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CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 3034

Introduced by Assembly Members Galgiani and Ma
(Principal coauthors: Assembly Members Davis and Parra)
(Coauthors: Assembly Members Adams, Aghazarian, Arambula,
Beall, Berryhill, Caballero, Charles Calderon, Carter, Coto,
De Leon, Dymally, Houston, Huffman, Karnette, Leno, Lieu,
Maze, Mullin, Price, Ruskin, Saldana, Solorio, Torrico, and Wolk)
(Coauthors: Senators Alquist, Cedillo, Florez, Kuehl, Scott, Simitian,
Steinberg, Torlakson, and Wiggins)

February 22, 2008

~~An act to add Sections 185033, 185035, and 185037 to the Public Utilities Code, to amend Sections 2704.01, 2704.04, 2704.05, 2704.06, 2704.08, 2704.09, 2704.095, 2704.10, 2704.11, 2704.12, 2704.13, 2704.15, 2704.18, and 2704.21 of the Streets and Highways Code, and to amend Sections 1, 3, and 4 of Chapter 697 of the Statutes of 2002, relating to transportation, and declaring the urgency thereof, to take effect immediately. An act to add Sections 185033, 185035, and 185037 to the Public Utilities Code, to add Chapter 20 (commencing with Section 2704) to Division 3 of the Streets and Highways Code, and to repeal Sections 1, 2, 3, and 4 of Chapter 697 of the Statutes of 2002,~~

relating to financing a high-speed passenger train system by providing the funds necessary therefor through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 3034, as amended, Galgiani. Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century.

Existing law, Chapter 697 of the Statutes of 2002, as amended by Chapter 71 of the Statutes of 2004 and Chapter 44 of the Statutes of 2006, provides for submission of the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century to the voters for approval at the November 4, 2008, general election. Subject to voter approval, the act would provide for the issuance of \$9.95 billion of general obligation bonds, \$9 billion of which would be available in conjunction with any available federal funds for planning and construction of a high-speed train system pursuant to the business plan of the High-Speed Rail Authority, and \$950 million of which would be available for capital projects on other passenger rail lines to provide connectivity to the high-speed train system and for capacity enhancements and safety improvements to those lines.

~~This bill would make various revisions to the repeal the above-referenced provisions and enact new provisions submitting a \$9.95 billion general obligation bond act to the voters for approval at the November 4, 2008, general election for the same purposes. The bill would revise and recast the previously proposed bond act to be submitted to the voters.~~ The bill would refer to construction of a high-speed train system consistent with the authority's certified environmental impact reports of November 2005 and July 9, 2008, rather than with the final business plan of June 2000. The bill would revise the descriptions of route corridors of the proposed high-speed train system. The bill would require excess revenues from operation of the high-speed train system beyond the amount needed for operating and maintenance costs and financing obligations, as determined by the authority, to be used for construction, expansion, improvement, replacement, and rehabilitation of the high-speed train system. The bill would require that not more than 10% of ~~certain~~ high-speed rail bond proceeds be used for environmental studies, planning, and preliminary

engineering activities, and for, among other things, the acquisition of interests in real property and right-of-way and improvement, the mitigation of any direct or indirect specified environmental impacts, and relocation assistance for specified displaced property owners and occupants. The bill would require *and* that not more than 2.5% of certain *high-speed rail* bond proceeds be used for administrative expenses, except as specified. The bill would *generally* require the authority to complete various funding plans and financial analyses, as specified, prior to submitting a request for appropriation of bond funds for eligible capital costs and prior to committing bond proceeds for expenditure for construction and real property and equipment acquisition, *but would also provide that up to 7.5% of high-speed rail bond proceeds may be used for specified expenditures outside of those requirements.* The bill would require the authority to give priority in selecting corridors for construction to those corridors that are expected to require the least amount of bond funds as a percentage of total cost of construction, among other considerations. The bill would provide for the bonds to have a final maturity of not more than 40 years.

This bill would require the bond measure to appear first on the November 4, 2008, general election ballot and to be designated as Proposition ~~4~~ 1A. The bill would specify the ballot label and title and summary to be used for the measure.

Existing law creates the High-Speed Rail Authority with specified powers and duties relative to the development and implementation of a high-speed train system. Existing law makes the Department of Transportation responsible for improving and maintaining the state highway system.

This bill would require the authority to revise its business plan by ~~October~~ *September* 1, 2008, as specified, and to submit the revised plan to the Legislature. The bill would also require the authority to establish an independent peer review group for the purpose of reviewing the planning, engineering, financing, and other elements of the authority's plans and issuing an analysis of appropriateness and accuracy of the authority's assumptions and an analysis of the viability of the authority's funding plan for each corridor. This bill would, for any project along the high-speed rail network, authorize the authority to contract with the department to perform project design and engineering services, including construction inspection services, as defined.

Existing law authorizes the authority to, among other things, enter into contracts for the design, construction, and operation of high-speed trains upon approval by the voters of a specified financial plan.

This bill would provide that approval by the voters of the Safe, Reliable High-Speed Passenger Train Bond Act constitutes approval of a financial plan for purposes of that provision.

This bill would declare that it is to take effect immediately as an urgency statute.

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

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

1 SECTION 1. Section 185033 is added to the Public Utilities
2 Code, to read:

3 185033. The authority shall prepare, publish, and submit to
4 the Legislature, not later than September 1, 2008, a revised
5 business plan that identifies all of the following: the type of service
6 it anticipates it will develop, such as local, express, commuter,
7 regional, or interregional; a description of the primary benefits
8 the system will provide; a forecast of the anticipated patronage,
9 operating costs, and capital costs for the system; an estimate and
10 description of the total anticipated federal, state, local, and other
11 funds the authority intends to access to fund the construction and
12 operation of the system; and the proposed chronology for the
13 construction of the eligible corridors of the statewide high-speed
14 train system. The revised business plan shall also include a
15 discussion of all reasonably foreseeable risks the project may
16 encounter, including, but not limited to, risks associated with the
17 project's finances, patronage, construction, equipment, and
18 technology, and other risks associated with the project's
19 development. The plan shall describe the authority's strategies,
20 processes, or other actions it intends to utilize to manage those
21 risks.

22 SEC. 2. Section 185035 is added to the Public Utilities Code,
23 to read:

24 185035. (a) The authority shall establish an independent peer
25 review group for the purpose of reviewing the planning,
26 engineering, financing, and other elements of the authority's plans
27 and issuing an analysis of appropriateness and accuracy of the

1 authority's assumptions and an analysis of the viability of the
2 authority's financing plan, including the funding plan for each
3 corridor required pursuant to subdivision (b) of Section 2704.08
4 of the Streets and Highways Code.

5 (b) The peer review group shall include all of the following:

6 (1) Two individuals with experience in the construction or
7 operation of high-speed trains in Europe, Asia, or both, designated
8 by the Treasurer.

