

AMENDED IN SENATE JULY 14, 2015

CALIFORNIA LEGISLATURE—2015–16 FIRST EXTRAORDINARY SESSION

SENATE BILL

No. 1

Introduced by Senator Beall

June 22, 2015

An act to add Sections 14526.7, 14526.8, and 16321 to the Government Code, to amend Sections ~~7360, 10752~~, 7360 and 60050 of, and to add Sections 7361.2, 7653.2, 60050.2, and 60201.4 to, the Revenue and Taxation Code, to add Section 2103.1 to, and to add *Article 8 (commencing with Section 228) to Chapter 1 of Division 1 of, and to add Chapter 2 (commencing with Section 2030) to Division 3 of, the Streets and Highways Code, and to add Sections ~~9250.3, 9250.6, and 9400.5~~ 9250.3 and 9250.6 to the Vehicle Code, relating to transportation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1, as amended, Beall. Transportation funding.

(1) Existing law provides various sources of funding for transportation purposes, including funding for the state highway system and the local street and road system. These funding sources include, among others, fuel excise taxes, commercial vehicle weight fees, local transactions and use taxes, and federal funds. Existing law imposes certain registration fees on vehicles, with revenues from these fees deposited in the Motor Vehicle Account and used to fund the Department of Motor Vehicles and the Department of the California Highway Patrol. Existing law provides for the monthly transfer of excess balances in the Motor Vehicle Account to the State Highway Account.

This bill would create the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and the local street and road system. ~~The bill would provide for the program to be authorized every 5 years by the Legislature, and would provide that authorization for the 2015–16 through 2019–20 fiscal years.~~ The bill would require the California Transportation Commission to ~~identify the estimated funds to be available for the program and~~ adopt performance criteria to ensure efficient use of the ~~funds.~~ *funds available for the program.* The bill would provide for the deposit of various funds for the program in the Road Maintenance and Rehabilitation Account, which the bill would create in the State Transportation Fund, including revenues attributable to a ~~\$0.10~~ *\$0.12* per gallon increase in the motor vehicle fuel (gasoline) tax imposed by the bill and \$0.10 of the ~~\$0.12~~ *\$0.22* per gallon increase in the diesel fuel excise tax imposed by the bill, a ~~\$0.10~~ *\$0.12* per gallon storage tax on motor vehicle fuel and \$0.10 of the ~~\$0.12~~ *\$0.22* per gallon storage tax on diesel fuel imposed by the bill, an increase of \$35 in the annual vehicle registration fee, a new \$100 annual vehicle registration fee applicable to zero-emission motor vehicles, as defined, ~~commercial vehicle weight fees redirected over a 5-year period from debt service on general obligation transportation bonds,~~ *a new annual road access charge on each vehicle, as defined, of \$35,* and repayment, over a 3-year period, of outstanding loans made in previous years from certain transportation funds to the General Fund.

The bill would continuously appropriate the funds in the account for road maintenance and rehabilitation purposes ~~for each 5-year period in which the Legislature has authorized the program, and would, for those fiscal years,~~ *and would* allocate 5% of available funds to counties that approve a transactions and use tax on or after July 1, 2015, with the remaining funds to be allocated 50% for maintenance of the state highway system or to the state highway operation and protection program, and 50% to cities and counties pursuant to a specified formula. The bill would impose various requirements on agencies receiving these funds. *The bill would authorize a city or county to spend its apportionment of funds under the program on transportation priorities other than those allowable pursuant to the program if the city's or county's average Pavement Condition Index meets or exceeds 85.*

~~This bill, in fiscal years in which the Road Maintenance and Rehabilitation Program is not reauthorized by the Legislature, would make inoperative the increases in the gasoline and diesel excise tax~~

rates and the \$35 increase in the vehicle registration fee imposed by the bill. The bill, in those fiscal years, would also provide for the deposit of revenues from the \$100 vehicle registration fee applicable to zero-emission vehicles, and weight fee revenues, in the State Highway Account, to be used for purposes of maintaining the state highway system or the state highway operation and protection program.

(2) The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B) created the Trade Corridors Improvement Fund and provided for allocation by the California Transportation Commission of \$2 billion in bond funds for infrastructure improvements on highway and rail corridors that have a high volume of freight movement, and specified categories of projects eligible to receive these funds. Existing law continues the Trade Corridors Improvement Fund in existence in order to receive revenues from sources other than the bond act for these purposes.

The bill would transfer revenues attributable to ~~\$0.02 of the \$0.12~~ *\$0.12 of the \$0.22* increase in the diesel fuel excise tax and revenues attributable to ~~\$0.02~~ *\$0.12* of the ~~\$0.12~~ *\$0.22* per gallon storage tax on diesel fuel to the Trade Corridors Improvement Fund for expenditure on eligible projects. ~~As with the remainder of the gasoline and diesel fuel tax increases imposed by this bill, the \$0.02 per gallon portion of the diesel fuel excise tax increase would be inoperative in fiscal years in which the Road Maintenance and Rehabilitation Program in (1) is not reauthorized.~~

~~(3) Existing law imposes a vehicle license fee, in lieu of property tax, on motor vehicles based on market value, at a rate of 0.65%. Pursuant to Article XI of the California Constitution, vehicle license fee revenues at the 0.65% rate are required to be allocated to cities and counties.~~

~~This bill would incrementally increase the vehicle license fee to a rate of 1%, over a 5-year period beginning July 1, 2015, or as otherwise specified, with the revenues above the 0.65% rate to be deposited in the Transportation Bond Debt Service Account in the State Transportation Fund, which the bill would create, and to be used for transportation general obligation bond debt service.~~

~~(3) Existing law, as of July 1, 2011, increases the sales and use tax on diesel and decreases the excise tax, as provided. Existing law requires the State Board of Equalization to annually modify both the gasoline and diesel excise tax rates on a going-forward basis so that~~

the various changes in the taxes imposed on gasoline and diesel are revenue neutral.

This bill would eliminate the annual rate adjustment to maintain revenue neutrality for the gasoline and diesel excise tax rates. This bill would, beginning January 1, 2019, and every 3rd year thereafter, require the board to recompute the gasoline and diesel excise tax rates based upon the percentage change in the California Consumer Price Index transmitted to the board by the Department of Finance, as prescribed.

