

**Assembly Bill No. 10**

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Passed the Assembly July 24, 2009

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*Chief Clerk of the Assembly*

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Passed the Senate July 23, 2009

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2009, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to amend Sections 8879.65 and 16965 of the Government Code, to amend Sections 99312 and 99315 of, and to add and repeal Section 21683.3 of, the Public Utilities Code, to amend Sections 7102 and 7103 of the Revenue and Taxation Code, and to amend Sections 1678, 12814.5, 14900, 14900.1, 14901, 14902, 15250.6, 15250.7, 15255.1, and 15255.2 of the Vehicle Code, relating to transportation, and declaring the urgency thereof, to take effect immediately.

## LEGISLATIVE COUNSEL'S DIGEST

AB 10, Committee on Budget. Transportation.

(1) Existing law, pursuant to Proposition 116 of 1990, creates the Public Transportation Account as a trust fund in the State Transportation Fund, provides that revenues are to be deposited in that account from specified portions of the sales taxes on gasoline and diesel fuel, and provides that moneys in the account are available for expenditure only for transportation planning and mass transportation purposes. Certain provisions of Proposition 116 may be amended by the Legislature only by a 2/3 vote of both houses and if the amendment is consistent with the purposes of the provision being amended. Existing law creates the Mass Transportation Fund in the State Treasury and provides that for the 2009–10 to 2012–13 fiscal years, inclusive, all of gasoline sales tax revenues commonly known as the “spillover” that would otherwise be deposited in the Public Transportation Account shall be deposited instead in that fund. Existing law specifies the transportation purposes that may be funded by the fund, including payment of debt service on transportation general obligation bonds by transfer of funds from the Mass Transportation Fund to the Transportation Debt Service Fund. For the 2008–09 fiscal year, \$939,408,000 of “spillover” revenues are to be transferred to the Mass Transportation Fund. Existing law creates the Transportation Debt Service Fund in the State Treasury for the purpose, among other things, of using transportation revenues rather than the General Fund for the payment of debt service on transportation bonds or to reimburse the General Fund in that regard.

This bill, for the 2008–09 fiscal year, would instead require \$1,041,234,000 of the “spillover” revenues to be transferred to the Mass Transportation Fund. This bill, for the 2009–10 fiscal year, would provide that \$225,044,000 from the Public Transportation Account may be used for the purpose of reimbursing the General Fund for current debt service payments on transit-related general obligation bonds. The bill would also provide for transfer from the Mass Transportation Fund to the Transportation Debt Service Fund of any amount of the “spillover” funds received during the 2009–10 to 2012–13 fiscal years, inclusive, necessary to offset the cost of debt service payments made from the General Fund during any fiscal year for transportation-related general obligation bond expenditures.

(2) Existing law establishes the Aeronautics Account in the State Transportation Fund. Existing law imposes a per gallon jet fuel tax on aircraft jet fuel dealers and requires that the funds be deposited in the State Treasury to the credit of the Motor Vehicle Fuel Account in the Transportation Tax Fund. Existing law requires that moneys deposited to the credit of the Motor Vehicle Fuel Account attributable to the distribution of motor vehicle fuel for use in propelling an aircraft in the state be transferred to the Aeronautics Account in the State Transportation Fund.

Existing law requires funds in the Aeronautics Account to be used to pay the Controller and the State Board of Equalization for their pro rata costs in carrying out the duties imposed on them by the Motor Vehicle Fuel Tax Law and to pay the Department of Transportation for the administration of the State Aeronautics Act. Existing law allows the remaining balance of moneys in the account to be used for preapproved eligible projects that are for airport and aviation purposes, to make allocations to public entities for the acquisition or development of airports if the department determines that it is feasible, and to allow the California Transportation Commission to provide local matching funds for federal Airport Improvement Program Grants.

This bill would suspend these grants and funding programs for the 2009–10 fiscal year. The bill would require \$4,000,000 to be transferred from the Aeronautics Account to the General Fund, upon the order of the Director of Finance. These provisions would be repealed on January 1, 2011.

(3) Existing law, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, authorizes the issuance of general obligation bonds for various transportation purposes, including \$2,000,000,000 for local street and road improvement, congestion relief, and traffic safety. Existing law requires a city or city and county that receives an allocation of those funds in the 2008–09 fiscal year to agree to encumber the funds before July 1, 2009.

This bill would instead require a city or city and county that receives an allocation of those funds in the 2008–09 fiscal year to agree to encumber the funds before July 1, 2010.

