

Senate Bill No. 95

CHAPTER 1

An act to amend Sections 16310 and 16429 of, and to add Section 16312.1 to, the Government Code, to amend Sections 7104.2 and 8351 of the Revenue and Taxation Code, and to amend Sections 181, 182, 2100, 2101, 2103, 2104, 2104.1, 2105, 2106, 2107, 2107.5, 2107.6, 2108, 2110, and 2110.5 of the Streets and Highways Code, relating to state cash resources, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor February 3, 2012. Filed with
Secretary of State February 3, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

SB 95, Committee on Budget and Fiscal Review. State cash resources.

(1) Existing law establishes the Condemnation Deposits Fund in the State Treasury, consisting of all money deposited in the State Treasury pursuant to the Eminent Domain Law, including interest derived from its investment. Existing law requires the Treasurer to receive all money intended for the fund and to duly receipt for, and safe keep all money in the fund.

This bill would instead require the Treasurer to receive and duly account for all money in the fund, and would authorize the Controller to use any money in the fund for cashflow loans to the General Fund, as specified.

(2) Existing law requires the Controller to notify the Governor and the Pooled Money Investment Board when the General Fund in the Treasury is, or will be, exhausted, and authorizes the Governor to transfer all or part of the moneys not needed in other funds or accounts to the General Fund, as determined by the Pooled Money Investment Board. Existing law provides that all moneys in the State Treasury may be loaned for these purposes except, among others, money that the Controller is prohibited from transferring pursuant to the Constitution, bond indenture, or statutory or case law.

This bill would instead authorize all moneys in the State Treasury to be loaned for these purposes except, among others, money that the Controller is prohibited from transferring pursuant to the Constitution, bond indenture, or case law. The bill would also make a technical, nonsubstantive change to these provisions.

(3) Existing law creates the Highway Users Tax Account, in which are deposited motor vehicle fuel tax and diesel fuel tax revenues available for allocation to transportation purposes. Existing law creates the Transportation Investment Fund, in which are deposited a portion of gasoline sales tax revenues to the extent a gasoline sales tax is imposed.

This bill would authorize the Controller to use the funds in the Highway Users Tax Account and the Transportation Investment Fund for cashflow loans to the General Fund, as specified. The bill would also authorize similar cashflow loans to the General Fund from the Motor Vehicle Fuel Account, the Transportation Revolving Account, and the State Highway Account.

(4) Existing law authorizes the Pooled Money Investment Board to make loans from the Pooled Money Investment Account to fund projects financed by general obligation bond acts or other indebtedness until the bonds are issued and sold, at which time existing law requires the loans to be repaid, as specified.

This bill would authorize the Director of Finance to designate up to 15% of the cash balances of the Highway Users Tax Account, the Transportation Investment Fund, the Motor Vehicle Fuel Account, the Transportation Revolving Account, and the State Highway Account to be available to provide contingency interim financing for critical state highway and local road projects that would otherwise be financed by general obligation bonds. The bill would authorize state agencies to request these funds and would require the loans to be recommended by the Department of Finance. The loan program would be administered by the Pooled Money Investment Board, with loans to be repaid consistent with existing law.

(5) Existing law appropriates moneys in the Highway Users Tax Account for specified transportation purposes and provides for apportionment by the Controller of certain moneys to cities and counties. The remaining moneys in the account, after various other transfers, are transferred to the State Highway Account and are subject to appropriation for state transportation purposes. Existing law generally provides that moneys in a continuously appropriated fund may not be encumbered unless the Legislature, by statute, specifies that the moneys in the fund are appropriated for encumbrance.

This bill, with respect to moneys that are appropriated from the Highway Users Tax Account and moneys to be apportioned or transferred from that account, would exempt that appropriation and those apportionments from the prohibition against encumbrance without statutory authorization described above, thereby allowing those moneys to be encumbered in the absence of statutory authorization.

(6) This bill would appropriate \$1,000 from the General Fund to the Controller for administrative costs associated with this bill.

(7) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Appropriation: yes.

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

SECTION 1. The Legislature finds and declares that the amendments made by this act further the purposes of the Local Taxpayer, Public Safety, and Transportation Protection Act of 2010, approved by the voters as

Proposition 22 at the November 2, 2010, statewide general election, and are consistent with the purposes of that act.

SEC. 2. Section 16310 of the Government Code is amended to read:

16310. (a) When the General Fund in the Treasury is or will be exhausted, the Controller shall notify the Governor and the Pooled Money Investment Board. The Governor may order the Controller to direct the transfer of all or any part of the moneys not needed in other funds or accounts to the General Fund from those funds or accounts, as determined by the Pooled Money Investment Board, including the Surplus Money Investment Fund or the Pooled Money Investment Account. All moneys so transferred shall be returned to the funds or accounts from which they were transferred as soon as there are sufficient moneys in the General Fund to return them. No interest shall be charged or paid on any transfer authorized by this section, exclusive of the Pooled Money Investment Account, except as provided in this section. This section does not authorize any transfer that will interfere with the object for which a special fund was created or any transfer from the Central Valley Water Project Construction Fund, the Central Valley Water Project Revenue Fund, or the California Water Resources Development Bond Fund.

(b) (1) Interest shall be paid on all moneys transferred to the General Fund from the following funds:

(A) The Department of Food and Agriculture Fund.

(B) The DNA Identification Fund.

(C) The Mental Health Services Fund.

(D) All funds created pursuant to the California Children and Families Act of 1998, enacted by Proposition 10 at the November 3, 1998, statewide general election.

(E) Any funds retained by or in the possession of the California Exposition and State Fair pursuant to this section.

(2) With respect to all other funds, and unless otherwise specified, if the total moneys transferred to the General Fund in any fiscal year from any special fund pursuant to this section exceed an amount equal to 10 percent of the total additions to surplus available for appropriation as shown in the statement of operations of a prior fiscal year as set forth in the most recent published annual report of the Controller, interest shall be paid on the excess. Interest payable under this section shall be computed at a rate determined by the Pooled Money Investment Board to be the current earning rate of the fund from which transferred.

(c) Notwithstanding any other provision of law, except as described in subdivision (d), all moneys in the State Treasury may be loaned for the purposes described in subdivision (a).

(d) Subdivision (c) shall not apply to any of the following:

(1) The Local Agency Investment Fund.

(2) Funds classified in the State of California Uniform Codes Manual as bond funds or retirement funds.

(3) All or part of the moneys not needed in other funds or accounts for purposes of subdivision (a) where the Controller is prohibited by the

California Constitution, bond indenture, or case law from transferring all or any part of those moneys.

SEC. 3. Section 16312.1 is added to the Government Code, to read:

16312.1. (a) (1) It is in the best interest of the state to ensure that there are adequate resources to fund critical state highway and local road projects in a timely manner. The Director of Finance may designate up to 15 percent of projected cash balances, as determined by the Department of Finance, in funds and accounts specified in paragraph (2), to provide a contingency interim financing amount for critical highway and road projects in the event there are insufficient general obligation bond proceeds that otherwise would fund those projects, or in the event there is inadequate access to the commercial paper market to ensure timely progress of those projects.

