Assembly Bill No. 268

CHAPTER 756

An act to amend Sections 8879.55, 8879.56, 14556.7, 14556.75, 14556.8, and 16965 of, to add Articles 2.5 (commencing with Section 8879.52) and 11 (commencing with Section 8879.66) to Chapter 12.491 of Division 1 of Title 2 of, and to add and repeal Section 14556.85 of, the Government Code, to amend Section 99312 of the Public Utilities Code, to amend Sections 7102, 7103, 7104, and 7104.2 of the Revenue and Taxation Code, to amend Sections 182.6 and 182.7 of, and to add Article 3.7 (commencing with Section 157) to Chapter 1 of Division 1 of, the Streets and Highways Code, and to amend Sections 1678, 9250.13, and 9553.5 of, to amend, repeal, and add Sections 9554 and 9554.5 of, and to add Section 9553.7 to, the Vehicle Code, relating to transportation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 30, 2008. Filed with Secretary of State September 30, 2008.]

LEGISLATIVE COUNSEL'S DIGEST

AB 268, Committee on Budget. Transportation.

(1) Existing law, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B at the November 7, 2006, general election, authorizes the issuance of $19.925 billion of general obligation bonds for specified purposes, including $2 billion to be transferred to the Trade Corridors Improvement Fund (TCIF) for allocation by the California Transportation Commission for infrastructure improvements along designated corridors, upon appropriation in the annual Budget Act. Eligible TCIF projects include, but are not limited to, highway capacity improvements and operational improvements, freight rail system improvements, projects to enhance the capacity and efficiency of ports, and truck corridor improvements, subject to commission determination, as specified. Existing law requires the commission to allocate TCIF funds to projects that have identified and committed supplemental funding from appropriate local, federal, or private sources.

This bill would require the commission to evaluate the potential costs and benefits of the TCIF program on the economy, environment, and public health, and would require collaboration with the State Air Resources Board in that regard. The bill would set forth a minimum allocation schedule for approved TCIF projects, and would make the Colton Crossing project ineligible for TCIF funding under specified circumstances. The bill would require the commission and local transportation agencies to collaborate to select new projects upon the deprogramming of any TCIF project, as specified. The bill would also require the Department of Transportation, by

February 18, 2009, to report to the Legislature regarding specified TCIF railroad agreements.

(2) Proposition 1B also requires that specified proceeds from the bonds be deposited in the Public Transportation Modernization, Improvement, and Service Enhancement Account to be made available, upon appropriation by the Legislature, to the Department of Transportation for intercity rail projects and to certain transit operators for transportation projects and improvements, as specified.

With respect to funds appropriated from that account by the Budget Act of 2007, existing law requires the Controller, upon appropriation of those funds, to identify and develop a list of eligible project sponsors and the amount each is eligible to receive using specified computations. Existing law requires an eligible project sponsor to submit certain information to the Department of Transportation regarding the proposed project prior to seeking a disbursement of funds and requires the department to conduct a review of that information and to biannually adopt a list of eligible projects. Existing law imposes other related duties with respect to these funds on the Controller, the department, and the California Transportation Commission. Existing law makes these provisions inoperative on July 1, 2008, and repealed on January 1, 2009.

This bill would apply those provisions to funds appropriated from the account by the Budget Act of 2008 and would make other conforming changes. The bill would make these provisions inoperative on July 1, 2009, and repealed on January 1, 2010.

(3) Proposition 1B also provides for $1 billion of bond proceeds for the State-Local Partnership Program to be allocated by the California Transportation Commission to eligible transportation projects nominated by transportation agencies, subject to appropriation by the Legislature of moneys from the State-Local Partnership Program Account. Existing law requires a dollar-for-dollar match of local funds for projects funded with these bond funds.

This bill would describe the categories of projects that may be funded through the State-Local Partnership Program, create continuously appropriated subaccounts within the State-Local Partnership Program Account for those purposes, thereby making an appropriation, establish which entities are eligible to apply for funding, establish specified allocations pursuant to a geographical and revenue-based or population-based formula or on a competitive basis, establish timelines for expenditure of the funds, and provide for the reallocation of funding if those timelines are not met. The bill would limit the amount of bond funding for a single project under the competitive portion of the program to $1,000,000 in a single funding cycle. The bill would define eligible local matching funds under the program for purposes of the required dollar-for-dollar match. The bill would require the commission to include in its annual report to the Legislature a summary of its activities related to the program, as specified. The bill would also set forth a statement of legislative intent with regard to the program.

(4) Existing law, until July 1, 2008, authorizes the Department of Transportation, in order to provide adequate cash for transportation projects and for support of the department, to transfer funds among 4 specified transportation funds or accounts as short-term loans, subject to any terms and conditions imposed by the Director of Finance. Under these provisions, a short-term loan is subject to the condition that it be repaid in full to the fund or account from which it was loaned during the same fiscal year in which the loan was made or 30 days after enactment of the Budget Act for the subsequent fiscal year, and is subject to the further condition that the loan be repaid whenever the funds are needed to meet cash expenditure needs in the loaning fund or account. These provisions are inoperative on July 1, 2008, and are repealed on January 1, 2009.

This bill would extend the inoperative and repeal dates to July 1, 2011, and January 1, 2012, respectively, thereby restoring these provisions, and would include the Transportation Deferred Investment Fund as a fund to or from which the Department of Transportation would be authorized to transfer moneys as short-term loans. The bill would also impose specified monetary limitations and repayment requirements on any short-term cash flow loan made from the General Fund to the State Highway Account.

(5) Existing law authorizes various loans from the Motor Vehicle Account, the Public Transportation Account, and the State Highway Account to the Traffic Congestion Relief Fund. Existing law also authorizes money in the Traffic Congestion Relief Fund derived from the General Fund to be loaned to the General Fund. These loans are required to be repaid, as specified.

This bill would require the Director of Transportation to report to the California Transportation Commission the amounts of loans to each fund or account that are outstanding under these provisions as of the end of each quarter.

(6) Existing law, pursuant to Proposition 116 of 1990, creates the Public Transportation Account as a trust fund in the State Transportation Fund, provides that revenues are to be deposited in the account from a specified portion of the sales taxes on gasoline and diesel fuel, and provides that moneys in the account are available for expenditure only for transportation planning and mass transportation purposes. Existing law provides that the Legislature shall appropriate these funds for specified transportation programs, including the State Transit Assistance program, under which funds are allocated by the Controller to transit operators and other agencies.

Existing law also creates the Transportation Investment Fund, which receives the portion of gasoline sales tax revenues that is dedicated to various transportation purposes by Article XIX B of the California Constitution. Twenty percent of these revenues are transferred to the Public Transportation Account.

This bill would continuously appropriate the revenues to be allocated to the State Transit Assistance program from these sources.

This bill would also authorize the Director of Finance to authorize the transfer of not more than $60 million as an interest-free loan from the Traffic

Congestion Relief Fund to the Public Transportation Account, to be repaid no later than July 1, 2011, or earlier if the Traffic Congestion Relief Fund needs the funds. The bill would require the Director of Transportation to report to the California Transportation Commission the amounts of loans outstanding under these provisions as of the end of each quarter.

(7) Existing law, notwithstanding the requirement for certain gasoline sales tax revenues to be deposited in the Public Transportation Account as described in (6) above, instead requires, beginning with the 2008–09 fiscal year, and in each fiscal year thereafter, 50% of a specified portion of these revenues to be transferred to the Mass Transportation Fund.

This bill, for the 2008–09 fiscal year, would require $234,852,000 to be transferred each quarter to the Mass Transportation Fund from the specified revenues, notwithstanding the provision requiring 50% of those revenues to be transferred.

(8) Existing law creates the Mass Transportation Fund and the Transportation Debt Service Fund in the State Treasury for the purpose, among other things, of using transportation revenues for the payment of debt service on transportation bonds, to reimburse the General Fund for past debt service payments on transportation bonds, and for certain payments required to be made by the General Fund to transportation funds governed by Article XIX B of the California Constitution. Existing law specifies the payments that are authorized to be made from revenues available in the 2007–08 fiscal year.

This bill would revise the provisions governing the Mass Transportation Fund to specify the payments that are authorized to be made from revenues available to the fund in the 2008–09 fiscal year. The bill would revise the provisions governing the Transportation Debt Service Fund to authorize the Director of Finance to reimburse the General Fund, with moneys received in the 2008–09 fiscal year, any amount necessary to offset the cost of debt service made in any fiscal year for transportation-related general obligation bond expenditures.

(9) Existing federal law apportions transportation funds to the states under various programs, including the Surface Transportation Program and the Congestion Mitigation and Air Quality Program, subject to certain conditions on the use of those funds. Existing law provides for a portion of these funds to be allocated by the Department of Transportation to regional transportation agencies for expenditure on local transportation projects, subject to various conditions that are administered by the department.

This bill would require the department to deduct from the funds available for allocation to regional transportation agencies the amount authorized by the Legislature for increased oversight by the department of these funds.

(10) Existing federal law, the federal Energy Tax Incentives Act of 2005, authorizes a category of tax credit bonds, Clean Renewable Energy Bonds (CREBs), to provide financing for renewable energy projects. The act provides that a bond shall not be treated as a clean renewable energy bond unless it is part of an issue that provides for an equal amount of principal to be paid by the qualified issuer during each calendar year that the issue is

outstanding. The act becomes inoperative with respect to any bond issued after December 31, 2008, and requires that 95% or more of the net proceeds of any bond issue be expended within 5 years of that issuance.