(4) Existing law requires the Department of Transportation to prepare a state highway operation and protection program every other year for the expenditure of transportation capital improvement funds for projects that are necessary to preserve and protect the state highway system, excluding projects that add new traffic lanes. The program is required to be based on an asset management plan, as specified. Existing law requires the department to specify, for each project in the program, the capital and support budget and projected delivery date for various components of the project. Existing law provides for the California Transportation Commission to review and adopt the program, and authorizes the commission to decline and adopt the program if it determines that the program is not sufficiently consistent with the asset management plan.

This bill, on and after February 1, 2017, would require the commission to make an allocation of all capital and support costs for each project in the program, and would require the department to submit a supplemental project allocation request to the commission for each project that experiences cost increases above the amounts in its allocation. The bill would require the commission to establish guidelines to provide exceptions to the requirement for a supplemental project allocation requirement that the commission determines are necessary to ensure that projects are not unnecessarily delayed.

(5) Existing law requires the Department of Transportation to prepare and submit to the Governor a proposed budget and to develop budgeting, accounting, fiscal control, and management information systems to provide budget oversight.

This bill, by April 1, 2016, would require the department to present to the California Transportation Commission a plan to increase department efficiency by up to 30% over the subsequent 3 years, with the ongoing savings to result in increased capital expenditures in the

state highway operation and protection program or an increase in the state highway maintenance program.

(6) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: 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) Over the next 10 years, the state faces a \$59 billion shortfall
4 to adequately maintain the existing state highway system, in order
5 to keep it in a basic state of good repair.

6 (b) Similarly, cities and counties face a \$78 billion shortfall
7 over the next decade to adequately maintain the existing network
8 of local streets and roads.

9 (c) Statewide taxes and fees dedicated to the maintenance of
10 the system have not been increased in more than 20 years, with
11 those revenues losing more than 55 percent of their purchasing
12 power, while costs to maintain the system have steadily increased
13 and much of the underlying infrastructure has aged past its expected
14 useful life.

15 (d) California motorists are spending \$17 billion annually in
16 extra maintenance and car repair bills, which is more than \$700
17 per driver, due to the state’s poorly maintained roads.

18 (e) Failing to act now to address this growing problem means
19 that more drastic measures will be required to maintain our system
20 in the future, essentially passing the burden on to future generations
21 instead of doing our job today.

22 (f) A ~~five-year~~ funding program will help address a portion of
23 the maintenance backlog on the state’s road system and will stop
24 the growth of the ~~problem until a longer term solution can be~~
25 ~~created.~~ *problem.*

26 (g) Modestly increasing various fees can spread the cost of road
27 repairs broadly to all users and beneficiaries of the road network
28 without overburdening any one group.

29 (h) Improving the condition of the state’s road system will have
30 a positive impact on the economy as it lowers the transportation

1 costs of doing business, reduces congestion impacts for employees,
2 and protects property values in the state.

3 (i) The federal government estimates that increased spending
4 on infrastructure creates more than 13,000 jobs per \$1 billion spent.

5 (j) Well-maintained roads benefit all users, not just drivers, as
6 roads are used for all modes of transport, whether motor vehicles,
7 transit, bicycles, or pedestrians.

8 (k) Well-maintained roads additionally provide significant health
9 benefits and prevent injuries and death due to crashes caused by
10 poorly maintained infrastructure.

11 SEC. 2. Section 14526.7 is added to the Government Code, to
12 read:

13 14526.7. (a) On and after February 1, 2017, an allocation by
14 the commission of all capital and support costs for each project in
15 the state highway operation and protection program shall be
16 required.

17 (b) For a project that experiences increases in capital or support
18 costs above the amounts in the commission’s allocation pursuant
19 to subdivision (a), a supplemental project allocation request shall
20 be submitted by the department to the commission for approval.

21 (c) The commission shall establish guidelines to provide
22 exceptions to the requirement of subdivision (b) that the
23 commission determines are necessary to ensure that projects are
24 not unnecessarily delayed.

25 SEC. 3. Section 14526.8 is added to the Government Code, to
26 read:

27 14526.8. (a) On or before April 1, 2016, the department shall
28 present to the commission a plan to increase department efficiency
29 by up to 30 percent over the subsequent three years. The ongoing
30 savings experienced through this increased efficiency shall result
31 in increased capital expenditures in the department’s state highway
32 operation and protection program or an increase in the department’s
33 state highway maintenance program.

34 (b) The commission shall consider the reasonableness of the
35 proposal, and may approve the entire plan or reject all or portions
36 of the plan. The commission’s feedback is intended to ensure that
37 the department is achieving the savings in the most responsible
38 way possible.

39 (c) All future state highway operation and protection program
40 documents shall identify the increased funding available to the

1 program as a result of the efficiencies realized due to the
2 implementation of the plan.

3 SEC. 4. Section 16321 is added to the Government Code, to
4 read:

5 16321. (a) Notwithstanding any other law, on or before March
6 1, 2016, the Department of Finance shall compute the amount of
7 outstanding loans made from the State Highway Account, the
8 Motor Vehicle Fuel Account, the Highway Users Tax Account,
9 and the Motor Vehicle Account to the General Fund. The
10 department shall prepare a loan repayment schedule, pursuant to
11 which the outstanding loans shall be repaid to the accounts from
12 which the loans were made, as follows:

13 (1) On or before June 30, 2016, 33 percent of the outstanding
14 loan amounts.

15 (2) On or before June 30, 2017, 33 percent of the outstanding
16 loan amounts.

17 (3) On or before June 30, 2018, 34 percent of the outstanding
18 loan amounts.

19 (b) Notwithstanding any other provision of law, as the loans are
20 repaid pursuant to this section, the repaid funds shall be transferred
21 to the Road Maintenance and Rehabilitation Account created
22 pursuant to Section 2031 of the Streets and Highways Code.

23 (c) Funds for loan repayments pursuant to this section shall be
24 appropriated from the Budget Stabilization Account pursuant to
25 subclause (II) of clause (ii) of subparagraph (B) of paragraph (1)
26 of subdivision (c) of Section 20 of Article XVI of the California
27 Constitution.

28 SEC. 5. Section 7360 of the Revenue and Taxation Code is
29 amended to read:

30 7360. (a) (1) (A) A tax of eighteen cents (\$0.18) is hereby
31 imposed upon each gallon of fuel subject to the tax in Sections
32 7362, 7363, and 7364.

