

**Assembly Bill No. 2420**

\_\_\_\_\_

Passed the Assembly August 27, 1996

\_\_\_\_\_  
*Chief Clerk of the Assembly*

\_\_\_\_\_

Passed the Senate August 15, 1996

\_\_\_\_\_  
*Secretary of the Senate*

\_\_\_\_\_

This bill was received by the Governor this \_\_\_\_ day  
of \_\_\_\_\_, 1996, at \_\_\_\_ o'clock \_\_M.

\_\_\_\_\_  
*Private Secretary of the Governor*

┌

CHAPTER \_\_\_\_

An act to add Part 6 (commencing with Section 60000) to Division 10 of the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2420, Hannigan. Transportation: Yolo County: transportation district.

(1) Existing law establishes various local entities to carry out transportation functions within their respective areas of jurisdiction.

This bill would create the Yolo County Transportation District in Yolo County, prescribe the membership of the district's governing board, and prescribe the functions, powers, and duties of the district.

The bill would, among other things, provide that the district succeeds to all of the rights, powers, duties, and obligations of the existing Yolo County Transit Authority, a joint exercise of powers agency, grant the district the power to impose a retail transactions and use tax, subject to member agencies and voter approval, and, in conjunction therewith, issue bonds for capital outlay expenditures.

By requiring the newly created district to perform specified functions and by requiring the board of supervisors to call and conduct an election, the bill would impose a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, with regard to certain mandates, no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the



state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

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

SECTION 1. Part 6 (commencing with Section 60000) is added to Division 10 of the Public Utilities Code, to read:

PART 6. YOLO COUNTY TRANSPORTATION DISTRICT

CHAPTER 1. GENERAL PROVISIONS

60000. This part shall be known and may be cited as the Yolo County Transportation District Act.

60002. As used in this part, the following terms have the following meanings:

(a) "Authority" means the Yolo County Transit Authority, a joint exercise of powers agency.

(b) "Board of directors" means the Board of Directors of the Yolo County Transportation District.

(c) "Board of supervisors" means the Yolo County Board of Supervisors.

(d) "County" means the County of Yolo.

(e) "District" means the Yolo County Transportation District created by Section 60004.

60004. There is hereby created the Yolo County Transportation District. The jurisdiction of the district extends throughout the county, including all of the incorporated and unincorporated territory.

60006. On and after July 1, 1997, the authority is dissolved and the district succeeds to, and is vested with, all of the rights, powers, duties, and obligations of the authority. The district is the successor to the authority's interests in any property, its rights and obligations under any contract, any outstanding indebtedness of the authority, and its rights under any grants, without the necessity of any further action.



60008. (a) The district shall be governed by a five-member board of directors representing the county and cities in the county in the district, appointed as follows:

(1) One member representing the County of Yolo, appointed by the board of supervisors.

(2) One member representing the City of Davis, appointed by the city council of that city.

(3) One member representing the City of West Sacramento, appointed by the city council of that city.

(4) One member representing the City of Woodland, appointed by the city council of that city.

(5) One member representing the City of Winters, appointed by the city council of that city.

(b) An appointing authority shall appoint one of its members to serve as a member and one member to serve as an alternate member of the board of directors. The alternate member shall serve only in the absence of the regular member.

(c) The University of California at Davis shall appoint a person to serve as a nonvoting ex officio member.

(d) The Department of Transportation shall appoint a person to serve as a nonvoting ex officio member.

(e) Voting members of the board of directors will receive a stipend per meeting to be established by the board in its bylaws.

60010. Upon dissolution of the authority, employees of the authority shall be deemed to be employees of the district without any break in service nor any loss or reduction of compensation or benefits, except as may be imposed by express action of the district governing board.

60012. (a) The district shall assume the duties of public transit provider performed by the authority. On and after July 1, 1997, the Cities of West Sacramento, Davis, Woodland, and Winters are included within the district.

(b) Additionally, the district is deemed to be each of the following agencies, with all of the powers and duties attendant thereto:



(1) The consolidated transportation services agency for the county, with the concurrence of the Regional Transportation Planning Agency.

(2) The congestion management agency for the county.

60014. The district, at its first meeting, and thereafter annually at the meeting designated by the district, shall elect a chairperson who shall preside at all meetings, and a vice chairperson who shall preside in the absence of the chairperson. In the event of their absence or inability to act, the members present, by an order entered in the minutes, shall select one of their members to act as chairperson pro tempore, who, while so acting, shall have all the authority of the chairperson.