Existing law creates the Special Deposit Fund in the State Treasury. Moneys in the Special Deposit Fund are continuously appropriated to fulfill the purposes for which payments into it are made.

This bill would authorize the Department of Transportation to issue Clean Renewable Energy Bonds for purposes of financing the acquisition and installation of solar energy systems at department facilities, subject to the conditions and terms of the federal Energy Tax Incentives Act of 2005, and would authorize the department to enter into specified agreements with the California Alternative Energy and Advanced Transportation Financing Authority for those purposes, as specified. The bill would establish the Clean Renewable Energy Bonds Subaccount in the Special Deposit Fund, a continuously appropriated fund, for the purpose of receiving net proceeds from the bond issue, thereby making an appropriation. The bill would also provide that the solar energy systems are eligible for, and required to comply with, specified net energy metering or another feed-in-tariff program. The bill would require the department to report to the Legislature annually with regard to the bond issue and the acquisition and installation of the solar energy systems, as specified. The bill would further make a statement of legislative intent.

(11) Existing law establishes fees for original and renewal registration of vehicles, and weight fees for commercial vehicles, to be collected by the Department of Motor Vehicles. Existing law requires that these fee amounts be adjusted annually by increasing each fee in an amount equal to the increase in the California Consumer Price Index, as specified.

This bill would require that any increases in these fees, enacted by legislation subsequent to January 1, 2005, be deemed to be changes to the base fee for purposes of calculating the annual fee adjustment.

Existing law also establishes various penalty fees for late registration and renewal of vehicles.

Under existing law, in addition to the other fees imposed for the registration or renewal of registration of a vehicle, additional registration and renewal fees are imposed, which are expended to support specified staffing levels of peace officer members of the Department of the California Highway Patrol (CHP) and to offset the costs of maintaining or increasing the level of uniformed field strength of the CHP.

This bill would revise the provisions relating to late fees by imposing a late penalty on the delinquent payment of these additional registration and renewal fees that would only apply to an original registration fee due, or the renewal of registration for a vehicle with an expiration date, on or after December 1, 2008. The bill would also increase from $6 to $18 one of the fees imposed under these provisions.

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

Appropriation: yes.

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

SECTION 1. Article 2.5 (commencing with Section 8879.52) is added to Chapter 12.491 of Division 1 of Title 2 of the Government Code, to read:

Article 2.5. Trade Corridors Improvement Fund

8879.52. (a) The commission shall evaluate, consistent with the commission's Trade Corridors Improvement Fund (TCIF) Guidelines, adopted November 27, 2007, as part of the 2010 TCIF review, the total potential costs and total potential economic and noneconomic benefits of the program to California's economy, environment, and public health. The commission shall consult with the State Air Resources Board in order to utilize the appropriate models, techniques, and methods to develop the evaluation required by this subdivision.

(b) With respect to the two billion dollars ($2,000,000,000) appropriated from the TCIF, as described in paragraph (1) of subdivision (c) of Section 8879.23, and the five hundred million dollars ($500,000,000) to be made available from the State Highway Account, the following programming schedule shall apply:

(1) The Los Angeles/Inland Empire Corridor shall receive a minimum of one billion five hundred million dollars ($1,500,000,000).

(2) The San Diego/International Border Corridor shall receive a minimum of two hundred fifty million dollars ($250,000,000).

(3) The San Francisco Bay/Central Valley Corridor shall receive a minimum of six hundred forty million dollars ($640,000,000).

(4) Other corridors, as determined by the commission, shall receive a minimum of sixty million dollars ($60,000,000).

(c) The corridors referenced in subdivision (b) shall receive the minimum amount of funding programmed for that corridor notwithstanding the deprogramming of any project or projects in that corridor by the commission. If a project is or projects are deprogrammed, the commission shall collaborate with the local transportation agencies in that corridor to select another project or projects for programming of those funds within the minimum amount provided to each corridor pursuant to subdivision (b).

(d) If the Colton Crossing project programmed in the commission's TCIF Program as of April 10, 2008, does not meet the requirements or delivery schedule contained in its project baseline agreement when reviewed by the commission no later than March 2010, the project shall be ineligible to receive an allocation from the TCIF. The ninety-seven million dollars ($97,000,000) associated with the project shall then be available for programming in the Los Angeles/Inland Empire Corridor. In that event, the commission shall collaborate with the local transportation agencies in that corridor to select another project or projects for programming of those funds, and, in making that selection, shall take into consideration the Los Angeles/Inland Empire Corridor Tier One or Tier Two Project Lists and any other project identified by the local agencies. Projects currently receiving TCIF funding shall not be considered for selection.

(e) On or before February 18, 2009, the department shall report to the policy committees of each house of the Legislature with jurisdiction over transportation matters, a summary of any memorandum of understanding or any other agreement executed between a railroad company and any state or local transportation agency as it relates to any project funded with moneys allocated from the TCIF.

SEC. 2. Section 8879.55 of the Government Code is amended to read:

8879.55. For funds appropriated for fiscal year 2008–09 in the Budget Act of 2008 from the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) established pursuant to paragraph (1) of subdivision (f) of Section 8879.23, the following shall apply:

(a) (1) Upon appropriation of funds from PTMISEA, the Controller shall identify and develop a list of eligible project sponsors, as defined in paragraph (2) of subdivision (h), and the amount each is eligible to receive pursuant to the formula in paragraph (3) of subdivision (f) of Section 8879.23. It is the intent of the Legislature that funds allocated to project sponsors pursuant to this section provide each project sponsor with the same proportional share of funds as the proportional share each received from the allocation of State Transit Assistance funds, pursuant to Sections 99313 and 99314 of the Public Utilities Code, over fiscal years 2004–05, 2005–06, and 2006–07.

(2) In establishing the amount of funding each project sponsor is eligible to receive from funds to be allocated based on Section 99313 of the Public Utilities Code, the Controller shall make the following computations:

(A) For each project sponsor, compute the amounts of State Transit Assistance funds allocated to that entity pursuant to Section 99313 of the Public Utilities Code during the 2004–05, 2005–06, and 2006–07 fiscal years.

(B) Compute the total statewide allocation of State Transit Assistance funds pursuant to Section 99313 of the Public Utilities Code during the 2004–05, 2005–06, and 2006–07 fiscal years.

(C) Divide subparagraph (A) by subparagraph (B).

(D) For each project sponsor, multiply the allocation factor computed pursuant to subparagraph (C) by 50 percent of the amount appropriated for allocation from PTMISEA.

(3) In establishing the amount of funding each project sponsor is eligible to receive from funds to be allocated based on Section 99314 of the Public Utilities Code, the Controller shall make the following computations:

(A) For each project sponsor, compute the amounts of State Transit Assistance funds allocated to that entity pursuant to Section 99314 of the Public Utilities Code during the 2004–05, 2005–06, and 2006–07 fiscal years.

(B) Compute the total statewide allocation of State Transit Assistance funds pursuant to Section 99314 of the Public Utilities Code during the 2004–05, 2005–06, and 2006–07 fiscal years.

(C) Divide subparagraph (A) by subparagraph (B).

(D) For each project sponsor, multiply the allocation factor computed pursuant to subparagraph (C) by 50 percent of the amount appropriated for allocation from PTMISEA.

(4) The Controller shall notify project sponsors of the amount of funding each is eligible to receive from PTMISEA for the 2008–09 fiscal year based on the computations pursuant to subparagraph (D) of paragraph (2) and subparagraph (D) of paragraph (3).

(b) Prior to seeking a disbursement of funds for an eligible PTMISEA capital project, a project sponsor on the list developed pursuant to paragraph (1) of subdivision (a) shall submit to the department a description of the proposed capital project or projects it intends to fund with PTMISEA funds for fiscal year 2008–09. The description shall include all of the following:

(1) A summary of the proposed project, which shall describe the benefit the project intends to achieve.

(2) The useful life of the project, which shall not be less than the required useful life for capital assets pursuant to the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2), specifically subdivision (a) of Section 16727.

(3) The estimated schedule for the completion of the project.

(4) The total cost of the proposed project, including the identification of all funding sources necessary for the project to be completed.

(c) After receiving the information required to be submitted under subdivision (b), the department shall review the information solely to determine all of the following:

(1) The project is consistent with the requirements for funding under paragraph (1) of subdivision (f) of Section 8879.23.

(2) The project is a capital improvement that meets the requirements of the state's general obligation bond law and has a useful life consistent with paragraph (2) of subdivision (b).

(3) The project, or a minimum operable segment of the project, is, or will become, fully funded with an allocation of funds from the PTMISEA, and the funds can be encumbered within three years of the allocation based on the department's review of the project's phase or schedule for completion, as submitted by the project sponsor.

(d) (1) Upon conducting the review required in subdivision (c) and determining the proposed projects to be in compliance with the requirements of that subdivision, the department shall biannually adopt a list of projects eligible for an allocation from the funds appropriated to the account in fiscal year 2008–09.

(2) Upon adoption of the list by the department, the department shall provide the list of projects eligible for funding to the Controller.

(e) Upon receipt of the information required in subdivision (d), the Controller's office shall commence any necessary actions to allocate funds to the project sponsors on the list of projects, including, but not limited to, seeking the issuance of bonds for that purpose. The total allocations to any one project sponsor shall not exceed that project sponsor's share of funds from the PTMISEA pursuant to the formula contained in subdivision (a).