9 (2) Two individuals, one with experience in engineering and
10 construction of high-speed trains and one with experience in
11 project finance, designated by the Controller.

12 (3) One representative from a financial services or financial
13 consulting firm who shall not have been a contractor or
14 subcontractor of the authority for the previous three years,
15 designated by the Director of Finance.

16 (4) One representative with experience in environmental
17 planning, designated by the Secretary of Business, Transportation
18 and Housing.

19 (5) Two expert representatives from agencies providing intercity
20 or commuter passenger train services in California, designated
21 by the Secretary of Business, Transportation and Housing.

22 (c) The peer review group shall evaluate the authority's funding
23 plans and prepare its independent judgment as to the feasibility
24 and reasonableness of the plans, appropriateness of assumptions,
25 analyses, and estimates, and any other observations or evaluations
26 it deems necessary.

27 (d) The authority shall provide the peer review group any and
28 all information that the peer review group may request to carry
29 out its responsibilities.

30 (e) The peer review group shall report its findings and
31 conclusions to the Legislature no later than 60 days after receiving
32 the plans.

33 SEC. 3. Section 185037 is added to the Public Utilities Code,
34 to read:

35 185037. (a) Notwithstanding any other provision of law, for
36 any project along the high-speed rail network, the authority may
37 contract with the department to perform project design and
38 engineering services, including construction inspection services.

39 (b) For purposes of this section, "project design and engineering
40 services, including construction inspection services" means

1 preliminary engineering, planning, pre-bid services, right-of-way
 2 acquisition, preparation of environmental documents, preparation
 3 of plans, specifications, and estimates, construction inspection
 4 including surveying and materials testing, quality control
 5 inspection including highway and utility relocation, and grade
 6 separations.

7 SEC. 4. Section 1 of Chapter 697 of the Statutes of 2002, as
 8 amended by Section 1 of Chapter 71 of the Statutes of 2004, is
 9 repealed.

10 Section 1. (a) In light of the events of September 11, 2001, it
 11 is very clear that a high-speed passenger train network as described
 12 in the High-Speed Rail Authority's Business Plan is essential for
 13 the transportation needs of the growing population and economic
 14 activity of this state.

15 (b) The initial high-speed train network linking San Francisco
 16 and the bay area to Los Angeles will serve as the backbone of what
 17 will become an extensive 700-mile system that will link all of the
 18 state's major population centers, including Sacramento, the bay
 19 area, the Central Valley, Los Angeles, the Inland Empire, Orange
 20 County, and San Diego, and address the needs of the state.

21 (c) The high-speed passenger train bond funds are intended to
 22 encourage the federal government and the private sector to make
 23 a significant contribution toward the construction of the high-speed
 24 train network.

25 (d) The initial segments shall be built in a manner that yields
 26 maximum benefit consistent with available revenues.

27 (e) After the initial investment from the state, operating revenues
 28 from the initial segments and funds from the federal government
 29 and the private sector will be used to pay for expansion of the
 30 system. It is the intent of the Legislature that the entire high-speed
 31 train system shall be constructed as quickly as possible in order
 32 to maximize ridership and the mobility of Californians.

33 (f) At a minimum, the entire 700-mile system described in the
 34 High-Speed Rail Authority's Business Plan should be constructed
 35 and in revenue service by 2020.

36 SEC. 5. Section 2 of Chapter 697 of the Statutes of 2002, as
 37 amended by Sections 1 and 2 of Chapter 44 of the Statutes of 2006,
 38 is repealed.

1 *SEC. 6. Section 3 of Chapter 697 of the Statutes of 2002, as*
2 *amended by Section 3 of Chapter 44 of the Statutes of 2006, is*
3 *repealed.*

4 ~~Sec. 3. Section 2 of Chapter 697 of the Statutes of 2002, as~~
5 ~~amended by Sections 2 and 3 of Chapter 71 of the Statutes of 2004,~~
6 ~~and as further amended by Sections 1 and 2 of the act amending~~
7 ~~this section in the 2005-06 Regular Session, shall take effect upon~~
8 ~~the adoption by the voters of the Safe, Reliable High-Speed~~
9 ~~Passenger Train Bond Act for the 21st Century, as set forth in~~
10 ~~Section 2 of Chapter 697 of the Statutes of 2002, as amended by~~
11 ~~Sections 2 and 3 of Chapter 71 of the Statutes of 2004, and as~~
12 ~~further amended by Sections 1 and 2 of the act amending this~~
13 ~~section in the 2005-06 Regular Session.~~

14 *SEC. 7. Section 4 of Chapter 697 of the Statutes of 2002, as*
15 *amended by Section 4 of Chapter 44 of the Statutes of 2006, is*
16 *repealed.*

17 ~~Sec. 4. (a) Section 2 of Chapter 697 of the Statutes of 2003,~~
18 ~~as amended by Sections 2 and 3 of Chapter 71 of the Statutes of~~
19 ~~2004, and as further amended by Sections 1 and 2 of the act~~
20 ~~amending this section in the 2005-06 Regular Session, shall be~~
21 ~~submitted to the voters at the November 4, 2008, general election~~
22 ~~in accordance with provisions of the Government Code and the~~
23 ~~Elections Code governing the submission of statewide measures~~
24 ~~to the voters.~~

25 ~~(b) Notwithstanding any other provision of law, all ballots of~~
26 ~~the November 4, 2008, general election shall have printed thereon~~
27 ~~and in a square thereof, exclusively, the words “Safe, Reliable~~
28 ~~High-Speed Passenger Train Bond Act for the 21st Century” and~~
29 ~~in the same square under those words, the following in 8-point~~
30 ~~type: “This act provides for the Safe, Reliable High-Speed~~
31 ~~Passenger Train Bond Act for the 21st Century. For the purpose~~
32 ~~of reducing traffic on the state’s highways and roadways, upgrading~~
33 ~~commuter transportation, improving people’s ability to get safely~~
34 ~~from city to city, alleviating congestion at airports, reducing air~~
35 ~~pollution, and providing for California’s growing population, shall~~
36 ~~the state build a high-speed train system and improve existing~~
37 ~~passenger rail lines serving the state’s major population centers~~
38 ~~by creating a rail trust fund that will issue bonds totaling \$9.95~~
39 ~~billion, paid from existing state funds at an average cost of _____~~
40 ~~dollars (\$_____) per year over the 30-year life of the bonds, with~~

1 all expenditures subject to an independent audit?" The blank space
2 in the question to appear on the ballot pursuant to this subdivision
3 shall be filled in by the Attorney General with the appropriate
4 figure provided by the Legislative Analyst relative to the annual
5 average cost of the bonds. Opposite the square, there shall be left
6 spaces in which the voters may place a cross in the manner required
7 by law to indicate whether they vote for or against the measure.

