

**Introduced by Committee on Budget and Fiscal Review**

January 10, 2013

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~~An act relating to the Budget Act of 2013.~~ *An act to amend Sections 14556.5, 16773, and 16965 of the Government Code, to add Chapter 5 (commencing with Section 185500) to Division 19.5 of, and to repeal and add Section 99310.6 of, the Public Utilities Code, to amend Section 7105 of, and to repeal and add Section 7104.3 of, the Revenue and Taxation Code, to amend Sections 183 and 183.1 of the Streets and Highways Code, and to amend Sections 9400.1, 9400.4, and 42205 of the Vehicle Code, relating to transportation, and making an appropriation therefor, to take effect immediately, bill related to the budget.*

LEGISLATIVE COUNSEL'S DIGEST

SB 85, as amended, Committee on Budget and Fiscal Review. ~~Budget Act of 2013.~~ *Transportation.*

*(1) Existing law authorizes general obligation bonds to be issued and sold under various transportation bond measures approved by the voters. Debt service for general obligation bonds is generally payable from the General Fund.*

*Existing law provides for the imposition of weight fees on certain vehicles. Revenues from weight fees, after administrative expenses, are available for expenditure from the State Highway Account. Under Article XIX of the California Constitution, weight fee revenues are restricted to expenditure on certain transportation purposes.*

*Existing law, beginning with the 2012–13 fiscal year, provides for the transfer to the Transportation Debt Service Fund of weight fee*

*revenues deposited in the State Highway Account. These revenues are then transferred from the Transportation Debt Service Fund to the General Fund, as reimbursement for debt service on certain transportation general obligation bonds until all of the eligible debt service on those bonds has been reimbursed, or to redeem or defease bonds that are maturing in a subsequent fiscal year. Existing law also provides for a loan to the General Fund of any of these weight fee revenues that are not immediately needed for debt service reimbursement purposes, but provides for the loans to be repaid when those revenues are needed for debt service reimbursement purposes at a later time, as specified.*

*This bill would create a class of transportation general obligation bonds known as designated bonds, which would be a portion of the transportation general obligation bonds issued and sold pursuant to Proposition 1B of 2006. The bill would provide for transfer, pursuant to a certificate of the Treasurer, of a certain amount of weight fee revenue to the Transportation Debt Service Fund for the purpose of directly paying the debt service on the designated bonds, rather than providing for payment of the debt service indirectly through reimbursement of the General Fund. These weight fee revenues would be deposited in the newly created Transportation Bond Direct Payment Account in the Transportation Debt Service Fund and would be continuously appropriated for that purpose. To the extent the transferred weight fee revenues are insufficient to pay all the debt service on the designated bonds, the General Fund would remain responsible for the remaining debt service. The weight fee revenue to be used to pay debt service on the designated bonds would generally be the amount of weight fee revenue received by the Controller from the 15th day to the last day of each month. The remaining weight fee revenue would be used to pay the debt service on certain other transportation general obligation bonds. This bill would provide that the state covenants with bondholders of designated bonds that it will not alter, amend, or restrict the statutory provisions in this bill that provide for the transfer of weight fees to the Transportation Debt Service Fund or the Transportation Bond Direct Payment Account, and that it will not reduce weight fees below a specified amount on and after the first date that designated bonds are issued. The bill would enact other related provisions.*

*(2) Existing law provides that the Department of Finance may adjust the budgeting, accounting, and reporting systems for various transportation funds and accounts so that unliquidated encumbrances*

are not reflected in the fund balance or financial statements. These provisions apply to the Public Transportation Account, the State Highway Account, the Traffic Congestion Relief Fund, the Transportation Investment Fund, and the Transportation Deferred Investment Fund.

This bill would delete these provisions and instead provide that, upon order of the Department of Finance, all or some of the state agencies collecting revenues for, or spending from, each of these funds or accounts shall adjust budgeting, accounting, and reporting systems and documents so that unliquidated encumbrances, payables, and other accruals are not reflected in the fund balance in the Governor's Budget fund condition display or the fund balance in the financial statements submitted to the Controller for the budgetary-legal basis annual report. In addition, this bill would provide that the balance of cash advanced from each of these funds and accounts to the Transportation Revolving Account shall be deemed available for budgeting purposes to certain funds and accounts, as specified.

(3) Existing law, the California High-Speed Rail Act, creates the High-Speed Rail Authority to develop and implement a high-speed rail system in the state, with specified powers and duties, including the power to enter into contracts, as specified.

This bill would provide legal procedures for the relocation of publicly and privately owned utility facilities, as defined, when the authority requires any utility to remove any utility facility lawfully maintained in the right-of-way of any high-speed rail property to a location entirely outside the high-speed rail property right-of-way subject to specified conditions. The bill would generally require the authority to pay the reasonable and necessary cost of the removal, including the cost of relocation to a new location outside of the high-speed rail property right-of-way, subject to specified credits.

The bill would authorize the authority and any utility to enter into a specified agreement or contract to remove or relocate any utility facility that provides for, among other things, the respective amounts of the cost to be borne by each party or that apportions the obligations and costs of each party. The bill would authorize each party to bring an action in a court of competent jurisdiction to adjudicate the obligations and costs to be borne by each party or in the event of a failure to reach an agreement as provided under these provisions.

The bill would also authorize the authority to issue permits to utilities for specified purposes, including applications of utilities for permits to

*occupy high-speed rail property for longitudinal locations of utility facilities.*

*(4) Existing law, in the 2010–11, 2011–12, and 2012–13 fiscal years, requires certain revenues deposited in the State Highway Account that are not restricted as to expenditure by Article XIX of the California Constitution to be transferred to the Transportation Debt Service Fund in the State Transportation Fund for payment of current year debt service on certain mass transportation bonds. Existing law, commencing with the 2013–14 fiscal year, requires that these revenues be retained in the State Highway Account until appropriated by the Legislature.*

*This bill would delete this latter requirement and, instead, commencing with the 2013–14 fiscal year, would require the Controller to transfer these revenues to the Transportation Debt Service Fund in the State Transportation Fund, as specified, and would continuously appropriate these funds for payment of current year debt service on certain mass transportation bonds.*

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

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2013.~~

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

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

1     *SECTION 1. The Legislature finds and declares all of the*  
2     *following:*

3     *(a) Voters of the state have previously approved Proposition*  
4     *1B, the Highway Safety, Traffic Reduction, Air Quality, and Port*  
5     *Security Bond Act of 2006 (bond act) to provide funding for needed*  
6     *improvements in transportation infrastructure in the state.*

7     *(b) While the bond act provided that the debt service on bonds*  
8     *would be paid from the General Fund, on March 24, 2011, the*  
9     *Legislature enacted Assembly Bill 105 (Chapter 6, Statutes of*  
10    *2011), which provided for reimbursement to the General Fund of*  
11    *all debt service costs with respect to these bonds issued under the*  
12    *bond act to come from vehicle weight fees generated under the*  
13    *Vehicle Code.*

14    *(c) If debt service with respect to the bonds could be paid in the*  
15    *first instance from vehicle weight fees, with the General Fund as*

1 a backstop, creating “enhanced” transportation bonds, those  
2 bonds would be expected to be able to obtain higher credit ratings  
3 from the national credit rating agencies, resulting in lower interest  
4 costs to the state. In addition, market demand for the enhanced  
5 bonds potentially could lower the costs of other general obligation  
6 bonds by reducing the supply of bonds being sold under the state’s  
7 regular credit.

8 (d) The creation of enhanced transportation bonds is consistent  
9 with the purposes of the bond act as it does not change the use of  
10 bond proceeds or programs that are funded by any bonds issued  
11 under the bond act. Moreover, it does not alter the rights of  
12 bondholders but would serve to reduce debt service costs or  
13 achieve additional benefits for the state in a manner that would  
14 not violate any expectations of the voters and taxpayers who  
15 approved the bond act.

16 SEC. 2. Section 14556.5 of the Government Code is amended  
17 to read:

18 14556.5. (a) The Traffic Congestion Relief Fund is hereby  
19 created in the State Treasury. The fund shall include deposits of  
20 funds provided in the annual Budget Act, provided from the  
21 Transportation Investment Fund established under Section 7104  
22 of the Revenue and Taxation Code, or provided under any other  
23 statute. Notwithstanding Section 13340, the money in the fund is  
24 hereby continuously appropriated to the department, without regard  
25 to fiscal years, as follows:

26 (1) For allocation by the department, as directed by the  
27 commission pursuant to Section 14556.20, to the department and  
28 other regional and local transportation entities for the projects  
29 listed in Article 5 (commencing with Section 14556.40).

30 ~~(2) For allocation by the Controller, the sum of four hundred~~  
31 ~~million dollars (\$400,000,000), for allocation during the 2000–01~~  
32 ~~fiscal year to cities, counties, and cities and counties, pursuant to~~  
33 ~~Section 2182 of the Streets and Highways Code.~~

34 ~~(3)~~

35 (2) For allocation by the commission to the funding exchange  
36 program authorized by Section 182.8 of the Streets and Highways  
37 Code.

