

## Assembly Bill No. 2928

### CHAPTER 91

An act to amend Sections 14524, 14525, 14526, 14527, 14529, 65080, 65082, and 65083 of, and to add Chapter 4.5 (commencing with Section 14556) to Part 5.3 of Division 3 of Title 2 of, the Government Code, to amend, repeal, and add Section 7102 of, to add Section 10754.2 to, and to add and repeal Section 7104 of, the Revenue and Taxation Code, and to amend Sections 164.6, 182.6, and 182.7 of, and to add Sections 182.8, 183.1, 2182, and 2182.1 to, the Streets and Highways Code, relating to transportation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 6, 2000. Filed with  
Secretary of State July 7, 2000.]

I am signing Assembly Bill No. 2928, a comprehensive transportation funding measure which incorporates most of the proposals I made for almost \$5 billion in congestion relief, transportation system connectivity and goods movement projects. The bill also provides over \$1.4 billion in additional funds over five years for local street and road maintenance, transit operations and State Transportation Improvement Program projects.

However, I am reducing or eliminating certain appropriations made in Section 6 of the bill, which adds Chapter 4.5 (commencing with Article 5, Section 14556.40) to Part 5.3 of Division 3 of Title 2 of the Government Code, by a total of \$93,800,000. These expenditures are being eliminated because I have specific concerns about the projects and their priority for inclusion in this plan, and about the precedent these projects would set with respect to state expenditures. Additionally, I am requesting that the Legislature enact subsequent legislation to correct certain technical defects in this bill and modify the financing of the program to have less of an impact on the State General Fund in future years.

I am reducing the expenditures in Chapter 4.5, Article 5, Section 14556.40, Subsection (a) of the Government Code by eliminating or reducing the following paragraphs:

Paragraph (120) is eliminated, which allocates \$1,500,000 to Yuba County for the Yuba Airport runway extension and associated improvements. This project is not a congestion relief project affecting most travelers in the area.

Paragraph (125) is eliminated, which allocates \$5,000,000 to the Orange County Transportation Authority for the Route 57 toll road environmental impact report and study for expansion project. The franchise agreement for this project prohibits use of state funds in this fashion.

Paragraph (130) is eliminated, which allocates \$3,500,000 to the City of Garden Grove for the Route 22; connector to the interchange with I-405. Over \$206 million for Route 22 is already included in paragraph (70).

Paragraph (131) is eliminated, which allocates \$800,000 to the town of Apple Valley for the Bear Valley Road closure project and Kasota Road safety redesign. Funding for this project may be available in the State Highway Operations and Preservation Program and through local street and road funding.

Paragraph (132) is eliminated, which allocates \$7,000,000 to Los Angeles County for the Fairway Drive grade separation project in the San Gabriel Valley. This project



already has access to several funding sources through the Alameda Corridor East Project.

Paragraph (136) is eliminated, which allocates \$3,500,000 to City of Palmdale for the widening of Avenue S; between Route 14 and Route 138. This project does not appear to provide significant congestion relief or to fit other priorities for use of these funds.

Paragraph (137) is eliminated, which allocates \$5,500,000 to City of Lancaster for improvements to the Fox Field Industrial Corridor. This project does not appear to provide significant congestion relief or to fit other priorities for use of these funds.

Paragraph (138) is reduced by \$3,000,000 to \$4,000,000, which allocates funds to the Cross Valley Rail Corridor Joint Powers Authority for the upgrade of railroad track from Visalia to Huron. This project mainly funds improvements to rail lines that will be used by short line freight rail. Although I recognize that this project may provide significant local goods movement capacity, I expect local and railroad funds to provide the majority of funding.

Paragraph (142) is reduced by \$1,500,000 to \$2,000,000 for the City of West Hollywood for the repair, maintenance, and mitigation of Santa Monica Boulevard. A portion this project appears to be eligible for the street and road maintenance funding provided in this measure.

Paragraph (143) is eliminated, which allocates \$1,900,000 to the Capital Corridor Joint Powers Authority for the expansion of intercity rail service between San Jose, Oakland, and the Sacramento region. Such service cannot be implemented this year, and the ongoing operating costs should be funded from the Public Transportation Account in due course.

Paragraph (144) is reduced by \$45,000,000 to \$5,000,000 for the Golden Gate Bridge Highway and Transportation District for the seismic retrofit of the Golden Gate Bridge. It is my understanding that other funding sources are available, and Caltrans will be working with the District to assist in securing federal funding for this project.

Paragraph (147) is eliminated, which allocates \$7,000,000 to the Imperial Valley Association of Governments for the reconstruction of the I-8/Imperial Avenue interchange. This project does not appear to provide significant congestion relief or to fit other priorities for use of these funds.

Paragraph (155) is eliminated, which allocates \$8,600,000 to the City of Chula Vista to acquire right-of-way, build, and operate a 10-mile limited access toll facility from San Miguel Road to Otay Mesa Road and conduct a due diligence review, including an independent appraisal of the feasibility of acquisition by a public agency of the Route 125 franchise agreement authorized under Section 143 of the Streets and Highways Code. I do not support state funding for the acquisition of a private toll road franchise.

Additionally, I am taking identical actions on the same projects as listed in SB 406, a measure that corrects certain provisions of this bill.

GRAY DAVIS, Governor

#### LEGISLATIVE COUNSEL'S DIGEST

AB 2928, Torlakson. Transportation: finance.

(1) Existing law requires the California Transportation Commission, in conjunction with the Department of Transportation, transportation planning agencies, county transportation commissions, and transportation authorities, to develop a 4-year state transportation improvement program for purposes of planning the appropriation and allocation of available transportation funds to state, regional, and local transportation projects, including a 4-year process for estimating the amount of state and federal funds to be available for those transportation projects.

This bill would extend the 4-year state transportation improvement program, including the 4-year fund estimation process, to 5 years.

The bill would establish the Traffic Congestion Relief Fund (hereafter the TCRF) in the State Treasury and would appropriate the money in the TCRF to the department for allocation, as directed by the commission, to the department and certain regional and local transportation entities for transportation projects listed in the bill, to the Controller for allocation to cities, counties, and cities and counties for street and road maintenance, rehabilitation, and reconstruction, to the commission for the purposes of a funding exchange program established by the bill, and to the department for rehabilitation and repaving projects on state highways.

The bill would establish a list of transportation projects eligible for funding with money from the TCRF, would specify the lead applicant for each project, and would establish a procedure for the lead applicant to apply to the commission for funds for each project.

(2) The Sales and Use Tax Law imposes, among other things, a tax at a rate of 4 <sup>3</sup>/<sub>4</sub>% upon the gross receipts from the retail sale in this state of, and the storage, use, or other consumption in this state of, tangible personal property.

Existing law requires that all revenues, less refunds, derived under that law at the 4 <sup>3</sup>/<sub>4</sub>% rate from the sale, storage, use, or other consumption in this state of motor vehicle fuel, as defined, or fuel, as defined, be transferred to certain accounts and funds in accordance with specified formulas, with the balance to be transferred to the General Fund.

This bill would require, for the 2000–01 fiscal year only, that all revenue, less refunds, derived under that law at the 5% rate, resulting from the rate of tax imposed under the Motor Vehicle Fuel License Tax Law, except as specified, and all revenue, less refunds, derived under that law at the 5% rate, resulting from the rate of tax imposed under a specified federal motor vehicle fuel tax, be transferred quarterly to the TCRF.

The bill would require, until June 30, 2001, that the amounts transferred be included for purposes of a specified calculation relating to school funding and required under the California Constitution.

(3) 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.

This bill would require the State Board of Equalization, in consultation with the Department of Finance, on a quarterly basis, to estimate the amount that is required to be transferred to the General Fund, as specified, that is attributable to revenue collected for the sale, storage, use, or other consumption in this state of motor



vehicle fuel, as defined, and inform the Controller, in writing, of the amount estimated.

The bill would require the Controller to transfer that estimated amount from the General Fund to the Transportation Investment Fund (hereafter the TIF), which the bill would create in the State Treasury.

The bill would require the Controller, for each quarter during the period commencing on July 1, 2001, and ending on June 30, 2006, to transfer from the TIF (a) to the TCRF, the sum of \$169,500,000, for a total transfer of \$3,390,000,000; (b) to the Public Transportation Account, a trust fund in the State Transportation Fund, 20% of the amount remaining in the TIF after the transfer described in (a), for appropriation as specified; (c) to the Department of Transportation 40% of the amount remaining in the TIF after the transfer described in (a), for programming for transportation capital improvement projects, subject to all of the provisions governing the State Transportation Improvement Program; (d) to the counties, including a city and county, 20% of the amount remaining in the TIF after the transfer described in (a), for apportionment in accordance with certain formulas; and (e) to the cities, including a city and county, 20% of the amount remaining in the TIF after the transfer described in (a), for apportionment among the cities in the proportion that the total population of the city bears to the total population of all the cities in the state.

The bill would require that funds transferred as described in (d) and (e) be deposited in certain local accounts, as specified, in order to avoid the commingling of those funds with other local funds and that the funds be used only for street and highway maintenance, rehabilitation, reconstruction, and storm damage repair, as defined.

The bill would require cities and counties to maintain their existing commitment of local funds for street and highway maintenance, rehabilitation, reconstruction, and storm damage repair in order to remain eligible for allocation of the funds described in (d) and (e). The bill would require a city or county, in order to receive any of that specified allocation, to make prescribed annual expenditures.

The bill would require the Los Angeles County Metropolitan Transportation Authority to give first priority for using its share of certain transit assistance and operation funds made available under these provisions to providing the levels of bus service mandated under the consent decree entered into by the authority on October 29, 1996, in the case of Labor/Community Strategy Center, et al. v. Los Angeles County Metropolitan Transportation Authority.

(4) The Vehicle License Fee Law establishes, in lieu of any ad valorem property tax upon vehicles, an annual license fee for any vehicle subject to registration in this state in the amount of 2% of the market value of that vehicle, as specified. Existing law permanently offsets the amount of the vehicle license fee for each subject vehicle



by 25%, and, subject to specified contingencies with respect to fiscal year projections of General Fund revenues, provides for the implementation of similar, superseding offsets of 35%, 46.5%, 55%, and 67.5% to apply to specified future calendar years.

The bill would prohibit, for the 2000–01 fiscal year, any General Fund forecast of revenues used for the purposes specified in existing law from including any revenue loss due to the transfers required under (2) above.

(5) Existing law provides for allocation of federal regional surface transportation funds and federal congestion mitigation and air quality program funds to the regions in the state.

This bill would require the commission to establish a program to allow exchange of those federal funds for state transportation funds.

(6) The California Constitution requires the revenues from taxes imposed by the state on motor vehicle fuels for use in motor vehicles upon public streets and highways, over and above the costs of collection and refunds authorized by law, to be used for public streets and highways and exclusive public mass transit guideways purposes, as specified. Revenues from fees and taxes imposed by the state upon vehicles or their use or operation, over and above the costs of collection and any refunds authorized by law, are required to be used for those purposes and the administration and enforcement of laws regulating the use, operation, or registration of vehicles used upon the public streets and highways.

This bill would authorize money deposited into the State Highway Account in the State Transportation Fund that is not subject to the constitutional requirements specified above to be used for any transportation purpose authorized by statute, as specified.

(7) Existing law requires that all transportation funds that are available to the state be expended for certain listed purposes in accordance with a specified sequence of priorities.

This bill would appropriate \$1,500,000,000 from the General Fund to the TCRF for certain, specified purposes of the bill.

The bill would appropriate \$400,000,000 from the TCRF to the Controller for allocation to cities and counties for certain, specified purposes of this bill.

The bill would appropriate \$5,000,000 from the TCRF to the High-Speed Rail Authority for the purpose of commencing preliminary environmental documentation for the implementation of a high-speed rail service in California.

(8) This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.



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

SECTION 1. Section 14524 of the Government Code is amended to read:

14524. (a) Not later than July 15, 2001, and July 15 of each odd-numbered year thereafter, the department shall submit to the commission a five-year estimate pursuant to Section 164 of the Streets and Highways Code, in annual increments, of all federal and state funds reasonably expected to be available during the following five fiscal years.

(b) The estimate shall specify the amount that may be programmed in each county for regional improvement programs pursuant to paragraph (2) of subdivision (a) of Section 164 of the Streets and Highways Code and shall identify any statutory restriction on the use of particular funds.

(c) For the purpose of estimating revenues, the department shall assume that there will be no changes in existing state and federal statutes. Federal funds available for demonstration projects that are not subject to federal obligational authority, or are accompanied with their own dedicated obligational authority, shall not be considered funds that would otherwise be available to the state and shall not be included in the fund estimate.

(d) The method by which the estimate is determined shall be determined by the commission, in consultation with the department, transportation planning agencies, and county transportation commissions.

SEC. 2. Section 14525 of the Government Code is amended to read:

14525. (a) Not later than August 15, 2001, and August 15 of each odd-numbered year thereafter, the commission shall adopt a five-year estimate pursuant to Section 164 of the Streets and Highways Code, in annual increments, of all state and federal funds reasonably expected to be available during the following five fiscal years.

(b) The estimate shall specify the amount that may be programmed in each county for regional improvement programs under paragraph (2) of subdivision (a) of Section 164 of the Streets and Highways Code and shall identify any statutory restriction on the use of particular funds.

(c) For the purpose of estimating revenues, the commission shall assume that there will be no change in existing state and federal statutes. Federal funds available for demonstration projects that are not subject to federal obligational authority, or are accompanied with their own dedicated obligational authority, shall not be considered funds that would otherwise be available to the state and shall not be included in the fund estimate.



(d) If the commission finds that legislation pending before the Legislature or the United States Congress may have a significant impact on the fund estimate, the commission may postpone the adoption of the fund estimate for no more than 90 days. Prior to March 1 of each even-numbered year, the commission may amend the estimate following consultation with the department, transportation planning agencies, and county transportation commissions to account for unexpected revenues or other unforeseen circumstances. In the event the fund estimate is amended, the commission shall extend the dates for the submittal of improvement programs as specified in Sections 14526 and 14527 and for the adoption of the state transportation improvement program pursuant to Section 14529.

