

AMENDED IN ASSEMBLY APRIL 18, 2007

AMENDED IN ASSEMBLY APRIL 10, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 901

Introduced by Assembly Member Nunez

February 22, 2007

An act to add Section 14033 to the Government Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 901, as amended, Nunez. Transportation: Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006.

Existing law, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B), authorizes \$19.925 billion of state general obligation bonds for specified purposes. The act requires that, among other things, \$3.6 billion of the proceeds from those bonds be deposited in the Public Transportation Modernization, Improvement, and Service Enhancement Account for allocation to public transit operators and transportation planning agencies by formula.

This bill would require the Department of Transportation to provide the Department of Finance and the Assembly and Senate Budget Committees by September 30 of each year with information describing the total amount of verified project funding needed in the budget year and the amount required by each agency seeking funding. The bill would define "sponsoring entity" and "eligible project" for purposes of allocating these funds. The bill would require the California Transportation Commission to include information in its annual report

to the Legislature regarding its activities relative to these funds. The bill would require certain legislative committees to hold an annual joint legislative hearing on these funds. The bill would enact other related provisions.

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. The Legislature hereby finds and declares all of
2 the following:
- 3 (a) The Highway Safety, Traffic Reduction, Air Quality, and
4 Port Security Bond Act of 2006 provides a comprehensive
5 approach to transportation investment.
- 6 (b) California's transportation system is multimodal and
7 interconnected by design.
- 8 (c) Highways, freeways, local streets and roads, and public
9 transportation are all integral parts of California's transportation
10 system.
- 11 (d) The state's investment in public transportation helps advance
12 important goals and policies, including protecting the environment
13 and public health, conserving energy, reducing congestion, and
14 providing alternative mobility choices for Californians.
- 15 (e) Public transportation reduces the contribution to global
16 warming by reducing carbon dioxide emissions by more than 7.4
17 million tons a year nationally.
- 18 (f) For every passenger mile traveled, public transportation
19 produces only a fraction of the harmful pollution created by
20 automobile traffic, prompting less smog and cleaner air for our
21 children, adults with respiratory disease, and seniors.
- 22 (g) On average, a person who uses one of the 25 largest bus or
23 rail transportation systems in California consumes 53 percent less
24 energy per mile than a person who travels by private vehicle.
- 25 (h) Californians depend heavily on public transportation. In
26 2001–02, the public transportation system in California provided
27 close to 1.4 billion passenger trips.
- 28 (i) Public transportation carries 38 percent of all trips on the
29 San Francisco-Oakland Bay Bridge Corridor, 30 percent of all
30 trips into central Los Angeles, and 18 percent of all trips to
31 downtown San Diego.

1 (j) A recent study found that without public transportation, Los
2 Angeles would have to build 1,400 new lane-miles of freeway to
3 handle the increased traffic, the San Francisco Bay Area would
4 need to increase its freeway capacity by 50 percent, and San Diego
5 would see an additional 35,000 cars on its roads and highways.

6 (k) California benefits from its investment in public
7 transportation and Californians depend on a balanced transportation
8 system.

9 (l) Therefore, it is the intent of the Legislature that projects
10 funded from the Public Transportation Modernization,
11 Improvement, and Service Enhancement Account shall help
12 advance the state’s policy goals of providing mobility choices for
13 all residents, reducing congestion, and protecting the environment.

14 SEC. 2. Section 14033 is added to the Government Code, to
15 read:

16 14033. (a) For purposes of this section, the following terms
17 shall have the following meanings:

18 (1) “Sponsoring entity” means a transit operator eligible to
19 receive an allocation of funds under the State Transit Assistance
20 Program pursuant to Sections 99314 and 99314.3 of the Public
21 Utilities Code as of November 7, 2006, or a local agency, including
22 a transportation planning agency, county transportation
23 commission, or the San Diego Metropolitan Transit Development
24 Board, eligible to receive an allocation of funds under the State
25 Transit Assistance Program pursuant to Section 99313 of the Public
26 Utilities Code as of November 7, 2006.