(f) The audit of public transportation operator finances already required under the Transportation Development Act pursuant to Section 99245 of the Public Utilities Code shall be expanded to include verification of receipt and appropriate expenditure of bond funds pursuant to this section. Each sponsoring entity receiving bond funds from this account in a fiscal year for which an audit is conducted shall transmit a copy of the audit to the department, and the department shall make the audits available to the Legislature and the Controller for review on request.

(g) The commission shall include in its annual report to the Legislature, required by Section 14535, a summary of the state agencies' activities related to the administration of funds from the account, including the administration of funds made available to the department for intercity rail improvements pursuant to paragraph (2) of subdivision (f) of Section 8879.23. The summary, at a minimum, shall include a description and the location of the projects funded from the account, the amount of funds allocated to each project, the status of each project, a description of the public benefit expected from each project, and a designation of any projects that have been subject to an audit under subdivision (f). The department and project sponsors shall provide the commission with necessary information for the preparation of the summary required under this subdivision.

(h) For purposes of this section, the following terms shall have the following meanings:

(1) "Project" means a capital improvement authorized under paragraph (1) of subdivision (f) of Section 8879.23 or a transit capital project, including a bus, rail or waterborne transit capital project, or minimum operable segment thereof, that is consistent with the project sponsor's most recently adopted short-range transit plan, or other publicly-adopted plan that programs or prioritizes the expenditure of funds for transit capital improvements.

(2) "Project sponsor" means a transit operator, including a rail transit, commuter rail, bus, or waterborne transit operator, eligible to receive an allocation of funds under the State Transit Assistance program pursuant to Sections 99314 and 99314.3 of the Public Utilities Code, or a local agency, including a transportation planning agency, county transportation commission, or the San Diego Metropolitan Transit Development Board, eligible to receive an allocation of funds under the State Transit Assistance program pursuant to Section 99313 of the Public Utilities Code.

(i) A project sponsor that is identified to receive an allocation of funds under this section, but that does not submit a project for funding in the 2008–09 fiscal year, may utilize its funding share in a subsequent fiscal year.

SEC. 3. Section 8879.56 of the Government Code is amended to read:

8879.56. This article shall become inoperative on July 1, 2009, and, as of January 1, 2010, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2010, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 4. Article 11 (commencing with Section 8879.66) is added to Chapter 12.491 of Division 1 of Title 2 of the Government Code, to read:

Article 11. State-Local Partnership Program

8879.66. (a) It is the intent of the Legislature, pursuant to subdivision (g) of Section 8879.23, to establish criteria and conditions for use of the funds in the State-Local Partnership Program Account in the Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006. These criteria and conditions shall include, but need not be limited to, eligibility of applicants, eligibility of projects, timely use of funds, and relationship of funds in the account to other funds for transportation purposes.

(b) The purpose of the State-Local Partnership Program is to do both of the following:

(1) Reward "self-help" counties, cities, districts, and regional transportation agencies in which voters have approved fees or taxes solely dedicated to transportation improvements.

(2) Provide funds for a wide variety of capital projects that are typically funded in local or regional voter-approved expenditure plans and that provide mobility, accessibility, system connectivity, safety, or air quality benefits.

(c) It is further the intent of the Legislature that all funds available in the account, pursuant to subdivision (g) of Section 8879.23, shall be made available for allocation by the commission over a period of five years.

8879.67. For purposes of this article, the following definitions shall apply:

(a) "Program" means the State-Local Partnership Program established in this article and funded pursuant to subdivision (g) of Section 8879.23.

(b) "Uniform developer fees" means developer fees imposed pursuant to existing statutory authority, including, but not limited to, Chapter 5 (commencing with Section 66000) of Division 1 of Title 7 and Article 5 (commencing with Section 66483) of Chapter 4 of Division 2 of Title 7. The developer fees must be imposed by a local ordinance or resolution adopted by a city, county, or city and county and must be dedicated to transportation purposes to address cumulative transportation impacts. The developer fees must be uniformly applied to new development within a defined area or jurisdiction, except in cases in which fees are waived, such as for affordable housing development. Developer fees imposed to mitigate onsite impacts related to a specific development project do not qualify as uniform developer fees under this subdivision.

8879.68. An eligible applicant under the program shall be a local or regional transportation agency that has responsibility for funding, procuring, or constructing transportation improvements within its jurisdiction, and that does either of the following:

(a) Has sought and received voter approval for the imposition of taxes or fees solely dedicated to transportation improvements and administers those taxes or fees.

(b) Has imposed uniform developer fees.

8879.69. Eligible local matching funds required to obtain funding under the program shall be obtained from revenues from any voter-approved local or regional tax or fee solely dedicated to transportation improvements, or from uniform developer fees. Tax or fee, for purposes of this section, means a countywide or citywide sales tax, a property or parcel tax in a county or counties or district, and voter-approved bridge tolls or voter-approved fees dedicated to specific transportation improvements.

8879.70. (a) Eligible projects shall include all of the following:

(1) Improvements to the state highway system, including, but not limited to, all of the following:

(A) Major rehabilitation of an existing segment that extends the useful life of the segment by at least 15 years.

(B) New construction to increase capacity of a highway segment that improves mobility or reduces congestion on that segment.

(C) Safety or operational improvements on a highway segment that are intended to reduce accidents and fatalities or improve traffic flow on that segment.

(2) Improvements to transit facilities, including guideways, that expand transit services, increase transit ridership, improve transit safety, enhance access or convenience of the traveling public, or otherwise provide or facilitate a viable alternative to driving.

(3) The acquisition, retrofit, or rehabilitation of rolling stock, buses, or other transit equipment, including, but not limited to, maintenance facilities, transit stations, transit guideways, passenger shelters, and fare collection equipment with a useful life of at least 10 years. The acquisition of vans, buses, and other equipment necessary for the provision of transit services for seniors and people with disabilities by transit and other local agencies is an eligible project under this paragraph.

(4) Improvements to the local road system, including, but not limited to, both of the following:

(A) Major roadway rehabilitation, resurfacing, or reconstruction that extends its useful life by at least 15 years.

(B) New construction and facilities to increase capacity, improve mobility, or enhance safety.

(5) Improvements to bicycle or pedestrian safety or mobility with a useful life of at least 15 years.

(6) Improvements to mitigate the environmental impacts of new transportation infrastructure on a locality's or region's air quality or water quality, commonly known as "urban runoff," including, but not limited to, the installation of catch basin screens, filters, and inserts, or other best management practices for capturing or treating urban runoff.

(b) For purposes of the program, a separate phase or stage of construction for an eligible project may include mitigation of the project's environmental impacts, including, but not limited to, soundwalls, landscaping, wetlands or habitat restoration or creation, replacement plantings, and drainage facilities.

8879.71. (a) For purposes of distributing funds annually appropriated by the Legislature to the State-Local Partnership Program Account, the commission shall segregate the funds into two separate subaccounts, which are hereby created in the account, as follows:

(1) Ninety-five percent of the funds shall be deposited into the Voter-Approved Taxes and Fees Subaccount and shall be made available to eligible applicants as defined in subdivision (a) of Section 8879.68 for expenditure on eligible projects, as approved by the commission. Funds in this subaccount shall be distributed by formula, pursuant to Section 8879.72.

(2) Five percent of the funds shall be deposited into the Uniform Developer Fees Subaccount and shall be made available to eligible applicants as defined in subdivision (b) of Section 8879.68 for expenditure on eligible projects, as approved by the commission. Funds in this subaccount shall be distributed through a competitive grant application process to be administered by the commission pursuant to Section 8879.73.

(b) Notwithstanding Section 13340, the money in the subaccounts described in subdivision (a) are hereby appropriated, without regard to fiscal year, to the commission for the purposes described in subdivision (a).

8879.72. (a) To establish the funding shares for each eligible applicant described in paragraph (1) of subdivision (a) of Section 8879.71, the commission shall do the following prior to the commencement of a funding cycle:

(1) Determine the total amount of annual revenue generated from voter-approved sales taxes, voter-approved parcel or property taxes, and voter-approved bridge tolls dedicated to transportation improvements according to the most recent available data reported to the State Board of Equalization, the Controller, or the Bay Area Toll Authority.

(2) Establish a northern California and southern California share by attributing the proportional share of revenues from voter-approved sales taxes, voter-approved parcel or property taxes, and voter-approved bridge tolls dedicated to transportation improvements and imposed in counties in northern California to the northern share, and by attributing the proportional share of revenues from voter-approved sales taxes imposed in counties located in southern California to the southern share. The determination of whether a county is located in northern or southern California shall be based on the definitions set forth in Section 187 of the Streets and Highways Code.

(3) Program funds made available to the southern share, based on the determination in paragraph (2), shall be distributed to the entity responsible for programming and allocating revenues from the sales tax in proportion to the population of the county in which the entity is located compared to the total population of southern California counties with voter-approved sales taxes dedicated to transportation improvements. For the purpose of calculating population, the commission shall use the most recent information available from the Department of Finance.

(4) Program funds made available to the northern share, based on the determination in paragraph (2), shall be distributed as follows:

(A) Program funds generated by voter-approved bridge tolls and voter-approved parcel or property taxes dedicated to transportation improvements shall be distributed to the entity responsible for programming and allocating revenues from the toll or tax based on the proportional share of revenues generated by the toll or tax by that entity in comparison to the total revenues generated by voter-approved sales taxes, voter-approved parcel or property taxes, and voter-approved bridge tolls dedicated to transportation improvements in northern California.

