

Senate Constitutional Amendment

No. 2

Introduced by Senator Wyland

November 7, 2008

Senate Constitutional Amendment No. 2—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Section 1 of Article XIX B thereof, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SCA 2, as introduced, Wyland. Transportation Investment Fund.

Article XIX B of the California Constitution requires, commencing with the 2003–04 fiscal year, that sales taxes on motor vehicle fuel that are deposited into the General Fund be transferred to the Transportation Investment Fund (TIF) for allocation to various transportation purposes. Article XIX B authorizes this transfer to be suspended in whole or in part for a fiscal year during a fiscal emergency pursuant to a proclamation by the Governor and the enactment of a statute by a $\frac{2}{3}$ vote in each house of the Legislature, subject to various restrictions.

This measure would delete the provisions authorizing the transfer of revenues to the TIF to be suspended during a fiscal emergency. The measure would also prohibit a loan of TIF revenues under any circumstances, and would prohibit any statute that would reduce the extent to which these tax revenues are deposited into the General Fund for transfer to the TIF for transportation purposes.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

1 *Resolved by the Senate, the Assembly concurring,* That the
2 Legislature of the State of California at its Fourth Extraordinary
3 Session commencing on the sixth day of November 2008,
4 two-thirds of the membership of each house concurring, hereby
5 proposes to the people of the State of California, that the
6 Constitution of the State be amended as follows:

7 That Section 1 of Article XIX B thereof is amended to read:

8 SECTION 1. (a) For the 2003–04 fiscal year and each fiscal
9 year thereafter, all moneys that are collected during the fiscal year
10 from taxes under the Sales and Use Tax Law (Part 1 (commencing
11 with Section 6001) of Division 2 of the Revenue and Taxation
12 Code), or any successor to that law, upon the sale, storage, use, or
13 other consumption in this State of motor vehicle fuel, and that are
14 deposited in the General Fund of the State pursuant to that law,
15 shall be transferred to the Transportation Investment Fund, which
16 is hereby created in the State Treasury.

17 (b) (1) For the 2003–04 to 2007–08 fiscal years, inclusive,
18 moneys in the Transportation Investment Fund shall be allocated,
19 upon appropriation by the Legislature, in accordance with Section
20 7104 of the Revenue and Taxation Code as that section read on
21 March 6, 2002.

22 (2) For the 2008–09 fiscal year and each fiscal year thereafter,
23 moneys in the Transportation Investment Fund shall be allocated
24 solely for the following purposes:

25 (A) Public transit and mass transportation.

26 (B) Transportation capital improvement projects, subject to the
27 laws governing the State Transportation Improvement Program,
28 or any successor to that program.

29 (C) Street and highway maintenance, rehabilitation,
30 reconstruction, or storm damage repair conducted by cities,
31 including a city and county.

32 (D) Street and highway maintenance, rehabilitation,
33 reconstruction, or storm damage repair conducted by counties,
34 including a city and county.

35 ~~(e)~~

36 (3) For the 2008–09 fiscal year and each fiscal year thereafter,
37 moneys in the Transportation Investment Fund shall be allocated,
38 upon appropriation by the Legislature, as follows:

39 (A) Twenty percent of the moneys for the purposes set forth in
40 subparagraph (A) of paragraph (2) ~~of subdivision (b).~~

1 (B) Forty percent of the moneys for the purposes set forth in
2 subparagraph (B) of paragraph (2) ~~of subdivision (b).~~

3 (C) Twenty percent of the moneys for the purposes set forth in
4 subparagraph (C) of paragraph (2) ~~of subdivision (b).~~

5 (D) Twenty percent of the moneys for the purposes set forth in
6 subparagraph (D) of paragraph (2) ~~of subdivision (b).~~

7 ~~(d) (1) Except as otherwise provided by paragraph (2), the~~
8 ~~transfer of revenues from the General Fund of the State to the~~
9 ~~Transportation Investment Fund pursuant to subdivision (a) may~~
10 ~~be suspended, in whole or in part, for a fiscal year if all of the~~
11 ~~following conditions are met:~~