(2) The eligible funds and accounts for purposes of paragraph (1) are the Transportation Investment Fund, the Motor Vehicle Fuel Account, the Transportation Revolving Account, the State Highway Account, and the Highway Users Tax Account.

(b) Upon a designation by the Director of Finance pursuant to subdivision (a), the Pooled Money Investment Board may provide funds to state agencies requesting loans for critical state highway and local road projects, as recommended by the Department of Finance.

(c) Any amount designated by the Director of Finance pursuant to subdivision (a) may be provided as an alternative funding mechanism to any other provision of law permitting loans to state agencies from the Pooled Money Investment Account for the same purpose.

(d) State agencies requesting a loan pursuant to this section shall follow the process as prescribed by the Pooled Money Investment Board, which shall be consistent with the process for loans under Section 16312.

SEC. 4. Section 16429 of the Government Code is amended to read:

16429. (a) The Condemnation Deposits Fund in the State Treasury is continued in existence. The fund consists of all money deposited in the State Treasury pursuant to Title 7 (commencing with Section 1230.010) of Part 3 of the Code of Civil Procedure and all interest earned or other increment derived from its investment. The Treasurer shall receive and duly account for all such moneys. Notwithstanding any other law, the Controller may use the funds in the Condemnation Deposits Fund for cashflow loans to the General Fund as provided in Sections 16310 and 16381.

(b) Money in the Condemnation Deposits Fund shall be invested under the provisions of Article 4 (commencing with Section 16470) of Chapter 3.

(c) The Controller shall apportion at the conclusion of each calendar quarter, the interest earned or increment derived and deposited in the fund during the three calendar months ending with those dates. There shall be apportioned and paid to each plaintiff having a deposit in the fund during the three-month period for which an apportionment is made an amount directly proportionate to the total deposits in the fund and the length of time the deposits remained therein, except that no payment shall be made of any interest in the amount of five dollars (\$5) or less. These amounts shall be

transferred to the General Fund by the Controller. The Treasurer shall pay out the money deposited by a plaintiff in the manner and at the times the court or a judge thereof may, by order or decree, direct. Any residual amount after all required payments have been made shall be paid to the plaintiff if that amount is more than five dollars (\$5). If the amount is five dollars (\$5) or less, it shall be transferred to the General Fund by the Controller.

SEC. 5. Section 7104.2 of the Revenue and Taxation Code is amended to read:

7104.2. (a) The Transportation Investment Fund (hereafter the fund) in the State Treasury is hereby continued in existence. All revenues transferred to the fund pursuant to Article XIX B of the California Constitution beginning with the 2008–09 fiscal year shall be available for expenditure as provided in this section. Notwithstanding Section 13340 of the Government Code or any other provision of law, moneys in the fund are continuously appropriated without regard to fiscal years for disbursement in the manner and for the purposes set forth in this section.

(b) All of the following shall occur on a quarterly basis:

(1) The State Board of Equalization, in consultation with the Department of Finance, shall estimate the amount that is transferred to the General Fund under subdivision (b) of Section 7102 that is attributable to revenue collected for the sale, storage, use, or other consumption in this state of motor vehicle fuel, as defined in Section 7326.

(2) The State Board of Equalization shall inform the Controller, in writing, of the amount estimated under paragraph (1).

(3) Commencing with the 2008–09 fiscal year, the Controller shall transfer the amount estimated under paragraph (1) from the General Fund to the fund.

(c) For each quarter, commencing with the 2008–09 fiscal year, the Controller shall make all of the following transfers and apportionments from the fund:

(1) To the Public Transportation Account, a trust fund in the State Transportation Fund, 20 percent of the revenues deposited in the fund. Funds transferred under this paragraph shall be made available as follows:

(A) Twenty-five percent for purposes of Section 99315 of the Public Utilities Code, subject to appropriation by the Legislature.

(B) Thirty-seven and one-half percent to the Controller, for allocation pursuant to Section 99314 of the Public Utilities Code. Funds allocated under this subparagraph shall be subject to all of the provisions governing funds allocated under Section 99314 of the Public Utilities Code. These funds are continuously appropriated to the Controller for purposes of this subparagraph.

(C) Thirty-seven and one-half percent to the Controller, for allocation pursuant to Section 99313 of the Public Utilities Code. Funds allocated under this subparagraph shall be subject to all of the provisions governing funds allocated under Section 99313 of the Public Utilities Code. These funds are continuously appropriated to the Controller for purposes of this subparagraph.

(D) Notwithstanding subparagraphs (A), (B), and (C), for the 2009–10 to 2012–13 fiscal years, inclusive, all funds transferred under this paragraph shall be made available only for purposes of Section 99315 of the Public Utilities Code, subject to appropriation by the Legislature.

(2) To the Department of Transportation for expenditure for transportation capital improvement projects subject to all of the rules governing the State Transportation Improvement Program, 40 percent of the revenues deposited in the fund.

(3) To the Controller for apportionment pursuant to subparagraphs (A) and (B), 40 percent of the revenues deposited in the fund.

(A) Of the amount available under this paragraph, 50 percent shall be apportioned by the Controller to the counties, including a city and county, in accordance with the following formulas:

(i) Seventy-five percent of the funds payable under this subparagraph shall be apportioned among the counties in the proportion that the number of fee-paid and exempt vehicles that are registered in the county bears to the number of fee-paid and exempt vehicles registered in the state.

(ii) Twenty-five percent of the funds payable under this subparagraph shall be apportioned among the counties in the proportion that the number of miles of maintained county roads in each county bears to the total number of miles of maintained county roads in the state. For the purposes of apportioning funds under this subparagraph, any roads within the boundaries of a city and county that are not state highways shall be deemed to be county roads.

(B) Of the amount available under this paragraph, 50 percent shall be apportioned by the Controller to cities, including a city and county, in the proportion that the total population of the city bears to the total population of all the cities in the state.

(d) Funds received under subparagraph (A) or (B) of paragraph (3) of subdivision (c) shall be deposited as follows in order to avoid the commingling of those funds with other local funds:

(1) In the case of a city, into the city account that is designated for the receipt of state funds allocated for transportation purposes.

(2) In the case of a county, into the county road fund.

(3) In the case of a city and county, into a local account that is designated for the receipt of state funds allocated for transportation purposes.

(e) Funds allocated to a city, county, or city and county under subparagraph (A) or (B) of paragraph (3) of subdivision (c) shall be used only for street and highway maintenance, rehabilitation, reconstruction, and storm damage repair. For purposes of this section, the following terms have the following meanings:

(1) “Maintenance” means either or both of the following:

(A) Patching.

(B) Overlay and sealing.

(2) “Reconstruction” includes any overlay, sealing, or widening of the roadway, if the widening is necessary to bring the roadway width to the desirable minimum width consistent with the geometric design criteria of

the department for 3R (reconstruction, resurfacing, and rehabilitation) projects that are not on a freeway, but does not include widening for the purpose of increasing the traffic capacity of a street or highway.