38 ~~(b) Notwithstanding any other provision of law, the Department~~  
39 ~~of Finance may adjust the budgeting, accounting, and reporting~~

1 ~~system for the fund so that unliquidated encumbrances are not~~  
 2 ~~reflected in the fund balance or financial statements.~~

3 *(b) (1) Notwithstanding any other provision of law, upon order*  
 4 *of the Department of Finance, all or some of the state agencies*  
 5 *collecting revenue for, or spending from, the Traffic Congestion*  
 6 *Relief Fund shall adjust budgeting, accounting, and reporting*  
 7 *systems and documents so that unliquidated encumbrances,*  
 8 *payables, and other accruals are not reflected in the fund balance*  
 9 *in the Governor's Budget fund condition display or the fund*  
 10 *balance in the financial statements submitted to the Controller for*  
 11 *the Budgetary/Legal Basis Annual Report.*

12 *(2) For the purposes of the Governor's Budget, the balance of*  
 13 *cash advanced from the Traffic Congestion Relief Fund to the*  
 14 *Transportation Revolving Account, as jointly determined by the*  
 15 *Department of Finance and the state agencies referenced in*  
 16 *paragraph (1), shall be deemed as resources and cash available*  
 17 *to the Traffic Congestion Relief Fund for budgeting purposes.*

18 *(3) This method shall be effective with the 2013–14 Governor's*  
 19 *Budget development process and may be applied to the 2011–12*  
 20 *data.*

21 *SEC. 3. Section 16773 of the Government Code is amended to*  
 22 *read:*

23 16773. *(a) Whenever any payment of principal of any bonds*  
 24 *shall become due, either upon the maturity of any of the bonds or*  
 25 *upon the redemption thereof prior to maturity, and whenever any*  
 26 *interest on any of the bonds shall fall due, warrants shall be drawn*  
 27 *against the appropriation made by the bond act from the General*  
 28 *Fund by the Controller in favor of the Treasurer, or state fiscal*  
 29 *agents, or other duly authorized agents, pursuant to claims filed*  
 30 *with the Controller by the Treasurer, in the amounts so falling due.*

31 ~~For~~

32 *(b) For any payments of debt service, as defined in subdivision*  
 33 *(c) of Section 998.404 of the Military and Veterans Code, with*  
 34 *respect to any bonds issued pursuant to a veterans' farm and home*  
 35 *purchase bond act adopted pursuant to Chapter 6 (commencing*  
 36 *with Section 980) of Division 4 of the Military and Veterans Code,*  
 37 *the Controller shall first draw warrants against the appropriation*  
 38 *from the Veterans' Bonds Payment Fund in Section 988.6 of the*  
 39 *Military and Veterans Code, and, to the extent moneys in that fund*  
 40 *are insufficient to pay the amount of debt service then due, shall*

1 draw warrants against the appropriation made by the bond act from  
2 the General Fund for payment of any remaining amount then due.

3 (c) (1) For any payments of debt service, as defined in  
4 paragraph (4) of subdivision (a) of Section 16965, with respect to  
5 any designated bonds issued pursuant to Proposition 1B, the  
6 Controller shall first draw warrants against the appropriation  
7 from the Transportation Bond Direct Payment Account of the  
8 Transportation Debt Service Fund created by subdivision (a) of  
9 Section 16965, and, to the extent moneys in that account are  
10 insufficient to pay the amount of debt service then due, shall draw  
11 warrants from the General Fund for payment of any remaining  
12 amount then due against such appropriation as may be available  
13 therefor, including the appropriation made by Proposition 1B.

14 (2) (A) For purposes of this subdivision and Section 16965,  
15 “Proposition 1B” means the Highway Safety, Traffic Reduction,  
16 Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49  
17 commencing with Section 8879.20) of Division 1).

18 (B) For purposes of this subdivision, Section 16965, and Section  
19 9400.4 of the Vehicle Code, the term “designated bond” means  
20 any designated bond under Proposition 1B, and the term  
21 “nondesignated bond” means any bond issued under Proposition  
22 1B, whether issued before or after the enactment of the act adding  
23 this subdivision, that is not a designated bond. For purposes of  
24 this subdivision, a “designated bond” is an issue of bonds  
25 (including refunding bonds) under Proposition 1B that has been  
26 designated by the Treasurer upon or prior to its issuance, with the  
27 approval of the related finance committee, to be paid pursuant to  
28 paragraph (1).

29 SEC. 4. Section 16965 of the Government Code is amended to  
30 read:

31 16965. (a) (1) The Transportation Debt Service Fund is hereby  
32 created in the State Treasury. Moneys in the fund shall, ~~among~~  
33 ~~other things, as provided in this section,~~ be dedicated to payment  
34 all of the following purposes:

35 (A) Payment of debt service ~~on bonds, or to redeem or defease~~  
36 ~~with respect to designated bonds, as defined in subdivision (c) of~~  
37 ~~Section 16773, and as further provided in paragraph (3) and~~  
38 ~~subdivision (b).~~

39 (B) To reimburse the General Fund for debt service with respect  
40 to bonds.

1 (C) To redeem or retire bonds, pursuant to Section 16774,  
2 maturing in a subsequent fiscal year, including year.

3 (2) *The bonds eligible under subparagraph (B) or (C) of*  
4 *paragraph (1) include bonds issued pursuant to the Clean Air and*  
5 *Transportation Improvement Act of 1990 (Part 11.5 (commencing*  
6 *with Section 99600) of Division 10 of the Public Utilities Code),*  
7 *the Passenger Rail and Clean Air Bond Act of 1990 (Chapter 17*  
8 *(commencing with Section 2701) of Division 3 of the Streets and*  
9 *Highways Code), the Seismic Retrofit Bond Act of 1996 (Chapter*  
10 *12.48 (commencing with Section 8879) of Division 1 of Title 2),*  
11 ~~*the Highway Safety, Traffic Reduction, Air Quality, and Port*~~  
12 ~~*Security Bond Act of 2006 (Chapter 12.49 (commencing with*~~  
13 ~~*Section 8879.20) of Division 1 of Title 2), and the Safe, Reliable*~~  
14 ~~*High-Speed Passenger Train Bond Act for the 21st Century*~~  
15 ~~*(Chapter 20 (commencing with Section 2704) of Division 3 of the*~~  
16 ~~*Streets and Highways Code), and nondesignated bonds under*~~  
17 ~~*Proposition 1B, as defined in subdivision (c) of Section 16773. If*~~  
18 ~~*the moneys in the fund are insufficient to pay the balance of the*~~  
19 ~~*debt consistent with existing obligations, the General Fund will*~~  
20 ~~*be used to pay the balance of any debt service.*~~

21 (3) (A) *The Transportation Bond Direct Payment Account is*  
22 *hereby created in the State Treasury, as a subaccount within the*  
23 *Transportation Debt Service Fund, for the purpose of directly*  
24 *paying the debt service, as defined in paragraph (4), of designated*  
25 *bonds of Proposition 1B, as defined in subdivision (c) of Section*  
26 *16773. Notwithstanding Section 13340, moneys in the*  
27 *Transportation Bond Direct Payment Account are continuously*  
28 *appropriated for payment of debt service with respect to designated*  
29 *bonds as provided in subdivision (c) of Section 16773. So long as*  
30 *any designated bonds remain outstanding, the moneys in the*  
31 *Transportation Bond Direct Payment Account may not be used*  
32 *for any other purpose, and may not be borrowed by or available*  
33 *for transfer to the General Fund pursuant to Section 16310 or any*  
34 *similar law, or to the General Cash Revolving Fund pursuant to*  
35 *Section 16381 or any similar law.*

36 (B) *Once the Treasurer makes a certification that payment of*  
37 *debt service with respect to all designated bonds has been paid or*  
38 *provided for, any remaining moneys in the Transportation Bond*  
39 *Direct Payment Account shall be transferred back to the*  
40 *Transportation Debt Service Fund.*

1 (C) *The moneys in the Transportation Bond Direct Payment*  
2 *Account shall be invested in the Surplus Money Investment Fund,*  
3 *and all investment earnings shall accrue to the account.*

4 (D) *The Controller may establish subaccounts within the*  
5 *Transportation Bond Direct Payment Account as may be required*  
6 *by the resolution, indenture, or other documents governing any*  
7 *designated bonds.*

8 (4) *For purposes of this subdivision and subdivision (b), and*  
9 *subdivision (c) of Section 16773, “debt service” means payment*  
10 *of all of the following costs and expenses with respect to any*  
11 *designated bond:*

12 (A) *The principal of and interest on the bonds.*

13 (B) *Amounts payable as the result of tender on any bonds, as*  
14 *described in clause (iv) of subparagraph (B) of paragraph (1) of*  
15 *subdivision (d) of Section 16731.*

16 (C) *Amounts payable under any contractual obligation of the*  
17 *state to repay advances and pay interest thereon under a credit*  
18 *enhancement or liquidity agreement as described in clause (iv) of*  
19 *subparagraph (B) of paragraph (1) of subdivision (d) of Section*  
20 *16731.*

21 (D) *Any amount owed by the state to a counterparty after any*  
22 *offset for payments owed to the state on any hedging contract as*  
23 *described in subparagraph (A) of paragraph (2) of subdivision (d)*  
24 *of Section 16731.*

25 (b) *From the moneys transferred to the fund pursuant to*  
26 *paragraph (2) or (3) of subdivision ~~(a), (b), or~~ (c) of Section 9400.4*  
27 *of the Vehicle Code, ~~or~~ there shall first be deposited into the*  
28 *Transportation Bond Direct Payment Account in each month*  
29 *sufficient funds to equal the amount designated in a certificate*  
30 *submitted by the Treasurer to the Controller and the Director of*  
31 *Finance at the start of each fiscal year, and as may be modified*  
32 *by the Treasurer thereafter upon issuance of any new issue of*  
33 *designated bonds or upon change in circumstances that requires*  
34 *such a modification. This certificate shall be calculated by the*  
35 *Treasurer to identify, for each month, the amount necessary to*  
36 *fund all of the debt service with respect to all designated bonds.*  
37 *This calculation shall be done in a manner provided in the*  
38 *resolution, indenture, or other documents governing the designated*  
39 *bonds. In the event that transfers to the Transportation Bond Direct*  
40 *Payment Account in any month are less than the amounts required*