33 (B) In addition to the tax imposed pursuant to subparagraph
34 (A), on and after the 61st day after the effective date of the act
35 adding this subparagraph, a tax of ~~ten cents (\$0.10)~~ *twelve cents*
36 *(\$0.12)* is hereby imposed upon each gallon of fuel subject to the
37 tax in Sections 7362, 7363, and 7364. ~~This subparagraph shall be~~
38 ~~inoperative in any fiscal year in which the Road Maintenance and~~
39 ~~Rehabilitation Program has not been authorized, pursuant to~~
40 ~~subdivision (b) of Section 2030 of the Streets and Highways Code.~~

1 (2) If the federal fuel tax is reduced below the rate of nine cents
2 (\$0.09) per gallon and federal financial allocations to this state for
3 highway and exclusive public mass transit guideway purposes are
4 reduced or eliminated correspondingly, the tax rate imposed by
5 subparagraph (A) of paragraph (1), on and after the date of the
6 reduction, shall be recalculated by an amount so that the combined
7 state rate under subparagraph (A) of paragraph (1) and the federal
8 tax rate per gallon equal twenty-seven cents (\$0.27).

9 (3) If any person or entity is exempt or partially exempt from
10 the federal fuel tax at the time of a reduction, the person or entity
11 shall continue to be so exempt under this section.

12 (b) ~~(4)~~ On and after July 1, 2010, in addition to the tax imposed
13 by subdivision (a), a tax is hereby imposed upon each gallon of
14 motor vehicle fuel, other than aviation gasoline, subject to the tax
15 in Sections 7362, 7363, and 7364 in an amount equal to seventeen
16 and three-tenths cents (\$0.173) per gallon.

17 ~~(2) For the 2011–12 fiscal year and each fiscal year thereafter,~~
18 ~~the board shall, on or before March 1 of the fiscal year immediately~~
19 ~~preceding the applicable fiscal year, adjust the rate in paragraph~~
20 ~~(1) in that manner as to generate an amount of revenue that will~~
21 ~~equal the amount of revenue loss attributable to the exemption~~
22 ~~provided by Section 6357.7, based on estimates made by the board,~~
23 ~~and that rate shall be effective during the state's next fiscal year.~~

24 ~~(3) In order to maintain revenue neutrality for each year,~~
25 ~~beginning with the rate adjustment on or before March 1, 2012,~~
26 ~~the adjustment under paragraph (2) shall also take into account the~~
27 ~~extent to which the actual amount of revenues derived pursuant to~~
28 ~~this subdivision and, as applicable, Section 7361.1, the revenue~~
29 ~~loss attributable to the exemption provided by Section 6357.7~~
30 ~~resulted in a net revenue gain or loss for the fiscal year ending~~
31 ~~prior to the rate adjustment date on or before March 1.~~

32 ~~(4) The intent of paragraphs (2) and (3) is to ensure that the act~~
33 ~~adding this subdivision and Section 6357.7 does not produce a net~~
34 ~~revenue gain in state taxes.~~

35 *(c) Beginning January 1, 2019, and every third year thereafter,*
36 *the State Board of Equalization shall recompute the rates of the*
37 *taxes imposed by this section. That computation shall be made as*
38 *follows:*

39 *(1) The Department of Finance shall transmit to the State Board*
40 *of Equalization the percentage change in the California Consumer*

1 *Price Index for all items from June of three calendar years prior*
2 *to June of the current calendar year, no later than August 1, 2018,*
3 *and August 1 of every third year thereafter.*

4 (2) *The State Board of Equalization shall do both of the*
5 *following:*

6 (A) *Compute an inflation adjustment factor by adding 100*
7 *percent to the percentage change figure that is furnished pursuant*
8 *to paragraph (1) and dividing the result by 100.*

9 (B) *Multiply the preceding tax rate per gallon by the inflation*
10 *adjustment factor determined in subparagraph (A) and round off*
11 *the resulting products to the nearest tenth of a cent.*

12 SEC. 6. Section 7361.2 is added to the Revenue and Taxation
13 Code, to read:

14 7361.2. (a) For the privilege of storing, for the purpose of sale,
15 each supplier, wholesaler, and retailer owning 1,000 or more
16 gallons of tax-paid motor vehicle fuel on the 61st day after the
17 effective date of the act adding this section shall pay a storage tax
18 of ~~ten cents (\$0.10)~~ *twelve cents (\$0.12)* per gallon of tax-paid
19 motor vehicle fuel in storage according to the volumetric measure
20 thereof.

21 (b) For purposes of this section:

22 (1) “Owning” means having title to the motor vehicle fuel.

23 (2) “Retailer” means any person who sells motor vehicle fuel
24 in this state to a person who subsequently uses the motor vehicle
25 fuel.

26 (3) “Storing” includes the ownership or possession of tax-paid
27 motor vehicle fuel outside of the bulk transfer/terminal system,
28 including the holding of tax-paid motor vehicle fuel for sale at
29 wholesale or retail locations stored in a container of any kind,
30 including railroad tank cars and trucks or trailer cargo tanks.
31 “Storing” also includes tax-paid motor vehicle fuel purchased from
32 and invoiced by the seller, and tax-paid motor vehicle fuel removed
33 from a terminal or entered into by a supplier, prior to the date
34 specified in subdivision (a) and in transit on that date.

35 (4) “Wholesaler” means any person who sells motor vehicle
36 fuel in this state for resale to a retailer or to a person who is not a
37 retailer and subsequently uses the motor vehicle fuel.

38 SEC. 7. Section 7653.2 is added to the Revenue and Taxation
39 Code, to read:

1 7653.2. On or before the 121st day after the effective date of
2 the act adding this section, each person subject to the storage tax
3 imposed under Section 7361.2 shall prepare and file with the board,
4 in a form prescribed by the board, a return showing the total
5 number of gallons of tax-paid motor vehicle fuel owned by the
6 person on the 61st day after the effective date of the act adding
7 this section, the amount of the storage tax, and any other
8 information that the board deems necessary for the proper
9 administration of this part. The return shall be accompanied by a
10 remittance payable to the Controller in the amount of tax due.