(3) “Storm damage repair” is repair or reconstruction of local streets and highways and related drainage improvements that have been damaged due to winter storms and flooding, and construction of drainage improvements to mitigate future roadway flooding and damage problems, in those jurisdictions that have been declared disaster areas by the President of the United States, where the costs of those repairs are ineligible for emergency funding with Federal Emergency Relief (ER) funds or Federal Emergency Management Administration (FEMA) funds.

(f) (1) Cities and counties shall maintain their existing commitment of local funds for street and highway maintenance, rehabilitation, reconstruction, and storm damage repair in order to remain eligible for the allocation of funds pursuant to subparagraph (A) or (B) of paragraph (3) of subdivision (c).

(2) In order to receive any allocation pursuant to subparagraph (A) or (B) of paragraph (3) of subdivision (c), the city or county shall annually expend from its general fund for street, road, and highway purposes an amount not less than the annual average of its expenditures from its general fund during the 1996–97, 1997–98, and 1998–99 fiscal years, as reported to the Controller pursuant to Section 2151 of the Streets and Highways Code. For purposes of this paragraph, in calculating a city’s or county’s annual general fund expenditures and its average general fund expenditures for the 1996–97, 1997–98, and 1998–99 fiscal years, any unrestricted funds that the city or county may expend at its discretion, including vehicle in-lieu tax revenues and revenues from fines and forfeitures, expended for street and highway purposes shall be considered expenditures from the general fund. One-time allocations that have been expended for street and highway purposes, but which may not be available on an ongoing basis, including revenue provided under the Teeter Plan Bond Law of 1994 (Chapter 6.6 (commencing with Section 54773) of Part 1 of Division 2 of Title 5 of the Government Code), may not be considered when calculating a city’s or county’s annual general fund expenditures.

(3) For any city incorporated after July 1, 1996, the Controller shall calculate an annual average of expenditure for the period between July 1, 1996, and December 31, 2000, inclusive, that the city was incorporated.

(4) For purposes of paragraph (2), the Controller may request fiscal data from cities and counties in addition to data provided pursuant to Section 2151, for the 1996–97, 1997–98, and 1998–99 fiscal years. Each city and county shall furnish the data to the Controller not later than 120 days after receiving the request. The Controller may withhold payment to cities and counties that do not comply with the request for information or that provide incomplete data.

(5) The Controller may perform audits to ensure compliance with paragraph (2) when deemed necessary. Any city or county that has not complied with paragraph (2) shall reimburse the state for the funds it received

during that fiscal year. Any funds withheld or returned as a result of a failure to comply with paragraph (2) shall be reallocated to the other counties and cities whose expenditures are in compliance.

(6) If a city or county fails to comply with the requirements of paragraph (2) in a particular fiscal year, the city or county may expend during that fiscal year and the following fiscal year a total amount that is not less than the total amount required to be expended for those fiscal years for purposes of complying with paragraph (2).

(7) The allocation made under subparagraph (A) or (B) of paragraph (3) of subdivision (c) shall be expended not later than the end of the fiscal year following the fiscal year in which the allocation was made, and any funds not expended within that period shall be returned to the Controller and shall be reallocated to the other cities and counties pursuant to the allocation formulas set forth in subparagraph (A) or (B) of paragraph (3) of subdivision (c).

(g) For the purpose of allocating funds under subparagraph (A) or (B) of paragraph (3) of subdivision (c) to counties, cities, and a city and county, the Controller shall use the most recent population estimates prepared by the Demographic Research Unit of the Department of Finance. For a city that incorporated after January 1, 2008, that does not appear on the most recent population estimates prepared by the Demographic Research Unit, the Controller shall use the population determined for that city under Section 11005.3.

(h) (1) Notwithstanding any other law, the quarterly apportionments scheduled to be made in October 2009 and January 2010 pursuant to paragraph (3) of subdivision (c) shall be suspended and deferred until May 31, 2010.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a city or county may make use of any cash balance in its city or county road fund, including that resulting from the receipt of funds pursuant to 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 of the Government Code (hereafter bond act)) for local street and road maintenance, during the period of this suspension, without the use of this cash being reflected as an expenditure of bond act funds, provided the cash is replaced once this suspension is repaid. Nothing in this paragraph shall change the fact that expenditures must be accrued and reflected from the appropriate funding sources for which the moneys were received and meet all requirements of those funding sources.

(i) Notwithstanding any other provision of law, the Controller may use the funds in the Transportation Investment Fund for cashflow loans to the General Fund as provided in Sections 16310 and 16381 of the Government Code. Any such loan shall be exempt from paragraph (2) of subdivision (b) of Section 16310 of the Government Code. Interest shall be paid on all moneys loaned to the General Fund and shall be computed at a rate determined by the Pooled Money Investment Board to be the current earning

rate of the fund from which the money is loaned. This subdivision does not authorize any transfer that would interfere with the carrying out of the object for which these funds were created.

SEC. 6. Section 8351 of the Revenue and Taxation Code is amended to read:

8351. The Controller shall transmit all money received by him or her in payment of taxes, interest, and penalties due under this part, and restitution orders or any other amounts otherwise authorized by law to be collected by the Controller, or any other amounts imposed by a court of competent jurisdiction to be paid to the Controller, to the State Treasurer who shall deposit it in the State Treasury and credit it to the Motor Vehicle Fuel Fund, which is continued in existence as the Motor Vehicle Fuel Account in the Transportation Tax Fund, which fund is hereby created. All fees paid and accepted for issuance or reinstatement of licenses under this part shall be deposited by the board in the State Treasury to the credit of the same account.

Any reference in any law or regulation to the Motor Vehicle Fuel Fund shall be deemed to refer to the Motor Vehicle Fuel Account in the Transportation Tax Fund.

Notwithstanding any other provision of law, the Controller may use the funds in the Motor Vehicle Fuel Account in the Transportation Tax Fund for cashflow loans to the General Fund as provided in Sections 16310 and 16381 of the Government Code. Any such loan shall be exempt from paragraph (2) of subdivision (b) of Section 16310 of the Government Code. Interest shall be paid on all moneys loaned to the General Fund and shall be computed at a rate determined by the Pooled Money Investment Board to be the current earning rate of the fund from which the money is loaned. This subdivision does not authorize any transfer that would interfere with the carrying out of the object for which these funds were created.

SEC. 7. Section 181 of the Streets and Highways Code is amended to read:

181. (a) The Transportation Revolving Account in the State Transportation Fund is hereby created. With the approval of the Department of Finance, there shall be transferred to, or deposited in, the account all money appropriated, contributed, or made available from any source, including sources other than state appropriations, for expenditure on work within the powers and duties of the Department of Transportation, including, but not limited to, services, surveys, reports, major and minor construction, maintenance, improvements, and equipment as authorized by the state agency for which such an appropriation is made or, as to funds from sources other than state appropriations, as may be authorized by written agreement between the contributor of such funds and the Department of Transportation when approved by the Department of Finance.

