

AMENDED IN SENATE JULY 16, 2015

AMENDED IN ASSEMBLY APRIL 20, 2015

AMENDED IN ASSEMBLY APRIL 7, 2015

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 authorize the district to seek and receive a short-term revolving line of credit for operating purposes in anticipation of receipt of *federal* operating grants, with the extension of credit to the district evidenced by a note, in addition to and as an alternative to temporary borrowing, as specified. The bill would authorize the district to pledge anticipated *federal* grants and other available 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, and as an alternative to, the borrowing  
4 authority in Section 102582, the district may seek and obtain a  
5 short-term revolving line of credit for operating purposes in  
6 anticipation of receipt of *federal* operating grants, with the  
7 extension of credit to the district evidenced by a note, pursuant to  
8 a resolution adopted by the board of directors of the district. The  
9 district may pledge the anticipated grants and any other funds  
10 available to the district, including, but not limited to, fare revenues  
11 collected by the district in connection with the operation of its  
12 transit system and any other revenues, income, or receipts, as  
13 security for repayment of the note, the interest on the note, and the  
14 related obligations evidenced by the note. The note shall have a  
15 maturity date of not more than 60 months from the date of issuance.  
16 The district may pledge anticipated *federal* operating grants and  
17 other available funds over a multiyear period. Notwithstanding  
18 the 60-month maturity period for the line of credit, the maximum  
19 indebtedness under the note shall not exceed the maximum amount  
20 in federal operating grant revenues that the district anticipates  
21 receiving in a single *the next* fiscal year, ~~and shall not exceed 85~~  
22 ~~percent of the amount of the anticipated grants and other funds~~  
23 ~~that the district anticipates receiving in a single fiscal year that are~~  
24 ~~pledged to repay the note, the interest on the note, and the related~~  
25 ~~obligations evidenced by the note.~~ *year. Immediately upon receipt*  
26 *thereof, the district shall set aside and apply all amounts received*  
27 *from the pledged federal operating grant revenues to the repayment*  
28 *of any outstanding indebtedness incurred pursuant to this section,*  
29 *and these federal operating grant revenues may not be used for*  
30 *any other purpose until such time as the indebtedness is fully*  
31 *repaid.*

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