11 ~~SEC. 8. Section 10752 of the Revenue and Taxation Code is~~
12 ~~amended to read:~~

13 ~~10752. (a) The annual amount of the license fee for any~~
14 ~~vehicle, other than a trailer or semitrailer, as described in~~
15 ~~subdivision (a) of Section 5014.1 of the Vehicle Code or a~~
16 ~~commercial motor vehicle described in Section 9400.1 of the~~
17 ~~Vehicle Code, or a trailer coach that is required to be moved under~~
18 ~~permit as authorized in Section 35790 of the Vehicle Code, shall~~
19 ~~be a sum equal to the following percentage of the market value of~~
20 ~~the vehicle as determined by the department:~~

21 ~~(1) Sixty-five hundredths of 1 percent on and after January 1,~~
22 ~~2005, and before May 19, 2009.~~

23 ~~(2) One percent for initial and renewal registrations due on and~~
24 ~~after May 19, 2009, but before July 1, 2011.~~

25 ~~(3) Sixty-five hundredths of 1 percent for initial and renewal~~
26 ~~registrations due on and after July 1, 2011, but before July 1, 2015.~~
27 ~~However, to the extent the act amending this section in the first~~
28 ~~year of the 2015–16 legislative session becomes effective after~~
29 ~~July 1, 2015, the amount payable under this paragraph shall also~~
30 ~~apply to initial and renewal registrations due on and after July 1,~~
31 ~~2015, but before the date that is 120 days after that act becomes~~
32 ~~effective.~~

33 ~~(4) Seventy-two hundredths of 1 percent for initial and renewal~~
34 ~~registrations due on and after July 1, 2015, but before July 1, 2016.~~
35 ~~However, to the extent the act amending this section in the first~~
36 ~~year of the 2015–16 legislative session becomes effective after~~
37 ~~July 1, 2015, the amount payable under this paragraph shall apply~~
38 ~~to initial and renewal registrations due on and after the date that~~
39 ~~is 120 days after that act becomes effective, but before July 1,~~
40 ~~2016.~~

1 ~~(5) Seventy-nine hundredths of 1 percent for initial and renewal~~
2 ~~registrations due on and after July 1, 2016, but before July 1, 2017.~~

3 ~~(6) Eighty-six hundredths of 1 percent for initial and renewal~~
4 ~~registrations due on and after July 1, 2017, but before July 1, 2018.~~

5 ~~(7) Ninety-three hundredths of 1 percent for initial and renewal~~
6 ~~registrations due on and after July 1, 2018, but before July 1, 2019.~~

7 ~~(8) One percent for initial and renewal registrations due on and~~
8 ~~after July 1, 2019.~~

9 ~~(b) The annual amount of the license fee for any commercial~~
10 ~~vehicle as described in Section 9400.1 of the Vehicle Code, shall~~
11 ~~be a sum equal to 0.65 percent of the market value of the vehicle~~
12 ~~as determined by the department.~~

13 ~~(c) Notwithstanding Chapter 5 (commencing with Section~~
14 ~~11001) or any other law to the contrary, all revenues (including~~
15 ~~penalties), less refunds, attributable to that portion of the rate~~
16 ~~imposed pursuant to this section in excess of 0.65 percent shall be~~
17 ~~deposited into the Transportation Bond Debt Service Account in~~
18 ~~the State Transportation Fund, a special fund that is hereby created,~~
19 ~~and shall be used for debt service on transportation general~~
20 ~~obligation bonds. However, the annual Budget Act shall contain~~
21 ~~an appropriation from the Motor Vehicle License Fee Account to~~
22 ~~the Department of Motor Vehicles for its costs of administering~~
23 ~~this section, to the extent those costs are not covered by the~~
24 ~~appropriation authorized by subdivision (b) of Section 11003.~~

25 ~~SEC. 9.~~

26 ~~SEC. 8.~~ Section 60050 of the Revenue and Taxation Code is
27 amended to read:

28 60050. (a) (1) A tax of ~~eighteen cents (\$0.18)~~ *thirteen cents*
29 *(\$0.13)* is hereby imposed upon each gallon of diesel fuel subject
30 to the tax in Sections 60051, 60052, and 60058.

31 (2) If the federal fuel tax is reduced below the rate of fifteen
32 cents (\$0.15) per gallon and federal financial allocations to this
33 state for highway and exclusive public mass transit guideway
34 purposes are reduced or eliminated correspondingly, the tax rate
35 imposed by paragraph (1), ~~including any reduction or adjustment~~
36 ~~pursuant to subdivision (b), on and after the date of the reduction,~~
37 *(1)* shall be increased by an amount so that the combined state rate
38 under paragraph (1) and the federal tax rate per gallon equal what
39 it would have been in the absence of the federal reduction.

1 (3) If any person or entity is exempt or partially exempt from
2 the federal fuel tax at the time of a reduction, the person or entity
3 shall continue to be exempt under this section.

4 ~~(b) (1) On July 1, 2011, the tax rate specified in paragraph (1)~~
5 ~~of subdivision (a) shall be reduced to thirteen cents (\$0.13) and~~
6 ~~every July 1 thereafter shall be adjusted pursuant to paragraphs~~
7 ~~(2) and (3).~~

8 ~~(2) For the 2012-13 fiscal year and each fiscal year thereafter,~~
9 ~~the board shall, on or before March 1 of the fiscal year immediately~~
10 ~~preceding the applicable fiscal year, adjust the rate reduction in~~
11 ~~paragraph (1) in that manner as to result in a revenue loss~~
12 ~~attributable to paragraph (1) that will equal the amount of revenue~~
13 ~~gain attributable to Sections 6051.8 and 6201.8, based on estimates~~
14 ~~made by the board, and that rate shall be effective during the state's~~
15 ~~next fiscal year.~~

16 ~~(3) In order to maintain revenue neutrality for each year,~~
17 ~~beginning with the rate adjustment on or before March 1, 2013,~~
18 ~~the adjustment under paragraph (2) shall take into account the~~
19 ~~extent to which the actual amount of revenues derived pursuant to~~
20 ~~Sections 6051.8 and 6201.8 and the revenue loss attributable to~~
21 ~~this subdivision resulted in a net revenue gain or loss for the fiscal~~
22 ~~year ending prior to the rate adjustment date on or before March~~
23 ~~1.~~

24 ~~(4) The intent of paragraphs (2) and (3) is to ensure that the act~~
25 ~~adding this subdivision and Sections 6051.8 and 6201.8 does not~~
26 ~~produce a net revenue gain in state taxes.~~

27 (e)

28 (b) In addition to the tax imposed pursuant to subdivisions (a)
29 and (b), *subdivision (a)*, on and after the 61st day after the effective
30 date of the act adding this subdivision, an additional tax of ~~twelve~~
31 ~~cents (\$0.12) twenty-two cents (\$0.22)~~ is hereby imposed upon
32 each gallon of diesel fuel subject to the tax in Sections 60051,
33 60052, and 60058. ~~This subdivision shall be inoperative in any~~
34 ~~fiscal year in which the Road Maintenance and Rehabilitation~~
35 ~~Program has not been authorized, pursuant to subdivision (b) of~~
36 ~~Section 2030 of the Streets and Highways Code.~~