(b) Money so transferred or deposited is continuously appropriated for expenditure by the Department of Transportation for the purposes for which appropriated, contributed, or made available without regard to fiscal years and Section 16304 of the Government Code. The Department of Transportation may withdraw from the account for use in work for other

public agencies, local, state, or federal, such sums as may be necessary for such work where the money to be paid by such other agencies is not deposited in the account in advance of the work being done.

(c) The Department of Transportation shall file against the account all claims covering expenditures incurred, including expenditures incurred prior to the effective date of the act enacting this section, in connection with services, surveys, reports, major and minor construction, maintenance, improvements, and equipment, and the State Controller shall draw his warrant therefor against the account.

(d) The Department of Transportation shall keep a record of all expenditures chargeable against each specific portion of the account, and any unused balance in any portion of the account shall, on approval by the Department of Finance, be withdrawn from the account and transferred to the credit of the appropriation from which it was transferred or, as to funds from other than state appropriations, be paid out or refunded as provided in the agreement relating to the contribution.

(e) The Director of Transportation may authorize the refund of money received or collected by the department in payment of fees, licenses, permits, tolls, or for rentals, property, or services, wherein the license, permit, rental, property, or service cannot lawfully be issued, furnished, or transferred to the person making the payment, or in cases where the payment, in whole or in part, represents overpayment or payment in duplicate.

(f) The provisions of this section shall only be operative during those fiscal years in which funds in the State Highway Account in the State Transportation Fund are appropriated by the Budget Act for such fiscal years.

(g) Notwithstanding any other provision of law, the Controller may use the funds in the Transportation Revolving Account in the State Transportation Fund for cashflow loans to the General Fund as provided in Sections 16310 and 16381 of the Government Code. Any such loan shall be exempt from paragraph (2) of subdivision (b) of Section 16310 of the Government Code. Interest shall be paid on all moneys loaned to the General Fund and shall be computed at a rate determined by the Pooled Money Investment Board to be the current earning rate of the fund from which the money is loaned. This subdivision does not authorize any transfer that would interfere with the carrying out of the object for which these funds were created.

SEC. 8. Section 182 of the Streets and Highways Code is amended to read:

182. The "State Highway Fund" is continued in existence as the State Highway Account in the State Transportation Fund. Any reference in any law or regulation to the State Highway Fund shall be deemed to refer to the State Highway Account in the State Transportation Fund.

There shall be transferred to, or deposited in, the State Highway Account all money appropriated, contributed, or made available from any source, including sources other than state appropriations, for expenditure on work within the powers and duties of the department, including, but not limited

to, services, investigations, surveys, experiments, reports, right-of-way acquisitions, major and minor construction, maintenance, improvements, and equipment, as authorized by the state agency for which such an appropriation is made, or as to funds from sources other than state appropriations, as may be authorized by written agreement between the contributor of such funds and the department.

Money so transferred or deposited is available for expenditure by the department for the purposes for which appropriated, contributed, or made available without regard to fiscal years and Section 16304 of the Government Code. The department may withdraw from the account for use in work for other public agencies, local, state, or federal, such sums as may be necessary for such work where the money to be paid by such other agencies is not deposited in the account in advance of the work being done.

Notwithstanding any other provision of law, the Controller may use the funds in the State Highway Account in the State Transportation Fund for cashflow loans to the General Fund as provided in Sections 16310 and 16381 of the Government Code. Any such loan shall be exempt from paragraph (2) of subdivision (b) of Section 16310 of the Government Code. Interest shall be paid on all moneys loaned to the General Fund and shall be computed at a rate determined by the Pooled Money Investment Board to be the current earning rate of the fund from which the money is loaned. This subdivision does not authorize any transfer that would interfere with the carrying out of the object for which these funds were created.

SEC. 9. Section 2100 of the Streets and Highways Code is amended to read:

2100. The Highway Users Tax Fund is continued in existence as the Highway Users Tax Account in the Transportation Tax Fund.

Any reference in any law or regulation to the Highway Users Tax Fund shall be deemed to refer to the Highway Users Tax Account in the Transportation Tax Fund.

Notwithstanding any other provision of law, the Controller may use the funds in the Highway Users Tax Account in the Transportation Tax Fund for cashflow loans to the General Fund as provided in Sections 16310 and 16381 of the Government Code. Any such loan shall be exempt from paragraph (2) of subdivision (b) of Section 16310 of the Government Code. Interest shall be paid on all moneys loaned to the General Fund and shall be computed at a rate determined by the Pooled Money Investment Board to be the current earning rate of the fund from which the money is loaned. This subdivision does not authorize any transfer that would interfere with the carrying out of the object for which these funds were created.

SEC. 10. Section 2101 of the Streets and Highways Code is amended to read:

2101. Notwithstanding Section 13340 of the Government Code, all moneys in the Highway Users Tax Account in the Transportation Tax Fund and hereafter received in the account are appropriated for all of the following:

(a) The research, planning, construction, improvement, maintenance, and operation of public streets and highways (and their related public

facilities for nonmotorized traffic), including the mitigation of their environmental effects, the payment for property taken or damaged for such purposes, and the administrative costs necessarily incurred in the foregoing purposes.

(b) The research and planning for exclusive public mass transit guideways (and their related fixed facilities), the payment for property taken or damaged for such purposes, and the administrative costs necessarily incurred in the foregoing purposes.

(c) The construction and improvement of exclusive public mass transit guideways (and their related fixed facilities), including the mitigation of their environmental effects, the payment for property taken or damaged for such purposes, the administrative costs necessarily incurred in the foregoing purposes, and the maintenance of the structures and the immediate right-of-way for the public mass transit guideways, but excluding the maintenance and operating costs for mass transit power systems and mass transit passenger facilities, vehicles, equipment, and services, in any area where the voters thereof have approved a proposition pursuant to Section 4 of Article XIX of the California Constitution.

(d) The payment of principal and interest on voter-approved bonds issued for the purposes specified in subdivision (c).

SEC. 11. Section 2103 of the Streets and Highways Code is amended to read:

2103. (a) Notwithstanding Section 13340 of the Government Code, of the net revenues deposited to the credit of the Highway Users Tax Account that are derived from the increases in the rates of taxes that are imposed pursuant to subdivision (b) of Section 7360 and Section 7361.1 of the Revenue and Taxation Code, all of the following shall occur on a monthly basis:

(1) (A) By the 15th day of every month, the Treasurer's office, in consultation with the Department of Finance, shall notify the Controller of the amount of debt service that will be paid on each transportation bond during that month.

(B) Within two business days following the 28th day of each month, the Controller shall transfer to the Transportation Debt Service Fund an amount equal to the amount of monthly debt service paid by the General Fund on any bonds issued pursuant to the Seismic Retrofit Bond Act of 1996 (Chapter 12.48 (commencing with Section 8879) of Division 1 of Title 2 of the Government Code) or any other highway bonds, and three-quarters of the amount of monthly debt service paid on any bonds issued pursuant to 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) for reimbursement of the General Fund for these costs. If revenues available pursuant to this subdivision in any given month are insufficient to fully reimburse the General Fund for the debt service payments made, the first revenues available pursuant to this subdivision in the following month or months shall be transferred to the Transportation Debt Service Fund so that all debt service payments made on these bonds from

the General Fund in a given fiscal year are fully reimbursed. However, no further transfers shall be made pursuant to this subparagraph once the transfers for the months of July to October, inclusive, in 2010 have been made. Any transfers made from the net revenues identified in this paragraph for highway bond debt service for months after October 2010 shall be reversed and shall instead be made from weight fee revenues in the State Highway Account, as described in subparagraph (D).

