

Assembly Bill No. 6

Passed the Assembly December 18, 2008

Chief Clerk of the Assembly

Passed the Senate December 18, 2008

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2008, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

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, Evans. 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.

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

SECTION 1. 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 2701) 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.

(d) From moneys transferred to the fund pursuant to an annual Budget Act or other statute from the State Highway Account in the State Transportation Fund, 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. 2. Section 63048.66 is added to the Government Code, to read:

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

(b) The Director of Finance shall determine the portion of the compact assets described in subdivision (a) that are attributable to

payments made for each fiscal year. The Director of Finance may direct the Controller, by separate order applicable to the assets for each fiscal year, to transfer the compact assets attributable to that fiscal year from the Special Deposit Fund to the General Fund.

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

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

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

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

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

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

(a) Assembly Bill 2 or Senate Bill 2.

(b) Assembly Bill 9 or Senate Bill 9.

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

Approved _____, 2008

Governor