(4) Existing law establishes as base fee amounts certain driver's license and identification card fees imposed by the Department of Motor Vehicles pursuant to specified provisions of the Vehicle Code. Existing law requires, on January 1 of every year, the department to adjust those base fee amounts by increasing each fee in an amount equal to the increase in the California Consumer Price Index for the prior year, as calculated by the Department of Finance, with amounts equal to or greater than \$0.50 rounded to the next highest whole dollar. Existing law also provides that a statutory increase to the fees is deemed to be a change to the base fee.

This bill would include within this scheme specified fee provisions applicable to restricted firefighter licenses and commercial driver's licenses and would increase, on or after January 1, 2010, the amount of these and other fees subject to this scheme.

(5) This bill would make other related changes.

(6) The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. The Governor issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on July 1, 2009.

This bill would state that it addresses the fiscal emergency declared by the Governor by proclamation issued on July 1, 2009, pursuant to the California Constitution.

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

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

SECTION 1. Section 8879.65 of the Government Code is amended to read:

8879.65. (a) Funds appropriated from the Local Street and Road Improvement, Congestion Relief, and Traffic Safety Account of 2006, established by subdivision (l) of Section 8879.23, shall be made available to the Controller for allocation to cities, counties, and a city and county. From bond funds appropriated in the 2007–08 fiscal year for cities, including a city and county, each city, and city and county, shall receive at least a minimum allocation of four hundred thousand dollars (\$400,000), as described in subparagraph (B) of paragraph (1) of subdivision (l) of Section 8879.23. The remainder of the funds appropriated for cities, including a city and county, shall be allocated in the proportion described in subparagraph (B) of paragraph (1) of subdivision (l) of Section 8879.23. In no case shall a city, or a city and county, receive an allocation in excess of its total share, as described in subdivision (l) of Section 8879.23, except as described in subdivision (d).

(b) Prior to receiving an allocation of funds from the Controller in a fiscal year, an eligible local agency shall submit to the Department of Finance a list of projects expected to be funded with bond funds pursuant to an adopted city, county, or city and county budget. All projects proposed to be funded with funds from the account shall be included in a city, county, or city and county budget that is adopted by the applicable city council or board of supervisors at a regular public meeting. The list of projects expected to be funded with bond funds shall include a description and the location of the proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement. The project list shall not limit the flexibility of an eligible local agency to fund projects in accordance with local needs and priorities so long as the projects are consistent with subparagraph (B) of paragraph (1) of subdivision (l) of Section 8879.23.

(1) The Department of Finance shall report monthly to the Controller the eligible local agencies that have submitted a list of projects as described in this subdivision.

(2) Upon receipt of the information described in paragraph (1), the Controller shall allocate funds to those agencies that have submitted a list of projects, as reported by the Department of Finance.

(c) Each fiscal year upon expending funds from the account, a city, county, or city and county shall submit documentation to the Department of Finance which includes a description and location of each completed project, the amount of funds expended on the project, the completion date, and the project's estimated useful life. The documentation shall be forwarded to the department, in a manner and form approved by the department, at the end of each fiscal year until the funds in the account are exhausted. The department may post the information contained in the documentation on the department's official Web site.

(d) A city, county, or city and county receiving funds pursuant to this section shall have three fiscal years to expend the funds following the fiscal year in which the allocation was made by the Controller, and any funds not expended within that period shall be returned to the Controller and be reallocated to other cities, counties, or a city and county, as applicable, pursuant to the allocation formulas set forth in subparagraph (A) or (B) of paragraph (1) of subdivision (l) of Section 8879.23, but excluding the requirement for a minimum city allocation as described in subparagraph (B) of paragraph (1) of that subdivision and section.

(e) Subject to the requirements and conditions of this section, it is the intent of the Legislature to appropriate funds from the account so that the Controller may allocate the balance of these funds to eligible local agencies over the next four years, following the 2007–08 fiscal year. Nothing in this section shall prevent the Legislature from appropriating funds on a more expedited basis based on local agency need.

(f) The sum of three hundred fifty million dollars (\$350,000,000) is hereby appropriated from funds in the Local Street and Road Improvement, Congestion Relief, and Traffic Safety Account of 2006 created pursuant to subdivision (l) of Section 8879.23, for allocation pursuant to this article, as an augmentation to the amount appropriated in Item 9350-104-6065 of the Budget Act of 2007. The total 2007–08 fiscal year appropriation of nine hundred fifty million dollars (\$950,000,000) shall be allocated as follows: four

hundred million dollars (\$400,000,000) to counties and five hundred fifty million dollars (\$550,000,000) to cities.

(g) Notwithstanding the provisions of Item 9350-104-6065 of the Budget Act of 2008, a city or city and county that receives any portion of the funds appropriated by that item shall agree to encumber the funds before July 1, 2010.