SEC. 3. Section 14526 of the Government Code is amended to read:

14526. (a) Not later than December 15, 2001, and December 15 of each odd-numbered year thereafter, and after consulting with the transportation planning agencies, county transportation commissions, and transportation authorities, the department shall submit to the commission its five-year interregional transportation improvement program consisting of all of the following:

(1) Projects to improve state highways, pursuant to subdivision (b) of Section 164 of the Streets and Highways Code.

(2) Projects to improve the intercity passenger rail system.

(3) Projects to improve interregional movement of people, vehicles, and goods.

(b) Projects may not be included in the interregional transportation improvement program without a project study report or major investment study.

(c) Major projects shall include current costs updated as of November 1 of the year of submittal and escalated to the appropriate year, and shall be consistent with, and provide the information required in, subdivision (b) of Section 14529.

(d) Projects included in the interregional transportation improvement program shall be consistent with the adopted regional transportation plan.

SEC. 4. Section 14527 of the Government Code is amended to read:

14527. (a) After consulting with the department, the regional transportation planning agencies and county transportation commissions shall adopt and submit to the commission and the department, not later than December 15, 2001, and December 15 of each odd-numbered year thereafter, a five-year regional transportation improvement program in conformance with Section 65082. In counties where a county transportation commission or authority has been created pursuant to Chapter 2 (commencing with Section 130050) of Division 12 of the Public Utilities Code, the



commission or the authority shall adopt and submit the county transportation improvement program, in conformance with Sections 130303 and 130304 of that code, to the multicounty designated transportation planning agency. Other information, including a program for expenditure of local or federal funds, may be submitted for information purposes with the program, but only at the discretion of the transportation planning agencies or the county transportation commissions.

(b) The regional transportation improvement program shall include all projects to be funded with regional improvement funds under paragraph (2) of subdivision (a) of Section 164 of the Streets and Highways Code. The regional programs shall be limited to projects to be funded in whole or in part with regional improvement funds which shall include all projects to receive allocations by the commission during the following five fiscal years. For each project, the total expenditure for each project component and the total amount of commission allocation and the year of allocation shall be stated. The total cost of projects to be funded with regional improvement funds shall not exceed the amount specified in the fund estimate made by the commission pursuant to Section 14525.

(c) The regional transportation planning agencies and county transportation commissions may recommend projects to improve state highways with interregional improvement funds pursuant to subdivision (b) of Section 164 of the Streets and Highways Code. The recommendations shall be separate and distinct from the regional transportation program. A project recommended for funding pursuant to this subdivision shall constitute a usable segment and shall not be a condition for inclusion of other projects in the regional transportation improvement program.

(d) Major projects shall include current costs updated as of November 1 of the year of submittal and escalated to the appropriate year, and shall be consistent with, and provide the information required in, subdivision (b) of Section 14529.

(e) The regional transportation improvement program may not change the project delivery milestone date of any project as shown in the prior adopted state transportation improvement program without the consent of the department or other agency responsible for the project's delivery.

(f) Projects may not be included in the regional transportation improvement program without a complete project study report or, for a project that is not on a state highway, a project study report equivalent or major investment study.

(g) The transportation planning agencies and county transportation commissions may request and receive an amount not to exceed one-half of 1 percent of their regional improvement fund expenditures for the purposes of project planning, programming, and monitoring. A transportation planning agency or county



transportation commission not receiving federal metropolitan planning funds may request and receive an amount not to exceed 2 percent of its regional improvement fund expenditures for the purposes of project planning, programming, and monitoring.

SEC. 5. Section 14529 of the Government Code is amended to read:

14529. (a) The state transportation improvement program shall include a listing of all capital improvement projects that are expected to receive an allocation of state transportation funds under Section 164 of the Streets and Highways Code, including revenues from transportation bond acts, from the commission during the following five fiscal years. It shall include, and be limited to, the projects to be funded with the following:

- (1) Interregional improvement funds.
- (2) Regional improvement funds.

(b) For each project, the program shall specify the allocation or expenditure amount and the allocation or expenditure year for each of the following project components:

- (1) Completion of all permits and environmental studies.
- (2) Preparation of plans, specifications, and estimates.
- (3) The acquisition of rights-of-way, including, but not limited to, support activities.
- (4) Construction and construction management and engineering, including surveys and inspection.

(c) Funding for right-of-way acquisition and construction for a project may be included in the program only if the commission makes a finding that the sponsoring agency will complete the environmental process and can proceed with right-of-way acquisition or construction within the five-year period. No allocation for right-of-way acquisition or construction shall be made until the completion of the environmental studies and the selection of a preferred alternative.

(d) The commission shall adopt and submit to the Legislature and the Governor, not later than April 1 of each even-numbered year thereafter, a state transportation improvement program. The program shall cover a period of five years, beginning July 1 of the year it is adopted, and shall be a statement of intent by the commission for the allocation or expenditure of funds during those five years. The program shall include projects which are expected to receive funds prior to July 1 of the year of adoption, but for which the commission has not yet allocated funds.

(e) The projects included in the adopted state transportation improvement program shall be limited to those projects submitted or recommended pursuant to Sections 14526 and 14527. The total amount programmed in each fiscal year for each program category shall not exceed the amount specified in the fund estimate adopted under Section 14525.



(f) The state transportation improvement program is a resource management document to assist the state and local entities to plan and implement transportation improvements and to utilize available resources in a cost-effective manner. It is a document for each county and each region to declare their intent to use available state and federal funds in a timely and cost-effective manner.

(g) Prior to the adoption of the state transportation improvement program, the commission shall hold not less than one hearing in northern California and one hearing in southern California to reconcile any objections by any county or regional agency to the department's program or the department's objections to any regional program.

(h) The commission shall incorporate projects that are included in the regional transportation improvement program and are to be funded with regional improvement funds, unless the commission finds that the regional transportation improvement program is not consistent with the guidelines adopted by the commission or is not a cost-effective expenditure of state funds, in which case the commission may reject the regional transportation improvement program in its entirety. The finding shall be based on an objective analysis, including, but not limited to, travel forecast, cost, and air quality. The commission shall hold a public hearing in the affected county or region prior to rejecting the program, or not later than 60 days after rejecting the program. When a regional transportation improvement program is rejected, the regional entity may submit a new regional transportation improvement program for inclusion in the state transportation improvement program. The commission shall not reject a regional transportation improvement program unless, not later than 60 days after the date it received the program, it provided notice to the affected agency that specified the factual basis for its proposed action.

(i) A project may be funded with more than one of the program categories listed in Section 164 of the Streets and Highways Code.

(j) Notwithstanding any other provision of law, no local or regional matching funds shall be required for projects that are included in the state transportation improvement program.

(k) The commission may include a project recommended by a regional transportation planning agency or county transportation commission pursuant to subdivision (c) of Section 14527, if the commission makes a finding, based on an objective analysis, that the recommended project is more cost-effective than a project submitted by the department pursuant to Section 14526.

SEC. 6. Chapter 4.5 (commencing with Section 14556) is added to Part 5.3 of Division 3 of Title 2 of the Government Code, to read:



CHAPTER 4.5. THE TRAFFIC CONGESTION RELIEF ACT OF 2000

Article 1. General Provisions

14556. This chapter shall be known and may be cited as the Traffic Congestion Relief Act of 2000.

14556.1. For purposes of this chapter, the following terms shall have the following meanings, unless expressly stated otherwise:

- (a) "Commission" is the California Transportation Commission.
- (b) "Department" is the Department of Transportation.
- (c) "Fund" is the Traffic Congestion Relief Fund created under this chapter.
- (d) "Program" is the Traffic Congestion Relief Program established under this chapter.

14556.3 The Legislature finds and declares that it is in the interest of the State of California to immediately take steps to relieve congestion on the state's transportation systems and finds and declares the following:

(a) California's population has grown by more than 50 percent over the past 20 years while highway capacity has increased only 7 percent.

(b) Between 1987 and 1995, the number of California drivers who sit idle in traffic congestion has grown 70 percent, and California drivers now sit idle in traffic congestion more than 300,000 hours per day.

(c) It is estimated that traffic congestion in California now costs the state's businesses more than two million eight hundred thousand dollars (\$2,800,000) per day in lost time and resources.

(d) Local streets and roads in California suffer from an estimated ten billion two hundred million dollars (\$10,200,000,000) backlog of deferred maintenance. The magnitude of this backlog is estimated to increase by four hundred million dollars (\$400,000,000) each year.

(e) The Public Transportation Account in the State Transportation Fund, which provides funds for transit operations and intercity rail service in California, is estimated to have a four-year deficit of fifty-three million dollars (\$53,000,000), increasing to a six-year deficit of one hundred fifty-eight million dollars (\$158,000,000).

(f) The state's population is expected to exceed 45,000,000 persons by the year 2020, imposing additional demand on the transportation system.

(g) Significant benefits will be obtained by completing major improvements earlier, accelerating development of new improvements, and improving the connectivity of the various transportation modes within the state's transportation system.

(h) Therefore, it is appropriate to create a Traffic Congestion Relief Fund to finance congestion relief improvements, to dedicate



the sales tax on gasoline to transportation purposes, and to create a Transportation Investment Fund to finance improvements to neighborhood streets and roads, to provide funding for transit operations and intercity rail, and to supplement the Traffic Congestion Relief Fund.

#### Article 2. Traffic Congestion Relief Fund

14556.5. The Traffic Congestion Relief Fund is hereby created in the State Treasury. The fund shall include deposits of funding provided in the annual Budget Act, provided from the Transportation Investment Fund established under Section 7104 of the Revenue and Taxation Code, or provided under any other legislation. Notwithstanding Section 13340, the money in the fund is hereby continuously appropriated to the department, without regard to fiscal years, for allocation, as directed by the commission pursuant to Section 14556.20, to the department and other regional and local transportation entities for the projects listed in Article 5 (commencing with Section 14556.40) to the Controller for allocation to cities, counties, and cities and counties pursuant to Section 2182 of the Streets and Highways Code, and to the commission for the funding exchange program authorized by Section 182.8 of the Streets and Highways Code.

14556.6. The purpose of this article is to relieve traffic congestion, provide additional funding for local street and road deferred maintenance, and provide additional transportation capacity in high growth areas of the state. The Traffic Congestion Relief Fund is intended to contribute five billion three hundred ninety million dollars (\$5,390,000,000), above the traditional transportation funding provided by the state, towards the funding of projects listed in Article 5 (commencing with Section 14556.40) and the deferred maintenance program authorized in Section 2182 of the Streets and Highways Code. This funding commitment is intended to be combined with other state, local, federal, and private funds to complete and operate the transportation improvements identified in Article 5 (commencing with Section 14556.40). Funds needed to meet the contribution commitment described in this section are intended to be provided as follows:

(a) The sum of one billion five hundred million dollars (\$1,500,000,000) from the General Fund, as appropriated by Section 20 of the act that added this chapter, to the fund.

(b) The sum of five hundred million dollars (\$500,000,000) from the transfer of the sales and use tax on motor vehicle fuel during the 2000–01 fiscal year, as required under Section 7102 of the Revenue and Taxation Code, as amended by Section 10 of the act that added this section.



(c) The sum of six hundred seventy-eight million dollars (\$678,000,000) is intended to be provided in each of five successive fiscal years, commencing with the 2001–02 fiscal year, from the Transportation Investment Fund.

Article 3. Fund Allocation and Expenditure

14556.10. (a) The lead applicant agency specified for each project in Article 5 (commencing with Section 14556.40) shall be responsible for preparing and submitting a project application to the commission in accordance with guidelines adopted by the commission.

(b) The lead applicant agency may, but is not required, to be the agency responsible for carrying out the work to complete the project.

(c) A lead applicant agency may submit separate applications for separate projects identified in Article 5 (commencing with Section 14556.40).

14556.11. Not later than 90 days from the effective date of the act that added this section, the commission, in consultation with the department and representatives from regional agencies and local agencies, and after a public hearing, shall establish guidelines to implement this chapter. The guidelines shall include, but not be limited to, criteria for project applications, estimation costs, assessment of capability to complete the project, allocation of funds to project phases, timely expenditure of funds, management of changes to cost, scope, and schedules, assessment of progress in implementing projects, and audit requirements.

14556.12. (a) Designated lead applicant agencies shall submit applications to the commission within two years of the effective date of the act that added this section. If a completed application is not received within this period for a project listed in Article 5 (commencing with Section 14556.40), or an alternate project has not been submitted by the appropriate lead agency pursuant to subdivision (b), the commission shall notify the Governor and the Legislature and shall seek statutory identification and approval of another project or projects to use the funds.

(b) (1) A designated lead applicant agency may submit an application for an alternate or substitute for a project specified in Section 14556.40, for other than an intercity rail project, if the specified project is delayed by environmental or other factors external to the control of the lead applicant agency that are not likely to be removed within a reasonable time, if sufficient matching funds are not available to secure the designated state grant funds, if the specified project is not included in or consistent with the respective regional transportation plan, or if completion of the specified project would jeopardize the completion of other projects previously programmed in the State Transportation Improvement Program.



(2) An application for an alternative project shall be approved by the commission if the application is submitted by the identified lead applicant agency within the two-year period specified in subdivision (a), the alternative project is designated to relieve congestion consistent with this act, the alternate project is within the jurisdiction of the lead applicant agency, and all other project approval requirements are met.

14556.13. (a) The project applications shall define the project purpose, intended scope, proposed cost, intended funding sources, and schedule for project completion. Each application shall also specify the paragraph number of subdivision (a) of Section 14556.40 that authorizes the project, and identify the agency responsible for carrying out the work, to which the commission will allocate funds.

(b) Except as authorized under subdivision (c), the project application shall specify the scope of work, the cost, and the schedule for the following separate phases of work, as appropriate:

- (1) Studies, environmental review, and permits.
- (2) Preparation of project plans and specifications.
- (3) Right-of-way acquisition.
- (4) Construction or procurement.

(c) Some projects may be permitted to include scope of work on less than all of the phases specified in subdivisions (b).

(d) In accordance with guidelines established by the commission, each application shall include a plan describing all capital funds required for the project, the sources and the timing for those funds, and how those funds will be used. An application may seek funding for a single phase of a project.

(e) Applications for projects involving regional improvement program funds shall be cosigned by the regional transportation planning agency responsible for the regional transportation improvement program. Applications for projects involving interregional improvement program funds or where the state is the owner-operator shall be cosigned by the department.