1 *in the Treasurer's certificate, the shortfall shall carry over to be*  
2 *part of the required payment in the succeeding month or months.*

3 *(c) The state hereby covenants with the holders from time to*  
4 *time of any designated bonds that it will not alter, amend, or*  
5 *restrict the provisions of subdivision (c) of Section 16773 of the*  
6 *Government Code, or Sections 9400, 9400.1, 9400.4, and 42205*  
7 *of the Vehicle Code, which provide directly or indirectly for the*  
8 *transfer of weight fees to the Transportation Debt Service Fund*  
9 *or the Transportation Bond Direct Payment Account, or*  
10 *subdivisions (a) and (b) of this section, or reduce the rate of*  
11 *imposition of vehicle weight fees under Sections 9400 and 9400.1*  
12 *of the Vehicle Code as they existed on the date of the first issuance*  
13 *of any designated bonds, if that alteration, amendment, restriction,*  
14 *or reduction would result in projected weight fees for the next*  
15 *fiscal year determined by the Director of Finance being less than*  
16 *two times the maximum annual debt service with respect to all*  
17 *outstanding designated bonds, as such calculation is determined*  
18 *pursuant to the resolution, indenture, or other documents governing*  
19 *the designated bonds. The state may include this covenant in the*  
20 *resolution, indenture, or other documents governing the designated*  
21 *bonds.*

22 *(d) Once the required monthly deposit, including makeup of*  
23 *any shortfalls from any prior month, has been made pursuant to*  
24 *subdivision (b), from moneys transferred to the fund pursuant to*  
25 *paragraph (2) or (3) of subdivision (c) of Section 9400.4 of the*  
26 *Vehicle Code, or pursuant to Section 16965.1 or 63048.67, the*  
27 *Controller shall transfer as an expenditure reduction to the General*  
28 *Fund any amount necessary to offset the cost of current year debt*  
29 *service payments made from the General Fund ~~on~~ with respect to*  
30 *any bonds issued pursuant to Proposition 192 (1996) and*  
31 *three-quarters of the amount of current year debt service payments*  
32 *made from the General Fund ~~on any bonds~~ with respect to any*  
33 *nondesignated bonds, as defined in subdivision (c) of Section*  
34 *16773, issued pursuant to Proposition 1B (2006). ~~These~~ In the*  
35 *alternative, these funds may also be used to redeem or defease*  
36 *retire the applicable bonds, pursuant to Section 16774, maturing*  
37 *in a subsequent fiscal year as directed by the Director of Finance.*

38 *(e)*

39 *(e) From moneys transferred to the fund pursuant to Section*  
40 *183.1 of the Streets and Highways Code, the Controller shall*

1 transfer as an expenditure reduction to the General Fund any  
2 amount necessary to offset the cost of current year debt service  
3 payments made from the General Fund ~~on with respect to~~ any  
4 bonds issued pursuant to Proposition 116 (1990). ~~These~~ *In the*  
5 *alternative, these* funds may also be used to redeem or ~~defeas~~  
6 *retire* the applicable bonds, pursuant to Section 16774, maturing  
7 in a subsequent fiscal year as directed by the Director of Finance.

8 ~~(d) From~~

9 *(f) Once the required monthly deposit, including makeup of any*  
10 *shortfalls from any prior month, has been made pursuant to*  
11 *subdivision (b), from moneys transferred to the fund pursuant to*  
12 *paragraph (2) or (3) of subdivision (a), (b), or (c) of Section 9400.4*  
13 *of the Vehicle Code, or pursuant to Section 16965.1 or 63048.67,*  
14 *the Controller shall transfer as an expenditure reduction to the*  
15 *General Fund any amount necessary to offset the eligible cost of*  
16 *current year debt service payments made from the General Fund*  
17 *on with respect to any bonds issued pursuant to Proposition 108*  
18 *(1990) and Proposition 1A (2008), and one-quarter of the amount*  
19 *of current year debt service payments made from the General Fund*  
20 *on any bonds with respect to any nondesignated bonds, as defined*  
21 *in subdivision (c) of Section 16773, issued pursuant to Proposition*  
22 *1B (2006). The Department of Finance shall notify the Controller*  
23 *by July 30 of every year of the percentage of debt service that is*  
24 *expected to be paid in that fiscal year ~~on with respect to~~*  
25 *bond-funded projects that qualify as eligible guideway projects*  
26 *consistent with the requirements applicable to the expenditure of*  
27 *revenues under Article XIX of the California Constitution, and*  
28 *the Controller shall make payments only for those eligible projects.*  
29 ~~These~~ *In the alternative, these* funds may also be used to redeem  
30 or ~~defeas~~ *retire* the applicable bonds, pursuant to Section 16774,  
31 maturing in a subsequent fiscal year as directed by the Director of  
32 Finance.

33 ~~(e)~~

34 *(g) On or before the second business day following the date on*  
35 *which transfers are made to the Transportation Debt Service Fund,*  
36 *and after the required monthly deposits for that month, including*  
37 *makeup of any shortfalls from any prior month, have been made*  
38 *to the Transportation Bond Direct Payment Account, the Controller*  
39 *shall transfer the funds designated for reimbursement of bond debt*  
40 *service with respect to nondesignated bonds, as defined in*

1 subdivision (c) of Section 16773, and other bonds identified in  
 2 subdivisions (d), (e), and (f) in that month from the fund to the  
 3 General Fund pursuant to this section.

4 SEC. 5. Section 99310.6 of the Public Utilities Code is  
 5 repealed.

6 ~~99310.6. Notwithstanding any other provision of law, the~~  
 7 ~~Department of Finance may adjust the budgeting, accounting, and~~  
 8 ~~reporting system for the Public Transportation Account so that~~  
 9 ~~unliquidated encumbrances are not reflected in the fund balance~~  
 10 ~~or financial statements.~~

11 SEC. 6. Section 99310.6 is added to the Public Utilities Code,  
 12 to read:

13 99310.6. (a) Notwithstanding any other provision of law, upon  
 14 order of the Department of Finance, all or some of the state  
 15 agencies collecting revenue for, or spending from, the Public  
 16 Transportation Account shall adjust budgeting, accounting, and  
 17 reporting systems and documents so that unliquidated  
 18 encumbrances, payables, and other accruals are not reflected in  
 19 the fund balance in the Governor’s Budget fund condition display  
 20 or the fund balance in the financial statements submitted to the  
 21 Controller for the budgetary-legal basis annual report.

22 (b) For the purposes of the Governor’s Budget, the balance of  
 23 cash advanced from the Public Transportation Account to the  
 24 Transportation Revolving Account, as jointly determined by the  
 25 Department of Finance and the state agencies referenced in  
 26 subdivision (a), shall be deemed as resources and cash available  
 27 to the Public Transportation Account for budgeting purposes.

28 (c) This method shall be effective with the 2013–14 Governor’s  
 29 Budget development process and may be applied to the 2011–12  
 30 data.

31 SEC. 7. Chapter 5 (commencing with Section 185500) is added  
 32 to Division 19.5 of the Public Utilities Code, to read:

33  
 34 CHAPTER 5. RELOCATION OF UTILITIES

35  
 36 185500. (a) “High-speed rail property” means real property  
 37 or an interest therein, including any right-of-way, previously or  
 38 hereafter acquired by the state for high-speed rail purposes.

39 (b) “Person” means a natural person, firm, partnership,  
 40 association, corporation, organization, limited liability company,

1 *or business trust, and includes any city, county, city and county,*  
2 *public corporation, or public district.*

3 *(c) “Utility” means any person maintaining a utility facility.*

4 *(d) “Utility facility” means any pole, pole line, pipe, pipeline,*  
5 *conduit, cable, aqueduct, or other structure or appurtenance*  
6 *thereof used for publicly or privately owned utility services or used*  
7 *by any mutual organization supplying water or telephone service*  
8 *to its members.*

9 *185501. (a) When the authority requires any utility to remove*  
10 *any utility facility lawfully maintained in the right-of-way of any*  
11 *high-speed rail property to a location entirely outside the*  
12 *high-speed rail property right-of-way, the authority shall pay the*  
13 *reasonable and necessary cost of the removal. This includes both*  
14 *the cost of removal and the cost of relocation to a new location*  
15 *outside of the high-speed rail property right-of-way.*

16 *(b) This section does not apply to the relocation of a utility*  
17 *facility from one point in a high-speed rail property to another*  
18 *point in that property, including relocation in any service road of*  
19 *the high-speed rail property or from one point of crossing of the*  
20 *high-speed rail property to another reasonable point of crossing.*

21 *185502. (a) When the authority requires a publicly owned*  
22 *utility to relocate within a high-speed rail property any utility*  
23 *facility lawfully maintained in that property that was not used for*  
24 *high-speed rail purposes at the time the utility facility was*  
25 *originally installed, the authority shall pay the cost of the*  
26 *relocation.*

27 *(b) When the authority requires a privately owned utility to*  
28 *relocate within a high-speed rail property any utility facility used*  
29 *solely to supply water, which facility is lawfully maintained in any*  
30 *high-speed rail property that was not used for high-speed rail*  
31 *purposes at the time that the utility facility was originally installed,*  
32 *the authority shall pay the cost of the relocation.*

33 *(c) When the authority requires a privately owned utility to*  
34 *relocate within a high-speed rail property any utility facility, other*  
35 *than one used solely to supply water, which facility is lawfully*  
36 *maintained in any high-speed rail property that was not used for*  
37 *high-speed rail purposes at the time the utility facility was*  
38 *originally installed, and it is established by the utility that the*  
39 *utility is not under express contractual obligation to relocate the*

1 utility facility at its own expense, the authority shall pay the cost  
2 of the relocation.