SEC. 2. Section 16965 of the Government Code is amended to read:

16965. (a) The Transportation Debt Service Fund is hereby created in the State Treasury. Moneys in the fund shall, among other things, as provided in this section, be dedicated to payment of debt service on bonds including bonds issued pursuant to the Clean Air and Transportation Improvement Act of 1990 (Part 11.5 (commencing with Section 99600) of Division 10 of the Public Utilities Code), the Passenger Rail and Clean Air Bond Act of 1990 (Chapter 17 (commencing with Section 2701) of Division 3 of the Streets and Highways Code), the Seismic Retrofit Bond Act of 1996 (Chapter 12.48 (commencing with Section 8879) of Division 1 of Title 2), the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2), and the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century (Chapter 20 (commencing with Section 2704) of Division 3 of the Streets and Highways Code). If the moneys in the fund are insufficient to pay the balance of the debt consistent with existing obligations, the General Fund will be used to pay the balance of any debt service.

(b) (1) From moneys transferred to the fund pursuant to subdivision (b) of Section 7103 of the Revenue and Taxation Code, the Director of Finance is hereby authorized to reimburse the General Fund for up to three hundred thirty-nine million two hundred eighty-nine thousand three hundred forty-five dollars (\$339,289,345) for the purpose of offsetting the cost of debt service payments made from the General Fund during the 2007–08 fiscal year for public transportation-related general obligation bond expenditures in the following amounts:

(A) Clean Air and Transportation Improvement Act of 1990, one hundred twenty-three million nine hundred seventy-three thousand four hundred ninety-three dollars (\$123,973,493).

(B) Passenger Rail and Clean Air Bond Act of 1990, seventy million nine hundred eighty-three thousand three hundred sixty-three dollars (\$70,983,363).

(C) Seismic Retrofit Bond Act of 1996, one hundred forty-four million three hundred thirty-two thousand four hundred eighty-nine dollars (\$144,332,489).

(2) From moneys transferred to the fund pursuant to subdivision (b) of Section 7103 of the Revenue and Taxation Code, the Director of Finance is hereby authorized to reimburse the General Fund in the 2007–08 fiscal year for two hundred million dollars (\$200,000,000) for the purpose of offsetting the cost of debt service payments made in prior fiscal years from the General Fund for public transportation-related general obligation bond expenditures.

(c) From moneys transferred to the fund pursuant to subdivisions (c) and (d) of Section 7103 of the Revenue and Taxation Code, the Director of Finance is hereby authorized to reimburse the General Fund any amount necessary to offset the cost of debt service payments made from the General Fund during any fiscal year for transportation-related general obligation bond expenditures.

(d) From moneys transferred to the fund pursuant to an annual Budget Act or other statute from the State Highway Account in the State Transportation Fund, the Director of Finance is hereby authorized to reimburse the General Fund any amount necessary to offset the cost of debt service payments made from the General Fund during any fiscal year for transportation-related general obligation bond expenditures consistent with Article XIX of the California Constitution.

SEC. 3. Section 21683.3 is added to the Public Utilities Code, to read:

21683.3. (a) Notwithstanding any other provision of this article, the grant or funding programs described in Sections 21682, 21683, and 21683.1 are suspended for the 2009–10 fiscal year.

(b) Upon the order of the Director of Finance, the Controller shall transfer four million dollars (\$4,000,000) from the Aeronautics Account to the General Fund.

(c) This section shall remain in effect only until January 1, 2011, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2011, deletes or extends that date.

SEC. 4. Section 99312 of the Public Utilities Code is amended to read:

99312. Except as provided in Sections 99311 and 99311.5, the funds in the account shall be made available for the following purposes:

(a) Fifty percent for purposes of Section 99315.

(b) To the Controller, 25 percent for allocation to transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board pursuant to Section 99314.

(c) To the Controller, 25 percent for allocation to transportation agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board for purposes of Section 99313.

(d) For the 2007–08 fiscal year, notwithstanding any other provision of this section, or any other provision of law, the allocations made pursuant to this section shall be adjusted as follows:

(1) From the funds transferred to the account pursuant to paragraph (1) of subdivision (a) of Section 7102 of the Revenue and Taxation Code, fifty million dollars (\$50,000,000) is hereby appropriated to the Controller and shall be allocated pursuant to subdivision (b); fifty million dollars (\$50,000,000) is hereby appropriated to the Controller and shall be allocated pursuant to subdivision (c); and the remainder of revenue shall remain in the Public Transportation Account to fund other state public transportation priorities. The Controller shall make these allocations in four equal quarterly amounts of twelve million five hundred thousand dollars (\$12,500,000), as achievable by the receipt of the specified revenue.