60016. The district shall adopt rules for its proceedings consistent with the laws of the state.

60018. A majority of the board of directors entitled to vote constitutes a quorum for the transaction of business. All official acts of the district require the affirmative vote of a majority of the board of directors entitled to vote.

60020. The acts of the district shall be expressed by motion, resolution, or ordinance.

60022. All meetings of the district shall be conducted pursuant to Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code.

60024. The district shall do all the following:

(a) Adopt an annual budget.

(b) Adopt an administrative code, by ordinance, which prescribes the powers and duties of the district officers, the method of appointment of the district employees, and methods, procedures, and systems of operation and management of the district.

(c) Cause a postaudit of the financial transactions and records of the district to be made at least annually by a certified public accountant.

(d) Do any and all things necessary to carry out the purposes of this part.

60026. (a) The district may hire an independent staff of its own or contract with any department or agency of



the United States or with any public agency to implement this part.

(b) The district may contract with private entities in conformance with applicable procurement procedures for the procurement of engineering, project management, and contract management services.

(c) The district shall rely, to the extent possible, on existing state, regional, and local transportation planning and programming data and expertise, rather than on a large duplicative staff and set of plans.

60028. The board of directors shall fix the compensation of the district's officers and employees.

60030. (a) Notice of the time and place of a public hearing on the adoption of the annual budget shall be published pursuant to Section 6061 of the Government Code not less than 15 days prior to the day of the hearing.

(b) The proposed annual budget shall be available for public inspection at least 15 days prior to the hearing.

60032. The district may sue and be sued, except as otherwise provided by law, in all actions and proceedings, in all courts and tribunals of competent jurisdiction.

60034. All claims for money or damages against the district are governed by Division 3.6 (commencing with Section 810) of Title 1 of the Government Code, except as provided therein, or by other statutes or regulations expressly applicable thereto.

60036. The district may make contracts and enter into stipulations of any nature whatsoever, either in connection with eminent domain proceedings or otherwise, including, but not limited to, contracts and stipulations to indemnify and hold harmless, to employ labor, and to do all acts necessary and convenient for the full exercise of the powers granted in this part.

60038. The district may contract with any department or agency of the United States, with any public agency, including, but not limited to, the Department of Transportation, any county, city, or district, or with any person or a private entity upon the terms and conditions that the district finds in its best interest for the



procurement of engineering, project management, and contract management services.

60040. (a) Contracts for the purchase of services, supplies, equipment, and materials in excess of ten thousand dollars (\$10,000) shall be awarded to the lowest responsible bidder after competitive bidding, except in an emergency declared by the district or by an executive committee to which the district has delegated responsibility to make that declaration.

(b) If, after rejecting bids received under subdivision (a), the district determines and declares that, in its opinion, the services, supplies, equipment, or materials may be purchased at a lower price on the open market, the district may proceed to purchase these services, supplies, equipment, or materials in the open market without further observance of the provisions regarding contracts, bids, or advertisements.

(c) Notwithstanding subdivision (a), the district shall comply with Federal Transit Administration Circular 4220.1 (d), as amended, relative to third-party contracting.

60042. (a) The district has no authority to impose property, sales, or special taxes, but may, with the concurrence of a majority of the member jurisdictions represented on the board of directors, cause to be submitted to voters of the district a ballot measure for the imposition of those taxes.

(b) If approved as required by law, the district may impose and administer fees and other funding sources secured for transportation system maintenance and improvement.

(c) The board of directors may set fares for public transit service by resolution or minute order.

60046. Notwithstanding any other provision of law which relates to the functioning of the district as the Yolo County Congestion Management Agency District, the district may not exercise any authority over the land use decisions of a local governmental agency.

60048. The district shall include in its bylaws a process for assuring that member jurisdictions of the district may



reasonably determine to what extent their share of Mills-Alquist-Deddeh Act funds and other local state or federal revenue sources are used by the district. The district does not replace nor supplant the role of the Regional Transportation Planning Agency to allocate Mills-Alquist-Deddeh Act funds. Each member jurisdiction shall be financially responsible for its share of obligations incurred by the district on that member jurisdiction's behalf. The district's bylaws shall include a budget conflict resolution process.