(f) The plan shall identify the sources and timing of all funds required to undertake and complete any phase of a project for which the applicant seeks an allocation of funds from the commission. The plan should also describe intended sources and timing of funds to complete any subsequent phases of the project, through construction.

14556.14. The commission shall ascertain from the appropriate regional transportation planning agency that a project is included in, or is consistent with, the appropriate regional transportation plan before approving a project application involving right-of-way or construction phases. A project that involves only studies or project development phases is not required to be included in a regional transportation plan, unless federal funds will also be used to fund the project.



14556.16. (a) The commission, with the assistance of the department, shall begin review of a project application within 30 days of receipt of the application.

(b) The commission shall either approve or deny a project application within 90 days of the receipt of the application, unless the commission requests additional information from the applicant, in which case the 90-day time to approve or deny the application shall begin on the date that the commission receives the additional information requested.

(c) The commission shall state specific reasons for denying an application. The commission shall allow the applicant to amend and resubmit an application that has been denied. The commission shall then have 90 days from receipt of the amended application to reconsider the denial.

(d) The commission shall not deny an application that meets the requirements of this chapter, including the guidelines adopted by the commission for this chapter and any other applicable statutes and regulations. The commission shall not unreasonably delay approval of an application that substantially conforms to these requirements if the applicant agrees to allow modifications to the application to meet the commission's conditions for approval.

14556.18. (a) Commission approval of a project application establishes the time schedule, by fiscal year, for implementation of the phases of a project. Project approval shall be deemed rescinded if the lead applicant agency or the agency responsible for carrying out the project does not seek an allocation from the commission and start the first phase of work during the fiscal year scheduled.

(b) If the first phase is not completed as scheduled, so that work on subsequent phases is delayed, the agency responsible for carrying out the project shall report the reasons for failure to complete the project to the commission. The commission may then reconsider the project application, ask for modification of the schedule and any other requirements of the application, and may, at its discretion, extend the time of reconsideration until environmental studies, review, and approval of final environmental documents has been completed.

14556.20. (a) The commission shall direct the department to allocate funds to the department, regional transportation planning agencies, local transportation commissions, congestion management agencies, transportation authorities, cities, counties, a city and county, joint powers authorities, ports, and transit districts for projects specified in Article 5 (commencing with Section 14556.40).

(b) Funds allocated as directed by the commission shall be expended only for studies or the phases of project work specified in Article 5 (commencing with Section 14556.40).

(c) Allocations shall be made to specified phases of a project and may include more than one phase in a given allocation. The



commission shall, at the time the first allocation is made to a project, indicate how it intends to spread the total funding authorized for the project among the phases, but that indication shall not be binding for future phases if the commission finds that a different level of funding for a later phase would help ensure quicker delivery of the project for construction.

(d) Consistent with Article 5 (commencing with Section 14556.40), these funds may be used to satisfy any federal, state, or local matching fund requirement for the project to be funded.

(e) The allocation shall specify the percentage rate of reimbursement for expenditures for each phase of the project, considering the funding shares from various sources that comprise the full funding of each phase. The commission may specify different rates of reimbursement for different phases, and shall determine the spread of funding specified in Article 5 (commencing with Section 14556.40) across all the phases of work, as appropriate for the project.

(f) The commission may approve minor changes to project scope, cost, or schedule, so long as those modifications fall within the project purpose specified in the project application.

(g) The commission may consider applications under this section upon adoption of implementing guidelines.

#### Article 4. Administration and Expenditure of Funds

14556.25. (a) The department shall execute a cooperative agreement with the lead applicant agency or the agency responsible for carrying out the work for reimbursement of approved project expenditures, using funds allocated by the commission for that purpose and project phase. To reduce time and financial burden on lead applicant agencies, the department shall use electronic reimbursement procedures to the extent prudent and practical.

(b) The cooperative agreement shall specify how additional costs are to be covered, if necessary, and how savings are to be used or distributed, if available, among all the various funding sources being used for the project.

14556.26. A regional or local agency receiving an allocation from this program shall certify, by resolution of its governing board, before final execution of the cooperative agreement, that it will sustain its level of expenditures for transportation purposes at a level that is consistent with the level for 1999–2000 fiscal year, including funds reserved for transportation purposes, during the fiscal years that the allocation provided under this chapter is available for use. The certification is subject to audit by the state.

14556.28. (a) For applicants other than the department, funds allocated shall generally be administered as a reimbursement program. At the request of an applicant, the commission shall authorize an advance payment for project development work



necessary for a project specified in Article 5 (commencing with Section 14556.40). At the request of an applicant, the commission may authorize an advance payment for demonstrated need, or for a project right-of-way, construction, or procurement phase.

(b) Project costs incurred prior to commission approval of a project application may not be reimbursed. Project costs incurred prior to commission allocation of funds, but after commission approval of a project application, may be reimbursed retroactively after allocation.

14556.30. (a) After receiving an allocation, the lead applicant shall make diligent and timely progress toward completing the work as described in the submitted application. If timely progress is not achieved, the commission may review the status of the project. If the commission finds the lead applicant agency is not pursuing project work diligently, including use of funds under the agency's control committed to the project, the commission may reallocate those funds to another project or projects listed in Article 5 (commencing with Section 14556.40).

(b) If the commission and a lead applicant agency concur that a project is delayed by factors external to the control of the lead applicant agency and the factors are not likely to be removed within a reasonable time, the lead applicant agency may submit an application for an alternate or substitute project if the alternate project is designed to relieve congestion consistent with this act, is within the jurisdiction of the lead applicant agency, and meets all other project approval requirements.

(c) Notwithstanding Section 16304, funds allocated from the fund shall be available for encumbrance for three years after the date of allocation, and encumbered funds shall be available for liquidation for two additional years, unless the time limit is extended by an act of the Legislature. Any funds not expended by that time-limit shall revert to the fund.

14556.32. (a) The rate of reimbursement of expenditures shall not exceed the rate determined by the commission in its allocation of funds.

(b) After notifying the commission of savings in any phase, the lead applicant may use those savings for expenditures on a later phase of the same project.

(c) If additional funds are needed to complete a project, the lead applicant agency shall be responsible for securing the funding needed from other sources outside this program. The commission may not increase the allocation from this program beyond the amount specified for the project in Article 5 (commencing with Section 14556.40) unless the Governor and the Legislature subsequently designate a higher amount for the project.

(d) If a project can be completed at a lower cost than expected, any savings shall be divided among all funding sources contributing



to the project in the proportion each of the funding sources bears to the total funding for the project as defined in the approved project application. For the savings that revert to this program, the commission shall determine the amount to be returned to the fund.

(e) If a determination is made to cease funding for a project, funds allocated but not expended on any phase shall be returned to the fund.

14556.34. Any agency or combination of agencies that succeed to an agency having any rights, powers, duties, or obligations under this chapter, including, but not limited to, eligibility to apply for, receive, and expend a grant allocation, shall fully succeed to those rights, powers, duties, and obligations.

14556.36. The commission shall report annually, starting no later than February 2001, to the Governor and the Legislature on progress in implementation of the program. The report shall assess programwide implementation progress, and identify project schedules and delays, project failures, cost savings, and any opportunities for the specification of additional or alternative projects for funding. The commission report may also discuss any significant issues associated with implementation of the program, and recommend changes that could improve implementation.

#### Article 5. Eligible Projects

14556.40. (a) The following projects are eligible for grants from the fund for the purposes and amounts specified:

(1) BART to San Jose; extend BART from Fremont to Downtown San Jose in Santa Clara and Alameda Counties. Seven hundred twenty-five million dollars (\$725,000,000). The lead applicant is the Bay Area Rapid Transit District.

(2) Fremont-South Bay Commuter Rail; acquire rail line and start commuter rail service between Fremont and San Jose in Santa Clara and Alameda Counties. Thirty-five million dollars (\$35,000,000). The lead applicant is the Santa Clara Valley Transportation Authority.

(3) Route 101; widen freeway from four to eight lanes south of San Jose, Bernal Road to Burnett Avenue in Santa Clara County. Twenty-five million dollars (\$25,000,000). The lead applicant is the department or the Santa Clara Valley Transportation Authority.

(4) Route 680; add northbound HOV lane over Sunol Grade, Milpitas to Route 84 in Santa Clara and Alameda Counties. Sixty million dollars (\$60,000,000). The lead applicant is the department or the Alameda County Congestion Management Agency.

(5) Route 101; add northbound lane to freeway through San Jose, Route 87 to Trimble Road in Santa Clara County. Five million dollars (\$5,000,000). The lead applicant is the department or the Santa Clara Valley Transportation Authority.



(6) Route 262; major investment study for cross connector freeway, Route 680 to Route 880 near Warm Springs in Santa Clara County. One million dollars (\$1,000,000). The lead applicant is the department or the Metropolitan Transportation Commission.

(7) CalTrain; expand service to Gilroy; improve parking, stations, and platforms along UPRR line in Santa Clara County. Fifty-five million dollars (\$55,000,000). The lead applicant is Santa Clara Valley Transportation Authority.

(8) Route 880; reconstruct Coleman Avenue Interchange near San Jose Airport in Santa Clara County. Five million dollars (\$5,000,000). The lead applicant is the department or the Santa Clara Valley Transportation Authority.

(9) Capitol Corridor; improve intercity rail line between Oakland and San Jose, and at Jack London Square and Emeryville stations in Alameda and Santa Clara Counties. Twenty-five million dollars (\$25,000,000). The lead applicant is the department or the Capitol Corridor Joint Powers Authority.

(10) Regional Express Bus; acquire low-emission buses for new express service on HOV lanes regionwide. In nine counties. Forty million dollars (\$40,000,000). The lead applicant is the Metropolitan Transportation Commission.

(11) San Francisco Bay Southern Crossing; complete feasibility and financial studies for new San Francisco Bay crossing (new bridge, HOV/Transit bridge or second BART tube) in Alameda and San Francisco or San Mateo Counties. Five million dollars (\$5,000,000). The lead applicant is the department or the Metropolitan Transportation Commission.

(12) Bay Area Transit Connectivity; complete studies of, and fund related improvements for, the I-580 Livermore Corridor; West Contra Costa County and Route 4 Corridors in Alameda and Contra Costa Counties. Seventeen million dollars (\$17,000,000). The lead applicant for the I-580 study is the Alameda County Congestion Management Agency; and the Contra Costa Transportation Authority is the lead applicant for the West Contra Costa and Route 4 studies.

(13) CalTrain Peninsula Corridor; acquire rolling stock, add passing tracks, and construct pedestrian access structure at stations between San Francisco and San Jose in San Francisco, San Mateo, and Santa Clara Counties. One hundred twenty-seven million dollars (\$127,000,000). The lead applicant is the Peninsula Joint Powers Board.

(14) CalTrain; extension to Salinas in Monterey County. Twenty million dollars (\$20,000,000). The lead applicant is the Transportation Agency for Monterey County.

(15) Route 24; Caldecott Tunnel; add fourth bore tunnel with additional lanes in Alameda and Contra Costa Counties. Twenty



million dollars (\$20,000,000). The lead applicant is the department or the Metropolitan Transportation Commission.

(16) Route 4; construct one or more phases of improvements to widen freeway to eight lanes from Railroad through Loveridge Road, including two high-occupancy vehicle lanes, and to six or more lanes from east of Loveridge Road through Hillcrest. Thirty-nine million dollars (\$39,000,000). The lead applicant is the Contra Costa Transportation Authority.

(17) Route 101; add reversible HOV lane through San Rafael, Sir Francis Drake Boulevard to North San Pedro Road in Marin County. Fifteen million dollars (\$15,000,000). The lead applicant is the department or the Marin Congestion Management Agency.

(18) Route 101; widen eight miles of freeway to six lanes, Novato to Petaluma (Novato Narrows) in Marin and Sonoma Counties. Twenty-one million dollars (\$21,000,000). The lead applicant is the department or the Sonoma County Transportation Authority.

(19) Bay Area Water Transit Authority; establish a regional water transit system beginning with Treasure Island in the City and County of San Francisco. Two million dollars (\$2,000,000). The lead applicant is the Bay Area Water Transit Authority.

(20) San Francisco Muni Third Street Light Rail; extend Third Street line to Chinatown (tunnel) in the City and County of San Francisco. One hundred forty million dollars (\$140,000,000). The lead applicant is the Municipal Transportation Agency.

(21) San Francisco Muni Ocean Avenue Light Rail; reconstruct Ocean Avenue light rail line to Route 1 near California State University, San Francisco, in the City and County of San Francisco. Seven million dollars (\$7,000,000). The lead applicant is the Municipal Transportation Agency.

(22) Route 101; environmental study for reconstruction of Doyle Drive, from Lombard St./Richardson Avenue to Route 1 Interchange in City and County of San Francisco. Fifteen million dollars (\$15,000,000). The lead applicant is the department or the San Francisco County Transportation Authority.

(23) CalTrain Peninsula Corridor; complete grade separations at Poplar Avenue in (Burlingame), 25th Avenue (San Mateo), and Linden Avenue (South San Francisco) in San Mateo County. Fifteen million dollars (\$15,000,000). The lead applicant is the San Mateo County Transportation Authority.

(24) Vallejo Baylink Ferry; acquire low-emission ferryboats to expand Baylink Vallejo-San Francisco service in Solano County. Five million dollars (\$5,000,000). The lead applicant is the City of Vallejo.

(25) I-80/I-680/Route 12 Interchange in Fairfield in Solano County; 12 interchange complex in seven stages (Stage 1). Thirteen million dollars (\$13,000,000). The lead applicant is the department or the Solano Transportation Authority.



(26) ACE Commuter Rail; add siding on UPRR line in Livermore Valley in Alameda County. One million dollars (\$1,000,000). The lead applicant is the San Joaquin Regional Rail Authority.

(27) Vasco Road Safety and Transit Enhancement Project in Alameda and Contra Costa Counties. Eleven million dollars (\$11,000,000). The lead applicant is Alameda County Congestion Management Authority.

(28) Parking Structure at Transit Village at Richmond BART Station in Contra Costa County. Five million dollars (\$5,000,000). The lead applicant is the Bay Area Rapid Transit District.