(B) Program funds generated by voter-approved sales taxes dedicated to transportation improvements shall be distributed to the entity responsible for programming and allocating revenues from the sales tax in proportion to the population of the county in which the entity is located compared to the total population of the northern California counties with voter-approved sales taxes dedicated to transportation improvements. For the purposes of calculating population, the commission shall use the most recent information available for the Department of Finance

(b) Under this section, each fiscal year in which funds are appropriated for the program shall constitute a funding cycle.

(c) Each eligible applicant desiring to participate in the program in any funding cycle under this section shall submit to the commission all of the following:

(1) A description of the eligible project nominated for funding, including a description of the project's cost, scope, and specific improvements and benefits it is anticipated to achieve.

(2) A description of the project's current status, including the phase of delivery the project is in at the time it is nominated for funding and a schedule for the project's completion.

(3) A description of how the project would support transportation and land use planning goals within the region.

(4) The amount of eligible local matching funds the applicant is committing to the project.

(5) The amount of program funds the applicant seeks from the program for the project.

(d) The commission shall review nominated projects under this section and their accompanying documentation to ensure that each nominated project meets the requirements of this article and to confirm that each project has a commitment of the requisite amount of eligible local matching funds as required in this article. Upon conducting the review of the requirements and determining the proposed projects to be in compliance with this article, the projects shall be deemed eligible.

(e) An eligible applicant that is identified to receive an allocation of funds under this section, but that does not submit a project for funding in a funding cycle, may utilize its funding share in a subsequent funding cycle.

8879.73. (a) To distribute funds from the Uniform Developer Fees Subaccount to eligible applicants, as defined in paragraph (2) of subdivision

(a) of Section 8879.71, the commission shall administer a competitive grant application program pursuant to this section.

(b) Under this section, each fiscal year in which funds are appropriated for the program shall constitute a funding cycle. To ensure that as many eligible applicants as possible may benefit from the competitive portion of the program, no single project shall receive more than one million dollars ($1,000,000) in a single funding cycle in which program funds are allocated by the commission.

(c) Each eligible applicant desiring to participate in the program in any funding cycle under this section shall submit to the commission all of the following:

(1) A description of the eligible project nominated for funding, including a description of the project's cost, scope, and specific improvements and benefits it is anticipated to achieve.

(2) A description of the project's current status, including the phase of delivery the project is in at the time it is nominated for funding and a schedule for the project's completion.

(3) A description of how the project would support transportation and land use planning goals within the region.

(4) The amount of eligible local matching funds the applicant is committing to the project.

(5) The amount of program funds the applicant seeks from the program for the project.

(d) The commission shall review nominated projects under this section and their accompanying documentation to ensure that each nominated project meets the requirements of this article and to confirm that each project has a commitment of the requisite amount of eligible local matching funds as required in this article. Upon conducting the review of the requirements and determining the proposed projects to be in compliance with this article, the projects shall be deemed eligible.

(e) The commission shall adopt a program of projects under this section that is geographically balanced and provides cost-effective and multimodal, safety, reliability, and environmental benefits. In allocating funds to specific projects, the commission shall give priority to projects that do any of the following:

(1) Can commence construction or implementation of the project in a manner to provide the public benefit at the earliest possible date.

(2) Can enhance the leveragability of bond funds, by utilizing a higher proportion of nonbond funds toward a project's total cost than is otherwise required by this article.

(3) Can demonstrate quantifiable air quality improvements, including, but not limited to, a demonstration that the project can result in a significant reduction in vehicle-miles traveled.

8879.74. (a) The commission shall adopt a program of projects to receive allocations under this article for each funding cycle, with allocations to projects to be initially made at the commission's meeting in April 2009, and to be made no later than the commission's October meeting for subsequent years.

(b) Projects receiving an allocation under the program shall encumber funds no later than two years after the end of the fiscal year in which an allocation is made by the commission. The commission shall rescind an allocation to a project that fails to comply with these requirements. Rescinded allocations of funds shall, in the case of the program established pursuant to Section 8879.72, be made available for another eligible project proposed by the agency that nominated the original project for funding, and, in the case of the program established in Section 8879.73, be reallocated to other projects during the fiscal year following the year in which the applicable timely use of funds requirement was not met.

(c) The commission shall develop and adopt guidelines to implement this article, and to establish the process for allocating funds to eligible projects under the program, consistent with this article. Prior to adopting the guidelines, the commission shall hold one public hearing in northern California and one public hearing in southern California to review and provide an opportunity for public comment on the proposed guidelines. The commission may incorporate the hearings into its regular meeting schedule.

8879.75. Pursuant to subdivision (g) of Section 8879.23, an eligible project funded pursuant to this article shall require a match of one dollar ($1) of eligible local matching funds for each dollar of program funds applied for under this article. An applicant may propose to use other funds for the same project, including local, federal, or other state funds, however, those other funds shall not be counted toward the match required by this article.

8879.76. The commission shall include in its annual report to the Legislature, required pursuant to Section 14535, a summary of its activities related to the administration of the program. The summary, at a minimum, shall include the description, location, and total cost of each project contained in the program, the amount of bond funds allocated to each project, the status of each project, and a description of the system improvements each project is achieving.

SEC. 5. Section 14556.7 of the Government Code is amended to read:

14556.7. (a) To provide adequate cash for projects, including, but not limited to, projects in the State Transportation Improvement Program, the State Highway Operation and Protection Program, and the Traffic Congestion Relief Program, and for the support of the department, the department may transfer funds as short-term loans among and between the State Highway Account in the State Transportation Fund, the Transportation Investment Fund in the State Treasury, the Transportation Deferred Investment Fund, the Public Transportation Account in the State Transportation Fund and the Traffic Congestion Relief Fund (TCRF), subject to those terms and conditions that the Director of Finance may impose upon those transfers. When loan balances authorized in this subdivision are outstanding, the Director of Transportation shall report the amounts of loans outstanding with respect to each fund or account as of the last business day of each quarter to the commission. The commission shall monitor the cash-flow loan program authorized in this section and shall provide guidance to the department to ensure that sufficient resources will be available for all projects and all other authorized expenditures from each fund or account so as to not delay any authorized expenditure.

(b) For the purposes of this section, a "short-term loan" is a transfer that is made subject to the following conditions:

(1) That any amount loaned is to be repaid in full to the fund or account from which it was loaned during the same fiscal year in which the loan was made, except that repayment may be delayed until a date not more than 30 days after the date of enactment of the annual Budget Act for the subsequent fiscal year.

(2) That loans shall be repaid whenever the funds are needed to meet cash expenditure needs in the loaning fund or account.

(c)This section shall become inoperative on July 1, 2011, and, as of January 1, 2012, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2012, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 6. Section 14556.75 of the Government Code is amended to read:

14556.75. (a) The Director of Finance may authorize short-term cash flow loans from the General Fund to the State Highway Account to provide adequate cash for costs funded from that account. The total outstanding loan shall not exceed two hundred million dollars ($200,000,000) at any point in time. Repayment of these loans shall be made no later than 30 days after the date of enactment of the subsequent annual Budget Act after any loan is made pursuant to this section.

(b) No budgetary impact shall result from these loans.

(c) This section shall become inoperative on July 1, 2011, and, as of January 1, 2012, is repealed, unless a later enacted statute, that is enacted before January 1, 2012, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 7. Section 14556.8 of the Government Code is amended to read:

14556.8. (a) (1) To the extent necessary to provide adequate cash to fund projected expenditures under this chapter, the Director of Finance may authorize, by executive order, the transfer of not more than one hundred million dollars ($100,000,000), as an interest free loan, from the Motor Vehicle Account in the State Transportation Fund to the TCRF, and the transfer of any available funds, as an interest free loan, from the General Fund to the TCRF. Loans from the Motor Vehicle Account may be made no sooner than July 1, 2004, and shall be repaid no later than July 1, 2007. The Director of Finance shall not authorize a loan from the Motor Vehicle Account, and shall promptly require the repayment of any outstanding balance owed to that account, if the funds are needed in the account to make expenditures authorized in the annual Budget Act and by any other appropriations made by the Legislature.

(2) To provide cash needed for expenditures on projects listed in Section 14556.40, the Legislature may authorize loans from the Public Transportation Account or the State Highway Account to the TCRF through the annual

Budget Act. The Legislature may also authorize the State Highway Account to expend funds on behalf of projects listed in Section 14556.40 and those expenditures shall constitute a loan to the TCRF. Loans from the Public Transportation Account shall not exceed a cumulative total of two hundred eighty million dollars ($280,000,000), and loans from the State Highway Account shall not exceed a cumulative total of six hundred fifty-four million dollars ($654,000,000).

(b) The Director of Finance shall order the repayment of the loans authorized under this section under those terms and conditions that the director deems appropriate, upon determining that there are adequate funds available for that purpose in the TCRF and that repayment will not jeopardize the availability of money needed to fund approved and projected expenditures under this chapter. All loans from the Public Transportation Account and the State Highway Account shall be repaid at the time the TCRF is repaid pursuant to paragraph (2) of subdivision (c). Upon the request of the commission or the Director of Finance, the department shall provide a report, for purposes of this subdivision, projecting the cash needs of the projects approved under this chapter.

(c) (1) Money in the TCRF derived from the General Fund and not currently needed for expenditures on the projects listed in Section 14556.40 may be loaned to the General Fund through the annual Budget Act.

