

AMENDED IN SENATE DECEMBER 18, 2008

CALIFORNIA LEGISLATURE—2009—10 FIRST EXTRAORDINARY SESSION

ASSEMBLY BILL

No. 6

Introduced by Assembly Member Evans

December 8, 2008

~~An act relating to the Budget Act of 2008.~~ *An act to amend Section 16965 of, and to add Section 63048.66 to, the Government Code, and to add Section 42278 to the Vehicle Code, relating to state finances.*

LEGISLATIVE COUNSEL'S DIGEST

AB 6, as amended, Evans. ~~Budget Act of 2008.~~ *State finances.*

(1) *Existing law creates 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 and to reimburse the General Fund for past debt service payments on transportation bonds.*

This bill would revise the provisions governing the Transportation Debt Service Fund to authorize the Director of Finance with moneys transferred to that fund pursuant to an annual Budget Act or other statute from the State Highway Account in the State Transportation Fund, to reimburse the General Fund any amount necessary to offset the cost of debt service made in any fiscal year for transportation-related general obligation bond expenditures.

(2) *Existing federal law, the Indian Gaming Regulatory Act of 1988, provides for the negotiation and execution of tribal-state gaming compacts for the purpose of authorizing certain types of gaming on Indian lands within a state. The California Constitution authorizes the Governor to negotiate and conclude compacts, subject to ratification by the Legislature. Existing law ratifies a number of tribal-state gaming*

compacts between the State of California and specified Indian tribes. Existing law authorizes the Infrastructure and Economic Development Bank, upon a filing by the Director of Finance with the bank of a list of specified amended tribal compacts and compact assets, to sell for, and on behalf of, the state all or any portion of those compact assets to a special purpose trust. Existing law authorizes the special purpose trust to issue bonds secured by those compact assets.

This bill would provide that the portion of the above compact assets that are timely deposited or are due for deposit in a specified fund between July 1, 2008, and June 30, 2013, shall not be available for the purpose described above. The bill would require the Director of Finance to determine the portion of those compact assets attributable to each fiscal year. The bill would allow the Director of Finance to direct the Controller, by separate order applicable to the assets for each fiscal year, to transfer the compact assets attributable to that fiscal year to the General Fund.

(3) Article XIX of the California Constitution requires, among other things, that revenues from fees and taxes imposed by the state upon vehicles or their use or operation, over and above the costs of collection and any refunds authorized by law, be used for the state administration and enforcement of laws regulating the use, operation, or registration of vehicles used upon the public streets and highways of this state, including the enforcement of traffic and vehicle laws by state agencies and the mitigation of the environmental effects of motor vehicle operation due to air and sound emissions.

Under existing statutory law, all funds received by the Department of Motor Vehicles are required to be deposited in the Motor Vehicle Account in the State Transportation Fund. After payments for refunds, administration, and enforcement, appropriations for the support of the Department of Motor Vehicles, the Department of the California Highway Patrol, and other agencies are made from the account. Funds not needed to meet those appropriations are transferred to the State Highway Account in the State Transportation Fund.

This bill would, notwithstanding any other provision of law, authorize the Legislature, upon appropriation, to transfer funds in the Motor Vehicle Account that are not subject to Article XIX of the California Constitution for any transportation purpose authorized by statute and would require, not later than June 30, 2009, upon the order of the Director of Finance, that the Controller transfer \$85,000,000 from the

Motor Vehicle Account in the State Transportation Fund to the General Fund.

The bill would also require the Director of Finance, commencing with the 2009–10 fiscal year, to estimate the amount of revenues from funds not subject to Article XIX of the California Constitution and to order the Controller to transfer that amount from the Motor Vehicle Account in the State Transportation Fund to the General Fund.

(4) This act is contingent upon the enactment of either AB 2 or SB 2 and either AB 9 or SB 9 of the 2009–10 First Extraordinary Session.

(5) The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. The Governor issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on December 1, 2008.

This bill would state that it addresses the fiscal emergency declared by the Governor by proclamation issued on December 1, 2008, pursuant to the California Constitution.

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2008.~~

~~The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. The Governor issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on December 1, 2008.~~

~~This bill would state that it addresses the fiscal emergency declared by the Governor by proclamation issued on December 1, 2008, pursuant to the California Constitution.~~

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

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

1 *SECTION 1. Section 16965 of the Government Code is*
2 *amended to read:*

3 16965. (a) The Transportation Debt Service Fund is hereby
4 created in the State Treasury. Moneys in the fund shall, among
5 other things, as provided in this section, be dedicated to payment
6 of debt service on bonds including bonds issued pursuant to the
7 Clean Air and Transportation Improvement Act of 1990 (Part 11.5
8 (commencing with Section 99600) of Division 10 of the Public

1 Utilities Code), the Passenger Rail and Clean Air Bond Act of
2 1990 (Chapter 17 (commencing with Section ~~2700~~ 2701) of
3 Division 3 of the Streets and Highways Code), and the Seismic
4 Retrofit Bond Act of 1996 (Chapter 12.48 (commencing with
5 Section 8879) of Division 1 of Title 2). If the moneys in the fund
6 are insufficient to pay the balance of the debt consistent with
7 existing obligations, the General Fund will be used to pay the
8 balance of any debt service.

