

AMENDED IN SENATE MAY 8, 2007

SENATE BILL

No. 872

Introduced by Senator Ackerman

February 23, 2007

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 amended, 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 *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:

3

4

CHAPTER 16. STATE-LOCAL PARTNERSHIP PROGRAM

5

6 2600. (a) It is the intent of the Legislature to initiate a
7 state-local partnership program for financing transportation
8 improvement projects, as a successor to the former program created
9 through enactment of Chapter 105 of the Statutes of 1989. Locally
10 funded and constructed highway and exclusive mass transit
11 guideway projects will provide economic and transportation
12 benefits for the state and, therefore, it is appropriate to provide
13 state matching funds for these projects.

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

18 2601. For the purposes of this chapter, the following terms
19 have the following meanings:

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

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

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

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

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

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

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

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

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

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

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

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

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

20 ~~2062.~~

21 *2602.* The state-local partnership program shall be implemented
22 under the following procedures:

23 (a) Applicants shall submit eligible projects for the five-year
24 period 2010–11 to 2015–16, inclusive, to the ~~department~~
25 *commission* no later than September 30, 2009.

26 (b) The ~~department~~ *commission* shall review the applications
27 for consistency with the requirements of this chapter and shall
28 compile a list of all eligible projects no later than January 31, 2010.

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

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

34 (e) The applicant shall let construction contracts no later than
35 June 30 of the fiscal year following the year in which the funds
36 are appropriated. ~~If the applicant fails to meet contracting or~~
37 ~~funding obligations pursuant to this chapter, the funds shall revert~~
38 ~~to the commission for reallocation.~~ *Allocated funds shall be*
39 *expended within three years of June 30 of the fiscal year in which*
40 *an allocation is made by the commission. The commission shall*

1 *rescind an allocation to a project that fails to comply with these*
2 *requirements. Rescinded allocations of funds shall be reallocated*
3 *to other projects during the fiscal year following the year in which*
4 *the applicable timely use of funds requirement was not met.*

5 (f) The funds appropriated shall be expended no later than June
6 30, 2018.

7 ~~2063.~~

8 2603. The approved state-local partnership program may be
9 amended pursuant to this section if an applicant is unable to meet
10 its funding or contract award obligations in the time required,
11 pursuant to the following procedures:

12 (a) Applicants shall submit eligible projects by September 30
13 of the fiscal year following the fiscal year the funds are returned.

14 (b) The ~~department~~ *commission* shall review the applications
15 for consistency with the requirements of this chapter and shall
16 compile a list of all eligible projects no later than November 30.

17 (c) The commission shall approve the list of projects no later
18 than January 31.