(29) AC Transit; buy two fuel cell buses and fueling facility for demonstration project in Alameda and Contra Costa Counties. Eight million dollars (\$8,000,000). The lead applicant is the Alameda Contra Costa Transit District.

(30) Implementation of commuter rail passenger service from Cloverdale south to San Rafael and Larkspur in Marin and Sonoma Counties. Thirty-seven million dollars (\$37,000,000). The lead applicant is the Sonoma-Marín Area Transit Authority.

(31) Route 580; construct eastbound and westbound HOV lanes from Tassajara Road/Santa Rita Road to Vasco Road in Alameda County. Twenty-five million dollars (\$25,000,000). The lead applicant is the department or the Alameda County Congestion Management Authority.

(32) North Coast Railroad; repair and upgrade track to meet Class II (freight) standards in Napa and Humboldt Counties. Sixty million dollars (\$60,000,000). The lead applicant is North Coast Rail Authority.

(33) Bus Transit; acquire low-emission buses for Los Angeles County MTA bus transit service. One hundred fifty million dollars (\$150,000,000). The lead applicant is the Los Angeles County Metropolitan Transportation Authority.

(34) Blue Line to Los Angeles; new rail line Pasadena to Los Angeles in Los Angeles County. Forty million dollars (\$40,000,000). The lead applicant is the Pasadena Metro Blue Line Construction Authority.

(35) Pacific Surfliner; triple track intercity rail line within Los Angeles County and add run-through-tracks through Los Angeles Union Station in Los Angeles County. One hundred million dollars (\$100,000,000). The lead applicant is the department.

(36) Los Angeles Eastside Transit Extension; build new light rail line in East Los Angeles, from Union Station to Atlantic via 1st Street to Lorena in Los Angeles County. Two hundred thirty-six million dollars (\$236,000,000). The lead applicant is the Los Angeles County Metropolitan Transportation Authority.

(37) Los Angeles Mid-City Transit Improvements; build Bus Rapid Transit system or Light Rail Transit in Mid-City/Westside/Exposition Corridors in Los Angeles County.



Two hundred fifty-six million dollars (\$256,000,000). The lead applicant is the Los Angeles County Metropolitan Transportation Authority.

(38) Los Angeles-San Fernando Valley Transit Extension; (A) build an East-West Bus Rapid Transit system in the Burbank-Chandler corridor, from North Hollywood to Warner Center. One hundred forty-five million dollars (\$145,000,000). (B) Build a North-South corridor bus transit project that interfaces with the foregoing East-West Burbank-Chandler corridor project and with the Ventura Boulevard Rapid Bus project. One hundred million dollars (\$100,000,000). The lead applicant for both extension projects is the Los Angeles County Metropolitan Transportation Authority.

(39) Route 405; add northbound HOV lane over Sepulveda Pass, Route 10 to Route 101 in Los Angeles County. Ninety million dollars (\$90,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.

(40) Route 10; add HOV lanes on San Bernardino Freeway over Kellogg Hill, near Pomona, Route 605 to Route 57 in Los Angeles County. Ninety million dollars (\$90,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.

(41) Route 5; add HOV lanes on Golden State Freeway through San Fernando Valley, Route 170 (Hollywood Freeway) to Route 14 (Antelope Valley Freeway) in Los Angeles County. Fifty million dollars (\$50,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.

(42) Route 5; widen Santa Ana Freeway to 10 lanes (two HOV + two mixed flow), Orange County line to Route 710, with related major arterial improvements, in Los Angeles County. One hundred twenty-five million dollars (\$125,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.

(43) Route 5; improve Carmenita Road Interchange in Norwalk in Los Angeles County. Seventy-one million dollars (\$71,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.

(44) Route 47 (Terminal Island Freeway); construct interchange at Ocean Boulevard Overpass in the City of Long Beach in Los Angeles County. Eighteen million four hundred thousand dollars (\$18,400,000). The lead applicant is the Port of Long Beach.

(45) Route 710; complete Gateway Corridor Study, Los Angeles/Long Beach ports to Route 5 in Los Angeles County. Two million dollars (\$2,000,000). The lead applicant is the department.

(46) Route 1; reconstruct intersection at Route 107 in Torrance in Los Angeles County. Two million dollars (\$2,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.



(47) Route 101; California Street off-ramp in Ventura County. Fifteen million dollars (\$15,000,000). The lead applicant is the department or the Ventura County Transportation Commission.

(48) Route 101; corridor analysis and PSR to improve corridor from Route 170 (North Hollywood Freeway) to Route 23 in Thousand Oaks (Ventura County) in Los Angeles and Ventura Counties. Three million dollars (\$3,000,000). The lead applicant is the department.

(49) Hollywood Intermodal Transportation Center; intermodal facility at Highland Avenue and Hawthorn Avenue in the City of Los Angeles. Ten million dollars (\$10,000,000). The lead applicant is the City of Los Angeles.

(50) Route 71; complete three miles of six-lane freeway through Pomona, from Route 10 to Route 60 in Los Angeles County. Thirty million dollars (\$30,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.

(51) Route 101/405; add auxiliary lane and widen ramp through freeway interchange in Sherman Oaks in Los Angeles County. Twenty-one million dollars (\$21,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.

(52) Route 405; add HOV and auxiliary lanes for 1 mile in West Los Angeles, from Waterford Avenue to Route 10 in Los Angeles County. Twenty-five million dollars (\$25,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.

(53) Automated Signal Corridors (ATSAC); improve 479 automated signals in Victory/Ventura Corridor, and add 76 new automated signals in Sepulveda Boulevard and Route 118 Corridors in Los Angeles County. Sixteen million dollars (\$16,000,000). The lead applicant is the City of Los Angeles.

(54) Alameda Corridor East; build grade separations on BNSF and UPRR lines, downtown Los Angeles to Los Angeles County line in Los Angeles County. One hundred fifty million dollars (\$150,000,000). The lead applicant is the San Gabriel Valley Council of Governments.

(55) Alameda Corridor East; build grade separations on UPRR line, Los Angeles County line to Colton, with rail-to-rail separation at Colton in San Bernardino County. Ninety-five million dollars (\$95,000,000). The lead applicant is the San Bernardino Associated Governments.

(56) Metrolink; track and signal improvements on Metrolink; San Bernardino line in San Bernardino County. Fifteen million dollars (\$15,000,000). The lead applicant is the Southern California Regional Rail Authority.

(57) Route 215; add HOV lanes through downtown San Bernardino, Route 10 to Route 30 in San Bernardino County. Twenty-five million dollars (\$25,000,000). The lead applicant is the



department or the San Bernardino County Transportation Commission.

(58) Route 10; widen freeway to eight-lanes through Redlands, Route 30 to Ford Street in San Bernardino County. Ten million dollars (\$10,000,000). The lead applicant is the department or the San Bernardino County Transportation Commission.

(59) Route 10; Live Oak Canyon Interchange in the City of Yucaipa in San Bernardino County. Eleven million dollars (\$11,000,000). The lead applicant is the department or the San Bernardino County Transportation Commission.

(60) Route 15; southbound truck climbing lane at two locations in San Bernardino County. Ten million dollars (\$10,000,000). The lead applicant is the department or the San Bernardino County Transportation Commission.

(61) Route 10; reconstruct Apache Trail Interchange east of Banning in Riverside County. Thirty million dollars (\$30,000,000). The lead applicant is the department or the Riverside County Transportation Commission.

(62) Route 91; add HOV lanes through downtown Riverside, Mary Street to Route 60/215 junction in Riverside County. Forty million dollars (\$40,000,000). The lead applicant is the department or the Riverside County Transportation Commission.

(63) Route 60; add seven miles of HOV lanes west of Riverside, Route 15 to Valley Way in Riverside County. Twenty-five million dollars (\$25,000,000). The lead applicant is the department or the Riverside County Transportation Commission.

(64) Route 91; improve the Green River Interchange and add auxiliary lane and connector ramp east of the Green River Interchange to northbound Route 71 in Riverside County. Five million dollars (\$5,000,000). The lead applicant is the department or the Riverside County Transportation Commission.

(70) Route 22; add HOV lanes on Garden Grove Freeway, Route I-405 to Route 55 in Orange County. Two hundred six million five hundred thousand dollars (\$206,500,000). The lead applicant is the department or the Orange County Transportation Authority.

(73) Alameda Corridor East; (Orangethorpe Corridor) build grade separations on BNSF line, Los Angeles County line through Santa Ana Canyon in Orange County. Twenty-eight million dollars (\$28,000,000). The lead applicant is the Orange County Transportation Authority.

(74) Pacific Surfliner; double track intercity rail line within San Diego County, add maintenance yard in San Diego County. Forty-seven million dollars (\$47,000,000). The lead applicant is the department or North Coast Transit District.

(75) San Diego Transit Buses; acquire about 85 low-emission buses for San Diego transit service in San Diego County. Thirty million



dollars (\$30,000,000). The lead applicant is the San Diego Metropolitan Transit Development Board.

(76) Coaster Commuter Rail; acquire one new train set to expand commuter rail in San Diego County. Fourteen million dollars (\$14,000,000). The lead applicant is North County Transit District.

(77) Route 94; complete environmental studies to add capacity to Route 94 corridor, downtown San Diego to Route 125 in Lemon Grove in San Diego County. Twenty million dollars (\$20,000,000). The lead applicant is the department or San Diego Association of Governments.

(78) East Village access; improve access to light rail from new in-town East Village development in San Diego County. Fifteen million dollars (\$15,000,000). The lead applicant is the San Diego Metropolitan Transit Development Board.

(79) North County Light Rail; build new 20-mile light rail line from Oceanside to Escondido in San Diego County. Eighty million dollars (\$80,000,000). The lead applicant is North County Transit District.

(80) Mid-Coast Light Rail; extend Old Town light rail line 6 miles to Balboa Avenue in San Diego County. Ten million dollars (\$10,000,000). The lead applicant is the San Diego Metropolitan Transit Development Board.

(81) San Diego Ferry; acquire low-emission high-speed ferryboat for new off-coast service between San Diego and Oceanside in San Diego County. Five million dollars (\$5,000,000). The lead applicant is the San Diego Association of Governments.

(82) Routes 5/805; reconstruct and widen freeway interchange, Genesee Avenue to Del Mar Heights Road in San Diego County. Twenty-five million dollars (\$25,000,000). The lead applicant is the department or the San Diego Association of Governments.

(83) Route 15; add high-tech managed lane on I-15 freeway north of San Diego (Stage 1) from Route 163 to Route 78 in San Diego County. Seventy million dollars (\$70,000,000). The lead applicant is the department or the San Diego Association of Governments.

(84) Route 52; build four miles of new six-lane freeway to Santee, Mission Gorge to Route 67 in San Diego County. Forty-five million dollars (\$45,000,000). The lead applicant is the department or the San Diego Association of Governments.

(85) Route 56; construct approximately five miles of new freeway alignment between I-5 and I-15 from Carmel Valley to Rancho Penasquitos in the City of San Diego in San Diego County. Twenty-five million dollars (\$25,000,000). The lead applicant is the department or the San Diego Association of Governments.

(86) Route 905; build new six-lane freeway on Otay Mesa, Route 805 to Mexico Port of Entry in San Diego County. Twenty-five million dollars (\$25,000,000). The lead applicant is the department or the San Diego Association of Governments.



(87) Routes 94/125; build two new freeway connector ramps at Route 94/125 in Lemon Grove in San Diego County. Sixty million dollars (\$60,000,000). The lead applicant is the department or the San Diego Association of Governments.

(88) Route 5; realign freeway at Virginia Avenue, approaching San Ysidro Port of Entry to Mexico in San Diego County. Ten million dollars (\$10,000,000). The lead applicant is the department or the San Diego Association of Governments.

(89) Route 99; improve Shaw Avenue Interchange in northern Fresno in Fresno County. Five million dollars (\$5,000,000). The lead applicant is the department or the Council of Fresno County Governments.

(90) Route 99; widen freeway to six lanes, Kingsburg to Selma in Fresno County. Twenty million dollars (\$20,000,000). The lead applicant is the department or the Council of Fresno County Governments.

(91) Route 180; build new expressway east of Clovis, Clovis Avenue to Temperance Avenue in Fresno County. Twenty million dollars (\$20,000,000). The lead applicant is the department or the Council of Fresno County Governments.

(92) San Joaquin Corridor; improve track and signals along San Joaquin intercity rail line near Hanford in Kings County. Ten million dollars (\$10,000,000). The lead applicant is the department.

(93) Route 180; complete environmental studies to extend Route 180 westward from Mendota to I-5 in Fresno County. Seven million dollars (\$7,000,000). The lead applicant is the department or the Council of Fresno County Governments.

(94) Route 43; widen to four-lane expressway from Kings County line to Route 99 in Selma in Fresno County. Five million dollars (\$5,000,000). The lead applicant is the department or the Council of Fresno County Governments.

(95) Route 41; add auxiliary lane/operational improvements and improve ramps at Friant Road Interchange in Fresno in Fresno County. Ten million dollars (\$10,000,000). The lead applicant is the department or the Council of Fresno County Governments.

(96) Friant Road; widen to four lanes from Copper Avenue to Road 206 in Fresno County. Ten million dollars (\$10,000,000). The lead applicant is the County of Fresno.

(97) Operational improvements on Shaw Avenue, Chestnut Avenue, Willow Avenue, and Barstow Avenue near California State University at Fresno in Fresno County. Ten million dollars (\$10,000,000). The lead applicant is the Fresno County Transportation Authority. Of the amount authorized under this paragraph, the sum of two million dollars (\$2,000,000) shall be transferred to the California State University at Fresno for the purposes of funding preliminary plans, working drawings, or both of



those, and related program management costs for the Fresno Events Center.

(98) Peach Avenue; widen to four-lane arterial and add pedestrian overcrossings for three schools in Fresno County. Ten million dollars (\$10,000,000). The lead applicant is the City of Fresno.

(99) San Joaquin Corridor; improve track and signals along San Joaquin intercity rail line in seven counties. Fifteen million dollars (\$15,000,000). The lead applicant is the department.

(100) San Joaquin Valley Emergency Clean Air Attainment Program; incentives for the reduction of emissions from heavy-duty diesel engines operating within the eight-county San Joaquin Valley region. Twenty-five million dollars (\$25,000,000). The lead applicant is the San Joaquin Valley Unified Air Pollution Control District.