27 (2) “*Commission*” means the *California Transportation*
28 *Commission*.

29 ~~(2)~~

30 (3) “Department” means the Department of Transportation.

31 ~~(3)~~

32 (4) “Eligible project” means a transit capital project, including
33 a bus, rail, or ferry capital project, *that is consistent with the*
34 *sponsoring entity’s most recently publicly adopted short-range*
35 *transit plan, or other applicable plan approved by the sponsoring*
36 *entity’s governing board, or the state transportation improvement*
37 *program or the transportation congestion relief program.*

38 (b) (1) Each sponsoring entity shall provide information to the
39 department *no later than July 1 of each year* regarding the eligible
40 project or projects it intends to undertake in a given fiscal year

1 from funds available from the Public Transportation Modernization,
2 Improvement, and Service Enhancement Account pursuant to
3 paragraph (3) of subdivision (f) of Section 8879.23. The department
4 shall annually compile a list of eligible projects for each fiscal
5 year, and by September 30 of each year, shall provide the
6 Department of Finance and the budget committees of the Assembly
7 and Senate with information describing the total amount of verified
8 project funding that can reasonably be expected to be expended
9 in the budget year and the amount of each individual agency's
10 share of total available funds for that year needed in the budget
11 year. *Upon the review and verification by the department of all*
12 *projects, the department shall, on a quarterly basis, provide the*
13 *Controller with instructions describing the total amount verified*
14 *and the amount of each individual sponsoring entity's total amount*
15 *of funds to be allocated pursuant to the formula in paragraph (3)*
16 *of subdivision (f) of Section 8879.23, which is based on the formula*
17 *in Sections 99313 and 99314 of the Public Utilities Code. The*
18 *Controller, on a quarterly basis, shall accordingly allocate the*
19 *funds to each sponsoring entity.*

20 (2) *The audit of public transportation operator finances already*
21 *required under the Transportation Development Act pursuant to*
22 *Section 99245 of the Public Utilities Code shall be expanded to*
23 *include verification of receipt and appropriate expenditure of bond*
24 *funds pursuant to this section. Each sponsoring entity receiving*
25 *bond funds from this account in a fiscal year for which an audit*
26 *is conducted shall transmit a copy of the audit to the department,*
27 *and the department shall make the audits available to the*
28 *Legislature and the Controller for review on request.*

29 (c) ~~The California Transportation Commission~~ *department and*
30 *sponsoring entities shall cooperate with the commission in the*
31 *preparation of the summary required under this subdivision. The*
32 *commission shall include in its annual report to the Legislature,*
33 *required by Section 14535, a summary of state activities related*
34 *to the administration of these funds. The summary, based on the*
35 *information submitted by each sponsoring entity pursuant to*
36 *subdivision (b), at a minimum, shall include a description and the*
37 *location of the projects contained in the program for that year, the*
38 *amount of funds allocated to each project, the status of each project,*
39 *and a description of the mobility, congestion reduction, air quality,*
40 *or other benefits or improvements the program is achieving. The*

1 ~~department and sponsoring entities shall cooperate with the~~
2 ~~commission in the preparation of the summary.~~

3 (d) The Assembly Transportation Committee, the ~~Senate~~
4 ~~Committee on~~ Transportation and Housing ~~Committee~~, and the
5 subcommittees of the Assembly and Senate ~~Budget Committees~~
6 *budget committees* with responsibility for transportation shall
7 annually hold a joint legislative hearing on the status of
8 implementation of Proposition 1B of 2006 with respect to the
9 Public Transportation Modernization, Improvement, and Service
10 Enhancement Account. During these hearings, the department, the
11 ~~California Transportation Commission, the California~~ *commission*,
12 *the State* Air Resources Board, and other key implementing
13 agencies shall report on the use of bond funds and the timeliness
14 of project delivery milestones.