37 (c) *Beginning January 1, 2019, and every third year thereafter,*
38 *the State Board of Equalization shall recompute the rates of the*
39 *taxes imposed by this section. That computation shall be made as*
40 *follows:*

1 (1) *The Department of Finance shall transmit to the State Board*
2 *of Equalization the percentage change in the California Consumer*
3 *Price Index for all items from June of three calendar years prior*
4 *to June of the current calendar year, no later than August 1, 2018,*
5 *and August 1 of every third year thereafter.*

6 (2) *The State Board of Equalization shall do both of the*
7 *following:*

8 (A) *Compute an inflation adjustment factor by adding 100*
9 *percent to the percentage change figure that is furnished pursuant*
10 *to paragraph (1) and dividing the result by 100.*

11 (B) *Multiply the preceding tax rate per gallon by the inflation*
12 *adjustment factor determined in subparagraph (A) and round off*
13 *the resulting products to the nearest tenth of a cent.*

14 ~~SEC. 10.~~

15 *SEC. 9.* Section 60050.2 is added to the Revenue and Taxation
16 Code, to read:

17 60050.2. (a) For the privilege of storing, for the purpose of
18 sale, each supplier, wholesaler, and retailer owning 1,000 or more
19 gallons of tax-paid diesel fuel on the 61st day after the effective
20 date of the act adding this section shall pay a storage tax of ~~twelve~~
21 ~~cents (\$0.12)~~ *twenty-two cents (\$0.22)* per gallon of tax-paid diesel
22 fuel in storage according to the volumetric measure thereof.

23 (b) For purposes of this section:

24 (1) “Owning” means having title to the diesel fuel.

25 (2) “Retailer” means any person who sells diesel fuel in this
26 state to a person who subsequently uses the diesel fuel.

27 (3) “Storing” includes the ownership or possession of tax-paid
28 diesel fuel outside of the bulk transfer/terminal system, including
29 the holding of tax-paid diesel fuel for sale at wholesale or retail
30 locations stored in a container of any kind, including railroad tank
31 cars and trucks or trailer cargo tanks. “Storing” also includes
32 tax-paid diesel fuel purchased from and invoiced by the seller, and
33 tax-paid diesel fuel removed from a terminal or entered into by a
34 supplier, prior to the date specified in subdivision (a) and in transit
35 on that date.

36 (4) “Wholesaler” means any person who sells diesel fuel in this
37 state for resale to a retailer or to a person who is not a retailer and
38 subsequently uses the diesel fuel.

1 ~~SEC. 11.~~

2 *SEC. 10.* Section 60201.4 is added to the Revenue and Taxation
3 Code, to read:

4 60201.4. On or before the 121st day after the effective date of
5 the act adding this section, each person subject to the storage tax
6 imposed under Section 60050.2 shall prepare and file with the
7 board, in a form prescribed by the board, a return showing the total
8 number of gallons of tax-paid diesel fuel owned by the person on
9 the 61st day after the effective date of the act adding this section,
10 the amount of the storage tax, and any other information that the
11 board deems necessary for the proper administration of this part.
12 The return shall be accompanied by a remittance payable to the
13 Controller in the amount of tax due.

14 *SEC. 11. Article 8 (commencing with Section 228) is added to*
15 *Chapter 1 of Division 1 of the Streets and Highways Code, to read:*

16

17 *Article 8. Road Access Charge*

18

19 228. (a) *In addition to any other charge imposed on a vehicle*
20 *by law, an annual road access charge is hereby imposed on each*
21 *vehicle described in subdivision (c). The amount of the annual*
22 *road access charge shall be thirty-five dollars (\$35). The*
23 *Department of Motor Vehicles shall collect the charge at the same*
24 *time and in the same manner as the department collects the vehicle*
25 *registration fee pursuant to Section 9250.3 of the Vehicle Code.*

26 (b) *Revenues from the charge, after deduction of the*
27 *department’s administrative costs related to this section, shall be*
28 *deposited in the Road Maintenance and Rehabilitation Account*
29 *created pursuant to Section 2031.*

30 (c) *As used in this section, “vehicle” means every vehicle subject*
31 *to registration in this state. “Vehicle” does not mean either any*
32 *vehicle exempted pursuant to the Vehicle Code from the payment*
33 *of registration fees or any vehicle for which a certificate of*
34 *nonoperation has been filed with the Department of Motor Vehicles*
35 *pursuant to Section 4604 of the Vehicle Code during the period*
36 *of time covered by the certificate.*

37 *SEC. 12. Chapter 2 (commencing with Section 2030) is added*
38 *to Division 3 of the Streets and Highways Code, to read:*

CHAPTER 2. ROAD MAINTENANCE AND REHABILITATION PROGRAM

2030. (a) The Road Maintenance and Rehabilitation Program is hereby created to address deferred maintenance on the state highway system and the local street and road system. Funds made available by the program shall be prioritized for expenditure on basic road maintenance and road rehabilitation projects, and on critical safety projects. ~~The program shall be subject to reauthorization every five years by the Legislature. The California Transportation Commission shall identify the estimated funds to be available pursuant to this chapter for the program during any authorized five-year period, and shall adopt performance criteria to ensure efficient use of the funds.~~ *funds available pursuant to this chapter for the program.*

~~(b) The Legislature hereby authorizes the program for the 2015-16 to 2019-20 fiscal years, inclusive.~~

~~(c) If the Legislature does not reauthorize the program beyond the 2019-20 fiscal year, the increases in excise tax rates for motor vehicle fuel and diesel fuel associated with the revenues referenced in subdivision (a) of Section 2031, and the increase in the vehicle registration fee referenced in Section 9250.3 of the Vehicle Code, shall terminate at the end of the 2019-20 fiscal year.~~

(b) Funds made available by the program shall be used for projects that include, but are not limited to, the following:

- (1) Road maintenance and rehabilitation.*
- (2) Safety projects.*
- (3) Railroad grade separations.*
- (4) Active transportation and pedestrian and bicycle safety projects in conjunction with any other allowable project.*

(c) To the extent possible, the department and cities and counties receiving an apportionment of funds under the program shall use advanced technologies and material recycling techniques that reduce the cost of maintaining and rehabilitating the streets and highways.