(101) Santa Cruz Metropolitan Transit District bus fleet; acquisition of low-emission buses. Three million dollars (\$3,000,000). The lead applicant is the Santa Cruz Metropolitan Transit District.

(102) Route 101 access; State Street smart corridor Advanced Traffic Corridor System (ATSC) technology in Santa Barbara County. One million three hundred thousand dollars (\$1,300,000). The lead applicant is the City of Santa Barbara.

(103) Route 99; improve interchange at Seventh Standard Road, north of Bakersfield in Kern County. Eight million dollars (\$8,000,000). The lead applicant is the department or Kern Council of Governments.

(104) Route 99; build seven miles of new six-lane freeway south of Merced, Buchanan Hollow Road to Healey Road in Merced County. Five million dollars (\$5,000,000). The lead applicant is the department or the Merced County Association of Governments.

(105) Route 99; build two miles of new six-lane freeway, Madera County line to Buchanan Hollow Road in Merced County. Five million dollars (\$5,000,000). The lead applicant is the department or the Merced County Association of Governments.

(106) UC Merced access; build new arterial Campus Parkway to new UC Merced campus in Merced County. Twenty-three million dollars (\$23,000,000). The lead applicant is the County of Merced.

(107) Route 205; widen freeway to six lanes, Tracy to I-5 in San Joaquin County. Twenty-five million dollars (\$25,000,000). The lead applicant is the department or the San Joaquin Council of Governments.

(108) Route 5; add northbound lane to freeway through Mossdale "Y", Route 205 to Route 120 in San Joaquin County. Seven million dollars (\$7,000,000). The lead applicant is the department or the San Joaquin Council of Governments.

(109) Route 132; build four miles of new four-lane expressway in Modesto from Dakota Avenue to Route 99 and improve Route 99 Interchange in Stanislaus County. Twelve million dollars



(\$12,000,000). The lead applicant is the department or the Stanislaus Council of Governments.

(110) Route 132; build 3.5 miles of new four-lane expressway from Route 33 to the San Joaquin county line in Stanislaus and San Joaquin Counties. Two million dollars (\$2,000,000). The lead applicant is the department or the Stanislaus Council of Governments.

(111) Route 198; build 10 miles of new four-lane expressway from Route 99 to Hanford in Kings and Tulare Counties. Fourteen million dollars (\$14,000,000). The lead applicant is the department or the Kings County Association of Governments.

(112) Jersey Avenue; widen from 170' Street to 18th Street in Kings County. One million five hundred thousand dollars (\$1,500,000). The lead applicant is Kings County.

(113) Route 46; widen to four lanes for 33 miles from Route 5 to San Luis Obispo County line in Kern County. Thirty million dollars (\$30,000,000). The lead applicant is the department or the Kern Council of Governments.

(114) Route 65; add four passing lanes, intersection improvement, and conduct environmental studies for ultimate widening to four lanes from Route 99 in Bakersfield to Tulare County line in Kern County. Twelve million dollars (\$12,000,000). The lead applicant is the department or the Kern Council of Governments.

(115) South Line Light Rail; extend South Line three miles towards Elk Grove, from Meadowview Road to Calvine Road in Sacramento County. Seventy million dollars (\$70,000,000). The lead applicant is the Sacramento Regional Transit District.

(116) Route 80 Light Rail Corridor; double-track Route 80 light rail line for express service in Sacramento County. Twenty-five million dollars (\$25,000,000). The lead applicant is the Sacramento Regional Transit District.

(117) Folsom Light Rail; extend Folsom light rail line six miles to Iron Point Road and add three stations in Sacramento County. Twenty million dollars (\$20,000,000). The lead applicant is the Sacramento Regional Transit District.

(118) Sacramento Emergency Clean Air/Transportation Plan (SECAT); incentive for the reduction of emissions from heavy-duty diesel engines operating within the Sacramento region. Fifty million dollars (\$50,000,000). The lead applicant is the Sacramento Area Council of Governments.

(119) Convert Sacramento Regional Transit bus fleet to low emission; acquire approximately 50 replacement low-emission buses for service in Sacramento and Yolo Counties. Nineteen million dollars (\$19,000,000). The lead applicant is the Sacramento Area Council of Governments and the Yolo Bus Authority.

(120) Yuba Airport facility runway extension and improvements to reduce congestion. One million five hundred thousand dollars (\$1,500,000). The lead applicant is the County of Yuba.



(121) Metropolitan Bakersfield System Study; to reduce congestion in the City of Bakersfield. Three hundred fifty thousand dollars (\$350,000). The lead applicant is the Kern County Council of Governments.

(122) Route 65; widening project from 7th Standard Road to Route 190 in Porterville. Three million five hundred thousand dollars (\$3,500,000). The lead applicant is the County of Tulare.

(123) Oceanside Transit Center; parking structure. One million five hundred thousand dollars (\$1,500,000). The lead applicant is the City of Oceanside.

(125) Route 57; environmental impact report and study for expansion project. Five million dollars (\$5,000,000). The lead applicant is the Orange County Transportation Authority.

(126) Route 50/Watt Avenue interchange; widening of overcrossing and modifications to interchange. Seven million dollars (\$7,000,000). The lead applicant is the County of Sacramento.

(127) Route 85/Route 87; interchange completion; addition of two direct connectors for southbound Route 85 to northbound Route 87 and southbound Route 87 to northbound Route 85. Three million five hundred thousand dollars (\$3,500,000). The lead applicant is the City of San Jose.

(128) Airport Road; reconstruction and intersection improvement project. Three million dollars (\$3,000,000). The lead applicant is the County of Shasta.

(129) Route 62; utility undergrounding project in right-of-way of Route 62. Three million two hundred thousand dollars (\$3,200,000). The lead applicant is the Town of Yucca Valley.

(130) Route 22; connector and widening of interchange with I-405 to reduce congestion. Three million five hundred thousand dollars (\$3,500,000). The lead applicant is the City of Garden Grove.

(131) Bear Valley Road; closure project and Kasota Road, Route 18 frontage; redesign for safety purposes. Eight hundred thousand dollars (\$800,000). The lead applicant is the Town of Apple Valley.

(132) Fairway Drive; grade separation at Union Pacific railroad project in San Gabriel Valley. Seven million dollars (\$7,000,000). The lead applicant is the County of Los Angeles.

(133) Feasibility studies for grade separation projects for Union Pacific Railroad at Elk Grove Boulevard and Bond Road. One hundred fifty thousand dollars (\$150,000). The lead applicant is the City of Elk Grove.

(134) Route 50/Sunrise Boulevard; interchange modifications. Three million dollars (\$3,000,000). The lead applicant is the County of Sacramento.

(135) Route 99/Sheldon Road; interchange project; reconstruction and expansion. Three million dollars (\$3,000,000). The lead applicant is the County of Sacramento.



(136) Avenue S; widening between Route 14 and Route 138. Three million five hundred thousand dollars (\$3,500,000). The lead applicant is the City of Palmdale.

(137) Fox Field Industrial Corridor; gateway improvements; widening of Route 14/Avenue H overcrossing. Five million five hundred thousand dollars (\$5,500,000). The lead applicant is the City of Lancaster.

(138) Cross Valley Rail; upgrade track from Visalia to Huron. Seven million dollars (\$7,000,000). The lead applicant is the Cross Valley Rail Corridor Joint Powers Authority.

(139) Balboa Park BART Station; phase I expansion. Six million dollars (\$6,000,000). The lead applicant is the San Francisco Bay Area Rapid Transit District.

(140) City of Goshen; overpass for Route 99. One million five hundred thousand dollars (\$1,500,000). The lead applicant is the department.

(141) Union City; pedestrian bridge over Union Pacific rail lines. Two million dollars (\$2,000,000). The lead applicant is the City of Union City.

(142) West Hollywood; repair, maintenance, and mitigation of Santa Monica Boulevard. Three million five hundred thousand dollars (\$3,500,000). The lead applicant is the City of West Hollywood.

(143) Capital Corridor; expand intercity rail service. One million nine hundred thousand dollars (\$1,900,000). The lead applicant is the Capital Corridor Joint Powers Authority.

(144) Seismic retrofit of the national landmark Golden Gate Bridge. Fifty million dollars (\$50,000,000). The lead applicant is the Golden Gate Bridge, Highway and Transportation District.

(145) Construction of a new siding in Sun Valley between Sheldon Street and Sunland Boulevard. Six million five hundred thousand dollars (\$6,500,000). The lead applicant is the Southern California Regional Rail Authority.

(146) Construction of Palm Drive Interchange. Ten million dollars (\$10,000,000). The lead applicant is the Coachella Valley Association of Governments.

(147) Project development work for the reconstruction of the I-8/Imperial Avenue interchange. Seven million dollars (\$7,000,000). The lead applicant is the Imperial Valley Association of Governments.

(148) Route 98; widening of 8 miles between Route 111 and Route 7 from 2 lanes to 4 lanes. Ten million dollars (\$10,000,000). The lead applicant is the department.

(149) Purchase of low-emission buses for express service on Route 17. Three million seven hundred fifty thousand dollars (\$3,750,000). The lead applicant is the Santa Cruz Metropolitan Transit District.



(150) Renovation or rehabilitation of Santa Cruz Metro Center. One million dollars (\$1,000,000). The lead applicant is the Santa Cruz Metropolitan Transit District.

(151) Purchase of 5 alternative fuel buses for the Pasadena Area Rapid Transit System. One million one hundred thousand dollars (\$1,100,000). The lead applicant is the Pasadena Area Rapid Transit System.

(152) Pasadena Blue Line transit-oriented mixed-use development. One million five hundred thousand dollars (\$1,500,000). The lead applicant is the Los Angeles County Metropolitan Transportation Authority of the City of South Pasadena.

(153) Pasadena Blue Line utility relocation. Five hundred fifty thousand dollars (\$550,000). The lead applicant is the City of South Pasadena.

(154) Route 135/I-5 interchange study. One hundred thousand dollars (\$100,000). The lead applicant is the department.

(155) City of Chula Vista; (A) at its option, to acquire right-of-way, build, and operate a 10-mile limited access toll facility from San Miguel Road to Otay Mesa Road. Eight million six hundred thousand dollars (\$8,600,000). (B) Of the amount specified, five hundred thousand dollars (\$500,000) shall be immediately available to the City of Chula Vista for the purpose of conducting a due diligence review, including an independent appraisal of the feasibility of acquisition by a public agency of the Route 125 franchise agreement authorized under Section 143 of the Streets and Highways Code. The lead applicant is the City of Chula Vista.

(156) Seismic retrofit and core segment improvements for the Bay Area Rapid Transit system. Twenty million dollars (\$20,000,000). The lead applicant is the San Francisco Bay Area Rapid Transit District.

(157) Route 12; Congestion relief improvements from Route 29 to I-80 through Jamison Canyon. Seven million dollars (\$7,000,000). The lead applicant is the department.

(158) Remodel the intersection of Olympic Boulevard and Lemon Street and install a new traffic signal. Two million dollars (\$2,000,000). The lead applicant is the City of Los Angeles.

(b) As used in this section “route” is a state highway route as identified in Article 3 (commencing with Section 300) of Chapter 2 of Division 1 of the Streets and Highways Code.

#### Article 6. Miscellaneous Provisions

14556.50. The grant authorized under paragraph (32) of subdivision (a) of Section 14556.40 shall be allocated as follows:

(a) (1) Two hundred fifty thousand dollars (\$250,000) to defray the administrative costs of the North Coast Railroad Authority,



allocated directly to the authority immediately upon enactment of the Budget Act of 2000.

(2) Two hundred fifty thousand dollars (\$250,000) to defray the administrative costs of the authority, allocated directly to the authority within six months from the date of enactment of the Budget Act of 2000.

(3) Five hundred thousand dollars (\$500,000) to defray the administrative costs of the authority, allocated to the authority as directed by the commission, within one year from the date of enactment of the Budget Act of 2000, if the commission determines that additional funding is needed by the authority for administrative costs.

(b) Six hundred thousand dollars (\$600,000) to fund completion of the authority's rail line from Lombard to Willits, allocated directly to the authority immediately upon enactment of the Budget Act of 2000.

(c) One million dollars (\$1,000,000) to fund completion of the authority's rail line from Willits to Arcata, allocated to the authority as directed by the commission, within four months from the date of enactment of the Budget Act of 2000.

(d) Five million dollars (\$5,000,000) to fund the upgrade of the authority's rail line to Class II or III status, allocated to the authority as directed by the commission.

(e) Four million one hundred thousand dollars (\$4,100,000) for environmental remediation projects, allocated to the authority as directed by the commission, within four months from the date of enactment of the Budget Act of 2000.

(f) Ten million dollars (\$10,000,000) for the authority's debt reduction, allocated to the authority as directed by the commission, within four months from the date of enactment of the Budget Act of 2000.

(g) One million eight hundred thousand dollars (\$1,800,000) for use by the authority as local match funds, allocated to the authority as directed by the commission.

(h) Five million five hundred thousand dollars (\$5,500,000) to fund repayment of the authority's federal loan obligations, allocated to the authority as directed by the commission.

(i) Thirty-one million dollars (\$31,000,000) for long-term stabilization projects, allocated to the authority as directed by the commission.

14556.52. Before grants from the fund may be allocated to any of the three Alameda Corridor East Projects identified in paragraphs (54), (55), and (73) of subdivision (a) of Section 14556.40, a report shall be completed and submitted to the commission within one year of the operative date of this section. The report shall be prepared by a team consisting of the lead applicants for those projects. The report shall address regional mobility needs as well as regional, state, and national economic impacts of the corridor. The team shall also



evaluate and assess the technical merits, determine the phasing and delivery schedule, and identify a financing strategy for the proposed corridor improvements. The commission shall allocate some or all of the available funds to one or more of the lead applicants for specific projects within the corridor that meet the requirements under this chapter.

SEC. 7. Section 65080 of the Government Code is amended to read:

65080. (a) Each transportation planning agency designated under Section 29532 or 29532.1 shall prepare and adopt a regional transportation plan directed at achieving a coordinated and balanced regional transportation system, including, but not limited to, mass transportation, highway, railroad, maritime, bicycle, pedestrian, goods movement, and aviation facilities and services. The plan shall be action-oriented and pragmatic, considering both the short-term and long-term future, and shall present clear, concise policy guidance to local and state officials. The regional transportation plan shall consider factors specified in Section 134 of Title 23 of the United States Code. Each transportation planning agency shall consider and incorporate, as appropriate, the transportation plans of cities, counties, districts, private organizations, and state and federal agencies.

