

AMENDED IN SENATE MARCH 31, 1997

SENATE BILL

No. 531

Introduced by Senator Polanco

February 24, 1997

An act to add Section 29530.2 to the Government Code, *and to amend Section 99310.55 of the Public Utilities Code*, relating to transportation, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 531, as amended, Polanco. Transportation: local government finance.

Existing law authorizes a county board of supervisors, pursuant to a contract with the State Board of Equalization, to provide for the deposit in a local transportation fund of those revenues attributable to a specified portion of the sales and use tax rate levied in a county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law.

Existing law, Chapter 518 of the Statutes of 1995, authorizes, among other things, the Board of Supervisors for the County of Los Angeles to modify its contract with the State Board of Equalization to require that \$150,000,000 of those revenues be deposited in the county general fund during the 1995-96 fiscal year.

This bill would, on and after a specified date, authorize the board of supervisors for any county of the first class (Los Angeles County) to modify, *for one fiscal year*, its contract with the State Board of Equalization to require that not more than \$60,000,000 of the specified county sales and use tax

revenues be deposited in the county general fund instead of the local transportation fund. The revenues deposited in the county general fund under this provision would be known as fiscal realignment revenues.

This provision would become operative on the date that a court of appellate jurisdiction renders a final determination invalidating Chapter 518 of the Statutes of 1995 to the extent that the final determination requires repayment of the funds transferred under that chapter. *A provision providing for a reduction in the amount of revenues to be allocated to the Los Angeles County Metropolitan Transportation Authority, under specified circumstances, would apply in those fiscal years for which this provision is operative.*

The bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

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

1 SECTION 1. Section 29530.2 is added to the
2 Government Code, to read:

3 29530.2. (a) Notwithstanding any other provision of
4 law, the board of supervisors for any county of the first
5 class may, upon the adoption of a resolution approved by
6 a majority of all of its members, modify, *for one fiscal year*,
7 its contract with the State Board of Equalization, as
8 described in Section 29530, to require that not more than
9 sixty million dollars (\$60,000,000) of the county sales and
10 use tax revenues described in Section 29530 be deposited
11 in the county general fund.

12 (b) The revenues deposited in the county general
13 fund under this section shall be known as fiscal
14 realignment revenues.

15 (c) This section shall become operative on the date
16 that a court of appellate jurisdiction renders a final
17 determination invalidating Chapter 518 of the Statutes of
18 1995 to the extent that the final determination requires
19 repayment of the funds transferred under that chapter.



1 SEC. 2. *Section 99310.55 of the Public Utilities Code*
2 *is amended to read:*

3 99310.55. (a) (1) For ~~the 1995-96~~ any fiscal year for
4 which Section 29530.2 of the Government Code is
5 operative, the amount to be allocated, pursuant to this
6 article, to the Los Angeles County Metropolitan
7 Transportation Authority shall be reduced by the
8 transportation services support amount unless the
9 authority elects to deposit that amount into the county's
10 local transportation fund established pursuant to Section
11 29530 of the Government Code. Any moneys deposited in
12 the county's local transportation fund pursuant to the
13 preceding sentence shall be available for allocation
14 exclusively to the Los Angeles County Metropolitan
15 Transportation Authority for bus operations.

16 (2) For purposes of this section, "transportation
17 services support amount" means that amount of revenue
18 that is equal to the amount of revenue transferred to the
19 county general fund pursuant to Section 29530.3 of the
20 Government Code, other than revenue that is necessary
21 to fund the outstanding indebtedness or other
22 outstanding contractual obligations of the authority, or
23 revenue, the deposit of which, in accordance with
24 paragraph (1) is prohibited by the California
25 Constitution.

26 (3) If the Los Angeles County Metropolitan
27 Transportation Authority does not elect to deposit the
28 transportation services support amount into the county's
29 local transportation fund as provided in paragraph (1),
30 and the transportation services support amount exceeds
31 the amount to be allocated to the authority pursuant to
32 this article in the absence of any reduction pursuant to
33 paragraph (1), the difference between these latter two
34 amounts shall, in accordance with Section 188.95 of the
35 Streets and Highways Code, be deducted from the
36 amount of revenues allocated from the State Highway
37 Account for expenditure in the county for rail transit
38 purposes.



1 (b) (1) In any relevant fiscal year, the Los Angeles
2 County Metropolitan Transportation Authority shall not
3 do any of the following:

4 (A) Reduce bus service or operations or paratransit
5 service or operations directly or indirectly as a result of
6 the enactment of this section or of any other provision of
7 the act that enacted this section.

8 (B) Replace any funding reduction or deduction
9 described in this section with money from another source
10 if doing so would be a detriment to bus service or
11 operations or paratransit service or operations. For
12 purposes of this paragraph, “detriment to bus service or
13 operations or paratransit service or operations” includes,
14 but is not limited to, fare increases, reductions in the
15 number of routes served and the level of service on these
16 lines, reductions in security, decreases in quality of
17 service, delaying regular maintenance of vehicles, and
18 lengthening the replacement schedule for vehicles that
19 have reached the ends of their useful lives.

20 (2) For purposes of this section, “bus service or
21 operations or paratransit service or operations” includes
22 service and operations of bus and paratransit services
23 operated by the authority, including, but not limited to,
24 the Immediate Needs Transportation Program, or any
25 other bus or paratransit operator in Los Angeles County
26 that receives funds from the authority.

27 (3) For purposes of this section “relevant fiscal year”
28 includes the 1995–96 fiscal year, *any fiscal year for which*
29 *Section 29530.2 of the Government Code is operative*, and
30 the two fiscal years during which funds are transferred to
31 the Los Angeles County Metropolitan Transportation
32 Authority pursuant to Section 2106.4 of the Streets and
33 Highways Code.

34 (4) Nothing in this section shall be construed to mean
35 that the Los Angeles County Metropolitan
36 Transportation Agency should not or may not directly or
37 indirectly increase bus service or operations or
38 paratransit service or operations.

39 (c) This section shall remain in effect only until
40 January 1, 2002, and as of that date is repealed, unless a



1 later enacted statute, that is enacted before January 1,
2 2002, deletes or extends that date.

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

8 Counties of the first class cannot provide vital public
9 services due to the escalating costs of health services,
10 social services, and public safety services imposed on
11 those counties. Therefore, in order to help ensure, at the
12 earliest possible time, that those critical public services
13 are maintained and county insolvency is prevented, it is
14 necessary that this act take effect immediately.