(2) The amount appropriated in Item 2640-101-0046 of the Budget Act of 2006 for state transit assistance pursuant to subdivision (b) and (c) was greater than the amount of revenues received to support state transit assistance pursuant to Section 7102 of the Revenue and Taxation Code. Therefore, notwithstanding any other provision of law, the amount that would have otherwise been available for appropriation to state transit assistance in the 2007–08 fiscal year pursuant to paragraphs (2) and (3) of subdivision (a) of Section 7102 of the Revenue and Taxation Code, shall be reduced by the excess amount that was appropriated to

state transit assistance in the Budget Act of 2006, and that excess amount, as determined by the Department of Finance, shall instead remain in the Public Transportation Account to fund other state public transportation priorities. The funding for state transit assistance as described in this paragraph is hereby appropriated to the Controller for allocation. The Controller shall attempt to spread this adjustment equally over four quarterly payments, as achievable by revenue estimates.

(e) For the 2008–09 fiscal year and thereafter, notwithstanding any other provision of this section or any other provision of law, and except as provided in subdivision (f), the funds transferred to the account pursuant to paragraph (1) of subdivision (a) of Section 7102 of the Revenue and Taxation Code shall be made available for the following purposes:

(1) For purposes of Section 99315, 33.34 percent, subject to appropriation by the Legislature.

(2) To the Controller, 33.33 percent for allocation to transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board pursuant to Section 99314. These funds are hereby continuously appropriated for purposes of this paragraph.

(3) To the Controller, 33.33 percent for the allocation to transportation agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board for purposes of Section 99313. These funds are hereby continuously appropriated for purposes of this paragraph.

(f) For the 2009–10 to 2012–13 fiscal years, inclusive, notwithstanding any other provision of this section or any other provision of law, the funds in the account subject to this section shall be made available only for purposes of Section 99315, subject to appropriation by the Legislature.

SEC. 5. Section 99315 of the Public Utilities Code is amended to read:

99315. Funds made available pursuant to subdivision (a) of Section 99312, shall be available for all of the following purposes:

(a) To the department for bus and passenger rail services pursuant to Sections 14035, 14035.5, and 14038 of the Government Code.

(b) To the department for funding of public transit capital improvement projects in the state transportation improvement program, pursuant to Section 14529 of the Government Code.

(c) To the department for its planning activities not payable from the State Highway Account in the State Transportation Fund, its mass transportation responsibilities, and its assistance in regional transportation planning.

(d) To the department for allocation by the director to the Institute of Transportation Studies of the University of California for training and research in public transportation systems engineering and management and coordination with other transportation modes.

(e) To the commission for its activities not payable from the State Highway Account.

(f) To the Public Utilities Commission for its passenger rail safety responsibilities specified in statute on commuter rail, intercity rail, and urban rail transit lines.

(g) To the State Department of Developmental Services for funding of regional center transportation.

(h) To the Department of Education for funding of home-to-school transportation, pursuant to Article 10 (commencing with Section 41850) of Chapter 5 of, and Small School District Transportation, pursuant to Article 4.5 (commencing with Section 42290) of Chapter 7 of, Part 24 of Division 3 of Title 2 of the Education Code.

(i) To reimburse the General Fund for current debt service payments on transit-related general obligation bonds. For the 2009–10 fiscal year, the Director of Finance is authorized to reimburse up to two hundred twenty-five million forty-four thousand dollars (\$225,044,000) in General Fund expenditures for this purpose.

SEC. 6. Section 7102 of the Revenue and Taxation Code is amended to read:

7102. The money in the fund shall, upon order of the Controller, be drawn therefrom for refunds under this part, credits or refunds pursuant to Section 60202, and refunds pursuant to Section 1793.25 of the Civil Code, or be transferred in the following manner:

(a) (1) All revenues, less refunds, derived under this part at the 4 <sup>3</sup>/<sub>4</sub>-percent rate, including the imposition of sales and use taxes with respect to the sale, storage, use, or other consumption of motor

vehicle fuel which would not have been received if the sales and use tax rate had been 5 percent and if motor vehicle fuel, as defined for purposes of the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301)), had been exempt from sales and use taxes, shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and shall be transferred quarterly to the Public Transportation Account, a trust fund in the State Transportation Fund, except as modified as follows:

(A) For the 2001–02 fiscal year, those transfers may not be more than eighty-one million dollars (\$81,000,000) plus one-half of the amount computed pursuant to this paragraph that exceeds eighty-one million dollars (\$81,000,000).

(B) For the 2002–03 fiscal year, those transfers may not be more than thirty-seven million dollars (\$37,000,000) plus one-half of the amount computed pursuant to this paragraph that exceeds thirty-seven million dollars (\$37,000,000).