3 (d) A permit containing a contractual obligation that was  
4 accepted by the utility for maintenance or minor improvement of  
5 the facility after the property became high-speed rail property  
6 shall not constitute a contractual obligation to relocate a utility  
7 facility at its own expense within the meaning of this section.

8 (e) Publicly owned sewers and fire hydrants and any street  
9 lighting structure, whether publicly or privately owned, in any  
10 high-speed rail property shall be relocated, where necessary, at  
11 the expense of the authority.

12 185503. If the authority requires the relocation within the  
13 right-of-way of any utility facility more than once within a period  
14 of 10 years, the authority shall pay the cost of the second relocation  
15 and any subsequent relocation within the 10-year period.

16 185504. (a) In any case in which the authority is required  
17 under the provisions of this chapter to pay the cost of removal or  
18 relocation of any utility facility, it shall be entitled to the following  
19 credits:

20 (1) In the amount of any betterment to the utility facility resulting  
21 from the removal or relocation, not in excess of the cost of the  
22 increased capacity of the facility.

23 (2) The salvage value of any materials or parts salvaged and  
24 retained by the utility.

25 (3) If a new utility facility or portion of that facility is  
26 constructed to accomplish the removal or relocation, an allowance  
27 of an amount equal to the same proportion of the original cost of  
28 the displaced utility facility or portion of that facility as the age  
29 of the facility bears to the normal expected life of the facility.

30 (b) A credit shall not be allowed against any portion of the cost  
31 that is otherwise chargeable to the utility.

32 (c) A credit allowance for age shall not be applied to publicly  
33 owned sewers.

34 185505. (a) The authority and any utility required to remove  
35 a utility facility or to relocate any utility facility may, by agreement,  
36 provide for the respective amounts of the cost to be borne by each.  
37 The authority may, without prejudice to its rights under Section  
38 185506, advance the cost of removal or relocation, and, if the  
39 authority advances that cost, it is the duty of the utility to move its  
40 facilities as soon as reasonably possible so as not to delay

1 *high-speed rail construction. In the case of any utility that is not*  
2 *financially able to bear the costs of removal or relocation, the*  
3 *authority may by agreement provide for the work to be done on*  
4 *condition that the utility's portion of the costs be repaid to the*  
5 *authority over a period of time not exceeding 10 years.*

6 *(b) Either party may maintain an action in a court of competent*  
7 *jurisdiction for an adjudication as to the obligations and costs to*  
8 *be borne by each party under any contract entered into by the*  
9 *parties at any time within four years after the cause of action first*  
10 *arose. The cause of action shall be deemed to arise at the time of*  
11 *the completion by the utility of the removal or relocation in*  
12 *question, or at the time of a breach of the agreement by either*  
13 *party, whichever occurs first. The filing of a claim with a state*  
14 *agency shall not be deemed a condition precedent to the*  
15 *maintenance by the utility of an action under this subdivision.*

16 *185506. In the event of failure to reach an agreement as*  
17 *provided in Section 185505, the utility or the authority may bring*  
18 *an action in a court of competent jurisdiction for apportionment*  
19 *of the cost between them in accordance with this chapter. This*  
20 *action shall be commenced within three years of the date of*  
21 *completion by the utility of the removal or relocation in question.*  
22 *The filing of a claim with a state agency shall not be deemed a*  
23 *condition precedent to the maintenance by the utility of an action*  
24 *pursuant to this section.*

25 *185507. (a) The authority and any utility as defined in Section*  
26 *185500 may enter into a contract providing for or apportioning*  
27 *the obligations and costs to be borne by each party as to either or*  
28 *both of the following subject matters:*

29 *(1) Any or all removals or relocations of utility facilities*  
30 *completed by the utility prior to the effective date of the contract*  
31 *as required by notice given by the authority when necessary to*  
32 *accommodate any or all state high-speed rail construction, where:*  
33 *(A) the obligations or costs to be borne by each party for a removal*  
34 *or relocation are in dispute; and (B) the claim of the utility is: (i)*  
35 *founded upon a removal or relocation completed by the utility not*  
36 *earlier than three years preceding the effective date of the contract;*  
37 *or (ii) involved in an action pending in a court of competent*  
38 *jurisdiction if the action was commenced within three years after*  
39 *completion by the utility of the removal or relocation in question.*

1     (2) Any or all removals or relocations of utility facilities to be  
2 undertaken or completed by the utility after the effective date of  
3 the contract as required by notice given by the authority when  
4 necessary to accommodate any or all state high-speed rail  
5 construction.

6     (b) Those provisions of a contract authorized in paragraph (1)  
7 of subdivision (a) settling the claims of the parties in respect to  
8 removals or relocations of utility facilities completed by the utility  
9 prior to the effective date of the contract shall be irrevocable after  
10 the execution of the contract, unless changed or modified by mutual  
11 consent of the parties in writing. Either party may maintain an  
12 action in a court of competent jurisdiction upon any of the  
13 provisions of the contract at any time within two years after the  
14 effective date of the contract, and the utility need not file a claim  
15 with a state agency as a condition precedent to the maintenance  
16 of an action under this subdivision.

17     (c) Those provisions of a contract dealing with removals or  
18 relocations of utility facilities to be undertaken or completed by  
19 the utility after the effective date of the contract, as authorized in  
20 paragraph (2) of subdivision (a), shall be subject to the following  
21 limitations and requirements:

22     (1) While the contract remains in effect, the contract shall  
23 govern exclusively the determination of the obligations and costs  
24 to be borne by each party in regard to any removal or relocation  
25 covered by the contract and undertaken or completed by the utility  
26 after the effective date of the contract, whether notice of the  
27 necessity of the removal or relocation was given by the authority  
28 to the utility before or after the effective date of the contract. This  
29 chapter, as now or hereafter existing, and any and all other laws  
30 that would be applicable to the subject matter but for the contract  
31 shall not apply, except that laws may be referred to, retained, and  
32 made applicable by the contract. This paragraph shall not apply  
33 in the following circumstances:

34     (A) If, before the effective date of a contract entered into under  
35 this section, the parties executed an agreement in respect to the  
36 obligations and costs to be borne by each party as to a particular  
37 removal or relocation under a notice given by the authority, the  
38 provisions of such an agreement shall govern as to the obligations  
39 and costs to be borne by each party in respect to that particular  
40 removal or relocation.

1     (B) If a particular notice given by the authority before the  
2 effective date of a contract entered into under this section includes  
3 a determination that a removal or relocation is to be made at the  
4 expense of the utility, the utility shall be bound by that notice unless  
5 the utility advised the authority in writing of its disagreement with  
6 the determination within the time specified in an agreement then  
7 in effect between the authority and the utility in respect to the  
8 procedure to be followed in those cases, or, if there is no such  
9 agreement, within a reasonable time after receipt by the utility of  
10 the notice.

11     (2) Either party may maintain an action in a court of competent  
12 jurisdiction for an adjudication as to the obligations and costs to  
13 be borne by each party under the contract at any time within four  
14 years after the cause of action first arose. The cause of action shall  
15 be deemed to arise at the time of the completion by the utility of  
16 the removal or relocation in question. The filing of a claim with  
17 a state agency shall not be deemed a condition precedent to the  
18 maintenance by the utility of an action under this paragraph.

19     (3) The contract shall terminate upon the repeal of this section,  
20 the repeal of paragraph (2) of subdivision (a) and subdivision (c),  
21 or at the time or in the manner as may be provided in the contract.  
22 In the event of termination under this paragraph, the laws  
23 applicable to the subject matter of the contract existing at the time  
24 of termination shall thereafter govern, except that the terms of the  
25 contract shall continue to apply to removals or relocations required  
26 of the utility by the authority under notice mailed or delivered to  
27 the utility prior to the termination, whether work upon the removal  
28 or relocation has already commenced, is in progress, or has been  
29 completed.

30     185508. A utility is entitled to a permit for such reasonable  
31 crossings of high-speed rail property as may be required for the  
32 proper discharge of the utility's service to the public.

