

AMENDED IN SENATE JUNE 22, 1999  
AMENDED IN ASSEMBLY MAY 28, 1999  
AMENDED IN ASSEMBLY APRIL 6, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1612**

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**Introduced by Assembly Members Florez and Runner**

February 26, 1999

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An act to add Sections 2126.5 and 2127.5 to, and to repeal Sections 2126 and 2127 of, the Streets and Highways Code, relating to streets, *and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1612, as amended, Florez. Local streets and highways: reconstruction: storm damage repair.

Under existing law, various requirements were imposed on a city or county receiving an allocation of funds for street and highway purposes from specified appropriations.

This bill would repeal those provisions.

The bill would ~~provide that the Controller shall allocate funds appropriated by the Legislature in the annual Budget Act~~ appropriate \$160,000,000 from the State Highway Account in the State Transportation Fund *to the Controller for allocation* to counties (50%) and to cities (50%) for street and highway reconstruction, and repair of storm damage to local streets and highways, as specified, and, in a city and county, for other purposes related to transportation, as specified.

The bill, until July 1, 2002, would require a city or county, in order to receive this funding, to annually expend from its general fund for street and highway purposes a certain amount not less than the annual average of its expenditures from the general fund during specified fiscal years, as reported to the Controller. The bill would require the Controller, at the conclusion of each fiscal year for which a city or county receives this funding, to verify the city’s or county’s compliance with these provisions. If a city or county fails to so comply, the bill would authorize the city or county to expend during that fiscal year and the following fiscal year, a total amount that is not less than the total amount required to be expended for those fiscal years.

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

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

1 SECTION 1. Section 2126 of the Streets and  
2 Highways Code is repealed.

3 SEC. 2. Section 2126.5 is added to the Streets and  
4 Highways Code, to read:

5 2126.5. (a) The funds appropriated by ~~the~~  
6 ~~Legislature in the annual Budget Act, for purposes of~~  
7 *from the State Highway Account in the State*  
8 *Transportation Fund pursuant to Section 5 of the act that*  
9 *added this section, shall be allocated by the Controller to*  
10 *counties and cities for street and highway reconstruction,*  
11 *and for repair of storm damage to local streets and*  
12 *highways. The funds shall be allocated 50 percent to the*  
13 *counties for allocation pursuant to subdivision (b) and 50*  
14 *percent to the cities for allocation pursuant to subdivision*  
15 *(c).*

16 (b) (1) Seventy-five percent of the funds payable  
17 under this section to counties, including a city and county,  
18 shall be apportioned among the counties in the  
19 proportion that the number of fee-paid and exempt  
20 vehicles that are registered in the county bears to the  
21 number of fee-paid and exempt vehicles registered in the  
22 state.



1 (2) Twenty-five percent of the funds payable under  
2 this section to counties shall be apportioned among the  
3 counties, including a city and county, in the proportion  
4 that the number of miles of maintained county roads in  
5 each county bears to the total number of miles of  
6 maintained county roads in the state.

7 (3) For the purposes of apportioning funds under  
8 paragraph (2), any roads within the boundaries of a city  
9 and county that are not state highways shall be deemed  
10 to be county roads.

11 (c) The amount to be allocated to cities, including a  
12 city and county, shall be apportioned among the cities in  
13 the proportion that the total population of the city bears  
14 to the total population of all the cities in the state.

15 (d) Funds received under this section shall be  
16 deposited as follows in order to avoid the commingling of  
17 those funds with other local funds:

18 (1) In the case of a city, into the city gas tax fund.

19 (2) In the case of a county, into the county road fund.

20 (3) In the case of a city and county, into a local account  
21 that is designated for the receipt of state funds allocated  
22 for transportation purposes.

23 (e) For the purposes of this section, the following  
24 terms have the following meanings:

25 (1) "Reconstruction" includes any overlay, sealing, or  
26 widening of the roadway, if the widening is necessary to  
27 bring the roadway width to the desirable minimum width  
28 consistent with the geometric design criteria of the  
29 department for nonfreeway 3R (reconstruction,  
30 resurfacing, and rehabilitation) projects, but does not  
31 include widening or increasing the traffic capacity of a  
32 street or highway.

33 (2) "Repair of storm damage" is repair or  
34 reconstruction of local streets and highways, and related  
35 drainage improvements damaged due to winter storms  
36 and flooding, and construction of drainage improvements  
37 to mitigate future roadway flooding and damage  
38 problems, in those jurisdictions that were declared  
39 disaster areas by the President of the United States.



1 (f) The Controller shall allocate the funds described in  
2 subdivision (a) within 30 days after the date that they are  
3 made available.