(2) Upon making a determination that funds in the TCRF are not adequate to support expected cash expenditures for the listed projects, the Director of Finance, by executive order, shall require that funds loaned to the General Fund under paragraph (1) be repaid to the TCRF. All these loans shall be repaid upon the sale of bonds authorized by Article 6.5 (commencing with Section 63048.6) of Chapter 2 of Division 1 of Title 6.7. If the proceeds from those bonds are insufficient to repay the funds loaned to the General Fund under paragraph (1), the remaining amount of those loans shall be repaid from future tribal gaming revenues, additional securitizations against those revenues, or from the General Fund.

(3) Interest at the rate earned by the Surplus Money Investment Fund shall be paid to the TCRF from the General Fund with respect to the cumulative amount loaned from the State Highway Account to the TCRF pursuant to paragraph (2) of subdivision (a) that is in excess of one hundred eighty million dollars ($180,000,000). The amount of this interest obligation shall be calculated annually on the balance of this portion of this outstanding loan amount. All interest on the loan shall be paid in full at the time the TCRF is repaid pursuant to paragraph (2), and the interest payment shall be transferred from the TCRF to the State Highway Account.

(d) Funds loaned to the TCRF under this section shall be used for purposes consistent with any restrictions on uses of those funds imposed under the California Constitution or by statute. The department shall identify specific projects to which those funds may properly be applied and shall propose that application of funds to the commission. The commission shall designate projects to receive those funds through the processes described in Article 3 (commencing with Section 14556.10) and Article 4 (commencing with Section 14556.25). The department shall report periodically to the commission and the Department of Finance on the expenditure of those funds.

(e) As long as loan balances authorized by this section are outstanding, the Director of Transportation shall report to the commission the amounts of loans outstanding with respect to each fund or account as of the last business day of each quarter.

(f) This section shall become inoperative upon full repayment of loans authorized by this section, and shall be repealed on January 1 of the following year.

SEC. 8. Section 14556.85 is added to the Government Code, to read:

14556.85. (a) To the extent necessary to provide adequate cash to fund projected expenditures, the Director of Finance may authorize, by executive order, the transfer of not more than sixty million dollars ($60,000,000), as an interest free loan, from the TCRF to the Public Transportation Account. The loan shall be repaid no later than July 1, 2011. The Director of Finance shall not authorize a loan from the TCRF, and shall promptly require the repayment of any outstanding balance, or portion thereof, owed to that account, to the extent funds are needed in the TCRF to make expenditures authorized in the annual Budget Act or by any other appropriations made by the Legislature.

(b) As long as loan balances authorized by this section are outstanding, the Director of Transportation shall report the amounts of loans outstanding as of the last business day of each quarter to the commission.

(c) This section shall become inoperative on July 1, 2011, and, as of January 1, 2012, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2012, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 9. Section 16965 of the Government Code is amended to read:

16965. (a) The Transportation Debt Service Fund is hereby created in the State Treasury. Moneys in the fund shall, among other things, as provided in this section, be dedicated to payment of debt service on bonds including bonds issued pursuant to the Clean Air and Transportation Improvement Act of 1990 (Part 11.5 (commencing with Section 99600) of Division 10 of the Public Utilities Code), the Passenger Rail and Clean Air Bond Act of 1990 (Chapter 17 (commencing with Section 2700) of Division 3 of the Streets and Highways Code), and the Seismic Retrofit Bond Act of 1996 (Chapter 12.48 (commencing with Section 8879) of Division 1 of Title 2). If the moneys in the fund are insufficient to pay the balance of the debt consistent with existing obligations, the General Fund will be used to pay the balance of any debt service.

(b) (1) From moneys transferred to the fund pursuant to subdivision (b) of Section 7103 of the Revenue and Taxation Code, the Director of Finance is hereby authorized to reimburse the General Fund for up to three hundred thirty-nine million two hundred eighty-nine thousand three hundred forty-five dollars ($339,289,345) for the purpose of offsetting the cost of debt service payments made from the General Fund during the 2007–08 fiscal year for public transportation-related general obligation bond expenditures in the following amounts:

(A) Clean Air and Transportation Improvement Act of 1990, one hundred twenty-three million nine hundred seventy-three thousand four hundred ninety-three dollars ($123,973,493).

(B) Passenger Rail and Clean Air Bond Act of 1990, seventy million nine hundred eighty-three thousand three hundred sixty-three dollars ($70,983,363).

(C) Seismic Retrofit Bond Act of 1996, one hundred forty-four million three hundred thirty-two thousand four hundred eighty-nine dollars ($144,332,489).

(2) From moneys transferred to the fund pursuant to subdivision (b) of Section 7103 of the Revenue and Taxation Code, the Director of Finance is hereby authorized to reimburse the General Fund in the 2007–08 fiscal year for two hundred million dollars ($200,000,000) for the purpose of offsetting the cost of debt service payments made in prior fiscal years from the General Fund for public transportation-related general obligation bond expenditures.

(c) From moneys transferred to the fund pursuant to subdivision (c) of Section 7103 of the Revenue and Taxation Code, the Director of Finance is hereby authorized to reimburse the General Fund any amount necessary to offset the cost of debt service payments made from the General Fund during any fiscal year for transportation-related general obligation bond expenditures.

SEC. 10. Section 99312 of the Public Utilities Code is amended to read:

99312. The funds transferred to the account pursuant to Section 7102 of the Revenue and Taxation Code shall be made available for the following purposes:

(a) To the department, 50 percent for purposes of Section 99315.

(b) To the Controller, 25 percent for allocation to transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board pursuant to Section 99314.

(c) To the Controller, 25 percent for allocation to transportation agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board for purposes of Section 99313.

(d) For the 2007–08 fiscal year, notwithstanding any other provision of this section, or any other provision of law, the allocations made pursuant to this section shall be adjusted as follows:

(1) From the funds transferred to the account pursuant to paragraph (1) of subdivision (a) of Section 7102 of the Revenue and Taxation Code, fifty million dollars ($50,000,000) is hereby appropriated to the Controller and shall be allocated pursuant to subdivision (b); fifty million dollars ($50,000,000) is hereby appropriated to the Controller and shall be allocated pursuant to subdivision (c); and the remainder of revenue shall remain in the Public Transportation Account to fund other state public transportation priorities. The Controller shall make these allocations in four equal quarterly

amounts of twelve and one-half million dollars ($12,500,000), as achievable by the receipt of the specified revenue.

(2) The amount appropriated in Item 2640-101-0046 of the Budget Act of 2006 for state transit assistance pursuant to subdivision (b) and (c) was greater than the amount of revenues received to support state transit assistance pursuant to Section 7102 of the Revenue and Taxation Code. Therefore, notwithstanding any other provision of law, the amount that would have otherwise been available for appropriation to state transit assistance in the 2007–08 fiscal year pursuant to paragraphs (2) and (3) of subdivision (a) of Section 7102 of the Revenue and Taxation Code, shall be reduced by the excess amount that was appropriated to state transit assistance in the Budget Act of 2006, and that excess amount, as determined by the Department of Finance, shall instead remain in the Public Transportation Account to fund other state public transportation priorities. The funding for state transit assistance as described in this paragraph is hereby appropriated to the Controller for allocation. The Controller shall attempt to spread this adjustment equally over four quarterly payments, as achievable by revenue estimates.

(e) For the 2008–09 fiscal year and thereafter, notwithstanding any other provision of this section, or any other provision of law, the funds transferred to the account pursuant to paragraph (1) of subdivision (a) of Section 7102 of the Revenue and Taxation Code shall be made available for the following purposes:

(1) To the department, 33.34 percent for purposes of Section 99315, subject to appropriation by the Legislature.

(2) To the Controller, 33.33 percent for allocation to transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board pursuant to Section 99314. These funds are hereby continuously appropriated for purposes of this paragraph.

(3) To the Controller, 33.33 percent for the allocation to transportation agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board for purposes of Section 99313. These funds are hereby continuously appropriated for purposes of this paragraph.

SEC. 11. 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 Public Transportation Account, a trust fund in the State Transportation Fund, except as modified as follows:

(A) For the 2001–02 fiscal year, those transfers may not be more than eighty-one million dollars ($81,000,000) plus one-half of the amount computed pursuant to this paragraph that exceeds eighty-one million dollars ($81,000,000).

(B) For the 2002–03 fiscal year, those transfers may not be more than thirty-seven million dollars ($37,000,000) plus one-half of the amount computed pursuant to this paragraph that exceeds thirty-seven million dollars ($37,000,000).

(C) For the 2003–04 fiscal year, no transfers shall be made pursuant to this paragraph, except that if the amount to be otherwise transferred pursuant to this paragraph is in excess of eighty-seven million four hundred fifty thousand dollars ($87,450,000), then the amount of that excess shall be transferred.

(D) For the 2004–05 fiscal year, no transfers shall be made pursuant to this paragraph, and of the amount that would otherwise have been transferred, one hundred forty million dollars ($140,000,000) shall instead be transferred to the Traffic Congestion Relief Fund as partial repayment of amounts owed by the General Fund pursuant to Item 2600-011-3007 of the Budget Act of 2002 (Chapter 379 of the Statutes of 2002).

(E) For the 2005–06 fiscal year, no transfers shall be made pursuant to this paragraph.

(F) For the 2006–07 fiscal year, the revenues estimated pursuant to this paragraph shall, notwithstanding any other provision of this paragraph or any other provision of law, be transferred and allocated as follows:

(i) The first two hundred million dollars ($200,000,000) shall be transferred to the Transportation Deferred Investment Fund as partial repayment of the amounts owed by the General Fund to that fund pursuant to Section 7106.