33     185509. The authority shall exercise reasonable discretion in  
34 acting on applications of utilities for permits to occupy high-speed  
35 rail property for longitudinal locations of facilities, as may be  
36 required for the proper discharge of their services to the public.  
37 The authority may, however, refuse to grant an application for a  
38 longitudinal installation that would be inconsistent with public  
39 safety or the continued unobstructed use of the high-speed rail  
40 property for rail or vehicular traffic, or for any type of utility

1 *structure inconsistent with the aesthetic values of any landscaped*  
2 *high-speed rail property within, or approaching within, one mile*  
3 *of the limits of any city.*

4 *185510. The authority, in acting upon applications for utility*  
5 *permits, shall consider both the interests of the traveling public*  
6 *upon the high-speed rail property and the needs of consumers for*  
7 *utility services.*

8 *185511. Nothing in this chapter is intended to prevent the*  
9 *authority from making reasonable rules and regulations and*  
10 *requiring reasonable conditions in permits concerning the place,*  
11 *manner, and method of location of utility facilities in, under, over,*  
12 *or along high-speed rail property.*

13 *SEC. 8. Section 7104.3 of the Revenue and Taxation Code is*  
14 *repealed.*

15 ~~*7104.3. Notwithstanding any other provision of law, the*~~  
16 ~~*Department of Finance may adjust the budgeting, accounting, and*~~  
17 ~~*reporting system for the Transportation Investment Fund so that*~~  
18 ~~*unliquidated encumbrances are not reflected in the fund balance*~~  
19 ~~*or financial statement.*~~

20 *SEC. 9. Section 7104.3 is added to the Revenue and Taxation*  
21 *Code, to read:*

22 *7104.3. (a) Notwithstanding any other provision of law, upon*  
23 *order of the Department of Finance, all or some of the state*  
24 *agencies collecting revenue for, or spending from, the*  
25 *Transportation Investment Fund shall adjust budgeting,*  
26 *accounting, and reporting systems and documents so that*  
27 *unliquidated encumbrances, payables, and other accruals are not*  
28 *reflected in the fund balance in the Governor's Budget fund*  
29 *condition display or the fund balance in the financial statements*  
30 *submitted to the Controller for the budgetary-legal basis annual*  
31 *report.*

32 *(b) For the purposes of the Governor's Budget, the balance of*  
33 *cash advanced from the Transportation Investment Fund to the*  
34 *Transportation Revolving Account, as jointly determined by the*  
35 *Department of Finance and the state agencies referenced in*  
36 *subdivision (a), shall be deemed as resources and cash available*  
37 *to the Transportation Investment Fund for budgeting purposes.*

38 *(c) This method shall be effective with the 2013–14 Governor's*  
39 *Budget development process and may be applied to the 2011–12*  
40 *data.*

1     *SEC. 10. Section 7105 of the Revenue and Taxation Code is*  
2     *amended to read:*

3     7105. (a) The Transportation Deferred Investment Fund is  
4 hereby created in the State Treasury. The Transportation Deferred  
5 Investment Fund is to be considered part of the Transportation  
6 Investment Fund, except as specifically required for accounting  
7 purposes, in order to facilitate the repayment and allocation of  
8 revenues consistent with paragraph (1) of subdivision (f) of Section  
9 1 of Article XIX B of the California Constitution as provided in  
10 this section and Section 7106.

11     (b) Pursuant to Section 14557 of the Government Code, the  
12 transfer of revenues from the General Fund to the Transportation  
13 Investment Fund that would have otherwise been required under  
14 subdivision (a) of Section 1 of Article XIX B of the California  
15 Constitution was partially suspended for the 2003–04 fiscal year.  
16 The amount of the transfer for the 2003–04 fiscal year was two  
17 hundred eighty-nine million dollars (\$289,000,000). According to  
18 the State Board of Equalization calculations, with the concurrence  
19 of the Department of Finance, the amount of the transfer suspended  
20 for the 2003–04 fiscal year was eight hundred sixty-seven million  
21 five hundred sixty-eight thousand dollars (\$867,568,000). On or  
22 before June 30 of each fiscal year until June 30, 2016, the  
23 Controller shall transfer an amount from the General Fund to the  
24 Transportation Deferred Investment Fund that is equal to the  
25 minimum repayment required by Article XIX B of the California  
26 Constitution. The repayment shall also include interest calculated  
27 at the Pooled Money Investment Account rate relative to the  
28 amounts that would otherwise have been available for the  
29 transportation programs described in paragraphs (2) to (5),  
30 inclusive, of subdivision (c) of Section 7104. The amount to be  
31 repaid by June 30, 2016, from the General Fund to the  
32 Transportation Deferred Investment Fund shall be reduced by the  
33 amount of any payment made to the Transportation Deferred  
34 Investment Fund from any funding source, excluding subdivision  
35 (d). The moneys deposited in the Transportation Deferred  
36 Investment Fund pursuant to this subdivision are continuously  
37 appropriated without regard to fiscal years for disbursement in the  
38 manner and for the purposes set forth in this section.

39     (c) The Controller, from the moneys deposited in the  
40 Transportation Deferred Investment Fund pursuant to subdivision

1 (b) and Article XIX B of the California Constitution, shall make  
2 transfers and apportionments of those funds in the same manner  
3 and amounts that would have been made in the 2003–04 fiscal  
4 year from the Transportation Investment Fund pursuant to Section  
5 7104, as that section read on January 1, 2003, if the transfer of  
6 funds from the General Fund to the Transportation Investment  
7 Fund had not been partially suspended for the 2003–04 fiscal year  
8 pursuant to Section 14557 of the Government Code, except that  
9 in the 2007–08 fiscal year any remaining principle or interest owed  
10 to the Public Transportation Account shall be repaid first before  
11 any other transfers are made. However, in making those transfers  
12 and apportionments, the Controller shall take into account and  
13 deduct therefrom any transfers and apportionments that were made  
14 from the Transportation Investment Fund in the 2003–04 fiscal  
15 year from funds made available pursuant to subdivision (b) of  
16 Section 14557 of the Government Code. It is the intent of the  
17 Legislature that, upon completion of the transfer of funds pursuant  
18 to subdivision (b) from the General Fund to the Transportation  
19 Deferred Investment Fund, each of the transportation programs  
20 that was to have been funded during the 2003–04 fiscal year from  
21 the Transportation Investment Fund pursuant to Section 7104 of  
22 this code shall have received the amount of funding that the  
23 program would have received in the absence of the suspension of  
24 the transfer pursuant to Section 14557 of the Government Code.

25 (d) The interest that is to be deposited in the Transportation  
26 Deferred Investment Fund pursuant to subdivision (b) shall be  
27 allocated proportionately to each program element in paragraphs  
28 (2) to (5), inclusive, of subdivision (c) of Section 7104, based on  
29 the amount that each program did not receive in the 2003–04 fiscal  
30 year due to suspension of the transfer pursuant to Section 14557  
31 of the Government Code.

32 (e) Four hundred ninety-five million dollars (\$495,000,000) is  
33 hereby appropriated from the General Fund to the Transportation  
34 Deferred Investment Fund for the purpose of paying a portion of  
35 the amount required to be paid pursuant to subdivision (b). The  
36 Controller shall make the payment immediately upon enactment  
37 of the statute amending this section in the 2005–06 Regular  
38 Session. Notwithstanding subdivision (c), these funds, shall be  
39 distributed as follows:

1 (1) The first one hundred ninety-two million dollars  
2 (\$192,000,000) and any interest due pursuant to this section shall  
3 remain in the Transportation Deferred Investment Fund to be used  
4 for projects in the State Transportation Improvement Program  
5 pursuant to paragraph (3) of subdivision (c) of Section 7104.

6 (2) The next one hundred ninety-two million dollars  
7 (\$192,000,000) and any interest due pursuant to this section shall  
8 be distributed to cities and counties, as follows:

9 (A) Ninety-six million dollars (\$96,000,000) and any interest  
10 due pursuant to this section shall be transferred to cities for the  
11 purposes specified in Section 7104 pursuant to the formula in  
12 paragraph (5) of subdivision (c) of that section.

13 (B) Ninety-six million dollars (\$96,000,000) and any interest  
14 due pursuant to this section shall be transferred to counties for the  
15 purposes specified in Section 7104 pursuant to the formula in  
16 paragraph (4) of subdivision (c) of that section.

17 (3) Ninety-six million dollars (\$96,000,000) and any interest  
18 due pursuant to this section shall be transferred to the Public  
19 Transportation Account for allocation pursuant to Section 99312  
20 of the Public Utilities Code.

21 (4) Any funds remaining following the distributions required  
22 by paragraphs (1), (2), and (3) shall be transferred to the Traffic  
23 Congestion Relief Fund, and shall be deemed to be funds received  
24 by that fund in the 2003–04 fiscal year.

25 (f) The Legislature finds and declares that continued investment  
26 in transportation is essential for the California economy. That  
27 investment reduces traffic congestion, assists in economic  
28 development, improves the condition of local streets and roads,  
29 and provides high-quality public transportation.

30 ~~(g) Notwithstanding any other provision of law, the Department  
31 of Finance may adjust the budgeting, accounting, and reporting  
32 system for the Transportation Deferred Investment Fund so that  
33 unliquidated encumbrances are not reflected in the fund balance  
34 or financial statement.~~

35 *(g) (1) Notwithstanding any other provision of law, upon order  
36 of the Department of Finance, all or some of the state agencies  
37 collecting revenues for, or spending from, the Transportation  
38 Deferred Investment Fund shall adjust budgeting, accounting, and  
39 reporting systems and documents so that unliquidated  
40 encumbrances, payables, and other accruals are not reflected in*

1 *the fund balance in the Governor's Budget fund condition display*  
2 *or the fund balance in the financial statements submitted to the*  
3 *Controller for the budgetary-legal basis annual report.*

4 (2) *For the purposes of the Governor's Budget, the balance of*  
5 *cash advanced from the Transportation Deferred Investment Fund*  
6 *to the Transportation Revolving Account, as jointly determined by*  
7 *the Department of Finance and the state agencies referenced in*  
8 *paragraph (1), shall be deemed as resources and cash available*  
9 *to the Transportation Deferred Investment Fund for budgeting*  
10 *purposes.*

11 (3) *This method shall be effective with the 2013–14 Governor's*  
12 *Budget development process and may be applied to the 2011–12*  
13 *data.*

14 *SEC. 11. Section 183 of the Streets and Highways Code is*  
15 *amended to read:*

16 183. (a) All money in the State Highway Account in the State  
17 Transportation Fund derived from federal sources or from  
18 appropriations to other state agencies, or deposited in the account  
19 by local agencies or by others, is continuously appropriated to,  
20 and shall be available for expenditure by, the department for the  
21 purposes for which the money was made available.

