

AMENDED IN ASSEMBLY MAY 18, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 276

Introduced by Assembly Member Longville

February 4, 1999

An act to ~~amend Section 7102 of the Revenue and Taxation Code~~ *add Section 99310.1 to the Public Utilities Code*, relating to transportation, *and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

AB 276, as amended, Longville. Public transportation: ~~sales and use tax~~ funding.

Existing law provides for the funding of transportation programs and projects from funds appropriated by the Legislature.

This bill would appropriate \$60,000,000 from the General Fund to the Public Transportation Account to be allocated by the Controller, as scheduled, to local transportation agencies, county transportation commissions, the San Diego Metropolitan Development Board, and the California Transportation Commission to fund projects contained in the 1998 State Transportation Improvement Program.

The bill would set forth legislative findings and declarations regarding the Public Transportation Account.

~~The Sales and Use Tax Law provides for the allocation of the revenues derived from the taxes imposed under that law for various specific purposes, with the balance being allocated to the General Fund. It specifically provides for the allocation to~~

~~the Public Transportation Account in the State Transportation Fund of those state sales and use tax revenues derived from the application of sales and use tax to that portion of the price of motor vehicle fuel resulting from the increase after December 31, 1989, in the rate of state motor vehicle fuel taxes. Existing law provides that sales and use tax revenues deposited in the Public Transportation Account in the Transportation Fund are to be appropriated by the Legislature for certain purposes.~~

~~This bill would expand this allocation provision to apply to those state sales and use tax revenues derived from the application of those taxes to that portion of the price of motor vehicle fuel resulting from the state motor vehicle fuel tax rate and from the federal motor vehicle fuel tax rate. This bill would also make nonsubstantive, technical changes with respect to references to that account.~~

~~The Clean Air and Transportation Improvement Act of 1990, an initiative measure, added provisions to the statute proposed to be amended by this bill that require any amendment of that statute be consistent with, and in furtherance of, the purposes of that statute, and further require that any such amendment be approved by a 2/3 vote of the membership of each house of the Legislature.~~

~~This bill would make legislative findings and declarations that the amendments made by this bill are consistent with, and in furtherance of, the purposes of the affected statute, and would require for passage the approval of 2/3 of the membership of each house of the Legislature.~~

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

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

- 1 ~~SECTION 1. Section 7102 of the Revenue and~~
- 2 ~~SECTION 1. Section 99310.1 is added to the Public~~
- 3 ~~Utilities Code, to read:~~
- 4 ~~99310.1. (a) The Legislature finds and declares that~~
- 5 ~~projected revenues in the Public Transportation Account~~
- 6 ~~are no longer sufficient to pay for all that account's~~
- 7 ~~obligations. The account has historically provided the~~



1 *only dedicated source of state funds for transit, including*
2 *the State Transit Assistance Program and the former*
3 *Transit Capital Improvement Program. While the*
4 *Budget Act of 1998 fully funds the State Transit Assistance*
5 *Program, it provides no funds for new transit capital*
6 *projects. The same is true in the proposed Budget Act of*
7 *1999. Moreover, revenues are not projected to support a*
8 *State Transit Assistance Program at its current level.*

9 *(b) The Legislature further finds and declares that*
10 *vital state funded transit programs are in jeopardy due to*
11 *the systemic and long-term problems facing the Public*
12 *Transportation Account, including an expanding*
13 *expenditure program that includes funding other than*
14 *local transit purposes. The account's reliance on an*
15 *unpredictable and unstable revenue source further*
16 *jeopardizes state funded transit programs.*

17 *(c) Therefore, it is the intent of the Legislature to*
18 *stabilize the revenue base in the Public Transportation*
19 *Account and to allow for all competing priorities to be*
20 *funded, including local transit services that reduce*
21 *congestion and provide increased mobility to California's*
22 *citizens.*

23 *SEC. 2. The sum of sixty million dollars (\$60,000,000)*
24 *is hereby appropriated from the General Fund to the*
25 *Public Transportation Account, to be allocated by the*
26 *Controller, as follows:*