(C) For the 2003–04 fiscal year, no transfers shall be made pursuant to this paragraph, except that if the amount to be otherwise transferred pursuant to this paragraph is in excess of eighty-seven million four hundred fifty thousand dollars (\$87,450,000), then the amount of that excess shall be transferred.

(D) For the 2004–05 fiscal year, no transfers shall be made pursuant to this paragraph, and of the amount that would otherwise have been transferred, one hundred forty million dollars (\$140,000,000) shall instead be transferred to the Traffic Congestion Relief Fund as partial repayment of amounts owed by the General Fund pursuant to Item 2600-011-3007 of the Budget Act of 2002 (Chapter 379 of the Statutes of 2002).

(E) For the 2005–06 fiscal year, no transfers shall be made pursuant to this paragraph.

(F) For the 2006–07 fiscal year, the revenues estimated pursuant to this paragraph shall, notwithstanding any other provision of this paragraph or any other provision of law, be transferred and allocated as follows:

(i) The first two hundred million dollars (\$200,000,000) shall be transferred to the Transportation Deferred Investment Fund as partial repayment of the amounts owed by the General Fund to that fund pursuant to Section 7106.

(ii) The next one hundred twenty-five million dollars (\$125,000,000) shall be transferred to the Bay Area Toll Account for expenditure pursuant to Section 188.6 of the Streets and Highways Code.

(iii) Of the remaining revenues, thirty-three million dollars (\$33,000,000) shall be transferred to the Public Transportation Account to support appropriations from that account in the Budget Act of 2006.

(iv) The remaining revenues shall be transferred to the Public Transportation Account for allocation as follows:

(I) Twenty percent to the Department of Transportation for purposes of Section 99315 of the Public Utilities Code.

(II) Forty percent to the Controller, for allocation pursuant to Section 99314 of the Public Utilities Code.

(III) Forty percent to the Controller, for allocation pursuant to Section 99313 of the Public Utilities Code.

(G) For the 2007–08 fiscal year, the first one hundred fifty-five million four hundred ninety-one thousand eight hundred thirty-seven dollars (\$155,491,837) in revenue estimated pursuant to this paragraph each quarter shall, notwithstanding any other provision of this paragraph or any other provision of law, be transferred quarterly to the Mass Transportation Fund. If revenue in any quarter is less than that amount, the transfer in the subsequent quarter or quarters shall be increased so that the total transferred for the fiscal year is six hundred twenty-one million nine hundred sixty-seven thousand three hundred forty-eight dollars (\$621,967,348).

(H) For the 2008–09 fiscal year and every fiscal year thereafter, 50 percent of the revenue estimated pursuant to this paragraph each quarter shall, notwithstanding any other provision of this paragraph or any other provision of law, and except as provided in subparagraph (I), be transferred to the Mass Transportation Fund. Notwithstanding this requirement, for the 2008–09 fiscal year, the amount of three hundred eight million seven hundred thirty-five thousand dollars (\$308,735,000) for each of the first three quarters, and the amount of one hundred fifteen million twenty-nine thousand dollars (\$115,029,000) for the fourth quarter, shall be transferred to the Mass Transportation Fund. If revenue for any quarter is less than the specified amount, the transfer in the subsequent quarter or quarters shall be increased so that the

total transfer for the fiscal year is one billion forty-one million two hundred thirty-four thousand dollars (\$1,041,234,000).

(1) For the 2009–10 to 2012–13 fiscal years, inclusive, all revenue estimated pursuant to this paragraph shall, notwithstanding any other provision of this paragraph or any other provision of law, be transferred quarterly to the Mass Transportation Fund.

(2) All revenues, less refunds, derived under this part at the  $4\frac{3}{4}$ -percent rate, resulting from increasing, after December 31, 1989, the rate of tax imposed pursuant to the Motor Vehicle Fuel License Tax Law on motor vehicle fuel, as defined for purposes of that law, shall be transferred quarterly to the Public Transportation Account, a trust fund in the State Transportation Fund.

(3) All revenues, less refunds, derived under this part at the  $4\frac{3}{4}$ -percent rate from the imposition of sales and use taxes on fuel, as defined for purposes of the Use Fuel Tax Law (Part 3 (commencing with Section 8601)) and the Diesel Fuel Tax Law (Part 31 (commencing with Section 60001)), shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and shall be transferred quarterly to the Public Transportation Account, a trust fund in the State Transportation Fund.

(4) All revenues, less refunds, derived under this part from the taxes imposed pursuant to Sections 6051.2 and 6201.2 shall be transferred to the Sales Tax Account of the Local Revenue Fund for allocation to cities and counties as prescribed by statute.