8 (e) ~~Notwithstanding Sections 13247 and 13281 of the Elections~~
9 ~~Code, the language in subdivision (b) shall be the only language~~
10 ~~included in the ballot label for the condensed statement of the~~
11 ~~ballot title, and the Attorney General shall not supplement, subtract~~
12 ~~from, or revise that language, except that the Attorney General~~
13 ~~may include the financial impact summary prepared pursuant to~~
14 ~~Section 9087 of the Elections Code and Section 88003 of the~~
15 ~~Government Code. The ballot label is the condensed statement of~~
16 ~~the ballot title and the financial impact summary.~~

17 (d) ~~Where the voting in the election is done by means of voting~~
18 ~~machines used pursuant to law in the manner that carries out the~~
19 ~~intent of this section, the use of the voting machines and the~~
20 ~~expression of the voters' choice by means thereof are in compliance~~
21 ~~with this section.~~

22 *SEC. 8. (a) The continuing growth in California's population*
23 *and the resulting increase in traffic congestion, air pollution,*
24 *greenhouse gas emissions, and the continuation of urban sprawl*
25 *make it imperative that the state proceed quickly to construct a*
26 *state-of-the-art high-speed passenger train system to serve major*
27 *metropolitan areas.*

28 *(b) The High-Speed Rail Authority, after extensive studies and*
29 *analysis, proposes the construction of a high-speed train system*
30 *that serves major population centers in the state and that links*
31 *regional and local transit systems to form an integrated*
32 *transportation system throughout the state. The system will link*
33 *all of the state's major population centers, including Sacramento,*
34 *the San Francisco Bay Area, the Central Valley, Los Angeles, the*
35 *Inland Empire, Orange County, and San Diego.*

36 *(c) The high-speed train system proposed by the authority will*
37 *cost about one-third of what it would cost to provide the same*
38 *level of mobility and service with highway and airport*
39 *improvements and will contribute significantly toward a reduction*
40 *in air pollution and global warming.*

1 (d) *The high-speed train system, once it is completed and*
2 *becomes operational, will contribute significantly toward the goal*
3 *of reducing greenhouse gas emissions and other air pollutants*
4 *and will help reduce California’s dependence on foreign energy*
5 *sources.*

6 (e) *The high-speed passenger train bond funds are intended to*
7 *encourage the federal government and the private sector to make*
8 *a significant contribution toward the construction of the high-speed*
9 *train system.*

10 (f) *It is the intent of the Legislature that the entire high-speed*
11 *train system shall be constructed as quickly as possible in order*
12 *to maximize ridership and the mobility of Californians, and that*
13 *it be completed no later than 2020, and that all phases shall be*
14 *built in a manner that yields maximum benefit consistent with*
15 *available revenues.*

16 SEC. 9. *Chapter 20 (commencing with Section 2704) is added*
17 *to Division 3 of the Streets and Highways Code, to read:*

18
19 *CHAPTER 20. SAFE, RELIABLE HIGH-SPEED PASSENGER TRAIN*
20 *BOND ACT FOR THE 21ST CENTURY*

21
22 *Article 1. General Provisions*

23
24 2704. *This chapter shall be known and may be cited as the*
25 *Safe, Reliable High-Speed Passenger Train Bond Act for the 21st*
26 *Century.*

27 2704.01. *As used in this chapter, the following terms have the*
28 *following meanings:*

29 (a) *“Committee” means the High-Speed Passenger Train*
30 *Finance Committee created pursuant to Section 2704.12.*

31 (b) *“Authority” means the High-Speed Rail Authority created*
32 *pursuant to Section 185020 of the Public Utilities Code, or its*
33 *successor.*

34 (c) *“Fund” means the High-Speed Passenger Train Bond Fund*
35 *created pursuant to Section 2704.05.*

36 (d) *“High-speed train” means a passenger train capable of*
37 *sustained revenue operating speeds of at least 200 miles per hour*
38 *where conditions permit those speeds.*

39 (e) *“High-speed train system” means a system with high-speed*
40 *trains and includes, but is not limited to, the following components:*

1 *right-of-way, track, power system, rolling stock, stations, and*
 2 *associated facilities.*

3 (f) *“Corridor” means a portion of the high-speed train system*
 4 *as described in Section 2704.04.*

5 (g) *“Usable segment” means a portion of a corridor that*
 6 *includes at least two stations.*

7
 8
 9

Article 2. High-Speed Passenger Train Financing Program

10 2704.04. (a) *It is the intent of the Legislature by enacting this*
 11 *chapter and of the people of California by approving the bond*
 12 *measure pursuant to this chapter to initiate the construction of a*
 13 *high-speed train system that connects the San Francisco Transbay*
 14 *Terminal to Los Angeles Union Station and Anaheim, and links*
 15 *the state’s major population centers, including Sacramento, the*
 16 *San Francisco Bay Area, the Central Valley, Los Angeles, the*
 17 *Inland Empire, Orange County, and San Diego consistent with*
 18 *the authority’s certified environmental impact reports of November*
 19 *2005 and July 9, 2008.*

20 (b) (1) *Net proceeds received from the sale of nine billion*
 21 *dollars (\$9,000,000,000) principal amount of bonds authorized*
 22 *pursuant to this chapter, upon appropriation by the Legislature*
 23 *in the annual Budget Act, shall be used for (A) planning and*
 24 *engineering for the high-speed train system and (B) capital costs,*
 25 *as described in subdivision (c).*

26 (2) *As adopted by the authority in May 2007, Phase 1 of the*
 27 *high-speed train project is the corridor of the high-speed train*
 28 *system between San Francisco Transbay Terminal and Los Angeles*
 29 *Union Station and Anaheim.*

30 (3) *Upon a finding by the authority that expenditure of bond*
 31 *proceeds for capital costs in corridors other than the corridor*
 32 *described in paragraph (2) would advance the construction of the*
 33 *system, would be consistent with the criteria described in*
 34 *subdivision (f) of Section 2704.08, and would not have an adverse*
 35 *impact on the construction of Phase 1 of the high-speed train*
 36 *project, the authority may request funding for capital costs, and*
 37 *the Legislature may appropriate funds described in paragraph (1)*
 38 *in the annual Budget Act, to be expended for any of the following*
 39 *high-speed train corridors:*