(C) Beginning November 2, 2010, the Controller shall transfer to the State Highway Account within two business days following the 28th day of each month all of the monthly net revenues identified in subparagraph (B) that were designated for highway bond debt service reimbursement but that have not been transferred, or that were transferred by means of a transfer that was reversed, pursuant to that subparagraph. However, beginning July 1, 2011, transfers made under this subparagraph during a fiscal year shall not exceed the annual revenue generated from vehicle weight fees, as determined by Sections 9400.4 and 42205 of the Vehicle Code, at the rates in effect as of March 24, 2011, as determined by the Director of Finance. To the extent the Controller has distributed any of those net revenues to cities and counties pursuant to subparagraph (C) of paragraph (3) between November 2, 2010, and the effective date of this subparagraph, the Controller shall subsequently reduce the amount transferred to cities and counties on a monthly basis pursuant to subparagraph (C) of paragraph (3) and shall instead transfer these funds to the State Highway Account until all of the revenues that would otherwise have been transferred to the State Highway Account on and after November 2, 2010, pursuant to this subparagraph have been so transferred.

(D) Any remaining amount of the highway bond debt service reimbursement authorized by this paragraph that has not been made pursuant to subparagraph (B) on and after November 2, 2010, shall instead be made pursuant to subdivisions (a) and (b) of Section 9400.4 of the Vehicle Code from revenues in the State Highway Account derived from weight fees deposited in the account pursuant to subdivision (e) of Section 9400.1 and Section 42205 of the Vehicle Code.

(2) (A) In the 2010–11 fiscal year, after the monthly transfer made pursuant to paragraph (1), the sum of fifty-four million one hundred sixty-seven thousand dollars (\$54,167,000) per month shall be held in the account for future appropriation by the Legislature.

(B) Notwithstanding any other provision of law, with respect to the monthly net revenues described in subparagraph (A), no further transfers of these revenues for the purpose of loans to the General Fund shall be made pursuant to Item 2660-011-0062 of Section 2.00 of the Budget Act of 2010 once the loan transfers for the months of July to October, inclusive, in 2010 have been made. Notwithstanding the loan repayment date specified in the provisional language for that item, the funds loaned shall be repaid by June 30, 2021. Any transfers made from the monthly net revenues in subparagraph (A) for months after October 2010 shall be reversed and shall instead be made from weight fee revenues in the State Highway Account, as described

in subparagraph (D). The revenues from loan repayments shall be held in the Highway Users Tax Account for future appropriation by the Legislature.

(C) Beginning November 2, 2010, all of the monthly net revenues described in subparagraph (A) shall instead be transferred by the Controller to the State Highway Account within two business days following the 28th day of each month. To the extent that the Controller has distributed any of the revenues identified in this paragraph to cities and counties pursuant to subparagraph (C) of paragraph (3) between October 14, 2010, and the effective date of this subparagraph, the Controller shall subsequently reduce the amount transferred to cities and counties on a monthly basis pursuant to subparagraph (C) of paragraph (3) and shall instead transfer these funds to the State Highway Account until all of the revenues that would have been transferred to the General Fund as a loan pursuant to Item 2660-011-0062 of Section 2.00 of the Budget Act of 2010 on and after November 2, 2010, have instead been transferred to the State Highway Account.

(D) Any remaining amount of the loans to the General Fund authorized pursuant to Item 2660-011-0062 of Section 2.00 of the Budget Act of 2010 that has not been made pursuant to subparagraph (B) on and after November 2, 2010, shall instead be made pursuant to subdivisions (a) and (b) of Section 9400.4 of the Vehicle Code from revenues in the State Highway Account derived from weight fees deposited in the account pursuant to subdivision (e) of Section 9400.1 and Section 42205 of the Vehicle Code.

(3) The Controller shall transfer any remaining net revenues subject to this subdivision as follows:

(A) Forty-four percent shall be transferred to the State Highway Account to fund projects in the State Transportation Improvement Program that are consistent with Section 1 of Article XIX of the California Constitution, except in the 2010–11 fiscal year, 50 percent shall be transferred for purposes of this subparagraph.

(B) Twelve percent shall be transferred to the State Highway Account to fund projects in the State Highway Operation and Protection Program, except in the 2010–11 fiscal year, no revenues shall be transferred for purposes of this subparagraph.

(C) Forty-four percent shall be apportioned by the Controller for local street and road purposes, except in the 2010–11 fiscal year, 50 percent shall be transferred for purposes of this subparagraph as follows:

(i) Fifty percent shall be apportioned by the Controller to cities, including a city and county, in the proportion that the total population of the city bears to the total population of all the cities in the state.

(ii) Fifty percent shall be apportioned by the Controller to counties, including a city and county, in accordance with the following formulas:

(I) Seventy-five percent shall be apportioned among the counties in the proportion that the number of fee-paid and exempt vehicles that are registered in the county bear to the number of fee-paid and exempt vehicles registered in the state.

(II) Twenty-five percent shall be apportioned among the counties in the proportion that the number of miles of maintained county roads in each

county bear to the total number of miles of maintained county roads in the state. For the purposes of apportioning funds under this subparagraph, any roads within the boundaries of a city and county that are not state highways shall be deemed to be county roads.

(b) After the transfers or other actions pursuant to subdivision (a), at least 90 percent of the balance deposited to the credit of the Highway Users Tax Account in the Transportation Tax Fund by the 28th day of each month shall be apportioned or transferred, as applicable, by the Controller by the second working day thereafter, except for June, in which case the apportionment or transfer shall be made the same day. These apportionments or transfers shall be made as provided for in Sections 2104 to 2122, inclusive. If information is not available to make the apportionment or transfer as required, the apportionment or transfer shall be made on the basis of the information of the previous month. Amounts not apportioned or transferred shall be included in the apportionment or transfer of the subsequent month.

(c) Notwithstanding any other law, the funds apportioned by the Controller to cities and counties pursuant to subparagraph (C) of paragraph (3) of subdivision (a) are not subject to Section 7104 or 7104.2 of the Revenue and Taxation Code. These funds may be expended for any street and road purpose consistent with the requirements of this chapter.

SEC. 12. Section 2104 of the Streets and Highways Code is amended to read:

2104. Notwithstanding Section 13340 of the Government Code, a sum equal to the net revenue derived from a per gallon tax of 2.035 cents (\$0.02035) under the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301) of Division 2), 1.80 cents (\$0.0180) under the Use Fuel Tax Law (Part 3 (commencing with Section 8601) of Division 2), and 1.80 cents (\$0.0180) under the Diesel Fuel Tax Law (Part 31 (commencing with Section 60001) of Division 2) of the Revenue and Taxation Code, shall be apportioned among the counties, as follows:

(a) Each county shall be paid one thousand six hundred sixty-seven dollars (\$1,667) during each calendar month, which amount shall be expended exclusively for engineering costs and administrative expenses with respect to county roads.