(5) All revenues, less refunds, derived from the taxes imposed pursuant to Section 35 of Article XIII of the California Constitution shall be transferred to the Public Safety Account in the Local Public Safety Fund created in Section 30051 of the Government Code for allocation to counties as prescribed by statute.

(b) The balance shall be transferred to the General Fund.

(c) The estimates required by subdivision (a) shall be based on taxable transactions occurring during a calendar year, and the transfers required by subdivision (a) shall be made during the fiscal year that commences during that same calendar year. Transfers required by paragraphs (1), (2), and (3) of subdivision (a) shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and shall be made quarterly.

(d) Notwithstanding the designation of the Public Transportation Account as a trust fund pursuant to subdivision (a), the Controller may use the Public Transportation Account for loans to the General Fund as provided in Sections 16310 and 16381 of the Government Code. The loans shall be repaid with interest from the General Fund at the Pooled Money Investment Account rate.

(e) The Legislature may amend this section, by statute passed in each house of the Legislature by rollcall vote entered in the journal, two-thirds of the membership concurring, if the statute is consistent with, and furthers the purposes of this section.

SEC. 7. Section 7103 of the Revenue and Taxation Code is amended to read:

7103. (a) The Mass Transportation Fund is hereby created in the State Treasury. Upon appropriation by the Legislature, moneys in the Mass Transportation Fund may be used for, but shall not necessarily be limited to, the following transportation purposes:

(1) Payment of debt service on transportation bonds, or reimbursement to the General Fund for past debt service payments on transportation bonds.

(2) Funding of the Department of Developmental Services for regional center transportation.

(3) Reimbursement to the General Fund for payments made by the General Fund pursuant to subdivision (f) of Section 1 of Article XIX B of the California Constitution.

(4) Funding of home-to-school transportation, pursuant to Article 10 (commencing with Section 41850) of Chapter 5 of Part 24 of the Education Code, and Small School District Transportation, pursuant to Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of the Education Code.

(b) From moneys transferred to the fund pursuant to subparagraph (G) of paragraph (1) of subdivision (a) of Section 7102 in the 2007–08 fiscal year, the sum of five hundred thirty-nine million two hundred eighty-nine thousand three hundred forty-eight dollars (\$539,289,348) shall be transferred to the Transportation Debt Service Fund, and the sum of eighty-two million six hundred seventy-eight thousand dollars (\$82,678,000) may be reimbursed by the Director of Finance in the 2007–08 fiscal year for the purpose of offsetting payments made by the General Fund pursuant to subdivision (f) of Section 1 of Article XIX B of the California Constitution.

(c) From moneys transferred to the fund pursuant to subparagraph (H) of paragraph (1) of subdivision (a) of Section 7102 in the 2008–09 fiscal year, the sum of eighty-two million six hundred seventy-eight thousand dollars (\$82,678,000) may be reimbursed by the Director of Finance for the purpose of offsetting payments made by the General Fund pursuant to subdivision (f) of Section 1 of Article XIX B of the California Constitution, and the Director of Finance may transfer any funds remaining in the fund after this reimbursement of the General Fund to the Transportation Debt Service Fund.

(d) From moneys transferred to the fund pursuant to subparagraph (I) of paragraph (1) of subdivision (a) of Section 7102, the Director of Finance may transfer to the Transportation Debt Service Fund any amount necessary to offset the cost of debt service payments made from the General Fund during any fiscal year for transportation-related general obligation bond expenditures.

SEC. 8. Section 1678 of the Vehicle Code is amended to read:

1678. (a) Between January 1, 2004, and December 31, 2004, inclusive, the fee amounts set forth in Section 488.385 of the Code of Civil Procedure, Section 10902 of the Revenue and Taxation Code, and Sections 4604, 5014, 5036, 6700.25, 9102.5, 9250.8, 9250.13, 9252, 9254, 9258, 9261, 9265, 9702, 11515, 11515.2, 14900, 14900.1, 14901, 14902, 15250.6, 15250.7, 15255.1, 15255.2, 38121, 38225.4, 38225.5, 38232, 38255, 38260, and 38265 shall be the base fee amounts charged by the department.

(b) On January 1, 2005, and every January 1 thereafter, the department shall adjust the fees imposed under the sections listed in subdivision (a) by increasing each fee in an amount equal to the increase in the California Consumer Price Index for the prior year, as calculated by the Department of Finance, with amounts equal to or greater than fifty cents (\$0.50) rounded to the next highest whole dollar.

(c) Any increases to the fees imposed under the sections listed in subdivision (a) that are enacted by legislation subsequent to January 1, 2005, shall be deemed to be changes to the base fee for purposes of the calculation performed pursuant to subdivision (b).