40 (A) *Sacramento to Stockton to Fresno.*

- 1 (B) *San Francisco Transbay Terminal to San Jose to Fresno.*
2 (C) *Oakland to San Jose.*
3 (D) *Fresno to Bakersfield to Palmdale to Los Angeles Union*
4 *Station.*
5 (E) *Los Angeles Union Station to Riverside to San Diego.*
6 (F) *Los Angeles Union Station to Anaheim to Irvine.*
7 (G) *Merced to Stockton to Oakland and San Francisco via the*
8 *Altamont Corridor.*
9 (4) *Nothing in this section shall prejudice the authority's*
10 *determination and selection of the alignment from the Central*
11 *Valley to the San Francisco Bay Area and its certification of the*
12 *environmental impact report.*
13 (5) *Revenues of the authority, generated by operations of the*
14 *high-speed train system above and beyond operating and*
15 *maintenance costs and financing obligations, including, but not*
16 *limited to, support of revenue bonds, as determined by the*
17 *authority, shall be used for construction, expansion, improvement,*
18 *replacement, and rehabilitation of the high-speed train system.*
19 (c) *Capital costs payable or reimbursable from proceeds of*
20 *bonds described in paragraph (1) of subdivision (b) include, with*
21 *respect to the high-speed train system or any portion thereof, all*
22 *activities necessary for acquisition of interests in real property*
23 *and rights-of-way and improvement thereof; acquisition and*
24 *construction of tracks, structures, power systems, and stations;*
25 *acquisition of rolling stock and related equipment; mitigation of*
26 *any direct or indirect environmental impacts of activities*
27 *authorized by this chapter; relocation assistance for displaced*
28 *property owners and occupants; other related capital facilities*
29 *and equipment; and such other purposes related to the foregoing,*
30 *for the procurement thereof, and for the financing or refinancing*
31 *thereof, as may be set forth in a statute hereafter enacted. The*
32 *method of acquisition of any of the foregoing may also be set forth*
33 *in a statute hereafter enacted.*
34 (d) *Proceeds of bonds authorized pursuant to this chapter shall*
35 *not be used for any operating or maintenance costs of trains or*
36 *facilities.*
37 (e) *The State Auditor shall perform periodic audits of the*
38 *authority's use of proceeds of bonds authorized pursuant to this*
39 *chapter for consistency with the requirements of this chapter.*

1 2704.05. *Subject to Section 2704.18, the proceeds of bonds*
2 *issued and sold pursuant to this chapter shall be deposited in the*
3 *High-Speed Passenger Train Bond Fund, which is hereby created.*

4 2704.06. *The net proceeds received from the sale of nine billion*
5 *dollars (\$9,000,000,000) principal amount of bonds authorized*
6 *pursuant to this chapter, upon appropriation by the Legislature*
7 *in the annual Budget Act, shall be available, and subject to those*
8 *conditions and criteria that the Legislature may provide by statute,*
9 *for (a) planning the high-speed train system and (b) capital costs*
10 *set forth in subdivision (c) of Section 2704.04, consistent with the*
11 *authority's certified environmental impact reports of November*
12 *2005 and July 9, 2008, as subsequently modified pursuant to*
13 *environmental studies conducted by the authority.*

14 2704.07. *The authority shall pursue and obtain other private*
15 *and public funds, including, but not limited to, federal funds, funds*
16 *from revenue bonds, and local funds, to augment the proceeds of*
17 *this chapter.*

18 2704.08. (a) *Proceeds of bonds described in paragraph (1)*
19 *of subdivision (b) of Section 2704.04 shall not be used for more*
20 *than 50 percent of the total cost of construction of each corridor*
21 *or usable segment thereof of the high-speed train system, except*
22 *for bond proceeds used for the purposes of subdivision (g).*

23 (b) *Not more than 10 percent of the proceeds of bonds described*
24 *in paragraph (1) of subdivision (b) of Section 2704.04 shall be*
25 *used for environmental studies, planning, and preliminary*
26 *engineering activities.*

27 (c) (1) *No later than 90 days prior to the submittal to the*
28 *Legislature and the Governor of the initial request for*
29 *appropriation of proceeds of bonds authorized by this chapter for*
30 *any eligible capital costs on each corridor, or usable segment*
31 *thereof, identified in subdivision (b) of Section 2704.04, other than*
32 *costs described in subdivision (g), the authority shall have*
33 *approved and submitted to the Director of Finance, the peer review*
34 *group established pursuant to Section 185035 of the Public Utilities*
35 *Code, and the policy committees with jurisdiction over*
36 *transportation matters and the fiscal committees in both houses*
37 *of the Legislature, a detailed funding plan for that corridor or a*
38 *usable segment thereof.*

39 (2) *The plan shall include, identify, or certify to all of the*
40 *following:*

- 1 (A) *The corridor, or usable segment thereof, in which the*
2 *authority is proposing to invest bond proceeds.*
- 3 (B) *A description of the expected terms and conditions*
4 *associated with any lease agreement or franchise agreement*
5 *proposed to be entered into by the authority and any other party*
6 *for the construction or operation of passenger train service along*
7 *the corridor or usable segment thereof.*
- 8 (C) *The estimated full cost of constructing the corridor or usable*
9 *segment thereof, including an estimate of cost escalation during*
10 *construction and appropriate reserves for contingencies.*
- 11 (D) *The sources of all funds to be invested in the corridor, or*
12 *usable segment thereof, and the anticipated time of receipt of those*
13 *funds based on expected commitments, authorizations, agreements,*
14 *allocations, or other means.*
- 15 (E) *The projected ridership and operating revenue estimate*
16 *based on projected high-speed passenger train operations on the*
17 *corridor or usable segment.*
- 18 (F) *All known or foreseeable risks associated with the*
19 *construction and operation of high-speed passenger train service*
20 *along the corridor or usable segment thereof and the process and*
21 *actions the authority will undertake to manage those risks.*
- 22 (G) *Construction of the corridor or usable segment thereof can*
23 *be completed as proposed in the plan.*
- 24 (H) *The corridor or usable segment thereof would be suitable*
25 *and ready for high-speed train operation.*
- 26 (I) *One or more passenger service providers can begin using*
27 *the tracks or stations for passenger train service.*
- 28 (J) *The planned passenger service by the authority in the*
29 *corridor or usable segment thereof will not require a local, state,*
30 *or federal operating subsidy.*
- 31 (K) *The authority has completed all necessary project level*
32 *environmental clearances necessary to proceed to construction.*
- 33 (d) *Prior to committing any proceeds of bonds described in*
34 *paragraph (1) of subdivision (b) of Section 2704.04 for expenditure*
35 *for construction and real property and equipment acquisition on*
36 *each corridor, or usable segment thereof, other than for costs*
37 *described in subdivision (g), the authority shall have approved*
38 *and concurrently submitted to the Director of Finance and the*
39 *Chairperson of the Joint Legislative Budget Committee the*
40 *following: (1) a detailed funding plan for that corridor or usable*

