Joaquin River Storage and San Joaquin River*
15 *Restoration Bond Act of 2006" and in the same square under*
16 *those words, the following in 8 point type:*

17 *"This act provides for a bond issue of one billion two hundred*
18 *twenty-five million dollars (\$1,225,000,000) to provide funds for*
19 *a river storage and restoration program."*

20 *Opposite the square, there shall be left spaces in which the*
21 *voters may place a cross in the manner required by law to*
22 *indicate whether they vote for or against the act.*

23 *(b) Where the voting in the election is done by means of voting*
24 *machines used pursuant to law in a manner that carries out the*
25 *intent of this section, the use of the voting machines and the*
26 *expression of the voters' choices by means thereof are in*
27 *compliance with this section.*

28 ~~SECTION 1. Section 14682 is added to the Government~~
29 ~~Code, to read:~~

30 ~~14682. (a) The Office of Fleet Administration, Department~~
31 ~~of General Services, shall develop a daily tracking system of all~~
32 ~~vehicles owned by the state, that shall include, but not be limited~~
33 ~~to, the daily mileage, repairs, rates, use, rentals, maintenance, and~~
34 ~~insurance, with regard to each vehicle owned by the state.~~

35 ~~(b) The Office of Fleet Administration shall develop a policy~~
36 ~~that increases the minimum use requirement of each~~
37 ~~governmental vehicle by a state agency to 10,000 miles per year~~
38 ~~and each commercial vehicle by a state agency to 12,000 miles~~
39 ~~per year.~~

1 ~~SEC. 2.— Section 14682.1 is added to the Government Code, to~~
2 ~~read:~~

3 ~~14682.1. (a) The Office of Fleet Administration, Department~~
4 ~~of General Services, shall review each parking garage owned by~~
5 ~~the state in order to evaluate whether the costs to operate each~~
6 ~~garage costs the state more money than other alternatives, such as~~
7 ~~using commercial rental companies or commercial repair shops.~~

8 ~~(b) The Office of Fleet Administration shall do all of the~~
9 ~~following when reviewing each state-owned parking garage~~
10 ~~under this section:~~

11 ~~(1) Analyze the revenues received and expenses incurred at~~
12 ~~each garage, including nontraditional expenses, such as~~
13 ~~depreciation, fuel, insurance, and maintenance.~~

14 ~~(2) Consider all relevant factors, including, but not limited to,~~
15 ~~the frequency with which it rents vehicles on a short-term basis,~~
16 ~~the ability of other garages to take long-term rentals, and the~~
17 ~~cost-effectiveness of its repair and maintenance services and the~~
18 ~~labor costs associated with them.~~

19 ~~(c) Notwithstanding Section 7550.5, the Office of Fleet~~
20 ~~Administration shall report back its findings to the Legislature by~~
21 ~~July 1, 2006.~~

22 ~~SEC. 3.— Section 14682.2 is added to the Government Code, to~~
23 ~~read:~~

24 ~~14682.2.— The Office of Fleet Administration, in addition to~~
25 ~~any other requirements in existing law, shall institute a more~~
26 ~~stringent and thorough review of requests by state agencies for~~
27 ~~the purchase of vehicles. The review process shall include, but~~
28 ~~not be limited to, the following requirements:~~

29 ~~(a) A new definition developed by the Office of Fleet~~
30 ~~Administration that meets current standards of what constitutes~~
31 ~~an underutilized vehicle.~~

32 ~~(b) Each state agency requesting the purchase of a vehicle~~
33 ~~shall justify, in writing, why its underutilized vehicles, if any,~~
34 ~~cannot fulfill its vehicle needs.~~