22 Unless otherwise expressly provided for by law, none of the  
23 balance of the money in the State Highway Account shall be  
24 expended until it has been specifically appropriated by the  
25 Legislature or made available pursuant to Section 13322 of the  
26 Government Code.

27 The Budget Act appropriations shall be made on a program basis  
28 only and shall not identify the specific capital outlay projects to  
29 be funded. The commission shall be responsible for allocating the  
30 funds to specific projects within the budget program categories,  
31 except that all funds described in Chapter 5 (commencing with  
32 Section 2200) of Division 3 shall be allocated on a program basis  
33 to the department for allocation pursuant to that chapter.

34 (b) Notwithstanding subdivision (a), commencing with the  
35 1985–86 Budget, the department shall submit with its budget  
36 requests a detailed description of the acquisition, improvement,  
37 and construction of office building projects to the Legislature for  
38 review. The total amount appropriated for those projects shall be  
39 identified as a separate line item in the Budget Act. Funds  
40 appropriated for those projects shall be allocated by the commission

1 only for projects which have been approved by the Legislature.  
2 Minor projects are to be defined consistent with Section 167. The  
3 commission may substitute for approved minor projects, if the  
4 total sum of minor projects is within the amount approved by the  
5 Legislature.

6 ~~(e) Notwithstanding any other provision of law, the Department~~  
7 ~~of Finance may adjust the budgeting, accounting, and reporting~~  
8 ~~system for the State Highway Account so that unliquidated~~  
9 ~~encumbrances are not reflected in the fund balance or financial~~  
10 ~~statements.~~

11 *(c) (1) Notwithstanding any other provision of law, upon order*  
12 *of the Department of Finance, all or some of the state agencies*  
13 *collecting revenues for, or spending from, the State Highway*  
14 *Account shall adjust budgeting, accounting, and reporting systems*  
15 *and documents so that unliquidated encumbrances, payables, and*  
16 *other accruals are not reflected in the fund balance in the*  
17 *Governor's Budget fund condition display or the fund balance in*  
18 *the financial statements submitted to the Controller for the*  
19 *budgetary-legal basis annual report.*

20 *(2) For the purposes of the Governor's Budget, the balance of*  
21 *cash advanced from the State Highway Account to the*  
22 *Transportation Revolving Account, as jointly determined by the*  
23 *Department of Finance and the state agencies referenced in*  
24 *paragraph (1), shall be deemed as resources and cash available*  
25 *to the Transportation Deferred Investment Fund for budgeting*  
26 *purposes.*

27 *(3) This method shall be effective with the 2013–14 Governor's*  
28 *Budget development process and may be applied to the 2011–12*  
29 *data.*

30 *SEC. 12. Section 183.1 of the Streets and Highways Code is*  
31 *amended to read:*

32 183.1. (a) Notwithstanding subdivision (a) of Section 182 or  
33 any other provision of law, money deposited into the account that  
34 is not subject to Article XIX of the California Constitution,  
35 including, but not limited to, money that is derived from the sale  
36 of documents, charges for miscellaneous services to the public,  
37 condemnation deposits fund investments, rental of state property,  
38 or any other miscellaneous uses of property or money, may be  
39 used for any transportation purpose authorized by statute, upon

1 appropriation by the Legislature or, after transfer to another fund,  
2 upon appropriation by the Legislature from that fund.

3 ~~(b) In the 2010–11, 2011–12, and 2012–13 fiscal years,~~  
4 ~~Commencing with the 2013–14 fiscal year,~~ and not later than  
5 November 1 of each of those years, ~~fiscal year thereafter,~~ based  
6 on prior year financial statements, the Controller shall transfer the  
7 funds identified in subdivision (a) for the prior fiscal year *from*  
8 *the State Highway Account* to the Transportation Debt Service  
9 Fund in the State Transportation Fund, *and those funds are*  
10 *continuously appropriated for the purposes specified for the*  
11 *Transportation Debt Service Fund.*

12 ~~(e) Commencing with the 2013–14 fiscal year, the revenues~~  
13 ~~identified in subdivision (a) shall remain in the State Highway~~  
14 ~~Account until appropriated by the Legislature.~~

15 *SEC. 13. Section 9400.1 of the Vehicle Code is amended to*  
16 *read:*

17 9400.1. (a) (1) In addition to any other required fee, there  
18 shall be paid the fees set forth in this section for the registration  
19 of commercial motor vehicles operated either singly or in  
20 combination with a declared gross vehicle weight of 10,001 pounds  
21 or more. Pickup truck and electric vehicle weight fees are not  
22 calculated under this section.

23 (2) The weight of a vehicle issued an identification plate  
24 pursuant to an application under Section 5014, and the weight of  
25 an implement of husbandry as defined in Section 36000, shall not  
26 be considered when calculating, pursuant to this section, the  
27 declared gross vehicle weight of a towing commercial motor  
28 vehicle that is owned and operated exclusively by a farmer or an  
29 employee of a farmer in the conduct of agricultural operations.

30 (3) Tow trucks that are utilized to render assistance to the  
31 motoring public or to tow or carry impounded vehicles shall pay  
32 fees in accordance with this section, except that the fee calculation  
33 shall be based only on the gross vehicle weight rating of the towing  
34 or carrying vehicle. Upon each initial or transfer application for  
35 registration of a tow truck described in this paragraph, the  
36 registered owner or lessee or that owner’s or lessee’s designee,  
37 shall certify to the department the gross vehicle weight rating of  
38 the tow truck:

39		
40	Gross Vehicle Weight Range	Fee

1	10,001–15,000 .....	\$ 257
2	15,001–20,000 .....	353
3	20,001–26,000 .....	435
4	26,001–30,000 .....	552
5	30,001–35,000 .....	648
6	35,001–40,000 .....	761
7	40,001–45,000 .....	837
8	45,001–50,000 .....	948
9	50,001–54,999 .....	1,039
10	55,000–60,000 .....	1,173
11	60,001–65,000 .....	1,282
12	65,001–70,000 .....	1,398
13	70,001–75,000 .....	1,650
14	75,001–80,000 .....	1,700

15

16 (b) The fees specified in subdivision (a) apply to both of the  
17 following:

18 (1) An initial or original registration occurring on or after  
19 December 31, 2001, to December 30, 2003, inclusive, of a  
20 commercial motor vehicle operated either singly or in combination  
21 with a declared gross vehicle weight of 10,001 pounds or more.

22 (2) The renewal of registration of a commercial motor vehicle  
23 operated either singly or in combination, with a declared gross  
24 vehicle weight of 10,001 pounds or more for which registration  
25 expires on or after December 31, 2001, to December 30, 2003,  
26 inclusive.

27 (c) (1) For both an initial or original registration occurring on  
28 or after December 31, 2003, of a commercial motor vehicle  
29 operated either singly or in combination with a declared gross  
30 vehicle weight of 10,001 pounds or more, and the renewal of  
31 registration of a commercial motor vehicle operated either singly  
32 or in combination, with a declared gross vehicle weight of 10,001  
33 pounds or more for which registration expires on or after December  
34 31, 2003, there shall be paid fees as follows:

35

36	Gross Vehicle Weight Range	Weight Code	Fee
37	10,001–15,000	A	\$ 332
38	15,001–20,000	B	447
39	20,001–26,000	C	546
40	26,001–30,000	D	586

1	30,001–35,000	E	801
2	35,001–40,000	F	937
3	40,001–45,000	G	1,028
4	45,001–50,000	H	1,161
5	50,001–54,999	I	1,270
6	55,000–60,000	J	1,431
7	60,001–65,000	K	1,562
8	65,001–70,000	L	1,701
9	70,001–75,000	M	2,004
10	75,001–80,000	N	2,064

11  
 12 (2) For the purpose of obtaining “revenue neutrality” as  
 13 described in Sections 1 and 59 of Senate Bill 2084 of the  
 14 1999-2000 Regular Session (Chapter 861 of the Statutes of 2000),  
 15 the Director of Finance shall review the final 2003-04 Statement  
 16 of Transactions of the State Highway Account. If that review  
 17 indicates that the actual truck weight fee revenues deposited in the  
 18 State Highway Account do not total at least seven hundred  
 19 eighty-nine million dollars (\$789,000,000), the Director of Finance  
 20 shall instruct the department to adjust the schedule set forth in  
 21 paragraph (1), but not to exceed the following fee amounts:

22			
23	Gross Vehicle Weight Range	Weight Code	Fee
24	10,001–15,000	A	\$ 354
25	15,001–20,000	B	482
26	20,001–26,000	C	591
27	26,001–30,000	D	746
28	30,001–35,000	E	874
29	35,001–40,000	F	1,024
30	40,001–45,000	G	1,125
31	45,001–50,000	H	1,272
32	50,001–54,999	I	1,393
33	55,000–60,000	J	1,571
34	60,001–65,000	K	1,716
35	65,001–70,000	L	1,870
36	70,001–75,000	M	2,204
37	75,001–80,000	N	2,271

38  
 39 (d) (1) In addition to the fees set forth in subdivision (a), a  
 40 Cargo Theft Interdiction Program fee of three dollars (\$3) shall

1 be paid at the time of initial or original registration or renewal of  
2 registration of each motor vehicle subject to weight fees under this  
3 section.