2031. The following revenues shall be deposited in the Road Maintenance and Rehabilitation Account, which is hereby created in the State Transportation Fund:

(a) (1) The revenues attributable to the increase in the motor vehicle fuel excise tax by ~~ten cents (\$0.10)~~ *twelve cents (\$0.12)*

1 per gallon and the revenues attributable to ten cents (\$0.10) per
 2 gallon of the increase in the diesel fuel excise tax by ~~twelve cents~~
 3 ~~(\$0.12)~~ *twenty-two cents (\$0.22)* per gallon, as provided in Section
 4 2103.1.

5 (2) The revenues attributable to the storage tax imposed pursuant
 6 to Section 7361.2 of the Revenue and Taxation Code and the
 7 revenues attributable to ten cents (\$0.10) of the storage tax per
 8 gallon of tax-paid diesel fuel imposed by Section 60050.2 of the
 9 Revenue and Taxation Code, as provided in Section 2103.1.

10 (b) The revenues from the increase in the vehicle registration
 11 fee pursuant to Section 9250.3 of the Vehicle Code.

12 (c) The revenues from the increase in the vehicle registration
 13 fee pursuant to Section 9250.6 of the Vehicle Code, ~~except as~~
 14 ~~provided in paragraph (2) of subdivision (b) of that section.~~ *Code.*

15 ~~(d) The revenues from vehicle weight fees redirected from~~
 16 ~~transportation bond debt service to the State Highway Account,~~
 17 ~~pursuant to the schedule set forth in subdivision (a) of Section~~
 18 ~~9400.5 of the Vehicle Code.~~

19 *(d) The revenues from the road access charge imposed pursuant*
 20 *to Section 228.*

21 (e) The revenues from repayment of loans made from the State
 22 Highway Account, the Motor Vehicle Fuel Account, the Highway
 23 Users Tax Account, and the Motor Vehicle Account to the General
 24 Fund, pursuant to the schedule set forth in Section 16321 of the
 25 Government Code.

26 (f) Any other revenues designated for the program.

27 2031.5. ~~For each fiscal year in which the Road Maintenance~~
 28 ~~and Rehabilitation Program is authorized, the~~ *Each fiscal year the*
 29 *annual Budget Act shall contain an appropriation from the Road*
 30 *Maintenance and Rehabilitation Account to the Controller for the*
 31 *costs of carrying out his or her duties pursuant to this chapter and*
 32 *to the California Transportation Commission for the costs of*
 33 *carrying out its duties pursuant to this chapter and Sections 14526.7*
 34 *and 14526.8 of the Government Code.*

35 2032. (a) After deducting the amounts appropriated in the
 36 annual Budget Act as provided in Section 2031.5, 5 percent of the
 37 remaining revenues deposited in the Road Maintenance and
 38 Rehabilitation Account ~~for the period of fiscal years specified in~~
 39 ~~subdivision (b) of Section 2030 shall be set aside for counties in~~
 40 *which voters approve, on or after July 1, 2015, a transactions and*

1 use tax for transportation purposes, and which counties did not,
2 prior to that approval, impose a transactions and use tax for those
3 purposes. The funds available under this subdivision in each fiscal
4 year are hereby continuously appropriated for allocation to each
5 eligible county and each city in the county for road maintenance
6 and rehabilitation purposes pursuant to Section 2035. However,
7 funds remaining unallocated under this subdivision in any fiscal
8 year shall be reallocated on the last day of the fiscal year pursuant
9 to subdivision (b).

10 (b) The balance of the revenues deposited in the Road
11 Maintenance and Rehabilitation ~~Account for the period of fiscal~~
12 ~~years specified in subdivision (b) of Section 2030, Account,~~
13 including the revenues reallocated for the purposes of this
14 subdivision pursuant to subdivision (a), are hereby continuously
15 ~~appropriated for road maintenance and rehabilitation purposes~~
16 ~~under the program~~, as follows:

17 (1) Fifty percent for allocation to the department for maintenance
18 of the state highway system or for purposes of the state highway
19 operation and protection program.

20 (2) Fifty percent for apportionment to cities and counties by the
21 Controller pursuant to the formula in subparagraph (C) of
22 paragraph (3) of subdivision (a) of Section 2103 for the purposes
23 authorized by this chapter, subject to subdivision (d) of Section
24 2033 and paragraph (2) of subdivision (a) of Section 2034.

25 2033. (a) The commission shall annually evaluate each ~~agency~~
26 *city and county* receiving funds pursuant to this chapter.

27 (b) For each fiscal year in which the department receives an
28 allocation of funds pursuant to Section 2032, the department shall
29 submit documentation to the commission that includes a description
30 and the location of each completed project, the amount of funds
31 expended on the project, the completion date, and the project's
32 estimated useful life. The commission shall evaluate the
33 documentation to determine the effectiveness of the department
34 in reducing deferred maintenance and improving road conditions
35 on the state highway system, and may withhold future funding
36 from the department if it determines that program funds have not
37 been appropriately spent.

38 (c) For each fiscal year in which ~~an agency~~ *a city or county*
39 receives an apportionment of funds pursuant to subdivision (a) or
40 paragraph (2) of subdivision (b) of Section 2032, the commission

1 shall evaluate the documentation submitted pursuant to subdivision
 2 (b) of Section 2034 to determine the effectiveness of the ~~agency~~
 3 *city or county* in reducing deferred maintenance and improving
 4 road conditions within its jurisdiction.

5 (d) If the commission determines, with respect to any given
 6 fiscal year, that a ~~local agency~~ *city or county* has not appropriately
 7 spent its apportionment of funds, the commission shall direct the
 8 Controller to make that ~~agency~~ *city or county* ineligible to receive
 9 an apportionment during the next fiscal year. The Controller shall
 10 reapportion that ~~agency's~~ *city's or county's* share of funds to all
 11 other eligible ~~local agencies~~ *cities or counties* pursuant to paragraph
 12 (2) of subdivision (b) of Section 2032.

13 (e) The commission shall include a discussion of its evaluations
 14 pursuant to this section in its annual report to the Legislature
 15 pursuant to Section 14535 of the Government Code.