60050. The district may advocate and act on behalf of all district member jurisdictions with their concurrence to further Yolo County transportation system interests, funding, projects, and priorities.

60052. The district shall act as a countywide forum for the coordination of transportation system planning, programming, and prioritization of significant projects.

60054. The district may promulgate a plan for funding transportation projects within its jurisdiction.

60056. The board of directors shall adopt priorities reflecting the district's goals, including consideration of being designated as the federal Designated Recipient for Yolo County, consideration of additional transportation funding sources, examining the feasibility of Yolo County becoming a self-help county, and examining possible agency consolidations within Yolo County.

60058. The district bylaws shall establish an advisory committee structure, which shall include a Technical Advisory Committee and a Citizen's Advisory Committee and other advisory committees as it deems necessary, and shall establish a process for appealing decisions of the board of directors.

60060. Transportation funding and project prioritization decisions made by the board of directors shall endeavor to be mode neutral, not biased in favor of any one transportation mode with the district seeking local concurrence when appropriate. Those decisions shall take into account the needs of the local jurisdictions, the overall county needs relative to streets, roads, transit, pedestrian, bicycle, telecommuting, light rail, heavy rail,



and other alternative transportation mode projects, shall consider the movement of information and freight as well as people, and shall attempt to balance all transportation choices in order to most effectively utilize limited funding sources to the best advantage of Yolo County residents and others in the region.

60062. The district shall act as the coordinating agency for all state and federal funding applications where appropriate.

## CHAPTER 2. TRANSACTIONS AND USE TAX

60100. A retail transactions and use tax ordinance applicable in the incorporated and unincorporated territory of the county may be imposed by the district in accordance with this chapter and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, if the tax ordinance is adopted by a majority of the board of directors and by a majority of the governing bodies of the appointing authorities listed in subdivision (a) of Section 60008, and imposition of the tax is subsequently approved by two-thirds of the voters voting on the measure at a special election called for that purpose by the board of supervisors, at the request of the district, and a county transportation expenditure plan is adopted pursuant to Section 60106.

A retail transactions and use tax approved by the voters shall remain in effect for not longer than 20 years, or any lesser period of time specified in the tax ordinance. The tax may be continued in effect, or reimposed, by a tax ordinance adopted by the district and the reimposition of the tax is approved by two-thirds of the voters.

60102. (a) The district, in the ordinance, shall do all of the following:

- (1) State the nature of the tax to be imposed.
- (2) Establish the tax rate, which may be in  $\frac{1}{4}$  percent increments and shall not exceed a maximum tax rate of 1 percent.
- (3) Specify the period during which the tax will be imposed.



(4) Specify the purposes for which the revenue derived from the tax will be used.

(b) The proposition shall include an appropriations limit for that entity pursuant to Section 4 of Article XIII B of the California Constitution.

60103. (a) The county shall conduct the special election called by the board of supervisors pursuant to Section 60100. If the measure is approved, the district shall reimburse the county for its cost in conducting the special election.

(b) The special election shall be called and conducted in the same manner as provided by law for the conduct of special elections by a county.

(c) The sample ballot to be mailed to the voters, pursuant to Section 13303 of the Elections Code, shall be the full proposition, as set forth in the ordinance calling the election, and the voter information handbook shall include the entire adopted county transportation expenditure plan.

60104. (a) Any transactions and use tax ordinance adopted pursuant to this chapter shall be operative on the first day of the first calendar quarter commencing more than 120 days after adoption of the ordinance.

(b) Prior to the operative date of the ordinance, the district shall contract with the State Board of Equalization to perform all functions incidental to the administration and operation of the ordinance.

60105. The revenues from the taxes imposed pursuant to this chapter may be allocated by the district for the construction and improvement of state highways, the construction, maintenance, improvement, and operation of local streets, roads, and highways, and the construction, improvement, and operation of public transit systems. For purposes of this section, “public transit systems” includes paratransit services.

60106. (a) A county transportation expenditure plan shall be prepared for the expenditure of the revenues expected to be derived from the tax imposed pursuant to this chapter, together with other federal, state, and local funds expected to be available for transportation



improvements, for the period during which the tax is to be imposed.

(b) A county transportation expenditure plan shall not be adopted unless it has been approved by a majority of the governing bodies of the appointing authorities listed in subdivision (a) of Section 60008 at the time those bodies approve the ordinance described in Section 60100.

