

AMENDED IN SENATE JULY 12, 2011

AMENDED IN SENATE JUNE 28, 2011

AMENDED IN ASSEMBLY APRIL 7, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1164**

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**Introduced by Assembly Member Gordon**

February 18, 2011

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An act to add *and repeal* Article 13 (commencing with Section 8879.79) to Chapter 12.491 of Division 1 of Title 12 of the Government Code, relating to transportation, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1164, as amended, Gordon. Federal transportation funds.

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.

Existing law provides for allocation of certain other transportation capital improvement funds outside the state transportation improvement program process, including federal regional surface transportation improvement program funds, state bond funds, funds set aside for state highway rehabilitation under the state highway operation and protection program, and funds from various other sources.

Existing law authorizes the Department of Transportation, with the approval of the Director of Finance, to make loans from the State Highway Account of certain federal transportation economic stimulus funds to advance bond-funded projects pursuant to the Highway Safety,

Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, as specified.

This bill would enact similar provisions authorizing the department, *until September 30, 2015*, to make loans from the State Highway Account of other specified federal transportation funds to advance bond-funded projects pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 that meet certain requirements. The bill would appropriate those federal transportation funds in the State Highway Account for these purposes and would require those funds to be obligated to advance the bond-funded projects, as specified. The bill would require the loans to be repaid to the State Highway Account *within 3 years* from the proceeds of bonds sold pursuant to the bond act and would provide for the appropriation of those repaid funds to the department for use on projects in the state highway operation and protection program or the local assistance program, as specified. The bill would require the department to report to the Joint Legislative Budget Committee each year that federal transportation funds are loaned pursuant to these provisions.

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

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

1 SECTION 1. Article 13 (commencing with Section 8879.79)  
2 is added to Chapter 12.491 of Division 1 of Title 12 of the  
3 Government Code, to read:

4  
5 Article 13. Federal Transportation Funds

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7 8879.79. (a) Notwithstanding any other provision of law, the  
8 department, with the approval of the Director of Finance *and the*  
9 *California Transportation Commission*, may make a loan or loans  
10 from the State Highway Account of federal funds made available  
11 to it pursuant to Title 23 of the United States Code for purposes  
12 of advancing a project, or a portion of a project, that has been  
13 programmed, to be funded by Chapter 12.49 (commencing with  
14 Section 8879.20). *The department may make a loan of federal*  
15 *funds under this section only if it has determined that the loan of*  
16 *those funds will not impact the department's ability to fund*  
17 *programmed projects delivered under the State Highway*

1 *Operations and Protection Program or the State Transportation*  
2 *Improvement Program.* The board, as defined in subdivision (a)  
3 of Section 8879.22, may request the department to make a loan or  
4 loans. The aggregate amount of the request shall not exceed the  
5 amount of the unsold bonds that the committee, as defined in  
6 subdivision (b) of Section 8879.22, has, by resolution, authorized  
7 to be sold, less any amount loaned pursuant to Section 8879.31 or  
8 withdrawn pursuant to Section 8879.32. Federal funds loaned  
9 under this section are hereby appropriated for that purpose, and  
10 shall be obligated directly to the project or projects funded under  
11 this section. That obligation shall be considered a loan of federal  
12 funds as authorized by this section. The loan or loans shall be  
13 repaid without interest to the State Highway Account from the  
14 proceeds of bonds sold pursuant to Chapter 12.49 (commencing  
15 with Section 8879.20) *within three years of the date of the original*  
16 *loan.* The board shall execute any documents as required by the  
17 department to obtain and repay the loan or loans.

18 (b) (1) Except as specified in paragraph (2), upon repayment  
19 of a loan made pursuant to subdivision (a), those funds are hereby  
20 appropriated to the department for use on projects in the state  
21 highway operation and protection program.

22 (2) If a loan of funds pursuant to subdivision (a) is made from  
23 local subvention funds, the funds received for repayment of the  
24 loan are hereby appropriated to the department for use in the local  
25 assistance program consistent with the manner in which the loaned  
26 federal funds would have otherwise been used.

27 (c) Federal funds loaned under this section shall be limited by  
28 the department as necessary to ensure that priority, to the extent  
29 allowable under federal law, is given to the use of federal funds  
30 for projects that repair or rehabilitate the existing transportation  
31 system and for state transportation improvement program projects.

32 (d) Within 45 days after the end of each fiscal year in which the  
33 loan authority under subdivision (a) has been exercised, the  
34 department shall report to the Joint Legislative Budget Committee  
35 on the loans made and the methodology used for selecting the  
36 projects funded.

37 (e) *The loan authority provided by this section shall be available*  
38 *only until September 30, 2015.*

39 (f) *This article shall become inoperative when all loans are*  
40 *repaid pursuant to subdivision (a), and shall be repealed on*

- 1 *January 1, 2019, unless a later enacted statute that is enacted*
- 2 *before January 1, 2019, deletes or extends the dates on which it*
- 3 *becomes inoperative or is repealed.*

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