(b) A sum equal to the total of all reimbursable snow removal or snow grooming, or both, costs filed pursuant to subdivision (d) of Section 2152, or seven million dollars (\$7,000,000), whichever is less, shall be apportioned in 12 approximately equal monthly apportionments for snow removal or snow grooming, or both, on county roads, as provided in Section 2110.

(c) A sum equal to five hundred thousand dollars (\$500,000) shall be apportioned in 12 approximately equal monthly apportionments, as provided in Section 2110.5.

(d) (1) Seventy-five percent of the funds payable under this section shall be apportioned among the counties monthly in the respective proportions that the number of fee-paid and exempt vehicles which are registered in each county bears to the total number of fee-paid and exempt vehicles registered in the state.

(2) For purposes of apportionment under this subdivision, the Department of Motor Vehicles shall, as soon as possible after the last day of each calendar month, furnish to the Controller a verified statement showing the number of fee-paid and exempt vehicles which are registered in each county and in the state as of the last day of each calendar month as reflected by the records of the Department of Motor Vehicles.

(e) Of the remaining money payable, there shall be paid to each eligible county an amount that is computed monthly as follows: The number of miles of maintained county roads in each county shall be multiplied by sixty dollars (\$60); from the resultant amount, there shall be deducted the amount received by each county under subdivision (d) and the remainder, if any, shall be paid to each county.

(f) The remaining money payable, after the foregoing apportionments, shall be apportioned among the counties in the same proportion as the money referred to in subdivision (d).

(g) (1) Transfers of revenues from the Highway Users Tax Account to counties pursuant to this section collected during the months of March, April, May, June, and July of 2008, shall be made with the transfer of August 2008 revenues in September of 2008. This suspension shall not apply to a county with a population of less than 40,000.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a county may make use of any cash balance in its county road fund, including that resulting from the receipt of funds pursuant to 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 of the Government Code (hereafter bond act)) for local streets and roads maintenance, during the period of this suspension, without the use of this cash being reflected as an expenditure of bond act funds, provided the cash is replaced once this suspension is repaid in September of 2008. Counties may accrue the revenue received in September 2008 as repayment of these suspensions for the months of April, May, and June of 2008 back to the 2007–08 fiscal year. Nothing in this paragraph shall change the fact that expenditures must be accrued and reflected from the appropriate funding sources for which the moneys were received and meet all the requirements of those funding sources.

(h) (1) The transfer of revenues from the Highway Users Tax Account to counties pursuant to this section that are collected during the months of January, February, and March 2009, shall be made with the transfer of April 2009 revenues in May 2009.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a county may make use of any cash balance in its county road fund, including that resulting from the receipt of funds pursuant to 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 of the Government Code (bond act)) for local streets and roads maintenance during the period of this suspension, provided the cash is replaced once this suspension is repaid in May of 2009.

(3) This subdivision shall not affect any requirement that an expenditure is required to be accrued and reflected from the appropriate funding source for which the money was received and to meet all the requirements of its funding source.

SEC. 13. Section 2104.1 of the Streets and Highways Code is amended to read:

2104.1. Notwithstanding Section 13340 of the Government Code, the Controller shall deduct annually, from the amount apportioned pursuant to Section 2104, the amount identified as applicable to counties in the report submitted in the preceding fiscal year pursuant to Section 191, and shall transfer the amount to the State Highway Account. The transferred amount shall be subject to appropriation pursuant to Section 183 for expenditure in accordance with Section 163.

SEC. 14. Section 2105 of the Streets and Highways Code is amended to read:

2105. Notwithstanding Section 13340 of the Government Code, in addition to the apportionments prescribed by Sections 2104, 2106, and 2107, from the revenues derived from a per gallon tax imposed pursuant to Section 7360 of the Revenue and Taxation Code, and a per gallon tax imposed pursuant to Section 8651 of the Revenue and Taxation Code, and a per gallon tax imposed pursuant to Sections 60050 and 60115 of the Revenue and Taxation Code, the following apportionments shall be made:

(a) A sum equal to 1.035 cents (\$0.01035) per gallon from the tax under Section 7360 of the Revenue and Taxation Code, 11.5 percent of any per gallon tax in excess of nine cents (\$0.09) per gallon under Section 8651 of the Revenue and Taxation Code, and 1.035 cents (\$0.01035) per gallon from the tax under Sections 60050 and 60115 of the Revenue and Taxation Code, shall be apportioned among the counties, including a city and county.

The amount of apportionment to each county, including a city and county, during a fiscal year shall be calculated as follows:

(1) One million dollars (\$1,000,000) for apportionment to all counties, including a city and county, in proportion to each county's receipts during the prior fiscal year under Sections 2104 and 2106.

(2) One million dollars (\$1,000,000) for apportionment to all counties, including a city and county, as follows:

(A) Seventy-five percent in the proportion that the number of fee-paid and exempt vehicles which are registered in the county bears to the number of fee-paid and exempt vehicles registered in the state.

(B) Twenty-five percent in the proportion that the number of miles of maintained county roads in the county bears to the miles of maintained county roads in the state.

(3) For each county, determine its factor which is the higher amount calculated pursuant to paragraph (1) or (2) divided by the sum of the higher amounts for all of the counties.

(4) The amount to be apportioned to each county is equal to its factor multiplied by the amount available for apportionment.

(b) A sum equal to 1.035 cents (\$0.01035) per gallon from the tax under Section 7360 of the Revenue and Taxation Code, 11.5 percent of any per gallon tax in excess of nine cents (\$0.09) per gallon under Section 8651 of the Revenue and Taxation Code, and 1.035 cents (\$0.01035) per gallon from the tax under Sections 60050 and 60115 of the Revenue and Taxation Code, shall be apportioned to cities, including a city and county, in the proportion that the total population of the city bears to the total population of all the cities in the state.

(c) (1) Transfers of revenues from the Highway Users Tax Account to counties or cities pursuant to this section collected during the months of March, April, May, June, and July of 2008, shall be made with the transfer of August 2008 revenues in September of 2008. This suspension shall not apply to a county with a population of less than 40,000.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a city or county may make use of any cash balance in the city account that is designated for the receipt of state funds allocated for local streets and roads or the county road fund, including that resulting from the receipt of funds pursuant to 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 of the Government Code (hereafter bond act)) for local streets and roads maintenance, during the period of this suspension, without the use of this cash being reflected as an expenditure of bond act funds, provided the cash is replaced once this suspension is repaid in September of 2008. Counties and cities may accrue the revenue received in September 2008 as repayment of these suspensions for the months of April, May, and June of 2008 back to the 2007–08 fiscal year. Nothing in this paragraph shall change the fact that expenditures must be accrued and reflected from the appropriate funding sources for which the moneys were received and meet all the requirements of those funding sources.

