

**SENATE BILL**

**No. 3**

**Introduced by Senator Vidak**  
(Coauthor: Assembly Member Salas)

July 1, 2015

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

LEGISLATIVE COUNSEL'S DIGEST

SB 3, as introduced, Vidak. Transportation bonds: highway, street, and road projects.

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 general obligation bonds in the amount of \$9 billion 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 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 bonds subsequently issued and sold under the high-speed rail portion of the bond act, upon appropriation, to be made available to the Department of Transportation for repair and new construction projects on state highways and freeways, and for repair and new construction projects on local streets and roads, as specified. The bill would make no changes to the authorization under the bond act for the issuance of \$950 million in bonds for rail purposes other than high-speed rail. These provisions would become effective only upon approval by the voters at the June 7, 2016, statewide primary 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 from outstanding bonds issued and sold  
14    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, and 50 percent of the net  
23    proceeds, upon appropriation by the Legislature, shall be made  
24    available to the Department of Transportation to fund repair and

1 new construction projects on state highways and freeways, and  
2 the remaining 50 percent of the net proceeds, upon appropriation  
3 by the Legislature, shall be made available to the Department of  
4 Transportation to create a program to fund repair and new  
5 construction projects on local streets and roads, with each county  
6 to receive a base amount of the local street and road funding, and  
7 any additional funding to be allocated based on a county's  
8 population.

9 SEC. 2. Section 1 of this act would modify the single object  
10 or work of a general obligation bond act previously submitted to  
11 the voters by the Legislature pursuant to Section 1 of Article XVI  
12 of the California Constitution, and subsequently approved by the  
13 voters as Proposition 1A at the November 4, 2008, statewide  
14 general election. Accordingly, Section 1 of this act shall become  
15 effective only upon approval by the voters. The Secretary of State  
16 shall submit Section 1 of this act to the voters on the ballot of the  
17 June 7, 2016, statewide primary election.

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