

**SENATE BILL**

**No. 6**

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**Introduced by Senator Runner**  
**(Principal coauthors: Senators Bates, Berryhill, Fuller, Gaines,**  
**Huff, Morrell, Nguyen, Stone, and Vidak)**

July 13, 2015

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An act to amend Sections 39719 and 39719.1 of the Health and Safety Code, relating to transportation funding, and making an appropriation therefor.

LEGISLATIVE COUNSEL’S DIGEST

SB 6, as introduced, Runner. Greenhouse Gas Reduction Fund: transportation expenditures.

Existing law requires all moneys, except for fines and penalties, collected by the State Air Resources Board from the auction or sale of allowances as part of a market-based compliance mechanism relative to reduction of greenhouse gas emissions to be deposited in the Greenhouse Gas Reduction Fund.

Existing law continuously appropriates 25% of the annual proceeds of the fund to the high-speed rail project, and also continuously appropriates to that project \$400,000,000 of the amount loaned from the fund to the General Fund by the Budget Act of 2013, upon repayment of the loan by the General Fund. Existing law further appropriates 35% of the annual proceeds of the fund to transit and intercity rail capital, low-carbon transit operations, and affordable housing and sustainable communities.

This bill would delete the continuous appropriations from the fund for the high-speed rail project, and would prohibit any of the proceeds from the fund from being used for that project. The bill would

continuously appropriate the remaining 65% of annual proceeds of the fund to the California Transportation Commission for allocation to high-priority transportation projects, as determined by the commission, with 40% of those moneys to be allocated to state highway projects, 40% to local street and road projects divided equally between cities and counties, and 20% to public transit projects.

This bill would require \$400,000,000 of the amount loaned from the fund to the General Fund by the Budget Act of 2013 to be immediately repaid to the fund, thereby making an appropriation.

Vote: majority. Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 39719 of the Health and Safety Code is  
2 amended to read:

3 39719. (a) ~~The Legislature shall appropriate the annual~~  
4 ~~proceeds of the fund~~ *shall be expended* for the purpose of reducing  
5 greenhouse gas emissions in this state in accordance with the  
6 requirements of Section 39712.

7 (b) ~~To carry out a portion of the requirements of subdivision~~  
8 (a), annual proceeds are continuously appropriated for the  
9 following:

10 (1) Beginning in the 2015–16 fiscal year, and notwithstanding  
11 Section 13340 of the Government Code, 35 percent of annual  
12 proceeds are continuously appropriated, without regard to fiscal  
13 years, for transit, affordable housing, and sustainable communities  
14 programs as following:

15 (A) Ten percent of the annual proceeds of the fund is hereby  
16 continuously appropriated to the Transportation Agency for the  
17 Transit and Intercity Rail Capital Program created by Part 2  
18 (commencing with Section 75220) of Division 44 of the Public  
19 Resources Code.

20 (B) Five percent of the annual proceeds of the fund is hereby  
21 continuously appropriated to the Low Carbon Transit Operations  
22 Program created by Part 3 (commencing with Section 75230) of  
23 Division 44 of the Public Resources Code. Funds shall be allocated  
24 by the Controller, according to requirements of the program, and  
25 pursuant to the distribution formula in subdivision (b) or (c) of

Section 99312 of, and Sections 99313 and 99314 of, the Public Utilities Code.

(C) Twenty percent of the annual proceeds of the fund is hereby continuously appropriated to the Strategic Growth Council for the Affordable Housing and Sustainable Communities Program created by Part 1 (commencing with Section 75200) of Division 44 of the Public Resources Code. Of the amount appropriated in this subparagraph, no less than 10 percent of the annual proceeds, shall be expended for affordable housing, consistent with the provisions of that program.

(2) Beginning in the 2015–16 fiscal year, *and notwithstanding Section 13340 of the Government Code, 25 percent of the annual proceeds of the fund is hereby continuously appropriated to the High-Speed Rail Authority for the following components of the initial operating segment and Phase I Blended System as described in the 2012 business plan adopted pursuant to Section 185033 of the Public Utilities Code: the remaining annual proceeds of the fund are continuously appropriated, without regard to fiscal years, to the California Transportation Commission for allocation to high-priority transportation projects, as determined by the commission. The commission shall allocate available moneys as follows: 40 percent to state highway projects, 40 percent to local street and road projects, divided equally between cities and counties, and 20 percent to public transit projects.*

~~(A) Acquisition and construction costs of the project.~~

~~(B) Environmental review and design costs of the project.~~

~~(C) Other capital costs of the project.~~

~~(D) Repayment of any loans made to the authority to fund the project.~~

~~(e) In determining the amount of annual proceeds of the fund for purposes of the calculation in subdivision (b), the funds subject to Section 39719.1 shall not be included.~~

*(c) None of the proceeds of the fund may be used for the high-speed rail project.*

SEC. 2. Section 39719.1 of the Health and Safety Code is amended to read:

39719.1. ~~(a)~~ Of the amount loaned from the fund to the General Fund pursuant to Item 3900-011-3228 of Section 2.00 of the Budget Act of 2013, four hundred million dollars (\$400,000,000) shall be *repaid immediately to the fund and shall thereupon be*

1 available to the High-Speed Rail Authority pursuant to subdivision  
2 ~~(b): for expenditure pursuant to Section 39719.~~  
3 ~~(b) The portion of the loan from the fund to the General Fund~~  
4 ~~described in subdivision (a) shall be repaid to the fund as necessary~~  
5 ~~based on the financial needs of the high-speed rail project.~~  
6 ~~Beginning in the 2015–16 fiscal year, and in order to carry out the~~  
7 ~~goals of the fund in accordance with the requirements of Section~~  
8 ~~39712, the amounts of all the loan repayments, notwithstanding~~  
9 ~~Section 13340 of the Government Code, are continuously~~  
10 ~~appropriated from the fund to the High-Speed Rail Authority for~~  
11 ~~the following components of the initial operating segment and~~  
12 ~~Phase I Blended System as described in the 2012 business plan~~  
13 ~~adopted pursuant to Section 185033 of the Public Utilities Code:~~  
14 ~~(1) Acquisition and construction costs of the project.~~  
15 ~~(2) Environmental review and design costs of the project.~~  
16 ~~(3) Other capital costs of the project.~~  
17 ~~(4) Repayment of any loans made to the authority to fund the~~  
18 ~~project.~~

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