27 *(a) Fifteen million dollars (\$15,000,000) to the*
28 *Controller to be reallocated to each transportation*
29 *planning agency and county transportation commission,*
30 *and the San Diego Metropolitan Development Board, in*
31 *the 1999–2000 fiscal year in accordance with, and for the*
32 *purposes of, Section 99313 of the Public Utilities Code.*

33 *(b) Fifteen million dollars (\$15,000,000) to the*
34 *Controller to be reallocated to each transportation*
35 *planning agency and county transportation commission,*
36 *and the San Diego Metropolitan Development Board, in*
37 *the 1999–2000 fiscal year in accordance with, and for the*
38 *purposes of, Section 99314 of the Public Utilities Code.*

39 *(c) Thirty million dollars (\$30,000,000) to the*
40 *California Transportation Commission for transit projects*



1 contained in the 1998 State Transportation Improvement
2 Program.

3 Taxation Code is amended to read:

4 7102. The money in the fund shall, upon order of the
5 Controller, be drawn therefrom for refunds under this
6 part, credits or refunds pursuant to Section 60202, and
7 refunds pursuant to Section 1793.25 of the Civil Code, or
8 be transferred in the following manner:

9 (a) (1) All revenues, less refunds, derived under this
10 part at the 4 ³/₄-percent rate, including the imposition of
11 sales and use taxes with respect to the sale, storage, use,
12 or other consumption of motor vehicle fuel which would
13 not have been received if the sales and use tax rate had
14 been 5 percent and if motor vehicle fuel, as defined for
15 purposes of the Motor Vehicle Fuel License Tax Law
16 (Part 2 (commencing with Section 7301)), had been
17 exempt from sales and use taxes, shall be estimated by the
18 State Board of Equalization, with the concurrence of the
19 Department of Finance, and shall be transferred
20 quarterly to the Public Transportation Account, a trust
21 fund in the State Transportation Fund.

22 (2) All revenues, less refunds, derived under this part
23 at the 4 ³/₄-percent rate, resulting from the rate of tax
24 imposed pursuant to the Motor Vehicle Fuel License Tax
25 Law (Part 2 (commencing with Section 7301)) on motor
26 vehicle fuel, as defined for purposes of that law, and from
27 the rate of the federal tax on gasoline, shall be transferred
28 quarterly to the Public Transportation Account, a trust
29 fund in the State Transportation Fund.

30 (3) All revenues, less refunds, derived under this part
31 at the 4 ³/₄-percent rate from the imposition of sales and
32 use taxes on fuel, as defined for purposes of the Use Fuel
33 Tax Law (Part 3 (commencing with Section 8601)) and
34 the Diesel Fuel Tax Law (Part 31 (commencing with
35 Section 60001)), shall be estimated by the State Board of
36 Equalization, with the concurrence of the Department of
37 Finance, and shall be transferred quarterly to the Public
38 Transportation Account, a trust fund in the State
39 Transportation Fund.



1 ~~(4) All revenues, less refunds, derived under this part~~
2 ~~from a rate of more than 4 ³/₄ percent pursuant to~~
3 ~~Sections 6051.1 and 6201.1 for the period December 1,~~
4 ~~1989, to June 5, 1990, inclusive, shall be transferred to the~~
5 ~~Disaster Relief Fund created by Section 16419 of the~~
6 ~~Government Code.~~

7 ~~(5) All revenues, less refunds, derived under this part~~
8 ~~from a rate of more than 4 ³/₄ percent pursuant to~~
9 ~~Sections 6051.1 and 6201.1 for the period June 6, 1990, to~~
10 ~~December 31, 1990, inclusive, which is attributable to the~~
11 ~~imposition of sales and use taxes with respect to the sale,~~
12 ~~storage, use, or other consumption of tangible personal~~
13 ~~property other than fuel, as defined for purposes of the~~
14 ~~Use Fuel Tax Law (Part 3 (commencing with Section~~
15 ~~8601)), shall be transferred to the Disaster Relief Fund~~
16 ~~created by Section 16419 of the Government Code.~~