(d) (1) The transfer of revenues from the Highway Users Tax Account to counties or cities pursuant to this section collected during the months of January, February, and March 2009 shall be made with the transfer of April 2009 revenues in May 2009.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a city or county may make use of any cash balance in the city account that is designated for the receipt of state funds allocated for local streets and roads or the county road fund, including that resulting from the receipt of funds pursuant to 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 of the Government Code (bond act)) for local streets and roads maintenance, during the period of this suspension, and the use of this cash shall not be considered as an expenditure of bond act funds, if the cash is replaced when the payments that are suspended pursuant to this subdivision are repaid in May 2009.

(3) This subdivision shall not affect any requirement that an expenditure is required to be accrued and reflected from the appropriate funding source for which the money was received and to meet all the requirements of its funding source.

SEC. 15. Section 2106 of the Streets and Highways Code is amended to read:

2106. Notwithstanding Section 13340 of the Government Code, a sum equal to the net revenue derived from one and four one-hundredths cent (\$0.0104) per gallon tax under the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301) of Division 2 of the Revenue and Taxation Code) shall be apportioned monthly from the Highway Users Tax Account in the Transportation Tax Fund among the counties and cities as follows:

(a) Four hundred dollars (\$400) per month shall be apportioned to each city and county and eight hundred dollars (\$800) per month shall be apportioned to each county and city and county.

(b) Commencing on July 31, 2007, and on the last day of each month after that date, the sum of six hundred thousand dollars (\$600,000) per month shall be transferred to the Bicycle Transportation Account in the State Transportation Fund.

(c) The balance shall be apportioned, as follows:

(1) A base sum shall be computed for each county by using the same proportions of fee-paid and exempt vehicles as are established for purposes of apportionment of funds under subdivision (d) of Section 2104.

(2) For each county, the percentage of the total assessed valuation of tangible property subject to local tax levies within the county which is represented by the assessed valuation of tangible property outside the incorporated cities of the county shall be applied to its base sum, and the resulting amount shall be apportioned to the county. The assessed valuation of taxable tangible property, for purposes of this computation, shall be that most recently used for countywide tax levies as reported to the Controller by the State Board of Equalization. If an incorporation or annexation is legally completed following the base sum computation, the new city's assessed valuation shall be deducted from the county's assessed valuation, the estimate of which may be provided by the State Board of Equalization.

(3) The difference between the base sum for each county and the amount apportioned to the county shall be apportioned to the cities of that county in the proportion that the population of each city bears to the total population of all the cities in the county. Populations used for determining apportionment of money under Section 2107 are to be used for purposes of this section.

(d) (1) Transfers of revenues from the Highway Users Tax Account to counties or cities pursuant to this section collected during the months of March, April, May, June, and July of 2008, shall be made with the transfer of August 2008 revenues in September of 2008. This suspension shall not apply to a county with a population of less than 40,000.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a city or county may make use of any cash balance in the city account that is designated for the receipt of state funds allocated for local streets and roads or the county road fund, including that resulting from the receipt of funds pursuant to 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 of the Government Code (hereafter bond act)) for local streets and roads maintenance, during the period of this suspension, without the use of this cash being reflected as an expenditure of bond act funds, provided the cash is replaced once this suspension is repaid in September of 2008. Counties and cities may accrue the revenue received in September 2008 as repayment of these suspensions for the months of April, May, and June of 2008 back to the 2007–08 fiscal year. Nothing in this paragraph shall change the fact that expenditures must be accrued and reflected from the appropriate funding sources for which the moneys were received and meet all the requirements of those funding sources.

(e) (1) The transfer of revenues from the Highway Users Tax Account to counties or cities pursuant to this section collected during the months of January, February, and March 2009, shall be made with the transfer of April 2009 revenues in May 2009.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a city or county may make use of any cash balance in the city account that is designated for the receipt of state funds allocated for local streets and roads or the county road fund, including that resulting from the receipt of funds pursuant to 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 of the Government Code (bond act)) for local streets and roads maintenance, during the period of this suspension, and the use of this cash shall not be considered as an expenditure of bond act funds, if the cash is replaced when the payments that are suspended pursuant to this subdivision are repaid in May 2009.

(3) This subdivision shall not affect any requirement that an expenditure is required to be accrued and reflected from the appropriate funding source for which the money was received and to meet all the requirements of its funding source.

SEC. 16. Section 2107 of the Streets and Highways Code is amended to read:

2107. (a) Notwithstanding Section 13340 of the Government Code, a sum equal to the net revenues derived from a per gallon tax of 1.315 cents (\$0.01315) under the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301) of Division 2), 2.59 cents (\$0.0259) under the Use Fuel Tax Law (Part 3 (commencing with Section 8601) of Division 2), and 1.80 cents (\$0.0180) under the Diesel Fuel Tax Law (Part 31 (commencing with Section 60001) of Division 2) of the Revenue and Taxation Code, shall be apportioned monthly to the cities and cities and

counties of this state from the Highway Users Tax Account in the Transportation Tax Fund as provided in this section.

(b) From the sum determined pursuant to subdivision (a), the Controller shall allocate annually to each city that has filed a report containing the information prescribed by subdivision (c) of Section 2152, and that had expenditures in excess of five thousand dollars (\$5,000) during the preceding fiscal year for snow removal, an amount equal to one-half of the amount of its expenditures for snow removal in excess of five thousand dollars (\$5,000) during that fiscal year.

(c) The balance of the sum determined pursuant to subdivision (a) from the Highway Users Tax Account shall be allocated to each city, including city and county, in the proportion that the total population of the city bears to the total population of all the cities in this state.

(d) (1) For the purpose of this section, except as otherwise provided in paragraph (2), the population in each city is the population determined for that city in the manner specified in Section 11005.3 of the Revenue and Taxation Code.

(2) Commencing with the ninth fiscal year of a city described in subdivision (a) of Section 11005.3 of the Revenue and Taxation Code, the sixth fiscal year of a city described in subdivision (b) of Section 11005.3 of the Revenue and Taxation Code, and the 61st month of the city described in subdivision (c) of Section 11005.3 of the Revenue and Taxation Code, the population in each city is the actual population of that city, as defined in subdivision (e) of Section 11005.3 of the Revenue and Taxation Code.

(e) (1) Transfers of revenues from the Highway Users Tax Account to cities pursuant to this section collected during the months of March, April, May, June, and July of 2008, shall be made with the transfer of August 2008 revenues in September of 2008.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a city may make use of any cash balance in the city account that is designated for the receipt of state funds allocated for local streets and roads, including that resulting from the receipt of funds pursuant to 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 of the Government Code (hereafter bond act)) for local streets and roads maintenance, during the period of this suspension, without the use of this cash being reflected as an expenditure of bond act funds, provided the cash is replaced once this suspension is repaid in September of 2008. Cities may accrue the revenue received in September 2008 as repayment of these suspensions for the months of April, May, and June of 2008 back to the 2007–08 fiscal year. Nothing in this paragraph shall change the fact that expenditures must be accrued and reflected from the appropriate funding sources for which the moneys were received and meet all the requirements of those funding sources.