(c) The plan shall be adopted prior to the call of the election provided for in Section 60100.

60107. (a) The district may annually review and propose amendments to the county transportation expenditure plan adopted pursuant to Section 60106 to provide for the use of additional federal, state, and local funds, to account for unexpected revenues, or to take into consideration unforeseen circumstances.

(b) The district shall notify the board of supervisors and the city council of each city in the county and provide them with a copy of the proposed amendments.

(c) The proposed amendments shall become effective 45 days after notice is given.

### CHAPTER 3. BONDS

60150. (a) As part of the ballot proposition to approve the imposition of a retail transactions and use tax, authorization may be sought to issue bonds to finance capital outlay expenditures as may be provided for in the adopted county transportation expenditure plan, payable from the proceeds of the tax.

(b) The maximum bonded indebtedness that may be outstanding at any one time shall be an amount equal to the sum of the principal of, and interest on, the bonds, but not to exceed the estimated proceeds of the tax, as determined by the plan. The amount of bonds outstanding at any one time does not include the amount of bonds, refunding bonds, or bond anticipation notes for which funds necessary for the payment thereof have been set aside for that purpose in a trust or escrow account.

60151. (a) The bonds authorized by the voters concurrently with the approval of the retail transactions



and use tax may be issued at any time by the district and shall be payable from the proceeds of the tax. The bonds shall be referred to as “limited tax bonds.” The bonds may be secured by a pledge of revenues from the proceeds of the tax.

(b) The pledge of the tax to the limited tax bonds authorized under this chapter shall have priority over the use of any of the tax for “pay-as-you-go” financing, except to the extent that that priority is expressly restricted in the resolution authorizing the issuance of the bonds.

60152. Limited tax bonds shall be issued pursuant to a resolution adopted at any time by a two-thirds vote of the district. Each resolution shall provide for the issuance of bonds in the amounts as may be necessary, until the full amount of bonds authorized have been issued. The full amount of bonds may be divided into two or more series and different dates of payment fixed for the bonds of each series. A bond need not mature on its anniversary date.

60153. (a) A resolution authorizing the issuance of bonds shall state all of the following:

(1) The purposes for which the proposed debt is to be incurred, which may include all costs and estimated costs incidental to, or connected with, the accomplishment of those purposes, including, without limitation, engineering, inspection, legal, fiscal agents, financial consultant and other fees, bond and other reserve funds, working capital, bond interest estimated to accrue during the construction period and for a period not to exceed three years thereafter, and expenses of all proceedings for the authorization, issuance, and sale of the bonds.

(2) The estimated cost of accomplishing those purposes.

(3) The amount of the principal of the indebtedness.

(4) The maximum term the bonds proposed to be issued shall run before maturity, which shall not be beyond the date of termination of the imposition of the retail transactions and use tax.

(5) The maximum rate of interest to be paid, which shall not exceed the maximum allowable by law.



(6) The denomination or denominations of the bonds, which shall not be less than five thousand dollars (\$5,000).

(7) The form of the bonds, including, without limitation, registered bonds and coupon bonds, to the extent permitted by federal law, and the form of any coupons to be attached thereto, the registration, conversion, and exchange privileges, if any, pertaining thereto, and the time when all of, or any part of, the principal becomes due and payable.

(b) The resolution may also contain any other matters authorized by this chapter or any other provision of law.

60154. The bonds shall bear interest at a rate or rates not exceeding the maximum allowable by law, payable at intervals determined by the commission.

60155. In the resolution authorizing the issuance of the bonds, the district may also provide for the call and redemption of the bonds prior to maturity at the times and prices and upon other terms as specified. However, no bond is subject to call or redemption prior to maturity, unless it contains a recital to that effect or unless a statement to that effect is printed.

60156. The principal of, and interest on, the bonds shall be payable in lawful money of the United States at the office of the treasurer of the district, or at other places as may be designated, or at both the office and other places at the option of the holders of the bonds.

60157. The bonds, or each series thereof, shall be dated and numbered consecutively and shall be signed by the chairperson or vice chairperson of the district and the auditor-controller of the district, and the official seal, if any, of the district shall be attached.

The interest coupons of the bonds shall be signed by the auditor-controller of the district. All of the signatures and seal may be printed, lithographed, or mechanically reproduced.