4 (2) This subdivision does not apply to vehicles used or  
5 maintained for the transportation of persons for hire, compensation  
6 or profit, and tow trucks.

7 (3) For vehicles registered under Article 4 (commencing with  
8 Section 8050) of Chapter 4, the fee imposed under this subdivision  
9 shall be apportioned as required for registration fees under that  
10 article.

11 (4) Funds collected pursuant to the Cargo Theft Interdiction  
12 Program shall not be proportionately reduced for each month and  
13 shall be transferred to the Motor Carriers Safety Improvement  
14 Fund.

15 (e) Notwithstanding Section 42270 or any other provision of  
16 law, of the moneys collected by the department under this section,  
17 one hundred twenty-two dollars (\$122) for each initial, original,  
18 and renewal registration shall be reported monthly to the Controller,  
19 and at the same time, deposited in the State Treasury to the credit  
20 of the Motor Vehicle Account in the State Transportation Fund.  
21 All other moneys collected by the department under this section  
22 shall be deposited to the credit of the State Highway Account in  
23 the State Transportation Fund, *or directly to the credit of the*  
24 *Transportation Debt Service Fund as provided in paragraph (2)*  
25 *of subdivision (c) of Section 9400.4, as applicable.* One hundred  
26 twenty-two dollars (\$122) of the fee imposed under this section  
27 shall not be proportionately reduced for each month. For vehicles  
28 registered under Article 4 (commencing with Section 8050) of  
29 Chapter 4, the fee shall be apportioned as required for registration  
30 under that article.

31 (f) (1) The department, in consultation with the Department of  
32 the California Highway Patrol, shall design and make available a  
33 set of distinctive weight decals that reflect the declared gross  
34 combined weight or gross operating weight reported to the  
35 department at the time of initial registration, registration renewal,  
36 or when a weight change is reported to the department pursuant  
37 to Section 9406.1. A new decal shall be issued on each renewal  
38 or when the weight is changed pursuant to Section 9406.1. The  
39 decal for a tow truck that is subject to this section shall reflect the  
40 gross vehicle weight rating or weight code.

1 (2) The department may charge a fee, not to exceed ten dollars  
2 (\$10), for the department's actual cost of producing and issuing  
3 each set of decals issued under paragraph (1).

4 (3) The weight decal shall be in sharp contrast to the background  
5 and shall be of a size, shape, and color that is readily legible during  
6 daylight hours from a distance of 50 feet.

7 (4) Each vehicle subject to this section shall display the weight  
8 decal on both the right and left sides of the vehicle.

9 (5) A person may not display upon a vehicle a decal issued  
10 pursuant to this subdivision that does not reflect the declared weight  
11 reported to the department.

12 (6) Notwithstanding subdivision (e) or any other provision of  
13 law, the moneys collected by the department under this subdivision  
14 shall be deposited in the State Treasury to the credit of the Motor  
15 Vehicle Account in the State Transportation Fund.

16 (7) This subdivision shall apply to vehicles subject to this section  
17 at the time of an initial registration, registration renewal, or reported  
18 weight change that occurs on or after July 1, 2004.

19 (8) The following shall apply to vehicles registered under the  
20 permanent fleet registration program pursuant to Article 9.5  
21 (commencing with Section 5301) of Chapter 1:

22 (A) The department, in consultation with the Department of the  
23 California Highway Patrol, shall distinguish the weight decals  
24 issued to permanent fleet registration vehicles from those issued  
25 to other vehicles.

26 (B) The department shall issue the distinguishable weight decals  
27 only to the following:

28 (i) A permanent fleet registration vehicle that is registered with  
29 the department on January 1, 2005.

30 (ii) On and after January 1, 2005, a vehicle for which the  
31 department has an application for initial registration as a permanent  
32 fleet registration vehicle.

33 (iii) On and after January 1, 2005, a permanent fleet registration  
34 vehicle that has a weight change pursuant to Section 9406.1.

35 (C) The weight decal issued under this paragraph shall comply  
36 with the applicable provisions of paragraphs (1) to (6), inclusive.

37 *SEC. 14. Section 9400.4 of the Vehicle Code is amended to*  
38 *read:*

39 9400.4. Weight fee revenue deposited into the State Highway  
40 Account pursuant to subdivision (e) of Section 9400.1 and

1 *subdivision (a) of Section 42205 net of amounts appropriated for*  
2 *other purposes pursuant to subdivision (b) of Section 42205, and*  
3 *weight fee revenues deposited directly into the Transportation*  
4 *Debt Service Fund pursuant to subdivision (e) of Section 9400.1*  
5 *and subdivision (a) of Section 42205, as applicable, shall be used*  
6 *as follows:*

7 (a) For the 2010–11 fiscal year, seven hundred fifty-six million  
8 three hundred ninety-six thousand dollars (\$756,396,000) is hereby  
9 appropriated from weight fee revenues in the State Highway  
10 Account for transfer to the General Fund as transportation bond  
11 debt service reimbursement and loans as follows:

12 (1) The Controller shall transfer all weight fee revenues  
13 deposited into the State Highway Account in any month to the  
14 Transportation Debt Service Fund for transfer to the General Fund  
15 as reimbursement for debt service costs until all of the debt service  
16 paid on transportation bonds for projects that the Director of  
17 Finance indicates qualify for reimbursement as provided for in  
18 Section 16965 of the Government Code have been reimbursed.

19 (2) After the Director of Finance has notified the Controller that  
20 all debt service costs for the 2010–11 fiscal year have been  
21 reimbursed, the Controller shall transfer any remaining monthly  
22 weight fee revenues in the State Highway Account to the General  
23 Fund as a loan until the full amount appropriated in this subdivision  
24 has been transferred to the General Fund. The Director of Finance  
25 may repay any remaining portion of the outstanding balance of  
26 this loan in any year in which the Director of Finance determines  
27 the funds are needed to reimburse the General Fund for current  
28 year transportation bond debt service or to redeem or ~~defeas~~ *retire*  
29 those bonds, pursuant to Section 16774 of the Government Code,  
30 maturing in a subsequent fiscal year, provided that the loans shall  
31 be repaid no later than June 30, 2021. All funds loaned pursuant  
32 to this section, upon repayment to the State Highway Account,  
33 shall be immediately transferred by the Controller to the  
34 Transportation Debt Service Fund for use pursuant to Section  
35 16965 of the Government Code.

36 (3) By June 15, 2011, the Director of Finance in consultation  
37 with the Treasurer shall notify the Controller regarding the final  
38 amount of debt service paid from the General Fund during the  
39 2010–11 fiscal year pursuant to Section 16965 of the Government  
40 Code and shall direct the Controller to reverse and adjust any

1 transfers made as debt service reimbursements or loans so that a  
2 maximum amount of transfers are made for debt service  
3 reimbursements and with any loan amounts limited to the  
4 difference between this amount and the total amount appropriated  
5 in this subdivision. The total amount of weight fee revenues  
6 transferred from the State Highway Account for the 2010–11 fiscal  
7 year shall not be greater than the total amount of weight fee  
8 revenues deposited into the State Highway Account for that year.

9 (4) With respect to transfers or portions of transfers that cannot  
10 be made in any given month if weight fee revenues are insufficient,  
11 the first weight fee revenues available in the following month or  
12 months shall be used to complete the transfers for the previous  
13 month or months prior to making additional transfers for later  
14 months.

15 (b) For the 2011–12 fiscal year, all revenue generated from  
16 weight fees in the State Highway Account, as determined by  
17 Sections 9400.1 and 42205, excluding an amount equal to the loan  
18 of forty-three million seven hundred thousand dollars  
19 (\$43,700,000) authorized pursuant to Item 2660-013-0042 of  
20 Section 2.00 of the Budget Act of 2011, is hereby appropriated for  
21 transfer to the General Fund as debt service reimbursement and  
22 loans as follows:

23 (1) The Controller shall transfer all weight fee revenues  
24 deposited into the State Highway Account in any month to the  
25 Transportation Debt Service Fund for transfer to the General Fund  
26 as reimbursement for debt service costs until all of the debt service  
27 paid on transportation bonds for projects that the Director of  
28 Finance indicates qualify for reimbursement as provided for in  
29 Section 16965 of the Government Code have been reimbursed.

30 (2) After the Director of Finance has notified the Controller that  
31 all debt service costs for the 2011–12 fiscal year have been  
32 reimbursed, the Controller shall transfer any remaining weight fee  
33 revenues for that fiscal year in the State Highway Account to the  
34 General Fund as a loan until all weight fee revenues for that fiscal  
35 year appropriated in this subdivision have been transferred to the  
36 General Fund, excluding forty-two million dollars (\$42,000,000),  
37 which shall be transferred to the General Fund as a loan on July  
38 1, 2012. The Director of Finance may repay any portion of the  
39 balance of this loan in any year in which the Director of Finance  
40 determines the funds are needed to reimburse the General Fund

1 for current year transportation bond debt service or to redeem or  
2 ~~defease~~ *retire* those bonds, pursuant to Section 16774 of the  
3 Government Code, maturing in a subsequent year, provided that  
4 the loans shall be repaid no later than June 30, 2021. All funds  
5 loaned pursuant to this section, upon repayment to the State  
6 Highway Account, shall be immediately transferred by the  
7 Controller to the Transportation Debt Service Fund for use pursuant  
8 to Section 16965 of the Government Code.