(b) The regional transportation plan shall include all of the following:

(1) A policy element that describes the transportation issues in the region, identifies and quantifies regional needs, and describes the desired short-range and long-range transportation goals, and pragmatic objective and policy statements. The objective and policy statements shall be consistent with the funding estimates of the financial element.

(2) An action element that describes the programs and actions necessary to implement the plan and assigns implementation responsibilities. The action element may describe all projects proposed for development during the 20-year life of the plan.

The action element shall consider congestion management programming activities carried out within the region.

(3) A financial element that summarizes the cost of plan implementation constrained by a realistic projection of available revenues. The financial element shall also contain recommendations for allocation of funds. A county transportation commission created pursuant to Section 130000 of the Public Utilities Code shall be responsible for recommending projects to be funded with regional improvement funds, if the project is consistent with the regional transportation plan. The first five years of the financial element shall be based on the five-year estimate of funds developed pursuant to Section 14524. The financial element may recommend the



development of specified new sources of revenue, consistent with the policy element and action element.

(c) Each transportation planning agency shall adopt and submit, every three years beginning by September 1, 2001, an updated regional transportation plan to the California Transportation Commission and the Department of Transportation. The plan shall be consistent with federal planning and programming requirements. A transportation planning agency that does not contain an urbanized area may at its option adopt and submit a regional transportation plan once every four years beginning by September 1, 2001. Prior to adoption of the regional transportation plan, a public hearing shall be held, after the giving of notice of the hearing by publication in the affected county or counties pursuant to Section 6061.

SEC. 8. Section 65082 of the Government Code is amended to read:

65082. (a) (1) A five-year regional transportation improvement program shall be prepared, adopted, and submitted to the California Transportation Commission on or before December 15 of each odd-numbered year thereafter, updated every two years, pursuant to Sections 65080 and 65080.5 and the guidelines adopted pursuant to Section 14530.1, to include regional transportation improvement projects and programs proposed to be funded, in whole or in part, in the state transportation improvement program.

(2) Major projects shall include current costs updated as of November 1 of the year of submittal and escalated to the appropriate year, and be listed by relative priority, taking into account need, delivery milestone dates, as defined in Section 14525.5, and the availability of funding.

(b) Except for those counties that do not prepare a congestion management program pursuant to Section 65088.3, congestion management programs adopted pursuant to Section 65089 shall be incorporated into the regional transportation improvement program submitted to the commission by December 15 of each odd-numbered year.

(c) Local projects not included in a congestion management program shall not be included in the regional transportation improvement program. Projects and programs adopted pursuant to subdivision (a) shall be consistent with the capital improvement program adopted pursuant to paragraph (5) of subdivision (b) of Section 65089, and the guidelines adopted pursuant to Section 14530.1.

(d) Other projects may be included in the regional transportation improvement program if listed separately.

(e) Unless a county not containing urbanized areas of over 50,000 population notifies the Department of Transportation by July 1 that it intends to prepare a regional transportation improvement program for that county, the department shall, in consultation with



the affected local agencies, prepare the program for all counties for which it prepares a regional transportation plan.

(f) The requirements for incorporating a congestion management program into a regional transportation improvement program specified in this section do not apply in those counties that do not prepare a congestion management program in accordance with Section 65088.3.

(g) The regional transportation improvement program may include a reserve of county shares for providing funds in order to match federal funds.

SEC. 9. Section 65083 of the Government Code is amended to read:

65083. As part of implementation of the demonstration program established pursuant to Section 14045 of the Government Code, the regional transportation planning agency preparing the five-year regional transportation improvement program pursuant to Section 65082 shall consider those exclusive mass transit guideway projects where the applicant and the local entity responsible for land use decisions have entered into a binding agreement to promote high density residential development within one-half mile of a mass transit guideway station. Any project selected by the agency that is located in a demonstration site shall be considered for inclusion in the regional transportation improvement program. This section shall not preclude the agency from applying the criteria for making awards that may be required or permitted pursuant to other provisions of law.

SEC. 10. Section 7102 of the Revenue and Taxation Code is amended to read:

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

(a) (1) All revenues, less refunds, derived under this part at the  $4\frac{3}{4}$ -percent rate, including the imposition of sales and use taxes with respect to the sale, storage, use, or other consumption of motor vehicle fuel which would not have been received if the sales and use tax rate had been 5 percent and if motor vehicle fuel, as defined for purposes of the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301)), had been exempt from sales and use taxes, shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and shall be transferred quarterly to the Transportation Planning and Development Account, a trust fund in the State Transportation Fund.

(2) All revenues, less refunds, derived under this part at the  $4\frac{3}{4}$ -percent rate, resulting from increasing after December 31, 1989, the rate of tax imposed pursuant to the Motor Vehicle Fuel License



Tax Law on motor vehicle fuel, as defined for purposes of that law, shall be transferred quarterly to the Transportation Planning and Development Account, a trust fund in the State Transportation Fund.

(3) All revenues, less refunds, derived under this part at the  $4\frac{3}{4}$ -percent rate from the imposition of sales and use taxes on fuel, as defined for purposes of the Use Fuel Tax Law (Part 3 (commencing with Section 8601)) and the Diesel Fuel Tax Law (Part 31 (commencing with Section 60001)), shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and shall be transferred quarterly to the Transportation Planning and Development Account, a trust fund in the State Transportation Fund.

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

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

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

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

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

(9) All revenues, less refunds, derived from the taxes imposed pursuant to Section 35 of Article XIII of the California Constitution shall be transferred to the Public Safety Account in the Local Public



Safety Fund created in Section 30051 of the Government Code for allocation to counties as prescribed by statute.

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

(11) All revenues, less refunds, derived under this part at the 5-percent rate, resulting from the rate of tax imposed pursuant to the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301)) on motor vehicle fuel, less the amount transferred pursuant to paragraph (2) of subdivision (a), shall be transferred quarterly to the Traffic Congestion Relief Fund.

(12) All revenue, less refunds, derived under this part at the 5-percent rate, resulting from the rate of federal motor vehicle fuel tax imposed pursuant to Section 4081 of Title 26 of the Internal Revenue Code, shall be transferred quarterly to the Traffic Congestion Relief Fund.

(13) All revenue, less refunds, derived under this part at the 5-percent rate, with respect to the sale, storage, use, or other consumption of motor vehicle fuel, as defined for purposes of the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301)), other than that transferred pursuant to paragraph (1), (2), (11), or (12) of subdivision (a), shall be transferred quarterly to the Traffic Congestion Relief Fund. In no event shall the transfer to the Traffic Congestion Relief Fund pursuant to paragraph (11), (12), and (13) of subdivision (a) of this section, exceed one hundred twenty-five million dollars (\$125,000,000) in any quarter.

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

(c) The estimates required by subdivision (a) shall be based on taxable transactions occurring during a calendar year, and the transfers required by subdivision (a) shall be made during the fiscal year that commences during that same calendar year. Transfers required by paragraphs (1), (2), (3), (11), (12), and (13) of subdivision (a) shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and shall be made quarterly.

(d) Notwithstanding the designation of the Transportation Planning and Development Account as a trust fund pursuant to subdivision (a), the Controller may use the Transportation Planning



and Development Account for loans to the General Fund as provided in Sections 16310 and 16381 of the Government Code. The loans shall be repaid with interest from the General Fund at the Pooled Money Investment Account rate.

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

(f) The transfers authorized by paragraphs (11), (12), and (13) of subdivision (a) shall be operative for the 2000–01 fiscal year only.

(g) This section shall remain in effect only until June 30, 2001, and as of that date is repealed, unless a later enacted statute that is enacted before June 30, 2001, deletes or extends that date.

SEC. 11. Section 7102 is added to the Revenue and Taxation Code, to read:

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

(a) (1) All revenues, less refunds, derived under this part at the  $4\frac{3}{4}$ -percent rate, including the imposition of sales and use taxes with respect to the sale, storage, use, or other consumption of motor vehicle fuel which would not have been received if the sales and use tax rate had been 5 percent and if motor vehicle fuel, as defined for purposes of the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301)), had been exempt from sales and use taxes, shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and shall be transferred quarterly to the Transportation Planning and Development Account, a trust fund in the State Transportation Fund.

(2) All revenues, less refunds, derived under this part at the  $4\frac{3}{4}$ -percent rate, resulting from increasing, after December 31, 1989, the rate of tax imposed pursuant to the Motor Vehicle Fuel License Tax Law on motor vehicle fuel, as defined for purposes of that law, shall be transferred quarterly to the Transportation Planning and Development Account, a trust fund in the State Transportation Fund.

(3) All revenues, less refunds, derived under this part at the  $4\frac{3}{4}$ -percent rate from the imposition of sales and use taxes on fuel, as defined for purposes of the Use Fuel Tax Law (Part 3 (commencing with Section 8601)) and the Diesel Fuel Tax Law (Part 31 (commencing with Section 60001)), shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and shall be transferred quarterly to the Transportation Planning and Development Account, a trust fund in the State Transportation Fund.



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

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

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

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

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

(9) All revenues, less refunds, derived from the taxes imposed pursuant to Section 35 of Article XIII of the California Constitution shall be transferred to the Public Safety Account in the Local Public Safety Fund created in Section 30051 of the Government Code for allocation to counties as prescribed by statute.

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



(commencing with Section 14030) of Chapter 1 of Part 5 of Division 3 of Title I of the Corporations Code.

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

(c) The estimates required by subdivision (a) shall be based on taxable transactions occurring during a calendar year, and the transfers required by subdivision (a) shall be made during the fiscal year that commences during that same calendar year. Transfers required by paragraphs (1), (2), and (3) of subdivision (a) shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and shall be made quarterly.

(d) Notwithstanding the designation of the Transportation Planning and Development Account as a trust fund pursuant to subdivision (a), the Controller may use the Transportation Planning and Development Account for loans to the General Fund as provided in Sections 16310 and 16381 of the Government Code. The loans shall be repaid with interest from the General Fund at the Pooled Money Investment Account rate.

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

(f) This section shall become operative on June 30, 2001.

SEC 11.5. Section 7104 is added to the Revenue and Taxation Code, to read:

7104. (a) The Transportation Investment Fund (hereafter the fund) is hereby created in the State Treasury.

(b) All of the following shall occur on a quarterly basis:

(1) The State Board of Equalization, in consultation with the Department of Finance, shall estimate the amount that is transferred to the General Fund under subdivision (b) of Section 7102 that is attributable to revenue collected for the sale, storage, use, or other consumption in this state of motor vehicle fuel, as defined in Section 7304.

(2) The State Board of Equalization shall inform the Controller, in writing, of the amount estimated under paragraph (1).

(3) The Controller shall transfer the amount estimated under paragraph (1) from the General Fund to the fund.

(c) For each quarter during the period commencing on July 1, 2001, and ending on June 30, 2006, the Controller shall make all of the following transfers from the fund in the following order:

(1) To the Transportation Congestion Relief Fund created in the State Treasury by Section 14556.5 of the Government Code, the sum of one hundred sixty-nine million five hundred thousand dollars (\$169,500,000), for a total transfer of three billion three hundred ninety million dollars (\$3,390,000,000).

(2) To the Public Transportation Account, a trust fund in the State Transportation Fund, 20 percent of the amount remaining after the



transfer required under paragraph (1). Funds transferred under this paragraph shall be appropriated by the Legislature as follows:

(A) To the Department of Transportation, 50 percent for purposes of subdivision (a) or (b) of Section 99315 of the Public Utilities Code.

(B) To the Controller, 25 percent for allocation pursuant to Section 99314 of the Public Utilities Code. Funds allocated under this subparagraph shall be subject to all of the provisions governing funds allocated under Section 99314 of the Public Utilities Code.

(C) To the Controller, 25 percent for allocation pursuant to Section 99313 of the Public Utilities Code. Funds allocated under this subparagraph shall be subject to all of the provisions governing funds allocated under Section 99313 of the Public Utilities Code.

(3) To the Department of Transportation for programming for transportation capital improvement projects subject to all of the provisions governing the State Transportation Improvement Program, 40 percent of the amount remaining after the transfer required under paragraph (1).

(4) To the counties, including a city and county, 20 percent of the amount remaining after the transfer required under paragraph (1), in accordance with the following formulas:

(A) Seventy-five percent of the funds payable under this paragraph shall be apportioned among the counties in the proportion that the number of fee-paid and exempt vehicles that are registered in the county bears to the number of fee-paid and exempt vehicles registered in the state.

(B) Twenty-five percent of the funds payable under this paragraph shall be apportioned among the counties in the proportion that the number of miles of maintained county roads in each county bears to the total number of miles of maintained county roads in the state. For the purposes of apportioning funds under this subparagraph, any roads within the boundaries of a city and county that are not state highways shall be deemed to be county roads.

(5) To cities, including a city and county, 20 percent of the amount remaining after the transfer required under paragraph (1). Fund transferred under this paragraph shall be apportioned among the cities in the proportion that the total population of the city bears to the total population of all the cities in the state.

(d) Funds received under paragraphs (4) and (5) of subdivision (c) shall be deposited as follows in order to avoid the commingling of those funds with other local funds:

(1) In the case of a city, into the city account that is designated for the receipt of state funds allocated for transportation purposes.

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

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



(e) Funds allocated to a city, county, or city and county under this section shall be used only for street and highway maintenance, rehabilitation, reconstruction, and storm damage repair. For purposes of this section, the following terms have the following meanings:

(1) “Maintenance” means either or both of the following:

(A) Patching.

(B) Overlay and sealing.

(2) “Reconstruction” includes any overlay, sealing, or widening of the roadway, if the widening is necessary to bring the roadway width to the desirable minimum width consistent with the geometric design criteria of the department for 3R (reconstruction, resurfacing, and rehabilitation) projects that are not on a freeway, but does not include widening for the purpose of increasing the traffic capacity of a street or highway.

(3) “Storm damage repair” is repair or reconstruction of local streets and highways and related drainage improvements that have been damaged due to winter storms and flooding, and construction of drainage improvements to mitigate future roadway flooding and damage problems, in those jurisdictions that have been declared disaster areas by the President of the United States.

