

**Introduced by Senator Ackerman**February 23, 2007

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An act to add Chapter 16 (commencing with Section 2600) to Division 3 of the Streets and Highways Code, relating to transportation.

## LEGISLATIVE COUNSEL'S DIGEST

SB 872, as introduced, Ackerman. State-Local Partnership Program.

Existing law provides various sources of funding for transportation capital projects. Proposition 1B, approved by the voters at the November 7, 2006, statewide general election, enacts the Highway Safety, Traffic Reduction, Air quality, and Port Security Bond Act of 2006, which authorizes the issuance of \$19.925 billion of general obligation bonds for various transportation purposes, including \$1 billion for the State-Local Partnership Program Account, to be allocated by the California Transportation Commission over a 5-year period to eligible transportation projects nominated by transportation agencies, subject to appropriation by the Legislature.

This bill would create the State-Local Partnership Program and state the intent of the Legislature to appropriate \$200,000,000 per year for 5 years beginning in the 2010–11 fiscal year. The bill would provide for allocation of state funds to eligible highway and mass transit guideway projects nominated by local agencies that are to be funded with at least 50% of local funds derived from a locally imposed transportation sales tax. The bill would specify the process for applying for, receiving, and expending these funds. The bill would state the intent of the Legislature in that regard.

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. Chapter 16 (commencing with Section 2600) is  
2 added to Division 3 of the Streets and Highways Code, to read:

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CHAPTER 16. STATE-LOCAL PARTNERSHIP PROGRAM

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2600. (a) It is the intent of the Legislature to initiate a state-local partnership program for financing transportation improvement projects, as a successor to the former program created through enactment of Chapter 105 of the Statutes of 1989. Locally funded and constructed highway and exclusive mass transit guideway projects will provide economic and transportation benefits for the state and, therefore, it is appropriate to provide state matching funds for these projects.

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(b) The state-local partnership program is hereby created to carry out the intent of subdivision (a). The Legislature intends to appropriate two hundred million dollars (\$200,000,000) per year beginning with the 2010–11 fiscal year to implement this program.

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2601. For the purposes of this chapter, the following terms have the following meanings:

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(a) “Applicant” means a city, county, or any local entity that is authorized to impose taxes or fees and that has responsibility for constructing highways or guideways.

(b) “Commission” means the California Transportation Commission.

(c) “Eligible project” means a local road, state highway, or exclusive public mass transit guideway improvement project that meets all of the following conditions:

(1) Upon completion of the project, it would constitute a usable segment that would increase the capacity of the highway or guideway or would extend service to new areas.

(2) The applicant has committed, or is capable of committing, to pay the local share from local funds to complete the project.

(3) The project is sponsored or cosponsored by the appropriate transportation planning agency, county transportation commission or authority, or congestion management agency.

(4) The project is not receiving any other state funds.

(5) The project has a minimum cost of twenty-five million dollars (\$25,000,000).

1 (6) The applicant has completed, or is capable of completing,  
2 all project development work so that the contracts for the project  
3 can be awarded no later than June 30 of the fiscal year following  
4 the year in which the funds are appropriated.

5 (7) Improvements to state highways are consistent with state  
6 and federal standards, are designed to minimize long-term  
7 maintenance costs, and are approved by the department.

8 (d) “Local funds” means revenues from any locally imposed  
9 sales tax for transportation.

10 (e) “Local share” means the total cost of completing the project  
11 less any state matching funds applied for through this program and  
12 any federal funds. The local share of the project shall constitute  
13 at least 50 percent of the total project cost.

14 (f) “State share” means the amount of state funds applied for,  
15 which in no case may exceed the local share. The state share shall  
16 not be subject to Section 188 or 188.8.

17 2062. The state-local partnership program shall be implemented  
18 under the following procedures:

19 (a) Applicants shall submit eligible projects for the five-year  
20 period 2010–11 to 2015–16, inclusive, to the department no later  
21 than September 30, 2009.

22 (b) The department shall review the applications for consistency  
23 with the requirements of this chapter and shall compile a list of all  
24 eligible projects no later than January 31, 2010.

25 (c) The commission shall approve the list of projects no later  
26 than April 1, 2010.

27 (d) The Legislature intends to appropriate a maximum of two  
28 hundred million dollars (\$200,000,000) in each fiscal year for five  
29 years beginning with the 2010–11 fiscal year.

30 (e) The applicant shall let construction contracts no later than  
31 June 30 of the fiscal year following the year in which the funds  
32 are appropriated. If the applicant fails to meet contracting or  
33 funding obligations pursuant to this chapter, the funds shall revert  
34 to the commission for reallocation.

35 (f) The funds appropriated shall be expended no later than June  
36 30, 2018.

37 2063. The approved state-local partnership program may be  
38 amended pursuant to this section if an applicant is unable to meet  
39 its funding or contract award obligations in the time required,  
40 pursuant to the following procedures:

- 1 (a) Applicants shall submit eligible projects by September 30
- 2 of the fiscal year following the fiscal year the funds are returned.
- 3 (b) The department shall review the applications for consistency
- 4 with the requirements of this chapter and shall compile a list of all
- 5 eligible projects no later than November 30.
- 6 (c) The commission shall approve the list of projects no later
- 7 than January 31.