(ii) The next one hundred twenty-five million dollars ($125,000,000) shall be transferred to the Bay Area Toll Account for expenditure pursuant to Section 188.6 of the Streets and Highways Code.

(iii) Of the remaining revenues, thirty-three million dollars ($33,000,000) shall be transferred to the Public Transportation Account to support appropriations from that account in the Budget Act of 2006.

(iv) The remaining revenues shall be transferred to the Public Transportation Account for allocation as follows:

(I) Twenty percent to the Department of Transportation for purposes of Section 99315 of the Public Utilities Code.

(II) Forty percent to the Controller, for allocation pursuant to Section 99314 of the Public Utilities Code.

(III) Forty percent to the Controller, for allocation pursuant to Section 99313 of the Public Utilities Code.

(G) For the 2007–08 fiscal year, the first one hundred fifty-five million four hundred ninety-one thousand eight hundred thirty-seven dollars

($155,491,837) in revenue estimated pursuant to this paragraph each quarter shall, notwithstanding any other provision of this paragraph or any other provision of law, be transferred quarterly to the Mass Transportation Fund. If revenue in any quarter is less than that amount, the transfer in the subsequent quarter or quarters shall be increased so that the total transferred for the fiscal year is six hundred twenty-one million nine hundred sixty-seven thousand three hundred forty-eight dollars ($621,967,348).

(H) For the 2008–09 fiscal year and every fiscal year thereafter, 50 percent of the revenue estimated pursuant to this paragraph each quarter shall, notwithstanding any other provision of this paragraph or any other provision of law, be transferred to the Mass Transportation Fund. Notwithstanding this requirement, for the 2008–09 fiscal year, the amount of two hundred thirty-four million eight hundred fifty-two thousand dollars ($234,852,000) each quarter shall be transferred to the Mass Transportation Fund. If revenue for any quarter is less than that amount, the transfer in the subsequent quarter or quarters shall be increased so that the total transfer for the fiscal year is nine hundred thirty-nine million four hundred eight thousand dollars ($939,408,000).

(2) All revenues, less refunds, derived under this part at the 4 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 Public Transportation Account, a trust fund in the State Transportation Fund.

(3) All revenues, less refunds, derived under this part at the 4 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 Public Transportation Account, a trust fund in the State Transportation Fund.

(4) 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.

(5) 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.

(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 Public Transportation Account as a trust fund pursuant to subdivision (a), the Controller may use the Public Transportation 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.

SEC. 12. Section 7103 of the Revenue and Taxation Code is amended to read:

7103. (a) The Mass Transportation Fund is hereby created in the State Treasury. Upon appropriation by the Legislature, moneys in the Mass Transportation Fund may be used for, but shall not necessarily be limited to, the following transportation purposes:

(1) Payment of debt service on transportation bonds, or reimbursement to the General Fund for past debt service payments on transportation bonds.

(2) Funding of the Department of Developmental Services for regional center transportation.

(3) Reimbursement to the General Fund for payments made by the General Fund pursuant to subdivision (f) of Section 1 of Article XIX B of the California Constitution.

(4) Funding of home-to-school transportation, pursuant to Article 10 (commencing with Section 41850) of Chapter 5 of Part 24 of the Education Code, and Small School District Transportation, pursuant to Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of the Education Code.

(b) From moneys transferred to the fund pursuant to subparagraph (G) of paragraph (1) of subdivision (a) of Section 7102 in the 2007–08 fiscal year, the sum of five hundred thirty-nine million two hundred eighty-nine thousand three hundred forty-eight dollars ($539,289,348) shall be transferred to the Transportation Debt Service Fund, and the sum of eighty-two million six hundred seventy-eight thousand dollars ($82,678,000) may be reimbursed by the Director of Finance in the 2007–08 fiscal year for the purpose of offsetting payments made by the General Fund pursuant to subdivision (f) of Section 1 of Article XIX B of the California Constitution.

(c) From moneys transferred to the fund pursuant to subparagraph (H) of paragraph (1) of subdivision (a) of Section 7102 in the 2008–09 fiscal year, the sum of eighty-two million six hundred seventy-eight thousand dollars ($82,678,000) may be reimbursed by the Director of Finance for the purpose of offsetting payments made by the General Fund pursuant to subdivision (f) of Section 1 of Article XIX B of the California Constitution, and the Director of Finance may transfer any funds remaining in the fund after this reimbursement of the General Fund to the Transportation Debt Service Fund.

SEC. 13. Section 7104 of the Revenue and Taxation Code is amended to read:

7104. (a) The Transportation Investment Fund (hereafter the fund) is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, the money in the fund is continuously appropriated without regard to fiscal years for disbursement in the manner and for the purposes set forth in this section.

(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) Commencing with the 2003–04 fiscal year, 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, 2003, and ending on June 30, 2008, the Controller shall make all of the following transfers and apportionments from the funds identified for transfer under paragraph (2) of subdivision (b) in the following order:

(1) To the Traffic 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), except that the transfer for the final quarter shall be ninety-three million four hundred thousand dollars ($93,400,000), for a total transfer of three billion three hundred thirteen million nine hundred thousand dollars ($3,313,900,000).

(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 made available 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, subject to appropriation by the Legislature.

(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. For the 2007–08 fiscal year, these funds are continuously appropriated to the Controller for purposes of this subparagraph.

(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. For the 2007–08 fiscal year, these funds are continuously appropriated to the Controller for purposes of this subparagraph.

(3) To the Department of Transportation for expenditure 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), except that in the 2006–07 and 2007–08 fiscal years, the transfer shall be 80 percent of the amount remaining after the transfer required under paragraph (1).

(4) To the Controller for apportionment to the counties, including a city and county, 20 percent of the amount remaining after the transfer required under paragraph (1), except that in the 2006–07 and 2007–08 fiscal years, no transfer may be made under this paragraph. Funds transferred under this paragraph shall be allocated 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 the Controller for apportionment to cities, including a city and county, 20 percent of the amount remaining after the transfer required under paragraph (1), except that in the 2006–07 and 2007–08 fiscal years, no transfer may be made under this paragraph. Funds 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 paragraph (4) or (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 paragraph (4) or (5) of subdivision (c) 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, where the costs of those repairs are ineligible for emergency funding with Federal Emergency Relief (ER) funds or Federal Emergency Management Administration (FEMA) funds.

(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 any city incorporated after July 1, 1996, the Controller shall calculate an annual average of expenditure for the period between July 1, 1996, and December 31, 2000, that the city was incorporated.

(4) For purposes of paragraph (2), 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.

(5) The Controller may perform audits to ensure compliance with paragraph (2) when deemed necessary. Any city or county that has not complied with paragraph (2) 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 (2) shall be reallocated to the other counties and cities whose expenditures are in compliance.

(6) If a city or county fails to comply with the requirements of paragraph (2) 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 (2).

(7) 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) (1) For the purpose of allocating funds under paragraph (4) or (5) of subdivision (c) to counties, cities, and a city and county, the Controller shall use the most recent population estimates prepared by the Demographic Research Unit of the Department of Finance. For a city that incorporated after January 1, 1998, that does not appear on the most recent population estimates prepared by the Demographic Research Unit, the Controller shall use the population determined for that city under Section 11005.3 of the Revenue and Taxation Code.

(2) The amendments made to Section 11005.3 by the act adding this paragraph shall not apply to a population determination under paragraph (1).

(i) This section shall become inoperative on the date that all encumbrances incurred for the projects funded under paragraph (3) of subdivision (c) have been liquidated or on June 30, 2008, whichever date is later, and as of the January 1 immediately following that date is repealed.

SEC. 14. Section 7104.2 of the Revenue and Taxation Code is amended to read:

7104.2. (a) The Transportation Investment Fund (hereafter the fund) in the State Treasury is hereby continued in existence. All revenues transferred to the fund pursuant to Article XIX B of the California Constitution beginning with the 2008–09 fiscal year shall be available for expenditure as provided in this section. Notwithstanding Section 13340 of the Government Code or any other provision of law, moneys in the fund are continuously appropriated without regard to fiscal years for disbursement in the manner and for the purposes set forth in this section.

(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) Commencing with the 2008–09 fiscal year, the Controller shall transfer the amount estimated under paragraph (1) from the General Fund to the fund.

(c) For each quarter, commencing with the 2008–09 fiscal year, the Controller shall make all of the following transfers and apportionments from the fund:

(1) To the Public Transportation Account, a trust fund in the State Transportation Fund, 20 percent of the revenues deposited in the fund. Funds transferred under this paragraph shall be made available as follows:

(A) Twenty-five percent to the Department of Transportation for purposes of subdivision (a) and (b) of Section 99315 of the Public Utilities Code, subject to appropriation by the Legislature.

(B) Thirty-seven and one-half percent to the Controller, 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. These funds are continuously appropriated to the Controller for purposes of this subparagraph.

(C) Thirty-seven and one-half percent to the Controller, 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. These funds are continuously appropriated to the Controller for purposes of this subparagraph.

(2) To the Department of Transportation for expenditure for transportation capital improvement projects subject to all of the rules governing the State Transportation Improvement Program, 40 percent of the revenues deposited in the fund.

(3) To the Controller for apportionment pursuant to paragraphs (A) and (B), 40 percent of the revenues deposited in the fund.