If any officer whose signature appears on the bonds or coupons ceases to be that officer before the delivery of the bonds, the officer's signature is as effective as if the officer had remained in office.



60158. The bonds may be sold as the district determines by resolution, and the bonds may be sold at a price below par, whether by negotiated or public sale.

60159. Delivery of any bonds may be made at any place either inside or outside the state, and the purchase price may be received in cash or bank credits.

60160. All accrued interest and premiums received on the sale of the bonds shall be placed in the fund to be used for the payment of the principal of, and interest on, the bonds, and the remainder of the proceeds of the bonds shall be placed in the treasury of the district and applied to secure the bonds or for the purposes for which the debt was incurred. However, when the purposes have been accomplished, any money remaining shall be either (a) transferred to the fund to be used for the payment of principal of, and interest on, the bonds or (b) placed in a fund to be used for the purchase of the outstanding bonds in the open market at prices and in the manner, either at public or private sale or otherwise, as determined by the district. Bonds so purchased shall be canceled immediately.

60161. (a) The district may provide for the issuance, sale, or exchange of refunding bonds to redeem or retire any bonds issued by the district upon the terms, at the times and in the manner which it determines.

(b) Refunding bonds may be issued in a principal amount sufficient to pay all, or any part of, the principal of the outstanding bonds, the premiums, if any, due upon call and redemption thereof prior to maturity, all expenses of the refunding, and either of the following:

(1) The interest upon the refunding bonds from the date of sale thereof to the date of payment of the bonds to be refunded out of the proceeds of the sale of the refunding bonds or to the date upon which the bonds to be refunded will be paid pursuant to call or agreement with the holders of the bonds.

(2) The interest upon the bonds to be refunded from the date of sale of the refunding bonds to the date of payment of the bonds to be refunded or to the date upon



which the bonds to be refunded will be paid pursuant to call or agreement with the holder of the bonds.

(c) The provisions of this chapter for the issuance and sale of bonds apply to the issuance and sale of refunding bonds.

60162. (a) The district may borrow money in anticipation of the sale of bonds which have been authorized pursuant to this chapter, but which have not been sold or delivered, and may issue negotiable bond anticipation notes therefor and may renew the bond anticipation notes from time to time. However, the maximum maturity of any bond anticipation notes, including the renewals thereof, shall not exceed five years from the date of delivery of the original bond anticipation notes.

(b) The bond anticipation notes, and the interest thereon, may be paid from any money of the district available therefor, including the revenues from the tax. If not previously otherwise paid, the bond anticipation notes, or any portion thereof, or the interest thereon, shall be paid from the proceeds of the next sale of the bonds of the agency in anticipation of which the notes were issued.

(c) The bond anticipation notes shall not be issued in any amount in excess of the aggregate amount of the bonds which the district has been authorized to issue, less the amount of any bonds of the authorized issue previously sold, and also less the amount of other bond anticipation notes therefor issued and then outstanding. The bond anticipation notes shall be issued and sold in the same manner as the bonds.

(d) The bond anticipation notes and the resolutions authorizing them may contain any provisions, conditions, or limitations which a resolution of the district may contain.

60163. Any bonds issued under this chapter are legal investment for all trust funds; for the funds of insurance companies, commercial and savings banks, and trust companies; and for state school funds; and whenever any money or funds may, by any law now or hereafter enacted, be invested in bonds of cities, counties, school



districts, or other districts within the state, that money or funds may be invested in the bonds issued under this chapter, and whenever bonds of cities, counties, school districts, or other districts within the state may, by any law now or hereafter enacted, be used as security for the performance of any act or the deposit of any public money, the bonds issued under this chapter may be so used. The provisions of this chapter are in addition to all other laws relating to legal investments and shall be controlling as the latest expression of the Legislature with respect thereto.

60164. Any action or proceedings wherein the validity of the adoption of the retail transactions and use tax ordinance provided for in this chapter or the issuance of any bonds thereunder or any of the proceedings in relation thereto is contested, questioned, or denied, shall be commenced within six months from the date of the election at which the ordinance is approved; otherwise, the bonds and all proceedings in relation thereto, including the adoption and approval of the ordinance, shall be held to be valid and in every respect legal and incontestable.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

However, notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.



Notwithstanding Section 17580 of the Government Code, unless otherwise specified, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.



Approved \_\_\_\_\_, 1996

\_\_\_\_\_  
*Governor*