1 *segment thereof that (A) identifies the corridor or usable segment*
2 *thereof, and the estimated full cost of constructing the corridor or*
3 *usable segment thereof, (B) identifies the sources of all funds to*
4 *be used and anticipates time of receipt thereof based on offered*
5 *commitments by private parties, and authorizations, allocations,*
6 *or other assurances received from governmental agencies, (C)*
7 *includes a projected ridership and operating revenue report, (D)*
8 *includes a construction cost projection including estimates of cost*
9 *escalation during construction and appropriate reserves for*
10 *contingencies, (E) includes a report describing any material*
11 *changes from the plan submitted pursuant to subdivision (c) for*
12 *this corridor or usable segment thereof, and (F) describes the*
13 *terms and conditions associated with any agreement proposed to*
14 *be entered into by the authority and any other party for the*
15 *construction or operation of passenger train service along the*
16 *corridor or usable segment thereof; and (2) a report or reports,*
17 *prepared by one or more financial services firms, financial*
18 *consulting firms, or other consultants, independent of any parties,*
19 *other than the authority, involved in funding or constructing the*
20 *high-speed train system, indicating that (A) construction of the*
21 *corridor or usable segment thereof can be completed as proposed*
22 *in the plan submitted pursuant to paragraph (1), (B) if so*
23 *completed, the corridor or usable segment thereof would be*
24 *suitable and ready for high-speed train operation, (C) upon*
25 *completion, one or more passenger service providers can begin*
26 *using the tracks or stations for passenger train service, (D) the*
27 *planned passenger train service to be provided by the authority,*
28 *or pursuant to its authority, will not require operating subsidy,*
29 *and (E) an assessment of risk and the risk mitigation strategies*
30 *proposed to be employed. The Director of Finance shall review*
31 *the plan within 60 days of its submission by the authority and,*
32 *after receiving any communication from the Joint Legislative*
33 *Budget Committee, if the director finds that the plan is likely to*
34 *be successfully implemented as proposed, the authority may enter*
35 *into commitments to expend bond funds that are subject to this*
36 *subdivision and accept offered commitments from private parties.*
37 *(e) Subsequent to approval of the detailed funding plan required*
38 *under subdivision (d), the authority shall promptly inform the*
39 *Governor and the Legislature of any material changes in plans or*
40 *project conditions that would jeopardize completion of the corridor*

1 *as previously planned and shall identify means of remedying the*
2 *conditions to allow completion and operation of the corridor.*

3 *(f) In selecting corridors or usable segments thereof for*
4 *construction, the authority shall give priority to those corridors*
5 *or usable segments thereof that are expected to require the least*
6 *amount of bond funds as a percentage of total cost of construction.*
7 *Among other criteria it may use for establishing priorities for*
8 *initiating construction on corridors or usable segments thereof,*
9 *the authority shall include the following: (1) projected ridership*
10 *and revenue, (2) the need to test and certify trains operating at*
11 *speeds of 220 miles per hour, (3) the utility of those corridors or*
12 *usable segments thereof for passenger train services other than*
13 *the high-speed train service that will not result in any unreimbursed*
14 *operating or maintenance cost to the authority, and (4) the extent*
15 *to which the corridors include facilities contained therein to*
16 *enhance the connectivity of the high-speed train network to other*
17 *modes of transit, including, but not limited to, conventional rail*
18 *(intercity rail, commuter rail, light rail, or other rail transit), bus,*
19 *or air transit.*

20 *(g) Nothing in this section shall limit use or expenditure of*
21 *proceeds of bonds described in paragraph (1) of subdivision (b)*
22 *of Section 2704.04 up to an amount equal to 7.5 percent of the*
23 *aggregate principal amount of bonds described in that paragraph*
24 *for environmental studies, planning, and preliminary engineering*
25 *activities, and for (1) acquisition of interests in real property and*
26 *right-of-way and improvement thereof (A) for preservation for*
27 *high-speed rail uses, (B) to add to third-party improvements to*
28 *make them compatible with high-speed rail uses, or (C) to avoid*
29 *or to mitigate incompatible improvements or uses; (2) mitigation*
30 *of any direct or indirect environmental impacts resulting from the*
31 *foregoing; and (3) relocation assistance for property owners and*
32 *occupants who are displaced as a result of the foregoing.*

33 *(h) Not more than 2.5 percent of the proceeds of bonds described*
34 *in paragraph (1) of subdivision (b) of Section 2704.04 shall be*
35 *used for administrative purposes. The amount of bond proceeds*
36 *available for administrative purposes shall be appropriated in the*
37 *annual Budget Act. The Legislature may, by statute, adjust the*
38 *percentage set forth in this subdivision, except that the Legislature*
39 *shall not increase that percentage to more than 5 percent.*

- 1 (i) No failure to comply with this section shall affect the validity
2 of the bonds issued under this chapter.
- 3 2704.09. The high-speed train system to be constructed
4 pursuant to this chapter shall be designed to achieve the following
5 characteristics:
- 6 (a) Electric trains that are capable of sustained maximum
7 revenue operating speeds of no less than 200 miles per hour.
- 8 (b) Maximum nonstop service travel times for each corridor
9 that shall not exceed the following:
- 10 (1) San Francisco-Los Angeles Union Station: two hours, 40
11 minutes.
- 12 (2) Oakland-Los Angeles Union Station: two hours, 40 minutes.
- 13 (3) San Francisco-San Jose: 30 minutes.
- 14 (4) San Jose-Los Angeles: two hours, 10 minutes.
- 15 (5) San Diego-Los Angeles: one hour, 20 minutes.
- 16 (6) Inland Empire-Los Angeles: 30 minutes.
- 17 (7) Sacramento-Los Angeles: two hours, 20 minutes.
- 18 (c) Achievable operating headway (time between successive
19 trains) shall be five minutes or less.
- 20 (d) The total number of stations to be served by high-speed
21 trains for all of the corridors described in subdivision (b) of Section
22 2704.04 shall not exceed 24. There shall be no station between
23 the Gilroy station and the Merced station.
- 24 (e) Trains shall have the capability to transition intermediate
25 stations, or to bypass those stations, at mainline operating speed.
- 26 (f) For each corridor described in subdivision (b), passengers
27 shall have the capability of traveling from any station on that
28 corridor to any other station on that corridor without being
29 required to change trains.
- 30 (g) In order to reduce impacts on communities and the
31 environment, the alignment for the high-speed train system shall
32 follow existing transportation or utility corridors to the extent
33 feasible and shall be financially viable, as determined by the
34 authority.
- 35 (h) Stations shall be located in areas with good access to local
36 mass transit or other modes of transportation.
- 37 (i) The high-speed train system shall be planned and constructed
38 in a manner that minimizes urban sprawl and impacts on the
39 natural environment.

1 (j) Preserving wildlife corridors and mitigating impacts to
2 wildlife movement, where feasible as determined by the authority,
3 in order to limit the extent to which the system may present an
4 additional barrier to wildlife's natural movement.

5 2704.095. (a) (1) Net proceeds received from the sale of nine
6 hundred fifty million dollars (\$950,000,000) principal amount of
7 bonds authorized by this chapter shall be allocated to eligible
8 recipients for capital improvements to intercity and commuter rail
9 lines and urban rail systems that provide direct connectivity to the
10 high-speed train system and its facilities, or that are part of the
11 construction of the high-speed train system as that system is
12 described in subdivision (b) of Section 2704.04, or that provide
13 capacity enhancements and safety improvements. Funds under
14 this section shall be available upon appropriation by the
15 Legislature in the annual Budget Act for the eligible purposes
16 described in subdivision (d).