(A) Of the amount available under this paragraph, 50 percent shall be apportioned by the Controller to the counties, including a city and county, in accordance with the following formulas:

(i) Seventy-five percent of the funds payable under this subparagraph 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.

(ii) Twenty-five percent of the funds payable under this subparagraph 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.

(B) Of the amount available under this paragraph, 50 percent shall be apportioned by the Controller to cities, including a city and county, 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 subparagraph (A) or (B) of paragraph (3) 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 subparagraph (A) or (B) of paragraph (3) of subdivision (c) 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, where the costs of those repairs are ineligible for emergency funding with Federal Emergency Relief (ER) funds or Federal Emergency Management Administration (FEMA) funds.

(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 subparagraph (A) or (B) of paragraph (3) of subdivision (c).

(2) In order to receive any allocation pursuant to subparagraph (A) or (B) of paragraph (3) 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 any city incorporated after July 1, 1996, the Controller shall calculate an annual average of expenditure for the period between July 1, 1996, and December 31, 2000, that the city was incorporated.

(4) For purposes of paragraph (2), 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.

(5) The Controller may perform audits to ensure compliance with paragraph (2) when deemed necessary. Any city or county that has not complied with paragraph (2) 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 (2) shall be reallocated to the other counties and cities whose expenditures are in compliance.

(6) If a city or county fails to comply with the requirements of paragraph (2) 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 (2).

(7) The allocation made under subparagraph (A) or (B) of paragraph (3) 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 subparagraph (A) or (B) of paragraph (3) of subdivision (c).

(g) For the purpose of allocating funds under subparagraph (A) or (B) of paragraph (3) of subdivision (c) to counties, cities, and a city and county, the Controller shall use the most recent population estimates prepared by the Demographic Research Unit of the Department of Finance. For a city that incorporated after January 1, 2008, that does not appear on the most recent population estimates prepared by the Demographic Research Unit, the Controller shall use the population determined for that city under Section 11005.3.

SEC. 15. Article 3.7 (commencing with Section 157) is added to Chapter 1 of Division 1 of the Streets and Highways Code, to read:

Article 3.7. Clean Renewable Energy Bonds for the Department of Transportation

157. It is the intent of the Legislature that the authority granted to the Department of Transportation under this act is restricted to the specific program for which funds are appropriated in Item 2660-306-0942 of the Budget Act of 2008, and that the amount of State Highway Account funds committed to this program shall be limited to the amount appropriated in Item 2660-306-0942 of the Budget Act of 2008.

157.1. The department, through the Treasurer and the California Alternative Energy and Advanced Transportation Financing Authority, may issue Clean Renewable Energy Bonds for purposes of financing the acquisition and installation of solar energy systems, and related appurtenances thereto, at department facilities. For purposes of this article, Clean Renewable Energy Bonds are bonds issued subject to the conditions and terms of Section 1303 of the federal Energy Tax Incentives Act of 2005 (P.L. 109-58; I.R.C. Sec. 54).

157.2. The net proceeds of bonds issued under this article shall be deposited in the Clean Renewable Energy Bonds Subaccount, which is hereby established as a special trust fund in the Special Deposit Fund created pursuant to Section 16370 of the Government Code.

157.4. (a) In conjunction with the issuance of bonds pursuant to Section 157.1, the department may, until January 1, 2014, enter into lease-purchase agreements, lease agreements, or similar agreements with the California Alternative Energy and Advanced Transportation Financing Authority to secure financial assistance for the acquisition and installation of solar energy systems, and to arrange for the payment of debt service on the Clean Renewable Energy Bonds.

(b) The department may pledge the solar energy system property, or any interest therein, that is acquired or installed pursuant to this article as security for any payment in connection with the acquisition, leasing, or financing of that property or interest, subject to the purposes described in subdivision (a).

157.6. The solar energy systems funded pursuant to this article may utilize, and shall comply with, either the net energy metering program allowable under Section 2827 of the Public Utilities Code or the feed-in-tariff program allowable under Section 399.20 of the Public Utilities Code.

157.8. On or before March 1 of each fiscal year, and until maturity of the bonds issued pursuant to this article, the department shall report to the budget committees of each house of the Legislature with regard to the issuance of bonds and the acquisition and installation of solar energy systems under this article. The report shall include, but not be limited to, the status of each facility on which the department has installed solar energy systems; an accounting of the costs for each solar energy system installed or acquired by the department; a description of the energy savings the department has achieved by acquiring or installing a solar energy system or systems; and a review and analysis of the expected cost savings at the time of issuance of the bonds versus actual savings annually.

SEC. 16. 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 that 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 ½ percent of the total apportioned to all counties in the state, it may exchange that portion of its apportionment in excess of 3 ½ 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 from the State Highway Account 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, except that those repayments are not required to be made more frequently than on a quarterly basis.

(n) Prior to determining the amount for local subvention required by this section, the department shall first deduct the amount authorized by the Legislature for increased department oversight of the federal subvented program.

SEC. 17. 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 149 of Title 23 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. Notwithstanding the foregoing, the formula for distributing apportionments made to metropolitan planning organizations and transportation planning agencies eligible for funding according to subsection (b)(2) of Section 104 of Title 23 of the United States Code shall, for the 2007 and 2008 federal fiscal years, provide apportionments for the Monterey Bay and Santa Barbara regions such that each shall receive 50 percent of its 2005 apportionment in federal fiscal year 2007 and 25 percent of its 2005 apportionment in federal fiscal year 2008.

(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).

(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), 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 from the State Highway Account 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, except that those repayments are not required to be made more frequently than on a quarterly basis.

(k) Prior to determining the amount for local subvention required by this section, the department shall first deduct the amount authorized by the Legislature for increased department oversight of the federal subvented program.

SEC. 18. Section 1678 of the Vehicle Code is amended to read:

1678. (a) Between January 1, 2004, and December 31, 2004, inclusive, the fee amounts set forth in Section 488.385 of the Code of Civil Procedure, Section 10902 of the Revenue and Taxation Code, and Sections 4604, 5014, 5036, 6700.25, 9102.5, 9250.8, 9250.13, 9252, 9254, 9258, 9261, 9265, 9702, 11515, 11515.2, 12814.5, 14900, 14900.1, 14901, 14902, 38121, 38225.4, 38225.5, 38232, 38255, 38260, and 38265 shall be the base fee amounts charged by the department.

(b) On January 1, 2005, and every January 1 thereafter, the department shall adjust the fees imposed under the sections listed in subdivision (a) by increasing each fee in an amount equal to the increase in the California Consumer Price Index for the prior year, as calculated by the Department of Finance, with amounts equal to or greater than fifty cents ($0.50) rounded to the next highest whole dollar.

(c) Any increases to the fees imposed under the sections listed in subdivision (a) that are enacted by legislation subsequent to January 1, 2005, shall be deemed to be changes to the base fee for purposes of the calculation performed pursuant to subdivision (b).

SEC. 19. Section 9250.13 of the Vehicle Code is amended to read:

9250.13. (a) (1) In addition to any other fees specified in this code and the Revenue and Taxation Code, a fee of eighteen dollars ($18) shall be paid at the time of registration or renewal of registration of every vehicle, except vehicles described in subdivision (a) of Section 5014.1, subject to registration under this code, except those vehicles that are expressly exempted under this code from the payment of registration fees.

(2) In addition to the fee required under paragraph (1), upon the implementation of the permanent trailer identification plate program, and as part of the Commercial Vehicle Registration Act of 2001 (Chapter 861 of the Statutes of 2000), all commercial motor vehicles subject to Section 9400.1 shall pay a fee of six dollars ($6).

(b) The money realized pursuant to this section shall be available, upon appropriation by the Legislature, for expenditure to offset the costs of increasing the uniformed field strength of the Department of the California Highway Patrol beyond its 1994 staffing level and those costs associated with maintaining this new level of uniformed field strength and carrying out those duties specified in subdivision (a) of Section 830.2 of the Penal Code.

SEC. 20. Section 9553.5 of the Vehicle Code is amended to read:

9553.5. (a) Whenever fees have not been paid in full for an application for registration of vehicles registered pursuant to Article 4 (commencing with Section 8050) of Chapter 4, the registrant shall have 20 days from the date of notice by the department to pay the balance of the fees due.

(b) Failure to pay the balance of the fees due within 20 days shall subject the application to penalties, as defined in Sections 9554 and 9554.5, on the unpaid portion of the California fees due.

SEC. 21. Section 9553.7 is added to the Vehicle Code, to read:

9553.7. The penalty for delinquency with respect to any transfer is fifteen dollars ($15) and applies only to the last transfer.

SEC. 22. Section 9554 of the Vehicle Code is amended to read:

9554. (a) (1) The penalty shall be computed as provided in Sections 9406 and 9559 and shall be collected with the fee, except that the penalty for delinquency with respect to any transfer is fifteen dollars ($15) and applies only to the last transfer.

(2) A penalty shall be added on any application for renewal of registration made later than midnight of the date of expiration or on or after the date penalties become due. The penalty shall be computed after the registration and weight fees have been combined with the license fee specified in Section 10751 of the Revenue and Taxation Code, as follows:

(A) For a delinquency period of 10 days or less, the penalty is 10 percent of the fee.

(B) For a delinquency period of more than 10 days to and including 30 days, the penalty is 20 percent of the fee.

(C) For a delinquency period of more than 30 days to and including one year, the penalty is 60 percent of the fee.

(D) For a delinquency period of more than one year to and including two years, the penalty is 80 percent of the fee.