(f) (1) A transfer of revenues from the Highway Users Tax Account to cities pursuant to this section collected during the months of January,

February, and March 2009, shall be made with the transfer of April 2009 revenues in May 2009.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a city may make use of any cash balance in the city account that is designated for the receipt of state funds allocated for local streets and roads, including that resulting from the receipt of funds pursuant to 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 of the Government Code (bond act)) for local streets and roads maintenance, during the period of this suspension, and the use of this cash shall not be reflected as an expenditure of bond act funds, if the cash is replaced once this suspension is repaid in May 2009.

(3) This subdivision shall not affect any requirement that an expenditure is required to be accrued and reflected from the appropriate funding sources for which the moneys were received and to meet all the requirements of those funding sources.

SEC. 17. Section 2107.5 of the Streets and Highways Code is amended to read:

2107.5. Notwithstanding Section 13340 of the Government Code, in addition to the amounts apportioned to cities from the Highway Users Tax Fund under Sections 2106 and 2107, the following amounts shall be allocated annually during the month of July of each fiscal year for expenditure exclusively for engineering costs and administrative expenses in respect to city streets:

(a) For each city with a population of over 500,000 inhabitants.....	\$20,000
(b) For each city with a population of 100,000 to 500,000 inhabitants.....	10,000
(c) For each city with a population of 50,000 to 99,999 inhabitants.....	7,500
(d) For each city with a population of 25,000 to 49,999 inhabitants.....	6,000
(e) For each city with a population of 20,000 to 24,999 inhabitants.....	5,000
(f) For each city with a population of 15,000 to 19,999 inhabitants.....	4,000
(g) For each city with a population of 10,000 to 14,999 inhabitants.....	3,000
(h) For each city with a population of 5,000 to 9,999 inhabitants.....	2,000
(i) For each city with a population of less than 5,000 inhabitants.....	1,000

For the purpose of this section the population in each city shall be determined in accordance with Sections 2107, 2107.1, and 2107.2 at the time of allocation. Any city incorporated after the first day of July of any

year shall receive the full annual allocation prescribed in this section, such allocation to be made during the month succeeding the filing or certification of the incorporation by the Secretary of State.

Any city under subdivision (h) or (i) above may expend the moneys allocated to it hereunder for acquisition of rights-of-way for and construction of its street system.

Transfers of revenues from the Highway Users Tax Account to cities pursuant to this section that are to be allocated during the month of July 2008, shall be made in September of 2008.

For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a city may make use of any cash balance in the city account that is designated for the receipt of state funds allocated for local streets and roads, including that resulting from the receipt of funds pursuant to 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 of the Government Code (hereafter bond act)) for local streets and roads maintenance, during the period of this suspension, without the use of this cash being reflected as an expenditure of bond act funds, provided the cash is replaced once this suspension is repaid in September of 2008. Nothing in this paragraph shall change the fact that expenditures must be accrued and reflected from the appropriate funding sources for which the moneys were received and meet all the requirements of those funding sources.

SEC. 18. Section 2107.6 of the Streets and Highways Code is amended to read:

2107.6. Notwithstanding Section 13340 of the Government Code, the Controller shall deduct annually, from the amount apportioned pursuant to Section 2107, the amount identified as applicable to cities in the report submitted in the preceding fiscal year pursuant to Section 191, and shall transfer the amount to the State Highway Account. The transferred amount shall be subject to appropriation pursuant to Section 183 for expenditure in accordance with Section 163.

SEC. 19. Section 2108 of the Streets and Highways Code is amended to read:

2108. Notwithstanding Section 13340 of the Government Code, the balance of the money in the Highway Users Tax Account in the Transportation Tax Fund, after making the apportionments or appropriations, as the case may be, pursuant to Sections 2104 to 2107.7, inclusive, shall be transferred to the State Highway Account in the State Transportation Fund and shall be subject to appropriation pursuant to Section 183 for expenditure in accordance with Section 163.

SEC. 20. Section 2110 of the Streets and Highways Code is amended to read:

2110. (a) Notwithstanding Section 13340 of the Government Code, the moneys payable to the counties under subdivision (b) of Section 2104 shall be apportioned monthly among the several counties as follows:

(1) A sum equal to the total of all reimbursable snow removal costs filed pursuant to subdivision (d) of Section 2152, or seven million dollars (\$7,000,000), whichever is less, shall be apportioned in 12 approximately equal monthly apportionments for snow removal or snow grooming, or both, on county roads as follows:

(2) If the total is less than seven million dollars (\$7,000,000), the full amount of reimbursable snow removal or snow grooming, or both, costs shall be apportioned to the several counties in an amount equal to that computed pursuant to the report filed by each county pursuant to subdivision (d) of Section 2152.

(3) If the total is seven million dollars (\$7,000,000) or more for the fiscal year, the Controller shall compute percentages for the apportionment of seven million dollars (\$7,000,000) to the several counties in the state for snow removal or snow grooming, or both, on county roads, including the purchase of snow removal equipment therefor, and shall apportion the amount to the counties in the computed percentages. The percentage each county is to be apportioned during the fiscal year shall be derived by adding its reimbursable snow removal or snow grooming, or both, expenditures for the three preceding fiscal years as to which the Controller has received snow removal or snow grooming, or both, expenditure reports pursuant to Section 2152, and dividing the sum by the total amount of reimbursable snow removal or snow grooming, or both, expenditures by all counties in the state during those fiscal years.

(b) On or before the first day of March of each year, the Controller shall notify each county of the amount apportioned to it pursuant to this section for expenditure for snow removal or snow grooming, or both, on county roads during the following fiscal year.

SEC. 21. Section 2110.5 of the Streets and Highways Code is amended to read:

2110.5. Notwithstanding Section 13340 of the Government Code, the money payable to the counties under subdivision (c) of Section 2104 shall be apportioned monthly for heavy rainfall and storm damage on county roads to the following counties in the named percentages:

Alameda.....	2.629
Amador.....	.135
Butte.....	.161
Colusa.....	.339
Contra Costa.....	10.575
Del Norte.....	.251
Fresno.....	.639
Humboldt.....	4.935
Los Angeles.....	9.913
Marin.....	3.781
Mendocino.....	2.084
Monterey.....	3.701
Napa.....	1.950

Nevada.....	.718
Orange.....	.051
Placer.....	.085
Plumas.....	.897
Riverside.....	1.185
San Benito.....	1.070
San Bernardino.....	2.609
San Francisco.....	1.016
San Diego.....	2.760
San Luis Obispo.....	5.782
Santa Barbara.....	7.661
Santa Cruz.....	12.162
Sierra.....	.333
Siskiyou.....	.814
Sonoma.....	10.238
Trinity.....	2.137
Ventura.....	8.543
Yuba.....	.846

SEC. 22. The sum of one thousand dollars (\$1,000) is hereby appropriated to the Controller from the General Fund for administrative costs associated with this act.

SEC. 23. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.