17 (2) Twenty percent (one hundred ninety million dollars
18 (\$190,000,000)) of the amount authorized by this section shall be
19 allocated for intercity rail to the Department of Transportation,
20 for state-supported intercity rail lines that provide regularly
21 scheduled service and use public funds to operate and maintain
22 rail facilities, rights-of-way, and equipment. A minimum of 25
23 percent of the amount available under this paragraph (forty-seven
24 million five hundred thousand dollars (\$47,500,000)) shall be
25 allocated to each of the state's three intercity rail corridors.

26 The California Transportation Commission shall allocate the
27 available funds to eligible recipients consistent with this section
28 and shall develop guidelines, in consultation with the authority,
29 to implement the requirements of this section. The guidelines shall
30 include provisions for the administration of funds, including, but
31 not limited to, the authority of the intercity corridor operators to
32 loan these funds by mutual agreement between intercity rail
33 corridors.

34 (3) Eighty percent (seven hundred sixty million dollars
35 (\$760,000,000)) of the amount authorized by this section shall be
36 allocated upon appropriation as set forth in this section to eligible
37 recipients, except intercity rail, as described in subdivision (c)
38 based upon a percentage amount calculated to incorporate all of
39 the following:

1 (A) One-third of the eligible recipient's percentage share of
2 statewide track miles.

3 (B) One-third of the eligible recipient's percentage share of
4 statewide annual vehicle miles.

5 (C) One-third of the eligible recipient's percentage share of
6 statewide annual passenger trips.

7 The California Transportation Commission shall allocate the
8 available funds to eligible recipients consistent with this section
9 and shall develop guidelines to implement the requirements of this
10 section.

11 (b) For the purposes of this section, the following terms have
12 the following meanings:

13 (1) "Track miles" means the miles of track used by a public
14 agency or joint powers authority for regular passenger rail service.

15 (2) "Vehicle miles" means the total miles traveled, commencing
16 with pullout from the maintenance depot, by all locomotives and
17 cars operated in a train consist for passenger rail service by a
18 public agency or joint powers authority.

19 (3) "Passenger trips" means the annual unlinked passenger
20 boardings reported by a public agency or joint powers authority
21 for regular passenger rail service.

22 (4) "Statewide" when used to modify the terms in subparagraphs
23 (A), (B), and (C) of paragraph (3) of subdivision (a) means the
24 combined total in the state of those amounts for all eligible
25 recipients.

26 (c) Eligible recipients for funding under paragraph (3) of
27 subdivision (a) shall be public agencies and joint powers
28 authorities that operate regularly scheduled passenger rail service
29 in the following categories:

30 (1) Commuter rail.

31 (2) Light rail.

32 (3) Heavy rail.

33 (4) Cable car.

34 (d) Funds allocated pursuant to this section shall be used to
35 pay or reimburse the costs of projects to provide or improve
36 connectivity with the high-speed train system or for the
37 rehabilitation or modernization of, or safety improvements to,
38 tracks utilized for public passenger rail service, signals, structures,
39 facilities, and rolling stock.

1 (e) Eligible recipients may use the funds for any eligible rail
2 element set forth in subdivision (d).

3 (f) In order to be eligible for funding under this section, an
4 eligible recipient under paragraph (3) of subdivision (a) shall
5 provide matching funds in an amount not less than the total amount
6 allocated to the recipient under this section.

7 (g) An eligible recipient of funding under paragraph (3) of
8 subdivision (a) shall certify that it has met its matching funds
9 requirement, and all other requirements of this section, by
10 resolution of its governing board, subject to verification by the
11 California Transportation Commission.

12 (h) Funds made available to an eligible recipient under
13 paragraph (3) of subdivision (a) shall supplement existing local,
14 state, or federal revenues being used for maintenance or
15 rehabilitation of the passenger rail system. Eligible recipients of
16 funding under paragraph (3) of subdivision (a) shall maintain
17 their existing commitment of local, state, or federal funds for these
18 purposes in order to remain eligible for allocation and expenditure
19 of the additional funding made available by this section.

20 (i) In order to receive any allocation under this section, an
21 eligible recipient under paragraph (3) of subdivision (a) shall
22 annually expend from existing local, state, or federal revenues
23 being used for the maintenance or rehabilitation of the passenger
24 rail system in an amount not less than the annual average of its
25 expenditures from local revenues for those purposes during the
26 1998–99, 1999–2000, and 2000–01 fiscal years.

27 (j) Funds allocated pursuant to this section to the Southern
28 California Regional Rail Authority for eligible projects within its
29 service area shall be apportioned each fiscal year in accordance
30 with memorandums of understanding to be executed between the
31 Southern California Regional Rail Authority and its member
32 agencies. The memorandum or memorandums of understanding
33 shall take into account the passenger service needs of the Southern
34 California Regional Rail Authority and of the member agencies,
35 revenue attributable to member agencies, and separate
36 contributions to the Southern California Regional Rail Authority
37 from the member agencies.

1 *Article 3. Fiscal Provisions*

2
3 2704.10. (a) *Bonds in the total amount of nine billion nine*
4 *hundred fifty million dollars (\$9,950,000,000), exclusive of*
5 *refunding bonds issued in accordance with Section 2704.19, or so*
6 *much thereof as is necessary, may be issued and sold to provide*
7 *a fund to be used for carrying out the purposes expressed in this*
8 *chapter and to be used to reimburse the General Obligation Bond*
9 *Expense Revolving Fund pursuant to Section 16724.5 of the*
10 *Government Code. The bonds, when sold, shall be and constitute*
11 *a valid and binding obligation of the State of California, and the*
12 *full faith and credit of the State of California is hereby pledged*
13 *for the punctual payment of both principal of, and interest on, the*
14 *bonds as the principal and interest become due and payable.*

15 (b) *The Treasurer shall sell the bonds authorized by the*
16 *committee pursuant to this section. The bonds shall be sold upon*
17 *the terms and conditions specified in a resolution to be adopted*
18 *by the committee pursuant to Section 16731 of the Government*
19 *Code.*

20 2704.11. (a) *Except as provided in subdivision (b), the bonds*
21 *authorized by this chapter shall be prepared, executed, issued,*
22 *sold, paid, and redeemed as provided in the State General*
23 *Obligation Bond Law, Chapter 4 (commencing with Section 16720)*
24 *of Part 3 of Division 4 of Title 2 of the Government Code, and all*
25 *of the provisions of that law apply to the bonds and to this chapter*
26 *and are hereby incorporated in this chapter as though set forth in*
27 *full in this chapter.*