9 (3) By June 15, 2012, the Director of Finance in consultation  
10 with the Treasurer shall notify the Controller regarding the final  
11 amount of debt service paid from the General Fund during the  
12 2011–12 fiscal year pursuant to Section 16965 of the Government  
13 Code and shall direct the Controller to reverse and adjust any  
14 transfers made as debt service reimbursements or loans so that a  
15 maximum amount of transfers are made for debt service  
16 reimbursements and with any loan amounts limited to the  
17 difference between this amount and the total amount appropriated  
18 in this subdivision. The total amount of weight fee revenues  
19 transferred from the State Highway Account for the 2011–12 fiscal  
20 year shall not be greater than the total amount of weight fee  
21 revenues deposited into the State Highway Account in that year.

22 (4) With respect to transfers or portions of transfers that cannot  
23 be made in any given month if weight fee revenues are insufficient,  
24 the first weight fee revenues available in the following month or  
25 months shall be used to complete the transfers for the previous  
26 month or months prior to making additional transfers for later  
27 months.

28 (c) (1) ~~Starting with the 2012–13 fiscal year and every year~~  
29 ~~thereafter~~ (A) *Until the month of first issuance of designated bonds*  
30 *as defined in subdivision (c) of Section 16773 of the Government*  
31 *Code, and at any time thereafter that a Treasurer’s certification*  
32 *pursuant to subparagraph (B) of paragraph (3) of subdivision (a)*  
33 *of Section 16965 of the Government Code applies, all weight fee*  
34 *revenues deposited into the State Highway Account in any month*  
35 *subject to this section in any month shall be transferred from the*  
36 *State Highway Account to the Transportation Debt Service Fund*  
37 *and are Fund.*

38 (B) *Except as provided in paragraph (3), or when subparagraph*  
39 *(A) applies pursuant to a Treasurer’s certification, upon the first*  
40 *issuance of designated bonds, as defined in subdivision (c) of*

1 *Section 16773 of the Government Code, starting in the month*  
2 *following that first issuance, all weight fee revenues received by*  
3 *the Controller from the first day through the 14th day of every*  
4 *month shall be transferred from the State Highway Account to the*  
5 *Transportation Debt Service Fund.*

6 *(C) All funds transferred pursuant to subparagraphs (A) and*  
7 *(B) are hereby appropriated for transfer to the General Fund by*  
8 *the Controller as reimbursement for debt service costs ~~until all of~~*  
9 *the debt service paid on transportation bonds paid with respect to*  
10 *eligible bonds described in subparagraph (A) of paragraph (2) of*  
11 *subdivision (a) of Section 16965 of the Government Code, until*  
12 *all debt service that the Director of Finance indicates ~~qualify~~*  
13 *qualifies for reimbursement as provided for in subdivision (d), (e),*  
14 *or (f) of Section 16965 of the Government Code has been*  
15 *reimbursed, or to redeem or ~~defeas~~ retire bonds, pursuant to*  
16 *Section 16774 of the Government Code, as referenced in*  
17 *subdivision ~~(b)~~ or (d), (e), or (f) of Section 16965 of the*  
18 *Government ~~Code Code~~, that are maturing in a subsequent year.*  
19 *After the Director of Finance has notified the Controller that all*  
20 *debt service costs for the fiscal year have been reimbursed, the*  
21 *Controller shall transfer any remaining revenue generated from*  
22 *weight fees *subject to this section* for that fiscal year in the State*  
23 *Highway Account to the General Fund as a loan. The Director of*  
24 *Finance may repay any portion of the balance of this loan in any*  
25 *year in which the Director of Finance determines that the funds*  
26 *are needed to reimburse the General Fund for current year*  
27 *transportation bond debt service or to redeem or ~~defeas~~ retire*  
28 *those bonds pursuant to Section 16774 of the Government Code,*  
29 *maturing in a future fiscal year, provided that the loans shall be*  
30 *repaid no later than June 30, 2021. All funds loaned pursuant to*  
31 *this section, upon repayment to the State Highway Account, shall*  
32 *be immediately transferred by the Controller to the Transportation*  
33 *Debt Service Fund for use pursuant to Section 16965 of the*  
34 *Government Code. By June 15 of each year, the Director of*  
35 *Finance, in consultation with the Treasurer, shall notify the*  
36 *Controller regarding the final amount of debt service paid from*  
37 *the General Fund during that fiscal year pursuant to *subdivision**  
38 *(d), (e), or (f) of Section 16965 of the Government Code and shall*  
39 *direct the Controller to reverse or adjust any transfers made as debt*  
40 *service reimbursements or loans so that a maximum amount of*

1 transfers are made for debt service reimbursements and with any  
2 loan amounts limited to the difference between this amount and  
3 the total amount of revenue for that fiscal year generated from  
4 weight fees, as determined by Sections 9400.1 and 42205. The  
5 total amount of weight fee revenues transferred from the State  
6 Highway Account in any fiscal year shall not be greater than the  
7 total amount of weight fee revenues deposited into the State  
8 Highway Account in that year.

9 *(2) Starting in the month following the first issuance of any*  
10 *designated bonds, unless a Treasurer's certification pursuant to*  
11 *subparagraph (B) of paragraph (3) of subdivision (a) of Section*  
12 *16965 of the Government Code applies, all weight fee revenues*  
13 *subject to this section that are received by the Controller from the*  
14 *15th day of every month, or the first business day thereafter if not*  
15 *a business day, through the last day of the month shall be deposited*  
16 *directly in the Transportation Debt Service Fund and are hereby*  
17 *appropriated for transfer as follows:*

18 *(A) First, to the Transportation Bond Direct Payment Account*  
19 *as set forth in subdivision (b) of Section 16965 of the Government*  
20 *Code, to provide for payment of debt service with respect to*  
21 *designated bonds.*

22 *(B) Thereafter, as provided in subparagraph (C) of paragraph*  
23 *(1).*

24 *(3) Notwithstanding paragraphs (1) and (2), if by the last day*  
25 *of a month the transfer for that month relating to designated bonds*  
26 *required by the Treasurer's certificate described in subdivision*  
27 *(b) of Section 16965 of the Government Code has not been made*  
28 *due to insufficient weight fee revenue, weight fee revenue shall*  
29 *continue to be transferred pursuant to paragraph (2) beginning*  
30 *with the first day of the subsequent month and continuing every*  
31 *day until such time as sufficient revenue for full compliance with*  
32 *the certificate has been transferred.*

33 ~~*(2) With*~~

34 *(4) Except as otherwise provided in paragraph (1), (2), or (3),*  
35 *with respect to any transfers or portions of transfers that cannot be*  
36 *made in any given month if weight fee revenues are insufficient,*  
37 *the first weight fee revenues available in the following month or*  
38 *months shall be used to complete the transfers for the previous*  
39 *month or months prior to making additional transfers for later*  
40 *months.*

1     *SEC. 15. Section 42205 of the Vehicle Code is amended to*  
2     *read:*

3     42205. (a) Notwithstanding Chapter 3 (commencing with  
4     Section 42270), the department shall file, at least monthly with  
5     the Controller, a report of money received by the department  
6     pursuant to Section 9400 for the previous month and shall, at the  
7     same time, remit all money so reported to the Treasurer. On order  
8     of the Controller, the Treasurer shall deposit all money so remitted  
9     into the State Highway Account in the State Transportation Fund,  
10    *or directly into the Transportation Debt Service Fund as provided*  
11    *in paragraph (2) of subdivision (c) of Section 9400.4, as applicable.*

12    (b) The Legislature shall appropriate from the State Highway  
13    Account in the State Transportation Fund to the department and  
14    the Franchise Tax Board amounts equal to the costs incurred by  
15    each in performing their duties pursuant to Article 3 (commencing  
16    with Section 9400) of Chapter 6 of Division 3. The applicable  
17    amounts shall be determined so that the appropriate costs for  
18    registration and weight fee collection activities are appropriated  
19    between the recipients of revenues in proportion to the revenues  
20    that would have been received individually by those recipients if  
21    the total fee imposed under the Vehicle License Fee Law (Part 5  
22    (commencing with Section 10701) of Division 2 of the Revenue  
23    and Taxation Code) was 2 percent of the market value of a vehicle.  
24    The remainder of the funds collected under Section 9400 and  
25    deposited in the account, *other than the direct deposits to the*  
26    *Transportation Debt Service Fund referenced in subdivision (a),*  
27    may be appropriated to the Department of Transportation, the  
28    Department of the California Highway Patrol, and the Department  
29    of Motor Vehicles for the purposes authorized under Section 2 3  
30    of Article XIX of the California Constitution.

31    *SEC. 16. This act is a bill providing for appropriations related*  
32    *to the Budget Bill within the meaning of subdivision (e) of Section*  
33    *12 of Article IV of the California Constitution, has been identified*  
34    *as related to the budget in the Budget Bill, and shall take effect*  
35    *immediately.*

36    ~~SECTION 1. It is the intent of the Legislature to enact statutory~~  
37    ~~changes relating to the Budget Act of 2013.~~

O