

AMENDED IN ASSEMBLY APRIL 8, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2703**

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**Introduced by Assembly Member John A. Perez**

February 19, 2010

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~~An act relating to transportation.~~ *An act to add Section 8879.79 to the Government Code, relating to transportation.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2703, as amended, John A. Perez. ~~Transportation funding.~~ *Federal transportation economic stimulus funds: 2nd round.*

*Existing law establishes special procedures and formulas for allocation and expenditure of federal transportation economic stimulus funds awarded to the state in 2009. Under these provisions, the Department of Transportation, with the approval of the Department of Finance, may make a loan or loans from a specified portion of those federal funds for the purpose of advancing projects meeting certain criteria that otherwise would be funded from the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, a general obligation bond measure approved by the voters in November 2006 as Proposition 1B.*

*This bill would provide similar authority to advance those projects with loans of federal funds awarded to the state in 2010 under the 2nd round of federal transportation economic stimulus funds. In order to be eligible for an advance, a project would need to have been programmed for Proposition 1B bond funds by an unspecified date and be ready to be awarded within 90 days of federal apportionment. Upon repayment of the loans, these funds would be available for appropriation*

by the Legislature for the State Highway Operation and Protection Program.

~~Existing law generally provides for programming and allocation of state and federal transportation capital improvement program funds pursuant to the state transportation improvement program process administered by the California Transportation Commission. Under these provisions, 25% of available funds are available for interregional improvement projects nominated by the Department of Transportation, subject to a requirement that 60% of these funds be available for projects in nonurbanized areas on the interregional road system and for intercity rail projects. The remaining 75% of available funds are available for regional improvement projects nominated by regional agencies. All funds programmed through the state transportation improvement program process are subject to the north-south split, and the regional improvement funds are further subject to the county shares formula.~~

~~Existing law establishes special procedures and formulas for allocation and expenditure of federal transportation economic stimulus funds received by the state in 2009.~~

~~This bill would state the intent of the Legislature to enact legislation to ensure that federal transportation funds received in 2010 are expeditiously awarded to maximize job retention in California and to ensure robust oversight of those funds.~~

~~Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes. State-mandated local program: no.~~

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

1     SECTION 1. Section 8879.79 is added to the Government Code,  
 2     to read:  
 3     8879.79. (a) The department, with the approval of the Director  
 4     of Finance, may make a loan or loans from the State Highway  
 5     Account of federal funds made available to it pursuant to the  
 6     second round of federal transportation economic stimulus funds  
 7     awarded to the state in 2010, for purposes of advancing a project,  
 8     or a portion of a project, that has been programmed, on or before  
 9     \_\_\_\_, 2010, to be funded by Chapter 12.49 (commencing with  
 10    Section 8879.20) and that is ready to be awarded within 90 days  
 11    of federal apportionment. The board, as defined in subdivision (a)  
 12    of Section 8879.22, may request the department to make a loan or  
 13    loans. The aggregate amount of the request shall not exceed the

1 amount of the unsold bonds that the committee, as defined in  
2 subdivision (b) of Section 8879.22, has, by resolution, authorized  
3 to be sold, less any amount loaned pursuant to Section 8879.31  
4 or 8879.77 or withdrawn pursuant to Section 8879.32. Any amount  
5 loaned shall be deposited in the fund, as defined by subdivision  
6 (c) of Section 8879.22, and shall be transferred to the appropriate  
7 account for the project, or portion of a project, being advanced.  
8 The loan or loans shall be repaid without interest to the State  
9 Highway Account from the proceeds of bonds sold pursuant to  
10 Chapter 12.49 (commencing with Section 8879.20). The board  
11 shall execute any documents as required by the department to  
12 obtain and repay the loan or loans.

13 (b) Upon repayment of a loan made pursuant to subdivision  
14 (a), those funds shall be available for appropriation by the  
15 Legislature for the State Highway Operation and Protection  
16 Program.

17 ~~SECTION 1. It is the intent of the Legislature to enact~~  
18 ~~legislation to ensure that federal transportation funds received in~~  
19 ~~2010 are expeditiously awarded to maximize job retention in~~  
20 ~~California and to ensure robust oversight of those funds.~~