SEC. 9. Section 12814.5 of the Vehicle Code is amended to read:

12814.5. (a) The director may establish a program to evaluate the traffic safety and other effects of renewing driver's licenses by mail. Pursuant to that program, the department may renew by mail driver's licenses for licensees not holding a probationary license, and whose records, for the two years immediately preceding the determination of eligibility for the renewal, show no notification of a violation of subdivision (a) of Section 40509, a total violation point count not greater than one as determined in accordance with Section 12810, no suspension of the driving privilege pursuant to Section 13353.2, and no refusal to submit to or complete chemical testing pursuant to Section 13353 or 13353.1.

(b) The director may terminate the renewal by mail program authorized by this section at any time the department determines that the program has an adverse impact on traffic safety.

(c) No renewal by mail shall be granted to any person who is 70 years of age or older.

(d) The department shall notify each licensee granted a renewal by mail pursuant to this section of major changes to the Vehicle Code affecting traffic laws occurring during the prior five-year period.

(e) The department shall not renew a driver's license by mail if the license has been previously renewed by mail two consecutive times for five-year periods.

SEC. 10. Section 14900 of the Vehicle Code is amended to read:

14900. (a) Upon application for an original class C or M driver's license, a fee of twenty-four dollars (\$24), and on and after January 1, 2010, a fee of thirty dollars (\$30), shall be paid to the department for a license that will expire on the fifth birthday of the applicant following the date of the application. The payment of the fee entitles the person paying the fee to apply for a driver's license and to take three examinations within a period of 12 months from the date of the application or during the period that an instruction permit is valid, as provided in Section 12509.

(b) In addition to the application fee specified in subdivision (a), a person who fails to successfully complete the driving skill test on the first attempt shall be required to pay an additional fee of five dollars (\$5) for each additional driving skill test administered under that application.

SEC. 11. Section 14900.1 of the Vehicle Code is amended to read:

14900.1. (a) Except as provided in Sections 15250.6 and 15255.1, upon application for the renewal of a driver's license or for a license to operate a different class of vehicle, a fee of twenty-four dollars (\$24), and on and after January 1, 2010, a fee of thirty dollars (\$30), shall be paid to the department for a license that will expire on the fifth birthday of the applicant following the date of the application. The payment of the fee entitles the person paying the fee to apply for a driver's license and to take three examinations within a period of 12 months from the date of the application or during the period that an instruction permit is valid, as provided in Section 12509.

(b) In addition to the application fee specified in subdivision (a), a person who fails to successfully complete the driving skill test on the first attempt shall be required to pay an additional fee of five dollars (\$5) for each additional driving skill test administered under that application.

SEC. 12. Section 14901 of the Vehicle Code is amended to read:

14901. Upon an application for a duplicate driver's license or for a change of name on a driver's license, a fee of nineteen dollars (\$19), and on and after January 1, 2010, a fee of twenty-four dollars (\$24), shall be paid to the department.

SEC. 13. Section 14902 of the Vehicle Code is amended to read:

14902. (a) Except as otherwise provided in subdivisions (b) and (c) of this section, subdivision (c) of Section 13002, and subdivision (c) of Section 14900, upon an application for an identification card a fee of twenty dollars (\$20), and on and after January 1, 2010, a fee of twenty-six dollars (\$26), shall be paid to the department.

(b) An original or replacement senior citizen identification card issued pursuant to subdivision (b) of Section 13000 shall be issued free of charge.

(c) The fee for an original or replacement identification card issued to a person who has been determined to have a current income level that meets the eligibility requirements for assistance programs under Chapter 2 (commencing with Section 11200) or Chapter 3 (commencing with Section 12000) of Part 3 of, or Part

5 (commencing with Section 17000) of, or Article 9 (commencing with Section 18900) of Chapter 10 of Part 6 of, or Chapter 10.1 (commencing with Section 18930) or Chapter 10.3 (commencing with Section 18937) of Part 6 of, Division 9 of the Welfare and Institutions Code shall be six dollars (\$6). The determination of eligibility under this subdivision shall be made by a governmental or nonprofit entity, which shall be subject to regulations adopted by the department.

(d) All fees received pursuant to this section shall be deposited in the Motor Vehicle Account.

SEC. 14. Section 15250.6 of the Vehicle Code is amended to read:

15250.6. (a) A person shall not operate firefighting equipment unless that person has in his or her immediate possession a valid driver's license for the appropriate class of vehicle operated, or a license issued pursuant to subdivision (b).

(b) The department may issue a restricted driver's license for the appropriate class of vehicle to a firefighter for the operation of firefighting equipment. The restricted license shall be valid only for operating (1) firefighting equipment within this state, or in another state during a response under a mutual aid pact, or (2) any vehicle for which a class C driver's license is required.

