

AMENDED IN ASSEMBLY MARCH 17, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 422**

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**Introduced by Assembly Member McCarty**

February 19, 2015

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An act to add Section 102584 to the Public Utilities Code, relating to transit.

LEGISLATIVE COUNSEL'S DIGEST

AB 422, as amended, McCarty. Sacramento Regional Transit District: line of credit.

Existing law provides for the creation of the Sacramento Regional Transit District, with specified powers and duties relative to the provision of public transit services. Existing law authorizes the district to engage in temporary borrowing, as specified.

This bill would ~~additionally~~ authorize the district to seek and receive a ~~short term~~ *short-term* revolving line of credit for operating purposes in anticipation of receipt of operating grants, with the extension of credit to the district evidenced by a ~~note~~. *note, in addition to and as an alternative to temporary borrowing, as specified.* The bill would authorize the district to pledge anticipated grants and other available ~~revenues~~ *funds* as security for repayment of the note and would prescribe other terms.

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 102584 is added to the Public Utilities  
2 Code, to read:  
3 102584. In addition ~~to~~ *to, and as an alternative to,* the  
4 borrowing authority in Section 102582, the district may seek and  
5 obtain a ~~short-term~~ *short-term* revolving line of credit for operating  
6 purposes in anticipation of receipt of operating grants, with the  
7 extension of credit to the district evidenced by a note. The district  
8 may pledge the anticipated grants and any other ~~available revenues~~  
9 *funds available to the district, including, but not limited to, fare*  
10 *revenues collected by the district in connection with the operation*  
11 *of its transit system and any other revenues, income, or receipts,*  
12 *as security for repayment of the note, the interest on the note, and*  
13 *the related obligations evidenced by the note.* The note shall have  
14 a maturity date of not more than 60 months from the date of  
15 issuance. The district may pledge anticipated operating grants *and*  
16 *other available funds* over a multiyear ~~period, as long as the note~~  
17 ~~is paid in full by the maturity date.~~ *period.* The maximum  
18 indebtedness under the note shall not exceed 85 percent of the  
19 amount of the anticipated grants and other funds pledged to repay  
20 the note, *the interest on the note, and the related obligations*  
21 *evidenced by the note.*

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