

ASSEMBLY BILL

No. 6

Introduced by Assembly Member Wilk

December 1, 2014

An act to add Section 2704.096 to the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 6, as introduced, Wilk. Bonds: transportation: school facilities.

Existing law, the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as Proposition 1A at the November 4, 2008, general election, provides for the issuance of \$9 billion in general obligation bonds for high-speed rail purposes and \$950 million for other related rail purposes. Article XVI of the California Constitution requires measures authorizing general obligation bonds to specify the single object or work to be funded by the bonds and further requires a bond act to be approved by a $\frac{2}{3}$ vote of each house of the Legislature and a majority of the voters.

This bill would provide that no further bonds shall be sold for high-speed rail purposes pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, except as specifically provided with respect to an existing appropriation for high-speed rail purposes for early improvement projects in the Phase 1 blended system. The bill, subject to the above exception, would require redirection of the unspent proceeds received from outstanding bonds issued and sold for other high-speed rail purposes prior to the effective date of these provisions, upon appropriation, for use in retiring the debt incurred from the issuance and sale of those outstanding bonds. The bill, subject to the above exception, would also require the net proceeds of other

bonds subsequently issued and sold under the high-speed rail portion of the bond act to be made available, upon appropriation, to fund construction of school facilities for K-12 and higher education. The bill would make no changes to the authorization under the bond act for issuance of \$950 million for rail purposes other than high-speed rail. These provisions would become effective only upon approval by the voters at the next statewide election.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: no.

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

1 SECTION 1. Section 2704.096 is added to the Streets and
 2 Highways Code, to read:
 3 2704.096. (a) (1) Notwithstanding any other provision of this
 4 chapter, and except as provided in paragraph (2), no further bonds
 5 shall be issued and sold for purposes of Section 2704.06 on and
 6 after the effective date of this section.
 7 (2) This section shall not apply to bonds issued and sold for
 8 purposes of Section 2704.06 with respect to the appropriation in
 9 Item 2665-104-6043 of Section 2.00 of the Budget Act of 2012,
 10 as added by Section 3 of Chapter 152 of the Statutes of 2012.
 11 (b) Notwithstanding any other provision of this chapter, and
 12 except as otherwise provided in paragraph (2) of subdivision (a),
 13 the unspent proceeds received from outstanding bonds issued and
 14 sold pursuant to Section 2704.06 prior to the effective date of this
 15 section shall, upon appropriation by the Legislature, be redirected
 16 from high-speed rail purposes for use in retiring the debt incurred
 17 from the issuance and sale of those outstanding bonds.
 18 (c) Notwithstanding any other provision of this chapter, the
 19 remaining unissued bonds, as of the effective date of this section,
 20 that were previously authorized pursuant to Section 2704.06, except
 21 as otherwise provided in paragraph (2) of subdivision (a), are
 22 hereby authorized to be issued and sold, with the net proceeds,
 23 upon appropriation by the Legislature, to be made available to
 24 fund construction of school facilities for kindergarten and grades
 25 1 to 12, and higher education.
 26 SEC. 2. Section 1 of this act would modify the single object
 27 or work of a general obligation bond act previously submitted to
 28 the voters by the Legislature pursuant to Section 1 of Article XVI

1 of the California Constitution, and subsequently approved by the
2 voters as Proposition 1A at the November 4, 2008, statewide
3 general election. Accordingly, Section 1 of this act shall become
4 effective only upon approval by the voters. The Secretary of State
5 shall submit Section 1 of this act to the voters on the ballot of the
6 next statewide election.

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