(f) (1) Cities and counties shall maintain their existing commitment of local funds for street and highway maintenance, rehabilitation, reconstruction, and storm damage repair in order to remain eligible for the allocation of funds pursuant to paragraph (4) or (5) of subdivision (c).

(2) In order to receive any allocation pursuant to paragraph (4) or (5) of subdivision (c), the city or county shall annually expend from its general fund for street, road, and highway purposes an amount not less than the annual average of its expenditures from its general fund during the 1996–97, 1997–98, and 1998–99 fiscal years, as reported to the Controller pursuant to Section 2151 of the Streets and Highways Code. For purposes of this paragraph, in calculating a city’s or county’s annual general fund expenditures and its average general fund expenditures for the 1996–97, 1997–98, and 1998–99 fiscal years, any unrestricted funds that the city or county may expend at its discretion, including vehicle in-lieu tax revenues and revenues from fines and forfeitures, expended for street and highway purposes shall be considered expenditures from the general fund. One-time allocations that have been expended for street and highway purposes, but which may not be available on an ongoing basis, including revenue provided under the Teeter Plan Bond Law of 1994 (Chapter 6.6 (commencing with Section 54773) of Part 1 of Division 2 of Title 5 of the Government Code, may not be considered when calculating a city’s or county’s annual general fund expenditures.

(3) For purposes of paragraph (1), the Controller may request fiscal data from cities and counties, in addition to data provided



pursuant to Section 2151, for the 1996–97, 1997–98, and 1998–99 fiscal years. Each city and county shall furnish the data to the Controller not later than 120 days after receiving the request. The Controller may withhold payment to cities and counties that do not comply with the request for information or that provide incomplete data.

(4) At the conclusion of each fiscal year during which a city or county receives funding under paragraph (4) or (5) of subdivision (c), the Controller shall verify the city's or county's compliance with paragraph (1). Any city or county that has not complied with paragraph (1) shall reimburse the state for the funds it received during that fiscal year. Any funds withheld or returned as a result of a failure to comply with paragraph (1) shall be reallocated to the other counties and cities whose expenditures are in compliance.

(5) If a city or county fails to comply with the requirements of paragraph (1) in a particular fiscal year, the city or county may 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 for purposes of complying with paragraph (1).

(6) The allocation made under paragraph (4) or (5) of subdivision (c) shall be expended not later than the end of the fiscal year following the fiscal year in which the allocation was made, and any funds not expended within that period shall be returned to the Controller and shall be reallocated to the other cities and counties pursuant to the allocation formulas set forth in paragraph (4) or (5) of subdivision (c).

(g) The Los Angeles County Metropolitan Transportation Authority shall give first priority for using its share of the funds made available under subparagraphs (B) and (C) of paragraph (2) of subdivision (c) to providing the levels of bus service mandated under the consent decree entered into by the authority on October 29, 1996, in the case of Labor/Community Strategy Center, et al. v. Los Angeles County Metropolitan Transportation Authority.

(h) This section shall become inoperative on June 30, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute that is enacted before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 12. Section 10754.2 is added to the Revenue and Taxation Code, to read:

10754.2. Notwithstanding any other provision law, any General Fund forecast of revenues used for purposes of paragraphs (2) to (15), inclusive, of subdivision (b) of Section 10754 may not include any revenue loss due to the amendments to Section 7102 made by the act adding this section. Notwithstanding paragraph (4) of subdivision (c) of Section 10754 any revenue loss due to the amendments to Section 7102 made by Section 10 of the act adding this section may not be used by the Department of Finance to modify the offsets set



forth in paragraphs (2) to (15), inclusive, of subdivision (b) of Section 10754.

SEC. 13. Section 164.6 of the Streets and Highways Code is amended to read:

164.6. (a) The department shall prepare a 10-year state rehabilitation plan for the rehabilitation and reconstruction, or the combination thereof, of all state highways and bridges owned by the state. The plan shall identify all rehabilitation needs for the 10-year period beginning on July 1, 1998, and ending on June 30, 2008, and shall include a schedule of improvements to complete all needed rehabilitation not later than June 30, 2008. The plan shall be updated every two years beginning in 2000. The plan shall include specific milestones and quantifiable accomplishments, such as miles of highways to be repaved and number of bridges to be retrofitted. The plan shall contain strategies to control cost and improve the efficiency of the program, and include a cost estimate for at least the first five years of the program.

(b) The plan shall be submitted to the commission for review and comments and shall be transmitted to the Governor and the Legislature not later than May 1, 1998.

(c) The plan shall be the basis for the department's budget request and for the adoption of fund estimates pursuant to Section 163.

SEC. 14. Section 182.6 of the Streets and Highways Code is amended to read:

182.6. (a) Notwithstanding Sections 182 and 182.5, Sections 188, 188.8, and 825 do not apply to the expenditure of an amount of federal funds equal to the amount of federal funds apportioned to the state pursuant to that portion of subsection (b)(3) of Section 104, subsections (a) and (c) of Section 157, and subsection (d) of Section 160 of Title 23 of the United States Code which is allocated within the state subject to subsection (d)(3) of Section 133 of that code. These funds shall be known as the regional surface transportation program funds. The department, the transportation planning agencies, the county transportation commissions, and the metropolitan planning organizations may do all things necessary in their jurisdictions to secure and expend those federal funds in accordance with the intent of federal law and this chapter.

(b) The regional surface transportation program funds shall be apportioned by the department to the metropolitan planning organizations designated pursuant to Section 134 of Title 23 of the United States Code and, in areas where none has been designated, to the transportation planning agency designated pursuant to Section 29532 of the Government Code. The funds shall be apportioned in the manner and in accordance with the formula set forth in subsection (d)(3) of Section 133 of Title 23 of the United States Code, except that the apportionment shall be among all areas of the state. Funds



apportioned under this subdivision shall remain available for three federal fiscal years, including the federal fiscal year apportioned.

(c) Where county transportation commissions have been created by Division 12 (commencing with Section 130000) of the Public Utilities Code, all regional surface transportation program funds shall be further apportioned by the metropolitan planning organization to the county transportation commission on the basis of relative population.

In the Monterey Bay region, all regional surface transportation program funds shall be further apportioned, on the basis of relative population, by the metropolitan planning organization to the regional transportation planning agencies designated under subdivision (b) of Section 29532 of the Government Code.

(d) The applicable metropolitan planning organization, county transportation commission, or transportation planning agency shall annually apportion the regional surface transportation program funds for projects in each county, as follows:

(1) An amount equal to the amount apportioned under the federal-aid urban program in federal fiscal year 1990–91 adjusted for population. The adjustment for population shall be based on the population determined in the 1990 federal census except that no county shall be apportioned less than 110 percent of the apportionment received in the 1990–91 fiscal year. These funds shall be apportioned for projects implemented by cities, counties, and other transportation agencies on a fair and equitable basis based upon an annually updated five-year average of allocations. Projects shall be nominated by cities, counties, transit operators, and other public transportation agencies through a process that directly involves local government representatives.

(2) An amount not less than 110 percent of the amount that the county was apportioned under the federal-aid secondary program in federal fiscal year 1990–91, for use by that county.

(e) The department shall notify each metropolitan planning organization, county transportation commission, and transportation planning agency receiving an apportionment under this section, as soon as possible each year, of the amount of obligation authority estimated to be available for program purposes. The metropolitan planning organization and transportation planning agency, in cooperation with the department, congestion management agencies, cities, counties, and affected transit operators, shall select and program projects in conformance with federal law. The metropolitan planning organization and transportation planning agency shall submit its transportation improvement program prepared pursuant to Section 134 of Title 23 of the United States Code to the department for incorporation into the state transportation improvement program not later than August 1 of each even-numbered year beginning in 1994.



(f) Not later than July 1 of each year, the metropolitan planning organizations, and the regional transportation planning agencies, receiving obligational authority under this article shall notify the department of the projected amount of obligational authority that each entity intends to use during the remainder of the current federal fiscal year, including, but not limited to, a list of projects that will be obligated by the end of the current federal fiscal year. Any federal obligational authority that will not be used shall be redistributed by the department to other projects in a manner that ensures that the state will continue to compete for and receive increased obligational authority during the federal redistribution of obligational authority. If the department does not have sufficient federal apportionments to fully use excess obligational authority, the metropolitan planning organizations or regional transportation planning agencies relinquishing obligational authority shall make sufficient apportionments available to the department to fund alternate projects, when practical, within the geographical areas relinquishing the obligational authority. Notwithstanding this subdivision, the department shall comply with subsections (d)(3) and (f) of Section 133 of Title 23 of the United States Code.

(g) A regional transportation planning agency that is not designated as, nor represented by, a metropolitan planning organization with an urbanized area population greater than 200,000 pursuant to the 1990 federal census may exchange its annual apportionment received pursuant to this section on a dollar-for-dollar basis for nonfederal State Highway Account funds, which shall be apportioned in accordance with subdivision (d).

(h) (1) If a regional transportation planning agency described in subdivision (g) does not elect to exchange its annual apportionment, a county located within the boundaries of that regional transportation planning agency may elect to exchange its annual apportionment received pursuant to paragraph (2) of subdivision (d) for nonfederal State Highway Account funds.

(2) A county not included in a regional transportation planning agency described in subdivision (g), whose apportionment pursuant to paragraph (2) of subdivision (d) was less than 1 percent of the total amount apportioned to all counties in the state may exchange its apportionment for nonfederal State Highway Account funds. If the apportionment to the county was more than  $3\frac{1}{2}$  percent of the total apportioned to all counties in the state, it may exchange that portion of its apportionment in excess of  $3\frac{1}{2}$  percent for nonfederal State Highway Account funds. Exchange funds received by a county pursuant to this section may be used for any transportation purpose.

(i) The department shall be responsible for closely monitoring the use of federal transportation funds, including regional surface transportation program funds to assure full and timely use. The department shall prepare a quarterly report for submission to the



commission regarding the progress in use of all federal transportation funds. The department shall notify the commission and the appropriate implementation agency whenever there is a failure to use federal funds within the three-year apportionment period established under subdivision (b).

(j) The department shall provide written notice to implementing agencies when there is one year remaining within the three-year apportionment period established under subdivision (b) of this section.

(k) Within six months of the date of notification required under subdivision (j), the implementing agency shall provide to the department a plan to obligate funds that includes, but need not be limited to, a list of projects and milestones.

(l) If the implementing agency has not met the milestones established in the implementation plan required under subdivision (k), prior to the end of the three-year apportionment period established under subdivision (b), the commission shall redirect those funds for use on other transportation projects in the state.

(m) Notwithstanding subdivisions (g) and (h), regional surface transportation program funds available under this section exchanged pursuant to Section 182.8 may be loaned to and expended by the department. The department shall repay to the Traffic Congestion Relief Fund all funds received as federal reimbursements for funds exchanged under Section 182.8 as they are received from the Federal Highway Administration.

SEC. 15. Section 182.7 of the Streets and Highways Code is amended to read:

182.7. (a) Notwithstanding Sections 182 and 182.5, Sections 188, 188.8, and 825 do not apply to the expenditure of an amount of federal funds equal to the amount of federal funds apportioned to the state pursuant to subsection (b)(2) of Section 104 of Title 23 of the United States Code. These funds shall be known as the congestion mitigation and air quality program funds and shall be expended in accordance with Section 19 of Title 3 of the United States Code. The department, the transportation planning agencies, and the metropolitan planning organizations may do all things necessary in their jurisdictions to secure and expend those federal funds in accordance with the intent of federal law and this chapter.

(b) The congestion mitigation and air quality program funds, including any funds to which subsection (c) of Section 110 of Title 23 of the United States Code, as added by subdivision (a) of Section 1310 of Public Law 105-178, applies, shall be apportioned by the department to the metropolitan planning organizations designated pursuant to Section 134 of Title 23 of the United States Code and, in areas where none has been designated, to the transportation planning agency established by Section 29532 of the Government Code. The funds shall be apportioned to metropolitan planning



organizations and transportation planning agencies responsible for air quality conformity determinations in federally designated air quality nonattainment and maintenance areas within the state in the manner and in accordance with the formula set forth in subsection (b)(2) of Section 104 of Title 23 of the United States Code. Funds apportioned under this subdivision shall remain available for three federal fiscal years, including the federal fiscal year apportioned.

(c) Notwithstanding subdivision (b), where county transportation commissions have been created by Division 12 (commencing with Section 130000) of the Public Utilities Code, all congestion mitigation and air quality program funds shall be further apportioned by the metropolitan planning organization to the county transportation commission on the basis of relative population within the federally designated air quality nonattainment and maintenance areas after first apportioning to the nonattainment and maintenance areas in the manner and in accordance with the formula set forth in subsection (b)(2) of Section 104 of Title 23 of the United States Code.

In the Monterey Bay region, all congestion mitigation and air quality improvement program funds shall be further apportioned, on the basis of relative population, by the metropolitan planning organization to the regional transportation planning agencies designated under subdivision (b) of Section 29532 of the Government Code.

(d) The department shall notify each metropolitan planning organization, transportation planning agency, and county transportation commission receiving an apportionment under this section, as soon as possible each year, of the amount of obligational authority estimated to be available for expenditure from the federal apportionment. The metropolitan planning organizations, transportation planning agencies, and county transportation commissions, in cooperation with the department, congestion management agencies, cities and counties, and affected transit operators, shall select and program projects in conformance with federal law. Each metropolitan planning organization and transportation planning agency shall, not later than August 1 of each even-numbered year beginning in 1994, submit its transportation improvement program prepared pursuant to Section 134 of Title 23 of the United States Code to the department for incorporation into the state transportation improvement program.

(e) Not later than July 1 of each year, the metropolitan planning organizations and the regional transportation planning agencies receiving obligational authority under this section, shall notify the department of the projected amount of obligational authority that each entity intends to use during the remainder of the current federal fiscal year, including, but not limited to, a list of projects that will use the obligational authority. Any federal obligational authority that will not be used shall be redistributed by the department to other



projects in a manner that ensures that the state will continue to compete for and receive increased obligational authority during the federal redistribution of obligational authority. If the department does not have sufficient federal apportionments to fully use excess obligational authority, the metropolitan planning organization or transportation planning agency relinquishing obligational authority shall make sufficient apportionments available to the department to fund alternate projects, when practical, within the geographical areas relinquishing the obligational authority. Notwithstanding this subdivision, the department shall comply with subsection (f) of Section 133 of Title 23 of the United States Code.