16 2034. (a) (1) Prior to receiving an apportionment of funds
 17 under the program pursuant to paragraph (2) of subdivision (b) of
 18 Section 2032 from the Controller in a fiscal year, an eligible ~~local~~
 19 ~~agency~~ *city or county* shall submit to the commission a list of
 20 projects proposed to be funded with these funds pursuant to an
 21 adopted ~~city, county, or city and~~ *city or county* budget. All projects
 22 proposed to receive funding shall be included in a ~~city, county, or~~
 23 ~~city and~~ *city or county* budget that is adopted by the applicable
 24 city council or county board of supervisors at a regular public
 25 meeting. The list of projects proposed to be funded with these
 26 funds shall include a description and the location of each proposed
 27 project, a proposed schedule for the project's completion, and the
 28 estimated useful life of the improvement. The project list shall not
 29 limit the flexibility of an eligible ~~local~~ *agency city or county* to
 30 fund projects in accordance with local needs and priorities so long
 31 as the projects are consistent with subdivision (d).

32 (2) The commission shall report to the Controller the ~~local~~
 33 ~~agencies~~ *cities and counties* that have submitted a list of projects
 34 as described in this subdivision and that are therefore eligible to
 35 receive an apportionment of funds under the program for the
 36 applicable fiscal year. The Controller, upon receipt of the report,
 37 shall apportion funds to eligible ~~local agencies~~ *cities and counties*.

38 (b) For each fiscal year, each ~~local~~ *agency city or county*
 39 receiving an apportionment of funds shall, upon expending program
 40 funds, submit documentation to the commission that includes a

1 description and location of each completed project, the amount of
2 funds expended on the project, the completion date, and the
3 ~~project's estimated useful life.~~ *life of the improvement.* The
4 documentation shall also include a comparison of the projects the
5 ~~local agency city or county~~ would have completed without
6 receiving funds under the program compared with the projects
7 completed with these funds.

8 (c) The documentation provided pursuant to subdivision (b)
9 shall be forwarded by the commission to the department, in a
10 manner and form approved by the department, at the end of each
11 fiscal year as long as program funds remain available for
12 expenditure. The department may post the information contained
13 in the documentation on its Internet Web site.

14 (d) (1) Funds made available to a ~~local agency city or county~~
15 under the program shall be used for improvements to transportation
16 facilities that will assist in reducing further deterioration of the
17 existing road system. These improvements may include, but need
18 not be limited to, pavement maintenance, rehabilitation,
19 installation, construction, and reconstruction of necessary
20 associated facilities such as drainage and traffic control devices,
21 or safety projects to reduce fatalities. ~~Funds~~

22 (2) Funds made available under the program may also be used
23 ~~to~~ for the following purposes:

24 (A) To satisfy the local match requirement in order to obtain
25 state or federal transportation funds for similar purposes.

26 (B) *Active transportation and pedestrian and bicycle safety*
27 *projects in conjunction with any other allowable project.*

28 2035. (a) On or before July 1, 2016, the commission, in
29 cooperation with the department, transportation planning agencies,
30 county transportation commissions, and other local agencies, shall
31 develop guidelines for the allocation of funds pursuant to
32 subdivision (a) of Section 2032.

33 (b) The guidelines shall be the complete and full statement of
34 the policy, standards, and criteria that the commission intends to
35 use to determine how these funds will be allocated.

36 (c) The commission may amend the adopted guidelines after
37 conducting at least one public hearing.

38 2036. (a) Cities and counties shall maintain their existing
39 commitment of local funds for street, road, and highway purposes

1 in order to remain eligible for an allocation or apportionment of
2 funds pursuant to Section 2032.

3 (b) In order to receive an allocation or apportionment pursuant
4 to Section 2032, the city or county shall annually expend from its
5 general fund for street, road, and highway purposes an amount not
6 less than the annual average of its expenditures from its general
7 fund during the 2009–10, 2010–11, and 2011–12 fiscal years, as
8 reported to the Controller pursuant to Section 2151. For purposes
9 of this subdivision, in calculating a city’s or county’s annual
10 general fund expenditures and its average general fund expenditures
11 for the 2009–10, 2010–11, and 2011–12 fiscal years, any
12 unrestricted funds that the city or county may expend at its
13 discretion, including vehicle in-lieu tax revenues and revenues
14 from fines and forfeitures, expended for street, road, and highway
15 purposes shall be considered expenditures from the general fund.
16 One-time allocations that have been expended for street and
17 highway purposes, but which may not be available on an ongoing
18 basis, including revenue provided under the Teeter Plan Bond Law
19 of 1994 (Chapter 6.6 (commencing with Section 54773) of Part 1
20 of Division 2 of Title 5 of the Government Code), may not be
21 considered when calculating a city’s or county’s annual general
22 fund expenditures.

23 (c) For any city incorporated after July 1, 2009, the Controller
24 shall calculate an annual average of expenditure for the period
25 between July 1, 2009, and December 31, 2015, inclusive, that the
26 city was incorporated.

27 (d) For purposes of subdivision (b), the Controller may request
28 fiscal data from cities and counties in addition to data provided
29 pursuant to Section 2151, for the 2009–10, 2010–11, and 2011–12
30 fiscal years. Each city and county shall furnish the data to the
31 Controller not later than 120 days after receiving the request. The
32 Controller may withhold payment to cities and counties that do
33 not comply with the request for information or that provide
34 incomplete data.

35 (e) The Controller may perform audits to ensure compliance
36 with subdivision (b) when deemed necessary. Any city or county
37 that has not complied with subdivision (b) shall reimburse the state
38 for the funds it received during that fiscal year. Any funds withheld
39 or returned as a result of a failure to comply with subdivision (b)

1 shall be reapportioned to the other counties and cities whose
2 expenditures are in compliance.

3 (f) If a city or county fails to comply with the requirements of
4 subdivision (b) in a particular fiscal year, the city or county may
5 expend during that fiscal year and the following fiscal year a total
6 amount that is not less than the total amount required to be
7 expended for those fiscal years for purposes of complying with
8 subdivision (b).

9 *2037. A city or county may spend its apportionment of funds*
10 *under the program on transportation priorities other than those*
11 *allowable pursuant to this chapter if the city's or county's average*
12 *Pavement Condition Index meets or exceeds 85.*

13 SEC. 13. Section 2103.1 is added to the Streets and Highways
14 Code, to read:

15 2103.1. (a) Notwithstanding subdivision (b) of Section 2103,
16 the portion of the revenues in the Highway Users Tax Account
17 attributable to the increase in the tax rate on motor vehicle fuel by
18 ~~ten cents (\$0.10)~~ *twelve cents (\$0.12)* per gallon pursuant to
19 subdivision (a) of Section 7360 of the Revenue and Taxation Code
20 *Code, as adjusted pursuant to subdivision (c) of that section,* and
21 the increase in the tax rate on diesel fuel by ~~twelve cents (\$0.12)~~
22 *twenty-two cents (\$0.22)* per gallon pursuant to subdivision ~~(e)~~ *(b)*
23 of Section 60050 of the Revenue and Taxation Code, ~~as amended~~
24 ~~by the act adding this~~ *adjusted pursuant to subdivision (c) of that*
25 section, shall be deposited in the Road Maintenance and
26 Rehabilitation Account created pursuant to Section 2031, except
27 that the portion of the revenues attributable to ~~two cents (\$0.02)~~
28 ~~of the~~ *twelve cents (\$0.12) of that* increase in the per gallon tax
29 rate on diesel ~~fuel fuel,~~ *as adjusted,* shall be deposited in the Trade
30 Corridors Improvement Fund for expenditure pursuant to Section
31 2192.

