

AMENDED IN SENATE MARCH 24, 2014

**SENATE BILL**

**No. 1037**

---

---

**Introduced by Senator Hernandez**

February 18, 2014

---

---

~~An act to amend Section 101 of the Streets and Highways Code, relating to highways.~~ *An act to amend Section 130350.6 of the Public Utilities Code, relating to transportation.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1037, as amended, Hernandez. ~~State highways.~~ *Los Angeles County Metropolitan Transportation Authority: transactions and use tax.*

*Existing law authorizes the Los Angeles County Metropolitan Transportation Authority (MTA) to impose, in addition to any other tax that it is authorized to impose, a transactions and use tax at a rate of 0.5% for the funding of specified transportation-related purposes pursuant to an adopted expenditure plan and subject to voter approval. Existing law authorizes the MTA to seek voter approval to extend the sales tax pursuant to an amended ordinance, subject to various requirements and voter approval.*

*This bill would require the MTA, prior to submitting an amended ordinance to the voters, to amend the expenditure plan previously prepared for the voter-approved Measure R transactions and use tax with respect to certain matters relating to projects and programs to be funded under Measure R. The bill would also require the MTA to include the updated expenditure plan in the Long Range Transportation Plan. The bill would also require the updated Long Range Transportation Plan to include capital projects and capital programs that are adopted*

by each subregion, as specified, and that are submitted to MTA for inclusion in the Long Range Transportation Plan.

~~Existing law provides that the Department of Transportation has full possession and control of the state highway system. Existing law requires the department to keep in repair all objects or markers adjacent to a state highway that have been erected to mark registered historical places and to keep those markers free from vegetation that may obscure them from view.~~

~~This bill would make nonsubstantive changes to these provisions.~~

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

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

1     SECTION 1. Section 130350.6 of the Public Utilities Code is  
2     amended to read:  
3     130350.6. (a) The tax authorized by Section 130350.5 may  
4     be imposed as set forth in paragraph (3) of subdivision (b) of  
5     Section 130350.5 in a transactions and use tax ordinance, or an  
6     amendment of the ordinance approved pursuant to paragraph (1)  
7     of subdivision (b) of Section 130350.5, that conforms with Chapter  
8     2 (commencing with Section 7261) to Chapter 4 (commencing  
9     with Section 7275), inclusive, of the Transactions and Use Tax  
10    Law (Part 1.6 (commencing with Section 7251) of Division 2 of  
11    the Revenue and Taxation Code), and that is approved by a  
12    majority of the entire membership of the authority. The tax may  
13    be imposed pursuant to this section only if the proposing ordinance,  
14    or amendment thereof, is approved by two-thirds of the voters, in  
15    the manner as otherwise required by law, voting on this measure,  
16    in a special or general election and, if so approved, shall become  
17    operative as provided in Section 130352. The proposing ordinance  
18    shall specify that the net revenues derived from the tax are to be  
19    administered by the Los Angeles County Metropolitan  
20    Transportation Authority (MTA) as provided in this section. Net  
21    revenues shall be defined as all revenues derived from the tax less  
22    any refunds, costs of administration by the State Board of  
23    Equalization, and costs of administration by the MTA. Such costs  
24    of administration by the MTA shall not exceed 1.5 percent of the  
25    revenues derived from the tax. The proposing ordinance shall be  
26    accompanied by a new expenditure plan for the net revenues

1 derived from the tax. This new expenditure plan shall identify the  
2 years in which the MTA anticipates net revenues derived from the  
3 tax will be available to each project or program in the new  
4 expenditure plan.

5 (b) The MTA may incur bonded indebtedness payable from the  
6 proceeds of the tax authorized by this section pursuant to the bond  
7 issuance provisions of this chapter, and any successor act.