(E) For a delinquency period of more than two years, the penalty is 160 percent of the fee.

(3) This subdivision applies to the renewal of registration for vehicles with expiration dates on or before December 31, 2002.

(b) Penalties specified in paragraphs (1), (2), and (3) of this subdivision shall be computed as provided in Section 9559 and shall be collected with the fee, except that the penalty for delinquency with respect to any transfer is fifteen dollars ($15) and applies only to the last transfer. A penalty shall be added on any application for a renewal of registration made later than midnight of the date of expiration or on or after the date penalties become due.

(1) (A) For a delinquency period of 10 days or less, the penalty is ten dollars ($10).

(B) For a delinquency period of more than 10 days, to and including 30 days, the penalty is fifteen dollars ($15).

(C) For a delinquency period of more than 30 days, to and including one year, the penalty is thirty dollars ($30).

(D) For a delinquency period of more than one year, to and including two years, the penalty is fifty dollars ($50).

(E) For a delinquency period of more than two years, the penalty is one hundred dollars ($100).

(2) The penalty on the weight fee and the vehicle license fee shall be computed after the weight fee as provided in Section 9400 or 9400.1 plus the vehicle license fee specified in Section 10751 of the Revenue and Taxation Code have been added together as follows:

(A) For a delinquency period of 10 days or less, the penalty is 10 percent of the fee.

(B) For a delinquency period exceeding 10 days, to and including 30 days, the penalty is 20 percent of the fee.

(C) For a delinquency period of more than 30 days, to and including one year, the penalty is 60 percent of the fee.

(D) For a delinquency period of more than one year, to and including two years, the penalty is 80 percent of the fee.

(E) For a delinquency period of more than two years, the penalty is 160 percent of the fee.

(3) Weight fees not reported and not paid within 20 days, as required by Section 9406, shall be assessed a penalty on the difference in the weight fee, as follows:

(A) For a delinquency period of 10 days or less, the penalty is 10 percent of the fee.

(B) For a delinquency period exceeding 10 days, to and including 30 days, the penalty is 20 percent of the fee.

(C) For a delinquency period of more than 30 days, to and including one year, the penalty is 60 percent of the fee.

(D) For a delinquency period of more than one year, to and including two years, the penalty is 80 percent of the fee.

(E) For a delinquency period of more than two years, the penalty is 160 percent of the fee.

(4) This subdivision applies to the renewal of registration for vehicles with expiration dates on or after January 1, 2003, but before December 1, 2008.

(c) This section shall remain in effect only until January 1, 2009, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2009, deletes or extends that date.

SEC. 23. Section 9554 is added to the Vehicle Code, to read:

9554. (a) A penalty shall be added on any application for renewal of registration made later than midnight of the date of expiration or on or after the date penalties become due. Penalties shall be computed as provided in Section 9559 and shall be collected with the fee.

(b) The penalty assessment for the delinquent payment of the registration fee specified in Section 9250 shall be as follows:

(1) Ten dollars ($10) for a delinquency period of 10 days or less.

(2) Fifteen dollars ($15) for a delinquency period of more than 10 days, to and including 30 days.

(3) Thirty dollars ($30) for a delinquency period of more than 30 days, to and including one year.

(4) Fifty dollars ($50) for a delinquency period of more than one year, to and including two years.

(5) One hundred dollars ($100) for a delinquency period of more than two years.

(c) The penalty assessment for the delinquent payment of the weight fee specified in Section 9400 or 9400.1 and the vehicle license fee as specified in Section 10751 of the Revenue and Taxation Code shall be as follows:

(1) Ten percent of the vehicle license fee, or the combined amount of the vehicle license fee and the weight fee if the vehicle is subject to both fees, for a delinquency period of 10 days or less.

(2) Twenty percent of the vehicle license fee, or the combined amount of the vehicle license fee and the weight fee if the vehicle is subject to both fees, for a delinquency period of more than 10 days, to and including 30 days.

(3) Sixty percent of the vehicle license fee, or the combined amount of the vehicle license fee and the weight fee if the vehicle is subject to both fees, for a delinquency period of more than 30 days, to and including one year.

(4) Eighty percent of the vehicle license fee, or the combined amount of the vehicle license fee and the weight fee if the vehicle is subject to both fees, for a delinquency period of more than one year, to and including two years.

(5) One hundred sixty percent of the vehicle license fee, or the combined amount of the vehicle license fee and the weight fee if the vehicle is subject to both fees, for a delinquency period of more than two years.

(d) On or after January 1, 2003, a penalty assessment for weight fees not reported and not paid within 20 days as required by Section 9406 shall be applied to the difference in the weight fee as follows:

(1) Ten percent of the fee for a delinquency period of 10 days or less.

(2) Twenty percent of the fee for a delinquency period more than 10 days, to and including 30 days.

(3) Sixty percent of the fee for a delinquency period more than 30 days, to and including one year.

(4) Eighty percent of the fee for a delinquency period more than one year, to and including two years.

(5) One hundred sixty percent for a delinquency period more than two years.

(e) A single penalty assessment for the delinquent payment of the fees specified in Sections 9250.8 and 9250.13 shall be as follows:

(1) Ten dollars ($10) for a delinquency period of 10 days or less.

(2) Fifteen dollars ($15) for a delinquency period of more than 10 days, to and including 30 days.

(3) Thirty dollars ($30) for a delinquency period of more than 30 days, to and including one year.

(4) Fifty dollars ($50) for a delinquency period of more than one year, to and including two years.

(5) One hundred dollars ($100) for a delinquency period of more than two years.

(6) This subdivision applies to the renewal of registration for vehicles with expiration dates on or after December 1, 2008.

(f) This section shall become operative January 1, 2009.

SEC. 24. Section 9554.5 of the Vehicle Code is amended to read:

9554.5. (a) A penalty shall be added on any application for original registration made later than midnight of the date of expiration or on or after the date penalties become due. The penalty shall be computed after the registration and weight fees have been combined with the license fee specified in Section 10751 of the Revenue and Taxation Code, as follows:

(1) For a delinquency period of one year or less, the penalty is 40 percent of the fee.

(2) For a delinquency period of more than one year to and including two years, the penalty is 80 percent of the fee.

(3) For a delinquency period of more than two years, the penalty is 160 percent of the fee.

(4) This subdivision applies to applications for an original registration where the date for which fees are due is on or before December 31, 2002.

(b) The penalties specified in paragraphs (1) and (2) shall be added to any delinquent application for original registration made on or after the date penalties become due.

(1) The penalty for the registration fee provided in Section 9250 is as follows:

(A) For a delinquency period of one year or less, the penalty is thirty dollars ($30).

(B) For a delinquency period of more than one year, to and including two years, the penalty is fifty dollars ($50).

(C) For a delinquency period of more than two years, the penalty is one hundred dollars ($100).

(2) The penalty on the weight fee and vehicle license fee shall be computed after the weight fee as provided in Section 9400 or 9400.1 plus the vehicle license fee specified in Section 10751 of the Revenue and Taxation Code have been added together, as follows:

(A) For a delinquency period of one year or less, the penalty is 40 percent of the fee.

(B) For a delinquency period of more than one year, to and including two years, the penalty is 80 percent of the fee.

(C) For a delinquency period of more than two years, the penalty is 160 percent of the fee.

(3) This subdivision shall apply to original registrations where the date the fee is due is on or after January 1, 2003, but before December 1, 2008.

(c) This section shall remain in effect only until January 1, 2009, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2009, deletes or extends that date.

SEC. 25. Section 9554.5 is added to the Vehicle Code, to read:

9554.5. (a) On and after January 1, 2003, a penalty shall be added on any application for original registration made later than midnight of the date of expiration or on or after the date penalties become due. Penalties shall be computed as provided in Section 9559 and shall be collected with the fee.

(b) The penalty assessment for the delinquent payment of the registration fee specified in Section 9250 shall be as follows:

(1) Thirty dollars ($30) for a delinquency period of one year or less.

(2) Fifty dollars ($50) for a delinquency period of more than one year, to and including two years.

(3) One hundred dollars ($100) for a delinquency period of more than two years.

(c) The penalty assessment for the delinquent payment of the weight fee specified in Section 9400 or 9400.1 and the vehicle license fee as specified in Section 10751 of the Revenue and Taxation Code shall be as follows:

(1) Forty percent of the vehicle license fee, or the combined amount of the vehicle license fee and the weight fee if the vehicle is subject to both fees, for a delinquency period of one year or less.

(2) Eighty percent of the vehicle license fee, or the combined amount of the vehicle license fee and the weight fee if the vehicle is subject to both fees, for a delinquency period of more than one year, to and including two years.

(3) One hundred sixty percent of the vehicle license fee, or the combined amount of the vehicle license fee and the weight fee if the vehicle is subject to both fees, for a delinquency period of more than two years.

(d) A single penalty assessment for the delinquent payment of the fees specified in Sections 9250.8 and 9250.13 shall be as follows:

(1) Thirty dollars ($30) for a delinquency period of one year or less.

(2) Fifty dollars ($50) for a delinquency period of more than one year, to and including two years.

(3) One hundred dollars ($100) for a delinquency period of more than two years.

(4) This subdivision shall apply to applications for an original registration where the date the fee is due is on or after December 1, 2008.

(e) This section shall become operative January 1, 2009.

SEC. 26. 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:

In order to make statutory changes relative to provisions governing transportation funds to implement the Budget Act of 2008, it is necessary that this act take effect immediately.

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