(f) The department shall be responsible for closely monitoring the use of federal transportation funds, including congestion management and air quality funds to assure full and timely use. The department shall prepare a quarterly report for submission to the commission regarding the progress in use of all federal transportation funds. The department shall notify the commission and the appropriate implementation agency whenever there is a failure to use federal funds within the three-year apportionment period established under subdivision (b).

(g) The department shall provide written notice to implementing agencies when there is one year remaining within the three-year apportionment period established under subdivision (b) of this section.

(h) Within six months of the date of notification required under subdivision (g), the implementing agency shall provide to the department a plan to obligate funds that includes, but need not be limited to, a list of projects and milestones.

(i) If the implementing agency has not met the milestones established in the implementation plan required under subdivision (h) above, prior to the end of the three-year apportionment period established under subdivision (b), the commission shall redirect those funds for use on other transportation projects in the state.

(j) Congestion mitigation and air quality program funds available under this section exchanged pursuant to Section 182.8 may be loaned to and expended by the department. The department shall repay to the Traffic Congestion Relief Fund all funds received as federal reimbursements for funds exchanged under Section 182.8 as they are received from the Federal Highway Administration.

SEC. 16. Section 182.8 is added to the Streets and Highways Code, to read:

182.8. (a) It is the intent of the Legislature that this program help increase flexibility in the use of state and federal funding to complete transportation improvements. The ability to exchange certain federal funds for state funds may enhance that flexibility. However, it is the intent of the Legislature that the commission make these



exchanges only if the exchanges do not compromise other state funded projects or activities.

(b) The commission shall propose guidelines and procedures to implement this section, hold a public hearing on the guidelines, and adopt the guidelines on or before February 1, 2001. The commission shall begin the exchange program on or before February 1, 2001, if it determines that funding is available for that purpose. The commission may amend its guidelines after holding a public hearing, but may not amend the guidelines between the time it notifies regional transportation planning agencies of the amount of state funds available for exchange and its approval of projects for exchange in any given year.

(c) On or before January 5 of each year, the department shall report to the commission the amounts apportioned as federal local assistance in the regional surface transportation and congestion mitigation and air quality programs for the year, the Federal Obligation Authority for the year, and the amount of federal funds it expects to be able to obligate for work on projects in all programs on or before September 30 of that year, and the commission, in cooperation with the department, shall determine the amount of state funds from the Traffic Congestion Relief Fund that can be made available for exchange under this section. If the release of federal apportionments and obligational authority is delayed beyond November 1 in any year, all the dates specified in this section shall be extended by an equivalent time, however, all federal funds exchanged shall be obligated on or before September 30 of the current federal fiscal year.

(d) The commission may exchange funds under this section if it determines all of the following:

(1) Adequate state funds are available to accomplish the exchange without putting at risk other transportation activities or projects needing state funds.

(2) Any exchange will be consistent with full implementation of the Traffic Congestion Relief Act of 2000.

(3) Federal funds received in exchange can be readily and effectively used on other projects or activities by the state during the federal fiscal year.

(e) After making the determinations set forth in subdivision (d) the commission may offer to exchange state funds from the Traffic Congestion Relief Fund for federal local assistance funds, subject to the limits imposed under this section. For the purpose of this section, “federal local assistance” funds means regional surface transportation program or congestion mitigation and air quality program apportionments received that federal fiscal year and apportioned as local assistance pursuant to Sections 182.6 and 182.7.

(f) Not later than February 1 of each year, the commission shall notify the regional transportation planning agencies of the amount



of state funds available for exchange for federal local assistance funds for that year. The maximum amount of state funds to be exchanged may not exceed 50 percent of the total amount of federal regional surface transportation program and congestion mitigation and air quality program funds apportioned for the current fiscal year as local assistance pursuant to subdivision (b) of Section 182.6 and subdivision (b) of Section 182.7, exclusive of state funds that may be exchanged pursuant to subdivision (g) of Section 182.6, paragraphs (1) and (2) of subdivision (h) of Section 182.6, or Section 182.7. Federal funds exchanged under this program shall be available for projects identified by the commission as ready to obligate during determination of the amount available for exchange. In no event will the amount of exchange exceed the department's ability to obligate all federal funds during the current federal fiscal year. The commission may not exchange state funds for regional surface transportation program funds required to be spent for transportation enhancements. This section does not affect the amount of exchange under subdivision (g) of Sections 182.6, or paragraphs (1) and (2) of subdivision (h) of Section 182.6.

(g) Regional transportation planning agencies may submit applications for exchange of funds to the commission not later than March 15 of each year. Applications shall identify the proposed use for the exchange funds, including project descriptions, cost estimates, scopes of work, schedules for construction, schedules for expenditures, and any other information required by the commission. The commission may require a region to identify priorities among applications it submits.

(h) If the commission receives applications for more exchange funds than the amount of state funds available, the commission shall select projects for exchange up to the amount of state funds available. The commission shall explain the criteria it uses to select projects, which shall include, but are not limited to, all of the following:

(1) Removal of all federal funds from projects.

(2) Assessment of projects that would benefit most from removal of federal funding because of size, type, location, agency capability, features, or federal requirements.

(3) Approximate relative equity within the program among regions in receiving state exchange funds over a multiyear period.

(i) The commission may exchange state funds for federal local assistance funds with agencies requesting exchanges. Agencies wishing to exchange their federal funds shall provide apportionments and obligation authority at the same rate the Federal Highway Administration distributes obligation authority. Agencies exchanging federal funds shall receive funds equal to 90 percent of the obligation authority exchanged. The commission shall approve exchanges of funds not later than its second regularly scheduled meeting following March 15 each year.



(j) The commission shall determine an exchange payment schedule based on expenditure plans. The commission may suspend exchange payment schedules if it determines projects are not proceeding.

(k) For financial display and reporting purposes, obligational authority received pursuant to this section shall be reported as a revenue accrual in the Traffic Congestion Relief Fund in the year in which the exchange is approved under subdivision (i). Funds approved for exchange shall be accrued as expenditures in the year in which the exchange is approved. Notwithstanding Section 16362 of the Government Code, the department shall immediately deposit into the Traffic Congestion Relief Funds all moneys reimbursed by the Federal Highway Administration, as a result of expending the exchanged obligation authority.

(l) State funds provided through an exchange under this section must be encumbered within one year and expended within three years.

(m) Upon adoption of its implementing guidelines, the commission may consider requests for exchanges under this section.

(n) Regional and local agencies shall use state exchange funds only for projects or purposes for which the federal local assistance funds being exchanged were originally intended, and may not supplant local funds on projects in order that those local funds can subsequently be used for nontransportation purposes. The commission may ask agencies to certify that they are meeting this requirement. Agencies not meeting this maintenance of effort requirement may not be allowed to participate in the next exchange cycle.

(o) The commission shall include a summary of exchanges made pursuant to this section in its annual report to the Governor and Legislature pursuant to Section 14556.36, including an assessment of progress in implementing projects funded by exchanges, and discussion of issues and recommendations related to implementation of the exchange program.

(p) Not later than the effective date of the reauthorization of the federal surface transportation act, the commission shall submit a report to the Governor and the Legislature recommending any changes in the exchange program necessitated by that reauthorization.

SEC. 17. Section 183.1 is added to the Streets and Highways Code, to read:

183.1. (a) Notwithstanding subdivision (a) of Section 182 or any other provision of law, money deposited into the account that is not subject to Article XIX of the California Constitution, including, but not limited to, money that is derived from the sale of documents, charges for miscellaneous services to the public, condemnation deposits fund investments, rental of state property, or any other



miscellaneous uses of property or money, may be used for any transportation purpose authorized by statute, upon appropriation by the Legislature or, after transfer to another fund, upon appropriation by the Legislature from that fund.

(b) Not later than November 1 of each year, based on prior year financial statements, the State Controller shall transfer the funds identified in subdivision (a) for the prior fiscal year to the Public Transportation Account in the State Transportation Fund.

SEC. 18. Section 2182 is added to the Streets and Highways Code, to read:

2182. (a) The funds appropriated from the Traffic Congestion Relief Fund pursuant to Section 21 of the act that added this section shall be allocated by the Controller to cities and counties for street and road maintenance, rehabilitation, and reconstruction. Four hundred million dollars (\$400,000,000) shall be allocated to the counties, including a city and county, and cities, including a city and county, as follows:

(1) Fifty percent to the counties, including a city and county, in accordance with the following formulas:

(A) Seventy-five percent of the funds payable under this paragraph shall be apportioned among the counties in the proportion that the number of fee-paid and exempt vehicles that are registered in the county bears to the number of fee-paid and exempt vehicles registered in the state.

(B) Twenty-five percent of the funds payable under this paragraph shall be apportioned among the counties in the proportion that the number of miles of maintained county roads in each county bears to the total number of miles of maintained county roads in the state. For the purposes of apportioning funds under this subparagraph, any roads within the boundaries of a city and county that are not state highways shall be deemed to be county roads.

(2) Fifty percent to cities, including a city and county, apportioned among the cities in the proportion that the total population of the city bears to the total population of all the cities in the state.

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

(1) In the case of a city, into the city account that is designated for the receipt of state funds allocated for transportation purposes.

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

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

(c) Funds apportioned to a city or county under this section shall be used only for street and highway pavement maintenance, rehabilitation, and reconstruction of necessary associated facilities



such as drainage and traffic control devices. Rehabilitation or reconstruction may include widening necessary to bring the roadway width to the desirable minimum pavement width consistent with accepted design standards for local streets and roads, but does not include widening or increasing the traffic capacity of a street or road.

SEC. 19. Section 2182.1 is added to the Streets and Highways Code, to read:

2182.1. (a) The Legislature finds and declares that it intends cities and counties to use the funds made available from Section 21 of the act that added this section to supplement existing local revenues being used for maintenance and rehabilitation of local streets and roads. Cities and counties shall maintain their existing commitment of local funds for maintenance and rehabilitation of local streets and roads in order to remain eligible for allocation and expenditure of the additional four hundred million dollars (\$400,000,000) made available by Section 21 of the act that added this section.

(b) In order to receive any allocation pursuant to Section 2182, the city or county shall annually expend from its general fund for street, road, and highway purposes an amount not less than the annual average of its expenditures from its general fund during the 1996–97, 1997–98, and 1998–99 fiscal years, as reported to the Controller pursuant to Section 2151. For purposes of this subdivision, in calculating a city's or county's annual general fund expenditures and its average general fund expenditures for the 1996–97, 1997–98, and 1998–99 fiscal years, any unrestricted funds that the city or county may expend at its discretion, including vehicle in-lieu tax revenues and revenues from fines and forfeitures, expended for street and highway purposes shall be considered expenditures from the general fund. One-time allocations that have been expended for street and highway purposes, but which may not be available on an ongoing basis, including revenue provided under the Teeter Plan Bond Law of 1994 (Chapter 6.6 (commencing with Section 54773) of Part 1 of Division 2 of Title 5 of the Government Code, may not be considered when calculating a city's or county's annual general fund expenditures.

(c) For purposes of subdivision (a), the Controller may request fiscal data from cities and counties, in addition to data provided pursuant to Section 2151, for the 1996–97, 1997–98, and 1998–99 fiscal years. Each city and county shall furnish the data to the Controller not later than 120 days after receiving the request. The Controller may withhold payment to cities and counties that do not comply with the request for information or that provide incomplete data.

(d) At the conclusion of each fiscal year during which a city or county receives funding under Section 2182, the Controller shall verify the city's or county's compliance with subdivision (a). Any city or county that has not complied with subdivision (a) shall reimburse



the state for the funds it received during that fiscal year. Any funds withheld or returned as a result of a failure to comply with subdivision (a) shall be reallocated to the other counties and cities whose expenditures are in compliance.

(e) If a city or county fails to comply with the requirements of subdivision (a) in a particular fiscal year, the city or county may 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 for purposes of complying with subdivision (a).

(f) The allocation made under Section 2182 shall be expended not later than the end of the fiscal year following the fiscal year in which the allocation was made, and any funds not expended within that period shall be returned to the Controller and shall be reallocated to the other cities and counties pursuant to the allocation formulas set forth in Section 2182.

SEC. 20. The sum of one billion five hundred million dollars (\$1,500,000,000) is hereby appropriated from the General Fund to the Traffic Congestion Relief Fund for the purposes of Section 14556.5 of the Government Code.

SEC. 21. The sum of four hundred million dollars (\$400,000,000) is hereby appropriated from the Traffic Congestion Relief Fund to the Controller for allocation to cities and counties, including a city and county, for the purposes of Section 2182 of the Streets and Highways Code.

SEC. 22. The sum of five million dollars (\$5,000,000) is hereby appropriated from the Traffic Congestion Relief Fund to the High-Speed Rail Authority for the purpose of commencing preliminary environmental documentation for the implementation of high-speed rail service in California.

SEC. 23. Notwithstanding any other provision of law, when making the calculation as required by subdivision (b) of Section 8 of Article XVI of the California Constitution, “General Fund revenues that may be appropriated pursuant to Article XIII B” as used in paragraphs (1) and (3) of subdivision (b) of Section 8 of Article XVI of the California Constitution, shall include the amounts of the transfer specified under paragraphs (11), (12), and (13) of subdivision (a) of Section 7102 of the Revenue and Taxation Code, as amended by Section 10 of this act. For the 2000–01 fiscal year, the Director of Finance shall adjust the amount required to be allocated to school districts and community college districts to ensure that paragraphs (11), (12), and (13) of subdivision (a) of Section 7102 of the Revenue and Taxation Code, as amended by Section 10 of this act, do not diminish the funding level for school districts and community college districts to a funding level below that required absent the transfer authorized by paragraphs (11), (12), and (13) of subdivision (a) of Section 7102 of the Revenue and Taxation Code, as amended by Section 10 of this act.



SEC. 24. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

This act creates a significant program designed to reduce traffic congestion, which will improve the public's health and safety. In order for the program authorized by this act to be implemented as soon as possible, it is necessary that this act go into immediate effect.

