

AMENDED IN ASSEMBLY MARCH 19, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 338**

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**Introduced by Assembly Member Roger Hernández**

February 13, 2015

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An act to ~~amend~~ *add* Section ~~130001~~ *of 130350.7 to*, the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 338, as amended, Roger Hernández. ~~County transportation commissions: Los Angeles County. 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 projects and programs, subject to various requirements, including the adoption of an expenditure plan and voter approval. Existing law authorizes the MTA to seek voter approval to extend the transactions and use tax pursuant to an amended ordinance, subject to various requirements, including adoption of an amended expenditure plan that, among other things, updates certain cost estimates and identifies expected completion dates for projects and programs under the previous expenditure plan, and also requires the amended expenditure plan to be included in an updated long range transportation plan, as specified.*

*This bill would authorize the MTA to impose an additional transportation transactions and use tax at a rate of 0.5%, for a period not to exceed 30 years, subject to various requirements, including the adoption of an expenditure plan and voter approval.*

*The Transactions and Use Tax Law limits to 2% the combined rate of all transactions and use taxes imposed in any county, with certain exceptions.*

*This bill would exempt the transactions and use tax authorized by the bill from this limitation.*

~~The County Transportation Commissions Act provides for the creation of county transportation commissions with specified powers and duties in the southern California region, including Los Angeles County. The act makes various legislative findings regarding the transportation needs of the region.~~

~~The bill would make an additional legislative finding that transportation resources should be equitably distributed within Los Angeles County.~~

Vote: majority. Appropriation: no. 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) *Various economic studies have shown that the biggest burden*  
4     *on family incomes is the cost of housing and transportation. These*  
5     *two variables greatly affect the quality of life for Californians.*  
6     (b) *Los Angeles County voters have recognized the importance*  
7     *of investing in a transportation network that is responsive to the*  
8     *needs of commuters and transit users and that facilitates the*  
9     *movement of goods in the region. Los Angeles County has three*  
10    *existing voter-approved sales tax measures for transportation*  
11    *projects administered by Los Angeles County Metropolitan*  
12    *Transportation Authority (MTA).*  
13    (c) *In 1980, voters in Los Angeles County approved Proposition*  
14    *A, a sales tax of one-half of 1 percent on most retail sales in Los*  
15    *Angeles County. The MTA returns 25 percent of Proposition A*  
16    *proceeds to the cities in Los Angeles County for transportation*  
17    *purposes. Thirty-five percent of Proposition A proceeds is required*  
18    *to be used for rail development while the remaining 40 percent is*  
19    *for discretionary purposes. Almost all of the discretionary portion*  
20    *is used to fund bus service provided by the MTA and 16 other*  
21    *municipal bus operators within Los Angeles County. The collection*  
22    *of the sales tax is ongoing.*

(d) In 1990, voters in Los Angeles County approved Proposition C, an additional sales tax of one-half of 1 percent on retail sales in Los Angeles County. The MTA returns 20 percent of Proposition C proceeds to the cities in Los Angeles County for transportation purposes. Forty percent of the Proposition C proceeds is required to be used for construction and operation of the bus transit and rail system, 5 percent to expand rail and bus security, 10 percent for commuter rail, and construction of transit centers, park and ride lots, and freeway bus stops, and 25 percent for transit-related improvements to freeways and state highways. The collection of the sales tax is ongoing.

(e) Most recently, voters in Los Angeles County approved Measure R in 2008. Measure R is an ordinance authorizing an additional sales tax of one-half of 1 percent to fund traffic relief and rail expansion according to an expenditure plan contained in the ordinance. Measure R became effective July 1, 2009, and will remain in effect for 30 years.

(f) MTA has been entrusted with the responsibility and has the voters' confidence that it will protect and use the sales tax funding responsibly and according to the rules approved by the voters.

SEC. 2. Section 130350.7 is added to the Public Utilities Code, to read:

130350.7. (a) The Los Angeles County Metropolitan Transportation Authority (MTA), in addition to any other tax it is authorized to impose or has imposed, may impose a transactions and use tax at the rate of 0.5 percent, for a period not to exceed 30 years, that is applicable in the incorporated and unincorporated areas of the County of Los Angeles.

(b) The ordinance imposing the tax shall contain all of the following:

(1) An expenditure plan that lists the transportation projects and programs to be funded from net revenues from the tax. The expenditure plan shall appear in the ordinance as an exhibit. The expenditure plan shall include measures that ensure net revenues are shared equitably between regions of the county.

(2) Provisions conforming to the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code), except as otherwise provided in subdivision (f).

1     (3) A provision limiting the MTA's costs of administering the  
2     ordinance and the net revenues from the tax to 1.5 percent of the  
3     total tax revenues.

4     (4) A requirement that the net revenues from the tax, defined to  
5     mean the total tax revenues less any refunds, costs of  
6     administration by the State Board of Equalization, and the MTA's  
7     administration costs, shall be used by the MTA to fund  
8     transportation projects and programs identified in the expenditure  
9     plan.