28 (b) *Notwithstanding any provision of the State General*
29 *Obligation Bond Law, each issue of bonds authorized by the*
30 *committee shall have a final maturity of not more than 40 years*
31 *from the date of original issuance thereof.*

32 2704.12. (a) *Solely for the purpose of authorizing the issuance*
33 *and sale of the bonds authorized by this chapter and the making*
34 *of those determinations and the taking of other actions as are*
35 *authorized by this chapter, pursuant to the State General*
36 *Obligation Bond Law, the High-Speed Passenger Train Finance*
37 *Committee is hereby created. For purposes of this chapter, the*
38 *High-Speed Passenger Train Finance Committee is “the*
39 *committee” as that term is used in the State General Obligation*
40 *Bond Law. The committee consists of the Treasurer, the Director*

1 of Finance, the Controller, the Secretary of Business,
2 Transportation and Housing, and the chairperson of the authority.
3 Notwithstanding any other provision of law, any member of the
4 committee may designate a representative to act as that member
5 in his or her place and stead for all purposes, as though the
6 member were personally present. The Treasurer shall serve as
7 chairperson of the committee. A majority of the committee shall
8 constitute a quorum of the committee, and may act for the
9 committee.

10 (b) For purposes of the State General Obligation Bond Law,
11 the authority is designated the “board.”

12 2704.13. The committee shall determine whether or not it is
13 necessary or desirable to issue bonds authorized pursuant to this
14 chapter in order to carry out the actions specified in Sections
15 2704.06 and 2704.095 and, if so, the amount of bonds to be issued
16 and sold. Successive issues of bonds may be issued and sold to
17 carry out those actions progressively, and it is not necessary that
18 all of the bonds authorized be issued and sold at any one time. The
19 committee shall consider program funding needs, revenue
20 projections, financial market conditions, and other necessary
21 factors in determining the term for the bonds to be issued. In
22 addition to all other powers specifically granted in this chapter
23 and the State General Obligation Bond Law, the committee may
24 do all things necessary or convenient to carry out the powers and
25 purposes of this article, including the approval of any indenture
26 relating to the bonds, and the delegation of necessary duties to the
27 chairperson and to the Treasurer as agent for the sale of the bonds.
28 Any terms of any bonds issued under this chapter may be provided
29 under an indenture instead of under a resolution, as determined
30 by the committee.

31 2704.14. There shall be collected each year and in the same
32 manner and at the same time as other state revenue is collected,
33 in addition to the ordinary revenues of the state, a sum in an
34 amount required to pay the principal of, and interest on, the bonds
35 each year. It is the duty of all officers charged by law with any
36 duty in regard to the collection of the revenue to do and perform
37 each and every act which is necessary to collect that additional
38 sum.

39 2704.15. Notwithstanding Section 13340 of the Government
40 Code, there is hereby appropriated from the General Fund in the

1 *State Treasury, for the purposes of this chapter, an amount equal*
 2 *to the total of the following: (a) that sum annually necessary to*
 3 *pay the principal of, and interest on, bonds issued and sold*
 4 *pursuant to this chapter, as the principal and interest become due*
 5 *and payable, and (b) the sum necessary to carry out Section*
 6 *2704.17, appropriated without regard to fiscal years.*

7 *2704.16. The board may request the Pooled Money Investment*
 8 *Board to make a loan from the Pooled Money Investment Account,*
 9 *in accordance with Section 16312 of the Government Code, for*
 10 *purposes of this chapter. The amount of the request shall not exceed*
 11 *the amount of the unsold bonds which the committee has, by*
 12 *resolution, authorized to be sold for the purpose of this chapter,*
 13 *less any amount borrowed pursuant to Section 2701.17. The board*
 14 *shall execute such documents as required by the Pooled Money*
 15 *Investment Board to obtain and repay the loan. Any amount loaned*
 16 *shall be deposited in the fund to be allocated by the board in*
 17 *accordance with this chapter.*

18 *2704.17. For the purpose of carrying out this chapter, the*
 19 *Director of Finance may authorize the withdrawal from the*
 20 *General Fund of an amount or amounts not to exceed the amount*
 21 *of unsold bonds which have been authorized by the committee to*
 22 *be sold for the purpose of carrying out this chapter, less any*
 23 *amount borrowed pursuant to Section 2704.16. Any amount*
 24 *withdrawn shall be deposited in the fund. Any money made*
 25 *available under this section shall be returned to the General Fund,*
 26 *plus the interest that the amounts would have earned in the Pooled*
 27 *Money Investment Account, from the sale of bonds for the purpose*
 28 *of carrying out this chapter.*

29 *2704.18. All money deposited in the fund which is derived from*
 30 *premium on bonds sold shall be available to pay costs of issuing*
 31 *the bonds, and to the extent not so needed, together with accrued*
 32 *interest derived from sale of the bonds, shall be available for*
 33 *transfer to the General Fund as a credit to expenditures for bond*
 34 *interest.*

35 *2704.19. The bonds may be refunded in accordance with Article*
 36 *6 (commencing with Section 16780) of the State General Obligation*
 37 *Bond Law. Approval by the electors of the state for the issuance*
 38 *of bonds shall include approval of the issuance of any bonds issued*
 39 *to refund any bonds originally issued or any previously issued*
 40 *refunding bonds.*

1 2704.20. *The Legislature hereby finds and declares that,*
2 *inasmuch as the proceeds from the sale of bonds authorized by*
3 *this chapter are not “proceeds of taxes” as that term is used in*
4 *Article XIII B of the California Constitution, the disbursement of*
5 *these proceeds is not subject to the limitations imposed by that*
6 *article.*

7 2704.21. *Notwithstanding any provision of this chapter or the*
8 *State General Obligation Bond Law, if the Treasurer sells bonds*
9 *pursuant to this chapter that include a bond counsel opinion to*
10 *the effect that the interest on the bonds is excluded from gross*
11 *income for federal tax purposes under designated conditions, the*
12 *Treasurer may maintain separate accounts for the bond proceeds*
13 *invested and the investment earnings on those proceeds, and may*
14 *use or direct the use of those proceeds or earnings to pay any*
15 *rebate, penalty, or other payment required under federal law, or*
16 *take any other action with respect to the investment and use of*
17 *those bond proceeds, as may be required or desirable under federal*
18 *law in order to maintain the tax-exempt status of those bonds and*
19 *to obtain any other advantage under federal law on behalf of the*
20 *funds of this state.*

21 *SEC. 10. Section 9 of this act shall take effect upon the adoption*
22 *by the voters of the Safe, Reliable High-Speed Passenger Train*
23 *Bond Act for the 21st Century, as set forth in Section 9 of this act.*

24 *SEC. 11. (a) Section 9 of this act shall be submitted by the*
25 *Secretary of State to the voters at the November 4, 2008, general*
26 *election, notwithstanding the requirements of Sections 9040, 9043,*
27 *9044, and 9061 of the Elections Code or any other provision of*
28 *law.*