17 ~~(6) All revenues, less refunds, derived under this part~~
18 ~~from a rate of more than 4 ³/₄ percent pursuant to~~
19 ~~Sections 6051.1 and 6201.1 for the period June 6, 1990, to~~
20 ~~December 31, 1990, inclusive, which is attributable to the~~
21 ~~imposition of sales and use taxes with respect to the sale,~~
22 ~~storage, use, or other consumption of fuel, as defined for~~
23 ~~purposes of the Use Fuel Tax Law (Part 3 (commencing~~
24 ~~with Section 8601)), shall be transferred to the Disaster~~
25 ~~Relief Fund created by Section 16419 of the Government~~
26 ~~Code.~~

27 ~~(7) All revenues, less refunds, derived under this part~~
28 ~~from the taxes imposed pursuant to Sections 6051.2 and~~
29 ~~6201.2 shall be transferred to the Sales Tax Account of the~~
30 ~~Local Revenue Fund for allocation to cities and counties~~
31 ~~as prescribed by statute.~~

32 ~~(8) All revenues, less refunds, derived under this part~~
33 ~~from the taxes imposed pursuant to Sections 6051.6 and~~
34 ~~6201.6 shall be transferred to the Interim Public Safety~~
35 ~~Account in the Local Public Safety Fund created in~~
36 ~~Section 30051 of the Government Code for allocation to~~
37 ~~counties as prescribed by statute.~~

38 ~~(9) All revenues, less refunds, derived from the taxes~~
39 ~~imposed pursuant to Section 35 of Article XIII of the~~
40 ~~California Constitution shall be transferred to the Public~~



1 ~~Safety Account in the Local Public Safety Fund created~~
2 ~~in Section 30051 of the Government Code for allocation~~
3 ~~to counties as prescribed by statute.~~

4 ~~(10) An amount equal to all revenues, less refunds,~~
5 ~~derived under this part at a 4 $\frac{3}{4}$ -percent rate for the~~
6 ~~period between January 1, 1994, and July 1, 1994, from the~~
7 ~~increase in sales and use tax revenue attributable to the~~
8 ~~increase in the rate of the federal motor vehicle fuel tax~~
9 ~~between January 1, 1993, and the rate in effect on January~~
10 ~~1, 1994, shall be estimated by the State Board of~~
11 ~~Equalization, with the concurrence of the Department of~~
12 ~~Finance, and an amount equal to that amount, but not~~
13 ~~exceeding seven million five hundred thousand dollars~~
14 ~~(\$7,500,000) shall be transferred from the Retail Sales Tax~~
15 ~~Fund to the Small Business Expansion Fund created by~~
16 ~~Article 5 (commencing with Section 14030) of Chapter 1~~
17 ~~of Part 5 of Division 3 of Title 1 of the Corporations Code.~~

18 ~~(b) The balance shall be transferred to the General~~
19 ~~Fund.~~

20 ~~(c) The estimates required by subdivision (a) shall be~~
21 ~~based on taxable transactions occurring during a calendar~~
22 ~~year, and the transfers required by subdivision (a) shall~~
23 ~~be made during the fiscal year that commences during~~
24 ~~that same calendar year. Transfers required by~~
25 ~~paragraphs (1), (2), and (3) of subdivision (a) shall be~~
26 ~~made quarterly.~~

27 ~~(d) Notwithstanding the designation of the Public~~
28 ~~Transportation Account as a trust fund pursuant to~~
29 ~~subdivision (a), the Controller may use the Public~~
30 ~~Transportation Account for loans to the General Fund as~~
31 ~~provided in Sections 16310 and 16381 of the Government~~
32 ~~Code. The loans shall be repaid with interest from the~~
33 ~~General Fund at the Pooled Money Investment Account~~
34 ~~rate.~~

35 ~~(e) The Legislature may amend this section, by statute~~
36 ~~passed in each house of the Legislature by rollcall vote~~
37 ~~entered in the journal, two-thirds of the membership~~
38 ~~concurring, if the statute is consistent with, and furthers~~
39 ~~the purposes of this section.~~



1 ~~SEC. 2. The Legislature finds and declares that the~~
2 ~~amendments made by this act to Section 7102 of the~~
3 ~~Revenue and Taxation Code are consistent with, and in~~
4 ~~furtherance of, the purposes of that section.~~

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