10    (5) A requirement that the MTA, during the period that the  
11    ordinance is operative, allocate \_\_\_\_ percent of all net revenues  
12    derived from the tax for bus operations. These revenues shall be  
13    allocated to all eligible and included municipal transit operators  
14    in the County of Los Angeles and to the MTA, in accordance with  
15    Section 99285. However, the allocations to the MTA and eligible  
16    and included municipal operators shall be made solely from  
17    revenues derived from a tax imposed pursuant to this section, and  
18    not from local discretionary sources. Funds allocated by MTA to  
19    itself pursuant to this section shall be used for transit operations  
20    and shall not supplant funds from any other source allocated by  
21    MTA to itself for public transit operations. Funds allocated by  
22    MTA to the eligible and included municipal operators pursuant  
23    to this section shall be used for transit operations and shall not  
24    supplant any funds authorized by other provisions of law and  
25    allocated by MTA to the eligible and included municipal operators  
26    for public transit. In addition to this amount, the MTA shall  
27    allocate \_\_\_\_ percent of all net revenues derived from the tax for  
28    rail operations.

29    (c) The MTA shall notify the Legislature prior to the adoption  
30    of amendments to the adopted expenditure plan.

31    (d) The ordinance shall be adopted by the MTA board, which  
32    shall also adopt a resolution that submits the ordinance to the  
33    voters.

34    (e) The ordinance shall become operative pursuant to Section  
35    130352 if approved by two-thirds of the voters voting on the  
36    measure, pursuant to subdivision (d) of Section 2 of Article XIII  
37    C of the California Constitution.

38    (f) The MTA may incur bonded indebtedness payable from the  
39    net revenues of the tax pursuant to the bond issuance provisions  
40    of this chapter and any successor act.

1     (g) *The tax authorized by this section shall be imposed pursuant*  
2 *to the Transactions and Use Tax Law (Part 1.6 (commencing with*  
3 *Section 7251) of Division 2 of the Revenue and Taxation Code),*  
4 *notwithstanding the combined rate limitation in Section 7251.1 of*  
5 *the Revenue and Taxation Code.*

6     ~~SECTION 1. Section 130001 of the Public Utilities Code is~~  
7 ~~amended to read:~~

8     ~~130001. The Legislature hereby finds and declares that:~~

9     ~~(a) Public demand for an efficient public transportation system~~  
10 ~~in the southern California region resulting from population sprawl,~~  
11 ~~the concentration of many transit dependent citizens in the large~~  
12 ~~urban areas, and increasing mobility requirements indicates a need~~  
13 ~~for improved, as well as more innovative, policy and~~  
14 ~~decisionmaking institutions to resolve these problems.~~

15     ~~(b) A basic purpose of transportation policy within the region~~  
16 ~~should be to avoid undesirable duplication of transportation~~  
17 ~~services, achieve the operation of a coordinated and integrated~~  
18 ~~transportation system which will reduce automobile usage and~~  
19 ~~dependency, reduce the consumption of scarce and expensive~~  
20 ~~energy fuels, and reduce the levels of automobile-related air~~  
21 ~~pollution.~~

22     ~~(c) Recognizing the scarcity of resources available for all~~  
23 ~~transportation development, the commissions shall give priority~~  
24 ~~to low-cost highway and transit improvements, and shall work~~  
25 ~~toward maximizing the effectiveness of existing resources available~~  
26 ~~to the commissions.~~

27     ~~(d) Recognizing the importance of the state highway system in~~  
28 ~~the Los Angeles metropolitan area to bus, automobile, and freight~~  
29 ~~transportation, it is necessary to maintain this highway system at~~  
30 ~~least at its present operating standards and to increase the~~  
31 ~~person-moving capability of this system by such methods as~~  
32 ~~carpooling, improved traffic operations, exclusive busways, and~~  
33 ~~fringe parking facilities.~~

34     ~~(e) Recognizing the geographic diversity and transportation~~  
35 ~~needs in Los Angeles County, transportation resources should be~~  
36 ~~equitably distributed within the county.~~

37     ~~(f) The transportation system should offer adequate public~~  
38 ~~transportation to all citizens, including those immobilized by~~  
39 ~~poverty, age, physical handicaps, or other reasons.~~

1     ~~(g) The cities and local communities acting singly or jointly~~  
2     ~~should be given more responsibilities for designing and providing~~  
3     ~~local transit services to improve the responsiveness of public transit~~  
4     ~~to public needs.~~

5     ~~(h) The transportation decisionmaking process should be~~  
6     ~~responsive to public values, and provide for the continuing~~  
7     ~~involvement of the public in the preparation, revision, and~~  
8     ~~discussion of transportation plans and services.~~

9     ~~(i) Transportation planning should recognize that transportation~~  
10    ~~systems have significant effect on the physical and socioeconomic~~  
11    ~~characteristics of the areas served, and emphasis should be given~~  
12    ~~to the protection and enhancement of the environment and the~~  
13    ~~restoration of blighted neighborhoods near community centers.~~  
14    ~~Los Angeles County, in particular, is a multicentered area with~~  
15    ~~diverse socioeconomic levels and travel patterns, and a majority~~  
16    ~~of the trips in the county are four miles or less.~~