29 *(b) Notwithstanding Sections 13115 and 13117 of the Elections*
30 *Code, the bond measure described in subdivision (a) shall be*
31 *placed as the first ballot measure on the November 4, 2008, general*
32 *election ballot and shall be designated as Proposition 1A.*

33 *(c) Notwithstanding any other provision of law, all ballots of*
34 *the November 4, 2008, general election shall have printed thereon*
35 *as the ballot label for Proposition 1A the following:*
36

37 **“SAFE, RELIABLE HIGH-SPEED PASSENGER TRAIN BOND**
38 **ACT. To provide Californians a safe, convenient, affordable, and**
39 **reliable alternative to driving and high gas prices; to provide**
40 **good-paying jobs and improve California’s economy while**

1 *reducing air pollution, global warming greenhouse gases, and our*
 2 *dependence on foreign oil, shall \$9.95 billion in bonds be issued*
 3 *to establish a clean, efficient high-speed train service linking*
 4 *Southern California, the Sacramento/San Joaquin Valley, and the*
 5 *San Francisco Bay Area, with at least 90 percent of bond funds*
 6 *spent for specific projects, with federal and private matching funds*
 7 *required, and all bond funds subject to independent audits?”*

8
 9 *At the appropriate location on the ballot, in the manner*
 10 *prescribed by law, there shall be provided the opportunity for*
 11 *voters to indicate whether they vote for or against the measure.*

12 *(d) Notwithstanding Sections 13247 and 13281 of the Elections*
 13 *Code, the language in subdivision (c) shall be the only language*
 14 *included in the ballot label for the condensed statement of the*
 15 *ballot title, and the Attorney General shall not supplement, subtract*
 16 *from, or revise that language, except that the Attorney General*
 17 *shall include the financial impact summary prepared pursuant to*
 18 *Section 9087 of the Elections Code and Section 88003 of the*
 19 *Government Code. The ballot label is the condensed statement of*
 20 *the ballot title and summary and the financial impact summary.*

21 *(e) Where the voting in the election is done by means of voting*
 22 *machines used pursuant to law in the manner that carries out the*
 23 *intent of this section, the use of the voting machines and the*
 24 *expression of the voters’ choice by means thereof are in compliance*
 25 *with this section.*

26 *(f) (1) Notwithstanding any other provision of law, the Secretary*
 27 *of State shall use the following as the ballot title and summary for*
 28 *Proposition 1A:*

29
 30 ***“SAFE, RELIABLE HIGH-SPEED PASSENGER TRAIN BOND***
 31 ***ACT.***

32 *Provides long-distance commuters with a safe, convenient,*
 33 *affordable, and reliable alternative to driving and high gas prices.*

34 *Reduces traffic congestion on the state’s highways and at the*
 35 *state’s airports.*

36 *Reduces California’s dependence on foreign oil.*

37 *Reduces air pollution and global warming greenhouse gases.*

38 *Establishes a clean, efficient 220 MPH transportation system.*

39 *Improves existing passenger rail lines serving the state’s major*
 40 *population centers.*

1 *Provides for California’s growing population.*

2 *Provides for a bond issue of \$9.95 billion to establish high-speed*
3 *train service linking Southern California counties, the*
4 *Sacramento/San Joaquin Valley, and the San Francisco Bay Area.*

5 *Provides that at least 90% of these bond funds shall be spent*
6 *for specific construction projects, with federal and private sector*
7 *matching funds required.*

8 *Requires that use of all bond funds is subject to independent*
9 *audits.*

10 *Appropriates money from the General Fund to pay bond*
11 *principal and interest.”*

12

13 *(2) Notwithstanding any other provision of law, the language*
14 *in paragraph (1) shall be the only language included in the ballot*
15 *title and summary, and the Attorney General shall not supplement,*
16 *subtract from, or otherwise revise that language, except that the*
17 *Attorney General shall include the financial impact summary*
18 *prepared pursuant to Section 9087 of the Elections Code and*
19 *Section 88003 of the Government Code.*

20 *(g) The Secretary of State shall include, in the ballot pamphlets*
21 *mailed pursuant to Section 9094 of the Elections Code, the*
22 *information specified in Section 9084 of the Elections Code*
23 *regarding the bond act described in subdivision (a). If that*
24 *inclusion is not possible, the Secretary of State shall publish a*
25 *supplemental ballot pamphlet regarding the bond act described*
26 *in subdivision (a), to be mailed with the ballot pamphlet. If the*
27 *supplemental ballot pamphlet cannot be mailed with the ballot*
28 *pamphlet, the supplemental ballot pamphlet shall be mailed*
29 *separately.*

30 *(h) Notwithstanding Section 9054 of the Elections Code or any*
31 *other provision of law, the translations of the ballot title and the*
32 *condensed statement of the ballot title required pursuant to Section*
33 *9054 may be made available for public examination at a later date*
34 *than the start of the public examination period for the ballot*
35 *pamphlet, provided that the translations of the ballot title and the*
36 *condensed statement of the ballot title must remain available for*
37 *public examination for eight days.*

38 *(i) Notwithstanding Section 13282 of the Elections Code or any*
39 *other provision of law, the public shall be permitted to examine*
40 *the condensed statement of the ballot title for not more than eight*

1 days. Any voter may seek a writ of mandate for the purpose of
2 requiring any statement of the ballot title, or portion thereof, to
3 be amended or deleted only within that eight-day period.

4 SEC. 12. Notwithstanding any other provision of law, the bond
5 act proposed by Section 2 of Chapter 697 of the Statutes of 2002,
6 as amended by Sections 2 and 3 of Chapter 71 of the Statutes of
7 2004 and Sections 1 and 2 of Chapter 44 of the Statutes of 2006,
8 shall not be placed by the Secretary of State on the November 4,
9 2008, general election ballot, or, if already on the ballot, shall be
10 removed therefrom.

11 SEC. 13. Approval by the voters of the Safe, Reliable
12 High-Speed Passenger Train Bond Act shall constitute approval
13 of a financial plan for purposes of Section 185036 of the Public
14 Utilities Code.

15 SEC. 14. This act is an urgency statute necessary for the
16 immediate preservation of the public peace, health, or safety within
17 the meaning of Article IV of the Constitution and shall go into
18 immediate effect. The facts constituting the necessity are:

19 In order to replace the provisions of a general obligation bond
20 measure on the November 4, 2008, general election ballot that
21 would authorize the issuance and sale of bonds for the financing
22 of a high-speed passenger train system and for other related
23 purposes with a new measure for similar purposes, it is necessary
24 that this act take effect immediately.

25
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30

**All matter omitted in this version of the bill
appears in the bill as amended in Senate,
July 10, 2008 (JR11)**