(c) The restricted firefighter's license may be issued only to an applicant qualified by examination prescribed and conducted by the department.

The pretrip inspection and driving test required to receive the license shall be the same as required to obtain a license under Section 15250.

The written examination shall be developed by the department with the cooperation of the State Fire Marshal. The department shall include a sufficient number of questions from the examinations required to obtain a license under Section 15250 to ensure that passing the special examination under this section ensures a level of safety comparable to examinations given under Section 15250.

(d) In lieu of a report of medical examination required by Section 12804.9, an applicant for a restricted license issued pursuant to subdivision (b) shall, upon application and every two years thereafter, submit medical information on a form approved by the department.

(e) Upon application for issuance of an original driver's license pursuant to subdivision (b), or for a renewal of a driver's license issued pursuant to subdivision (b), a fee of thirty-four dollars (\$34), and on and after January 1, 2010, a fee of thirty-nine dollars (\$39), shall be paid to the department for a license that will expire on the fifth birthday of the applicant following the date of the application.

(f) A "firefighter" is a person employed as a firefighter by a federal or state agency or by a regularly organized fire department of a city, county, city and county, or district, or registered as a volunteer member of a regularly organized fire department having official recognition of the city, county, city and county, or district in which the department is located.

(g) "Firefighting equipment" means a motor vehicle used to travel to and from the scene of any emergency situation, or to transport equipment used in the control of any emergency situation, and which is owned, leased, or rented by, or under the exclusive control of, a federal or state agency, a regularly organized fire department of a city, county, city and county, or district, or a volunteer fire department having official recognition of the city, county, city and county, or district in which the department is located.

(h) For purposes of the penalties and sanctions prescribed by Article 7 (commencing with Section 15300), the operation of firefighting equipment under a license issued pursuant to subdivision (b) is deemed to be the operation of a commercial motor vehicle.

SEC. 15. Section 15250.7 of the Vehicle Code is amended to read:

15250.7. Upon application for issuance of a duplicate driver's license under subdivision (b) of Section 15250.6, there shall be paid to the department a fee of twenty-seven dollars (\$27), and on and after January 1, 2010, a fee of twenty-nine dollars (\$29).

SEC. 16. Section 15255.1 of the Vehicle Code is amended to read:

15255.1. (a) Except as otherwise specified in subdivisions (b) and (c), upon an application for an original commercial driver's license, a fee of sixty-four dollars (\$64), and on and after January 1, 2010, a fee of sixty-six dollars (\$66), shall be paid to the department for a license that will expire on the fifth birthday of the applicant following the date of the application. A fee of

sixty-four dollars (\$64), and on and after January 1, 2010, a fee of sixty-six dollars (\$66), shall also be paid to the department upon an application to change a license classification or to remove a restriction if the change or removal requires a driving-skill test and the license will expire on the fifth birthday of the applicant following the date of the application.

(b) Upon application for an original commercial driver's license or for the renewal of commercial driver's license by a currently licensed class A or class B, or class A or class B, driver who meets the driver record requirements and all other requirements established by Section 383.77 of Title 49 of the Code of Federal Regulations, a fee of thirty-four dollars (\$34), and on and after January 1, 2010, a fee of thirty-nine dollars (\$39), shall be paid to the department for a license that will expire on the fifth birthday of the applicant following the date of the application.

(c) Upon application for an original class C commercial driver's license or for the renewal of a class C commercial driver's license which requires an endorsement as provided in Section 15278, a fee of thirty-four dollars (\$34), and on and after January 1, 2010, a fee of thirty-nine dollars (\$39), shall be paid to the department for a license that will expire on the fifth birthday of the applicant following the date of the application.

(d) Following failure in taking a driving-skill test, a fee of thirty dollars (\$30) shall be paid to the department for each subsequent administration of the driving-skill test required by the application.

SEC. 17. Section 15255.2 of the Vehicle Code is amended to read:

15255.2. Upon application for a duplicate commercial driver's license by a currently licensed class A or class B driver, or a class C commercial driver's license which requires an endorsement as provided in Section 15278, from an applicant who meets the driver record requirements and all other requirements established by Section 383.77 of Title 49 of the Code of Federal Regulations, a fee of twenty-seven dollars (\$27), on and after January 1, 2010, a fee of twenty-nine dollars (\$29), shall be paid to the department.

SEC. 18. This act addresses the fiscal emergency declared by the Governor by proclamation on July 1, 2009, pursuant to subdivision (f) of Section 10 of Article IV of the California Constitution.

SEC. 19. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make statutory changes to provisions governing transportation funds and programs that are necessary to address the state's fiscal emergency, it is necessary that this act take effect immediately.



















Approved \_\_\_\_\_, 2009

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*Governor*