

AMENDED IN ASSEMBLY MARCH 28, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 823

Introduced by Assembly Member Solorio

February 22, 2007

An act to add Section 2156 to the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 823, as amended, Solorio. Orange County: road funds.

Existing law provides for the apportionment by the Controller of a certain portion of gasoline and diesel fuel excise taxes to each city and county by formula. Existing law also provides for the apportionment by the Controller of a certain portion of gasoline sales taxes deposited in the Transportation Investment Fund to each city and county by formula. Existing law requires each county to deposit funds received from both of these sources in its county road fund for expenditure on county roads, but authorizes a county board of supervisors to provide aid to a city for city streets from county funds, including a county's road fund. Existing law requires a city or county to annually report to the Controller on its road expenditures from all sources of available revenue.

This bill would require the County of Orange to additionally report annually to the Governor, Members of the Legislature, the California Transportation Commission, the Southern California Association of Governments, and the Orange County Transportation Authority regarding the county's *revenues and expenditures* of fuel excise tax and gasoline sales tax ~~revenues~~ *funds*, and to identify the surplus of funds from each of those sources that remains unspent at the end of each fiscal

year. The bill would thereby impose a state-mandated local program. The bill would also make legislative findings and declarations regarding the authorization for a county to share its revenues with a city.

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, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

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. The Legislature finds and declares all of the
- 2 following:
- 3 (a) The current state formula for distribution of gas tax and
- 4 Proposition 42 transportation funds to counties is based 75 percent
- 5 on registered vehicles county-wide and 25 percent on
- 6 unincorporated area road miles.
- 7 (b) Since 2001, the County of Orange has been responsible for
- 8 maintaining less than 500 road miles while cities within the County
- 9 of Orange are responsible for maintaining over 5,700 road miles.
- 10 (c) After a number of city incorporations over the past decades,
- 11 the County of Orange now only maintains 7.4 percent of the
- 12 roadway network in Orange County.
- 13 (d) The County of Orange, as a result of the current state
- 14 formula, has a surplus of gas tax and Proposition 42 funds in
- 15 reserve, while incorporated cities within Orange County are
- 16 experiencing a major backlog of maintenance needs for their city
- 17 roads.
- 18 (e) The Legislature recognizes that the current state formula for
- 19 the distribution of transportation funds may not adequately reflect
- 20 the needs of the County of Orange, and that incorporated cities
- 21 within the county get a disproportionately low share of revenues
- 22 relative to the needs of the cities.
- 23 (f) A county is authorized by Article 2 (commencing with
- 24 Section 1680) of Chapter 9 of Division 2 of the Streets and
- 25 Highways Code to share, with cities in the county, motor vehicle

1 fuel excise tax funds received pursuant to Chapter 3 (commencing
2 with Section 2100) of Division 3 of the Streets and Highways Code
3 and gasoline sales tax funds received from the Transportation
4 Investment Fund pursuant to Section 7104 of the Revenue and
5 Taxation Code and Section 14532 of the Government Code.

6 (g) It is the intent of the Legislature to encourage the County
7 of Orange to work with incorporated cities within the county to
8 improve city roads by sharing the county's share of gas tax and
9 Proposition 42 funding. Ultimately, improving city roads will
10 translate into the betterment of the county as a whole.

11 SEC. 2. Section 2156 is added to the Streets and Highways
12 Code, to read:

13 2156. In addition to the report required by Section 2151, the
14 County of Orange shall report annually to the Governor, Members
15 of the Legislature, the California Transportation Commission, the
16 Southern California Association of Governments, and the Orange
17 County Transportation Authority regarding the county's *revenues*
18 *and* expenditures of motor vehicle fuel excise tax funds received
19 by the county pursuant to Chapter 3 (commencing with Section
20 2100) and gasoline sales tax funds received by the county from
21 the Transportation Investment Fund pursuant to Section 7104 of
22 the Revenue and Taxation Code and Section 14532 of the
23 Government Code. The report shall identify the surplus of funds
24 from each of those sources that remains unspent at the end of each
25 fiscal year.

26 SEC. 3. If the Commission on State Mandates determines that
27 this act contains costs mandated by the state, reimbursement to
28 local agencies and school districts for those costs shall be made
29 pursuant to Part 7 (commencing with Section 17500) of Division
30 4 of Title 2 of the Government Code.

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