4 (g) Upon approval of the legislative body of a city and  
5 county, any allocation made to that city and county under  
6 subdivision (a) shall be available for purposes that are  
7 authorized to be funded under Section 1 of Article XIX  
8 of the California Constitution and are in addition to the  
9 purposes authorized under subdivision (a).

10 SEC. 3. Section 2127 of the Streets and Highways  
11 Code is repealed.

12 SEC. 4. Section 2127.5 is added to the Streets and  
13 Highways Code, to read:

14 2127.5. (a) In order to receive any allocation  
15 pursuant to Section 2126.5, the city or county shall  
16 annually expend from its general fund for street and  
17 highway purposes an amount not less than the annual  
18 average of its expenditures from its general fund during  
19 the 1995–96, 1996–97, and 1997–98 fiscal years, as reported  
20 to the Controller pursuant to Section 2151. For purposes  
21 of this subdivision, in calculating a city’s or county’s  
22 annual general fund expenditures and its average general  
23 fund expenditures for the 1994–95, 1995–96, 1996–97, and  
24 1997–98 fiscal years, any unrestricted funds that the city  
25 or county may expend at its discretion, including vehicle  
26 in-lieu tax revenues and revenues from fines and  
27 forfeitures, expended for street and highway purposes are  
28 expenditures from the general fund. One-time allocations  
29 that have been expended for street and highway  
30 purposes, but which may not be available on an ongoing  
31 basis, including revenue provided under the Teeter Plan  
32 Bond Law of 1994 (Chapter 6.6 (commencing with  
33 Section 54773) of Part 1 of Division 2 of Title 5 of the  
34 Government Code), shall not be considered when  
35 calculating a city’s or county’s annual general fund  
36 expenditures. This maintenance of effort requirement  
37 shall terminate on July 1, 2002.

38 (b) For purposes of subdivision (a), the Controller  
39 may request fiscal data from cities and counties, in  
40 addition to data provided pursuant to Section 2151, for the



1 1995–96, 1996–97, and 1997–98 fiscal years. Each city and  
2 county shall furnish the data to the Controller not later  
3 than 120 days after receiving the request. The Controller  
4 may withhold payment to cities and counties that do not  
5 comply with the request for information or that provide  
6 incomplete data.

7 (c) At the conclusion of each fiscal year during which  
8 a city or county receives funding under Section 2126.5,  
9 the Controller shall verify the city’s or county’s  
10 compliance with subdivision (a). Any city or county that  
11 has not complied with subdivision (a) shall reimburse the  
12 state for the funds it received during that fiscal year. Any  
13 funds withheld or returned as a result of a failure to  
14 comply with subdivision (a) shall be reallocated to the  
15 other counties and cities whose expenditures are in  
16 compliance.

17 (d) If a city or county fails to comply with the  
18 requirements of subdivision (a) in a particular fiscal year,  
19 the city or county may expend during that fiscal year and  
20 the following fiscal year a total amount that is not less than  
21 the total amount required to be expended for those fiscal  
22 years for purposes of complying with subdivision (a).

23 (e) The allocation made under Section 2126.5 shall be  
24 expended not later than the end of the fiscal year  
25 following the fiscal year in which the allocation was made,  
26 and any funds not expended within that period shall be  
27 returned to the Controller and shall be reallocated to the  
28 other cities and counties pursuant to the allocation  
29 formulas set forth in Section 2126.5.

30 ~~SEC. 5. (a) It is the intent of the Legislature to fund~~  
31 ~~the program established by Sections 2126.5 and 2127.5 of~~  
32 ~~the Streets and Highways Code by appropriating funds~~  
33 ~~for the program from the State Highway Account in the~~  
34 ~~State Transportation Fund in the annual Budget Act.~~

35 ~~(b) For each year an appropriation is made to~~  
36 ~~implement Sections 2126.5 and 2127.5 of the Streets and~~  
37 ~~Highways Code, the California Transportation~~  
38 ~~Commission shall determine, for each countywide area,~~  
39 ~~the difference between the amount received pursuant to~~  
40 ~~the allocation formula under Section 2126.5 of the Streets~~



1 and Highways Code and the State Transportation  
2 Improvement Program (STIP) formula. The commission  
3 shall report these differences to the Controller. For those  
4 countywide areas that would receive less under the  
5 formula in Section 2126.5 of the Streets and Highways  
6 Code, the difference shall be allocated from the State  
7 Highway Account in the State Transportation Fund to  
8 each of those counties and distributed 50 percent to the  
9 county and 50 percent to the cities within the county on  
10 a per capita basis.

11 *SEC. 5. The sum of one hundred sixty million dollars*  
12 *(\$160,000,000) is hereby appropriated from the State*  
13 *Highway Account in the State Transportation Fund to the*  
14 *Controller for allocation to counties and cities for the*  
15 *purpose of this act.*

