

AMENDED IN ASSEMBLY JUNE 19, 2007

AMENDED IN SENATE APRIL 19, 2007

SENATE BILL

No. 861

Introduced by Senator Wiggins

February 23, 2007

An act to amend Section 14556.50 of, and to add Section 14556.51 to, the Government Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 861, as amended, Wiggins. North Coast Railroad Authority.

Existing law creates the North Coast Railroad Authority to own and operate the former Northwestern Pacific Railroad between Napa and Humboldt Counties. Existing law, pursuant to the Transportation Congestion Relief Program (TCRP), designates \$60 million in TCRP funds for projects to repair and upgrade tracks to Class II standards. Existing law imposes various requirements on the allocation of these funds, with \$5.5 million reserved to fund repayment of the authority's federal loan obligation.

This bill would revise these provisions to allow reallocation of the \$5.5 million reserved for loan repayment to other authority purposes, with \$4 million allocated to environmental cleanup and the remainder allocated to administrative responsibilities. The bill would require the authority to open an account with the Sonoma County Auditor and to deposit all TCRP funds received by the authority in that account, thereby imposing a state-mandated local program.

~~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:~~

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 no reimbursement is required by this act for a specified reason.

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 North Coast Railroad Authority (NCRA) seeks state
4 funding for the following activities:

5 (1) NCRA is responsible for 316 miles of right-of-way from
6 Lombard in Napa County to Samoa in Humboldt County. Until
7 the railroad is fully operational, NCRA is responsible for
8 emergency maintenance issues such as strengthening of levees,
9 repair of bridges, repair of culverts and flood-related damage,
10 vegetation and weed abatement that may present a fire hazard, and
11 general cleanup of debris along the right-of-way that runs through
12 several north coast cities. NCRA must also maintain and manage
13 over 100 private crossings involving easements, leases, and other
14 private encroachments on NCRA property.

15 (2) In 1999, the Mendocino Superior Court ordered NCRA to
16 clean up nine rail yards between Eureka in Humboldt County and
17 Hopland in Mendocino County. NCRA is charged with the
18 responsibility of managing this cleanup which is partially complete.
19 The surface cleanup of scrap metal, railroad ties, abandoned
20 vehicles, steel drums, and hazardous waste was complete in
21 September 2004. Now, NCRA is to initiate and manage the
22 subsurface cleanup of all nine sites.

23 (3) Capital funding is needed to repair track, bridges, crossing
24 signals, culverts, and bank stabilization. NCRA must secure and
25 manage the capital grants necessary to make the needed repairs.

1 Once repairs are made and the Federal Railroad Administration
2 lifts Emergency Order 21, NCRA will be well-placed to secure an
3 operator.

4 (4) Pending capital grants approved for NCRA include seven
5 million nine hundred thousand dollars (\$7,900,000) from FEMA,
6 eight million nine hundred thousand dollars (\$8,900,000) from
7 ISTEA, and forty-two million dollars (\$42,000,000) from the
8 TCRP. NCRA estimates an annual need of an additional five
9 hundred thousand dollars (\$500,000) to adequately address the
10 above-referenced objectives.

11 (5) NCRA could utilize five hundred thousand dollars
12 (\$500,000) in the 2007–08 fiscal year, with additional sums to be
13 held in an interest-bearing account in the Sonoma County Auditors
14 Office. All expenditures from this account would be subject to
15 annual single-year audits in accordance with government
16 accounting standards.

17 (6) Federal transportation legislation has been enacted that,
18 among other actions, forgives twelve million dollars (\$12,000,000)
19 in federal loans to NCRA and allows either reallocation of state
20 TCRP funds dedicated to federal loan repayment or reversion of
21 these funds to either the Transportation Investment Fund or the
22 state General Fund.

23 (b) It is the intent of the Legislature to provide the necessary
24 funding to facilitate the accomplishment of these objectives by
25 authorizing reallocation of existing funding commitments to
26 NCRA.