12 ~~(A) The Governor issues a proclamation that declares that, due~~
13 ~~to a severe state fiscal hardship, the suspension of the transfer of~~
14 ~~revenues required by subdivision (a) is necessary.~~

15 ~~(B) The Legislature enacts by statute, pursuant to a bill passed~~
16 ~~in each house of the Legislature by rolleall vote entered in the~~
17 ~~journal, two-thirds of the membership concurring, a suspension~~
18 ~~for that fiscal year of the transfer of revenues required by~~
19 ~~subdivision (a) and the bill does not contain any other unrelated~~
20 ~~provision.~~

21 ~~(C) No later than the effective date of the statute described in~~
22 ~~subparagraph (B), a separate statute is enacted that provides for~~
23 ~~the full repayment to the Transportation Investment Fund of the~~
24 ~~total amount of revenue that was not transferred to that fund as a~~
25 ~~result of the suspension, including interest as provided by law.~~
26 ~~This full repayment shall be made not later than the end of the~~
27 ~~third fiscal year immediately following the fiscal year to which~~
28 ~~the suspension applies.~~

29 ~~(2) (A)~~

30 ~~(c) The transfer required by subdivision (a) shall not be~~
31 ~~suspended for more than two fiscal years during any period of 10~~
32 ~~consecutive *during any* fiscal years, which period begins with the~~
33 ~~first fiscal year commencing on or after July 1, 2007, for which~~
34 ~~the transfer required by subdivision (a) is suspended year. *No loans*~~
35 ~~*of revenues transferred to the Transportation Investment Fund*~~
36 ~~*pursuant to this section, or of revenues subsequently transferred*~~
37 ~~*from the Transportation Investment Fund to other funds or*~~
38 ~~*accounts pursuant to this article, shall be made under any*~~
39 ~~*circumstances. No statute shall be valid that would reduce the*~~
40 ~~*extent to which, pursuant to the statutory authority in effect on*~~

1 *January 1, 2008, tax revenues as described in subdivision (a) are*
2 *deposited in the General Fund of the State.*

3 ~~(B) The transfer required by subdivision (a) shall not be~~
4 ~~suspended during any fiscal year if a full repayment required by~~
5 ~~a statute enacted in accordance with subparagraph (C) of paragraph~~
6 ~~(1) has not yet been completed.~~

7 ~~(e)~~

8 *(d) The Legislature may enact a statute that modifies the*
9 *percentage shares set forth in paragraph (3) of subdivision (e) (b)*
10 *by a bill passed in each house of the Legislature by rollcall vote*
11 *entered in the journal, two-thirds of the membership concurring,*
12 *provided that the bill does not contain any other unrelated provision*
13 *and that the moneys described in subdivision (a) are expended*
14 *solely for the purposes set forth in paragraph (2) of subdivision*
15 *(b).*

16 ~~(f)~~

17 *(e) (1) An amount equivalent to the total amount of revenues*
18 *that were not transferred from the General Fund of the State to the*
19 *Transportation Investment Fund, as of July 1, 2007, because of a*
20 *suspension of transfer of revenues pursuant to this section as it*
21 *read on January 1, 2006, but excluding the amount to be paid to*
22 *the Transportation Deferred Investment Fund pursuant to Section*
23 *63048.65 of the Government Code, shall be transferred from the*
24 *General Fund to the Transportation Investment Fund no later than*
25 *June 30, 2016. Until this total amount has been transferred, the*
26 *amount of transfer payments to be made in each fiscal year shall*
27 *not be less than one-tenth of the total amount required to be*
28 *transferred by June 30, 2016. The transferred revenues shall be*
29 *allocated solely for the purposes set forth in this section as if they*
30 *had been received in the absence of a suspension of transfer of*
31 *revenues.*

32 *(2) The Legislature may provide by statute for the issuance of*
33 *bonds by the state or local agencies, as applicable, that are secured*
34 *by the minimum transfer payments required by paragraph (1).*
35 *Proceeds from the sale of those bonds shall be allocated solely for*
36 *the purposes set forth in this section as if they were revenues*
37 *subject to allocation pursuant to paragraph (2) of subdivision (b).*

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