32 (b) The portion of the revenues in the Highway Users Tax
33 Account attributable to the storage tax imposed pursuant to Section
34 7361.2 of the Revenue and Taxation Code and the storage tax
35 imposed pursuant to Section 60050.2 of the Revenue and Taxation
36 Code shall be deposited in the Road Maintenance and
37 Rehabilitation Account created pursuant to Section 2031, except
38 that the portion of the revenues attributable to ~~two cents (\$0.02)~~
39 *twelve cents (\$0.12)* of the storage tax per gallon of tax-paid diesel
40 fuel imposed by Section 60050.2 of the Revenue and Taxation

1 Code shall be deposited in the Trade Corridors Improvement Fund
2 for expenditure pursuant to Section 2192.

3 SEC. 14. Section 9250.3 is added to the Vehicle Code, to read:

4 9250.3. (a) In addition to any other fees specified in this ~~code~~
5 ~~or code~~, the Revenue and Taxation Code, *or the Streets and*
6 *Highways Code*, commencing 120 days after the effective date of
7 the act adding this section, a registration fee of thirty-five dollars
8 (\$35) shall be paid to the department for registration or renewal
9 of registration of every vehicle subject to registration under this
10 code, except those vehicles that are expressly exempted under this
11 code from payment of registration fees.

12 (b) ~~(1) For any year in which the Road Maintenance and~~
13 ~~Rehabilitation Program is authorized pursuant to subdivision (b)~~
14 ~~of Section 2030 of the Streets and Highways Code, revenues~~
15 *Revenues* from the fee, after deduction of the department's
16 administrative costs related to this section, shall be deposited in
17 the Road Maintenance and Rehabilitation Account created pursuant
18 to Section 2031 of the Streets and Highways Code.

19 ~~(2) For any year in which the Legislature does not reauthorize~~
20 ~~the Road Maintenance and Rehabilitation Program, this section~~
21 ~~shall be inoperative.~~

22 SEC. 15. Section 9250.6 is added to the Vehicle Code, to read:

23 9250.6. (a) In addition to any other fees specified in this ~~code~~
24 ~~or in code~~, the Revenue and Taxation Code, *or the Streets and*
25 *Highways Code*, commencing 120 days after the effective date of
26 the act adding this section, a registration fee of one hundred dollars
27 (\$100) shall be paid to the department for registration or renewal
28 of registration of every zero-emission motor vehicle subject to
29 registration under this code, except those motor vehicles that are
30 expressly exempted under this code from payment of registration
31 fees.

32 (b) ~~(1) For any year in which the Road Maintenance and~~
33 ~~Rehabilitation Program is authorized pursuant to subdivision (b)~~
34 ~~of Section 2030 of the Streets and Highways Code, revenues~~
35 *Revenues* from the fee, after deduction of the department's
36 administrative costs related to this section, shall be deposited in
37 the Road Maintenance and Rehabilitation Account created pursuant
38 to Section 2031 of the Streets and Highways Code.

39 ~~(2) For any year in which the Legislature does not reauthorize~~
40 ~~the Road Maintenance and Rehabilitation Program, revenues from~~

1 the fee shall be deposited in the State Highway Account to be used
2 for purposes of maintaining the state highway system or the state
3 highway operation and protection program.

4 (c) This section does not apply to a commercial motor vehicle
5 subject to Section 9400.1.

6 (d) For purposes of this section, “zero-emission motor vehicle”
7 means a motor vehicle as described in subdivisions (c) and (d) of
8 Section 44258 of the Health and Safety Code, or any other motor
9 vehicle that is able to operate on any fuel other than gasoline or
10 diesel fuel.

11 SEC. 16. Section 9400.5 is added to the Vehicle Code, to read:

12 9400.5. (a) Notwithstanding Sections 9400.1, 9400.4, and
13 42205 of this code, Sections 16773 and 16965 of the Government
14 Code, Section 2103 of the Streets and Highways Code, or any
15 other law, the amount of weight fee revenues otherwise to be
16 transferred from the State Highway Account to the Transportation
17 Debt Service Fund, the Transportation Bond Direct Payment
18 Account, or any other fund or account for the purpose of payment
19 of the debt service on transportation general obligation bonds, or
20 for the purpose of being loaned to the General Fund, shall be
21 reduced pursuant to the following schedule, with the applicable
22 revenues thereby retained in the State Highway Account to be
23 transferred to the Road Maintenance and Rehabilitation Account
24 created pursuant to Section 2031 of the Streets and Highways
25 Code:

- 26 (1) For the 2015–16 fiscal year, by 20 percent.
- 27 (2) For the 2016–17 fiscal year, by 40 percent.
- 28 (3) For the 2017–18 fiscal year, by 60 percent.
- 29 (4) For the 2018–19 fiscal year, by 80 percent.
- 30 (5) For the 2019–20 fiscal year and in each subsequent fiscal
31 year thereafter, by 100 percent.

32 (b) For any year in which the Legislature does not reauthorize
33 the Road Maintenance and Rehabilitation Program, pursuant to
34 subdivision (b) of Section 2030 of the Streets and Highways Code,
35 the revenues described in subdivision (a) shall be retained in the
36 State Highway Account to be used for purposes of maintaining
37 the state highway system or the state highway operation and
38 protection program.

1 ~~SEC. 17.~~

2 *SEC. 16.* This act is an urgency statute necessary for the
3 immediate preservation of the public peace, health, or safety within
4 the meaning of Article IV of the Constitution and shall go into
5 immediate effect. The facts constituting the necessity are:

6 In order to provide additional funding for road maintenance and
7 rehabilitation purposes as quickly as possible, it is necessary for
8 this act to take effect immediately.

O