27 SEC. 2. Section 14556.50 of the Government Code is amended
28 to read:

29 14556.50. The grant authorized under paragraph (32) of
30 subdivision (a) of Section 14556.40 shall be allocated as follows:

31 (a) (1) Two hundred fifty thousand dollars (\$250,000) to defray
32 the administrative costs of the North Coast Railroad Authority,
33 allocated directly to the authority as directed by the commission
34 at its first scheduled meeting immediately upon enactment of the
35 Budget Act of 2000.

36 (2) Two hundred fifty thousand dollars (\$250,000) to defray
37 the administrative costs of the authority, allocated directly to the
38 authority as directed by the commission within six months from
39 the date of enactment of the Budget Act of 2000.

1 (3) Five hundred thousand dollars (\$500,000) to defray the
2 administrative costs of the authority, allocated to the authority as
3 directed by the commission, within one year from the date of
4 enactment of the Budget Act of 2000, if the commission determines
5 that additional funding is needed by the authority as directed by
6 the commission at its first scheduled meeting for administrative
7 costs.

8 (b) Six hundred thousand dollars (\$600,000) to fund completion
9 of the authority's rail line from Lombard to Willits, allocated
10 directly to the authority immediately upon enactment of the Budget
11 Act of 2000.

12 (c) One million dollars (\$1,000,000) to fund completion of the
13 authority's rail line from Willits to Arcata, allocated to the authority
14 as directed by the commission, within six months from the date
15 of enactment of the Budget Act of 2000.

16 (d) Five million dollars (\$5,000,000) to fund the upgrade of the
17 authority's rail line to Class II or III status, allocated to the
18 authority as directed by the commission.

19 (e) Four million one hundred thousand dollars (\$4,100,000) for
20 environmental remediation projects, allocated to the authority as
21 directed by the commission, within six months from the date of
22 enactment of the Budget Act of 2000.

23 (f) Ten million dollars (\$10,000,000) for the authority's debt
24 reduction, allocated to the authority as directed by the commission,
25 within six months from the date of enactment of the Budget Act
26 of 2000.

27 (g) One million eight hundred thousand dollars (\$1,800,000)
28 for use by the authority as local match funds, allocated to the
29 authority as directed by the commission.

30 (h) (1) Five million five hundred thousand dollars (\$5,500,000)
31 to be allocated to the authority, of which four million dollars
32 (\$4,000,000) shall be allocated to the authority to fund the
33 remainder of the authority's cleanup obligations under the
34 environmental remediation consent decree, and the remainder shall
35 be allocated to the authority for its administrative responsibilities.
36 The authority may not expend more than five hundred thousand
37 dollars (\$500,000) annually from these funds for its administrative
38 responsibilities.

1 (2) Any funds remaining unexpended from the allocation in
2 paragraph (1) as of June 30, 2011, shall be transferred to the
3 General Fund.

4 (i) Thirty-one million dollars (\$31,000,000) for long-term
5 stabilization projects, allocated to the authority as directed by the
6 commission.

7 SEC. 3. Section 14556.51 is added to the Government Code,
8 to read:

9 14556.51. The North Coast Railroad Authority shall open an
10 account with the Sonoma County Auditor. All funds received by
11 the authority pursuant to paragraph (32) of Section 14556.40, as
12 allocated pursuant to Section 14556.50, shall be deposited in that
13 account.

14 ~~SEC. 4. If the Commission on State Mandates determines that~~
15 ~~this act contains costs mandated by the state, reimbursement to~~
16 ~~local agencies and school districts for those costs shall be made~~
17 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~
18 ~~4 of Title 2 of the Government Code.~~

19 *SEC. 4. No reimbursement is required by this act pursuant to*
20 *Section 6 of Article XIII B of the California Constitution because*
21 *the only costs that may be incurred by a local agency or school*
22 *district are the result of a program for which legislative authority*
23 *was requested by that local agency or school district, within the*
24 *meaning of Section 17556 of the Government Code and Section 6*
25 *of Article XIII B of the California Constitution.*