9 (b) (1) From moneys transferred to the fund pursuant to
10 subdivision (b) of Section 7103 of the Revenue and Taxation Code,
11 the Director of Finance is hereby authorized to reimburse the
12 General Fund for up to three hundred thirty-nine million two
13 hundred eighty-nine thousand three hundred forty-five dollars
14 (\$339,289,345) for the purpose of offsetting the cost of debt service
15 payments made from the General Fund during the 2007–08 fiscal
16 year for public transportation-related general obligation bond
17 expenditures in the following amounts:

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

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

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

27 (2) From moneys transferred to the fund pursuant to subdivision
28 (b) of Section 7103 of the Revenue and Taxation Code, the Director
29 of Finance is hereby authorized to reimburse the General Fund in
30 the 2007–08 fiscal year for two hundred million dollars
31 (\$200,000,000) for the purpose of offsetting the cost of debt service
32 payments made in prior fiscal years from the General Fund for
33 public transportation-related general obligation bond expenditures.

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

1 (d) From moneys transferred to the fund pursuant to an annual
2 Budget Act or other statute from the State Highway Account in the
3 State Transportation Fund, the Director of Finance is hereby
4 authorized to reimburse the General Fund any amount necessary
5 to offset the cost of debt service payments made from the General
6 Fund during any fiscal year for transportation-related general
7 obligation bond expenditures.

8 SEC. 2. Section 63048.66 is added to the Government Code,
9 to read:

10 63048.66. (a) Notwithstanding Section 63048.65 or any other
11 provision of this article, compact assets that are subject to
12 designation by the Director of Finance for sale pursuant to
13 subdivision (a) of Section 63048.65 and that are timely deposited
14 or are due for deposit in the Special Deposit Fund on or after July
15 1, 2008, and on or before June 30, 2013, shall not be available
16 for the purpose of Section 63048.65.

17 (b) The Director of Finance shall determine the portion of the
18 compact assets described in subdivision (a) that are attributable
19 to payments made for each fiscal year. The Director of Finance
20 may direct the Controller, by separate order applicable to the
21 assets for each fiscal year, to transfer the compact assets
22 attributable to that fiscal year from the Special Deposit Fund to
23 the General Fund.

24 (c) Upon order of the Director of Finance, the Controller shall
25 transfer the compact assets as provided in subdivision (b).

26 SEC. 3. Section 42278 is added to the Vehicle Code, to read:

27 42278. (a) Notwithstanding other provisions of this chapter
28 or any other provision of law, money deposited into the account
29 that is not subject to Article XIX of the California Constitution,
30 including, but not limited to, money that is derived from the sale
31 of documents, charges for miscellaneous services to the public,
32 escheat of unclaimed checks, miscellaneous revenue, traffic
33 violations, and civil and criminal violations, may be used for any
34 transportation purpose authorized by statute, upon appropriation
35 by the Legislature, or, after transfer to another fund, upon
36 appropriation by the Legislature from that fund.

37 (b) Not later than June 30, 2009, upon the order of the Director
38 of Finance, the Controller shall transfer eighty-five million dollars
39 (\$85,000,000) from the Motor Vehicle Account in the State
40 Transportation Fund to the General Fund.

1 (c) Commencing with the 2009–10 fiscal year, the Director of
 2 Finance shall estimate the amount of revenues for that fiscal year
 3 specified in subdivision (a) as revenues not subject to Article XIX
 4 of the California Constitution. Upon the order of the Director of
 5 Finance, the Controller shall transfer this amount from the Motor
 6 Vehicle Account in the State Transportation Fund to the General
 7 Fund.

8 SEC. 4. This act shall go into effect only if either of the bills
 9 listed in subdivision (a) and either of the bills listed in subdivision
 10 (b) of the 2009–10 First Extraordinary Session are chaptered:

- 11 (a) Assembly Bill 2 or Senate Bill 2.
- 12 (b) Assembly Bill 9 or Senate Bill 9.

13 SEC. 5. This act addresses the fiscal emergency declared by
 14 the Governor by proclamation on December 1, 2008, pursuant to
 15 subdivision (f) of Section 10 of Article IV of the California
 16 Constitution.

17 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~
 18 ~~changes relating to the Budget Act of 2008.~~

19 ~~SEC. 2. This act addresses the fiscal emergency declared by~~
 20 ~~the Governor by proclamation on December 1, 2008, pursuant to~~
 21 ~~subdivision (f) of Section 10 of Article IV of the California~~
 22 ~~Constitution.~~

O