8 (c) Proceeds from the tax authorized by this section, including  
9 proceeds from bonds issued pursuant to subdivision (b), after  
10 payment of the bonded indebtedness, shall be used to accelerate  
11 the completion of the projects and programs identified in  
12 subparagraphs (A) and (B) of paragraph (3) of subdivision (b) of  
13 Section 130350.5, for the expenditure plan adopted by the MTA  
14 board on July 24, 2008, and for operations pursuant to paragraph  
15 (3) of subdivision (b) of Section 130350.5.

16 (d) Upon completion of the projects and programs identified in  
17 subparagraphs (A) and (B) of paragraph (3) of subdivision (b) of  
18 Section 130350.5 and the expenditure plan adopted by the MTA  
19 board on July 24, 2008, any funds remaining from the bonds  
20 described in subdivision (b) and any funds remaining from the  
21 proceeds of the tax authorized by this section, after payment of  
22 the bonded indebtedness, shall be expended by the MTA on  
23 projects and programs in the Long Range Transportation Plan or  
24 its successor plans, and for operations pursuant to paragraph (3)  
25 of subdivision (b) of Section 130350.5.

26 (e) To the extent that *the* MTA deems it necessary to accelerate  
27 the completion of a project or program in a new expenditure plan  
28 adopted pursuant to this section, *the* MTA shall expend funds  
29 derived from the sales tax authorized by Section 130350.5  
30 according to the schedule described in the new expenditure plan  
31 adopted pursuant to this section. *The* MTA shall make this  
32 determination by a majority vote of the MTA board.

33 (f) (1) *Prior to submitting the ordinance described in*  
34 *subdivision (a) to the voters, the MTA shall amend the expenditure*  
35 *plan adopted pursuant to subdivision (f) of Section 130350.5. The*  
36 *amended plan shall update all of the following for the projects*  
37 *and programs listed in subparagraphs (A) and (B) of paragraph*  
38 *(3) of subdivision (b) of Section 130350.5:*

39 (A) *The identification of the specific program or source of the*  
40 *non-Measure R funds identified in the amended plan.*

1 (B) *The identification of the accelerated cost, if applicable, for*  
2 *each project and program in the amended plan.*

3 (C) *The schedule during which the MTA anticipates funds will*  
4 *be available for each project and program.*

5 (D) *The expected completion dates for each project and*  
6 *program.*

7 (2) *The expenditure plan, as amended, shall also be included*  
8 *in the revised and updated Long Range Transportation Plan prior*  
9 *to submitting the ordinance described in subdivision (a) to the*  
10 *voters. The revised and updated Long Range Transportation Plan*  
11 *shall also include capital projects and capital programs that are*  
12 *adopted by each subregion that are submitted to the MTA for*  
13 *inclusion in the revised Long Range Transportation Plan. As used*  
14 *in this paragraph, “subregion” shall have the meaning as defined*  
15 *in the Long Range Transportation Plan in effect as of January 1,*  
16 *2008.*

17 ~~SECTION 1. Section 101 of the Streets and Highways Code~~  
18 ~~is amended to read:~~

19 ~~101. (a) The department shall keep in repair all objects or~~  
20 ~~markers adjacent to a state highway that have been erected to mark~~  
21 ~~registered historical places and shall keep those markers free from~~  
22 ~~vegetation that may obscure them from view.~~

23 ~~(b) When the Legislature, by concurrent resolution, has~~  
24 ~~designated names for certain districts and state highway bridges,~~  
25 ~~and requested the placing of name plaques at the boundaries of~~  
26 ~~the districts or on the bridges, the department is authorized to~~  
27 ~~expend reasonable sums for those plaques.~~

28 ~~(c) Any major bridge not previously named by the Legislature~~  
29 ~~may be named by the Legislature, by concurrent resolution, for a~~  
30 ~~serviceman killed in action who was a resident of the county in~~  
31 ~~which the bridge is located. The name shall be selected from names~~  
32 ~~submitted to the department by veterans associations as defined~~  
33 ~~by Section 1260 of the Military and Veterans Code.~~