

Senate Constitutional Amendment

No. 1

Introduced by Senator Wyland

December 9, 2008

Senate Constitutional Amendment No. 1—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Section 1 of Article XIX B thereof, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SCA 1, as introduced, Wyland. Transportation Investment Fund.

Article XIX B of the California Constitution requires, commencing with the 2003–04 fiscal year, that sales taxes on motor vehicle fuel that are deposited into the General Fund be transferred to the Transportation Investment Fund (TIF) for allocation to various transportation purposes. Article XIX B authorizes this transfer to be suspended in whole or in part for a fiscal year during a fiscal emergency pursuant to a proclamation by the Governor and the enactment of a statute by a $\frac{2}{3}$ vote in each house of the Legislature, subject to various restrictions.

This measure would delete the provisions authorizing the transfer of revenues to the TIF to be suspended during a fiscal emergency. The measure would also prohibit a loan of TIF revenues under any circumstances, and would prohibit any statute that would reduce the extent to which these tax revenues are deposited into the General Fund for transfer to the TIF for transportation purposes.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

1 *Resolved by the Senate, the Assembly concurring,* That the
2 Legislature of the State of California at its 2009–10 First
3 Extraordinary Session commencing on the first day of December
4 2008, two-thirds of the membership of each house concurring,
5 hereby proposes to the people of the State of California, that the
6 Constitution of the State be amended as follows:

7 That Section 1 of Article XIX B thereof is amended to read:

8 SECTION 1. (a) For the 2003–04 fiscal year and each fiscal
9 year thereafter, all moneys that are collected during the fiscal year
10 from taxes under the Sales and Use Tax Law (Part 1 (commencing
11 with Section 6001) of Division 2 of the Revenue and Taxation
12 Code), or any successor to that law, upon the sale, storage, use, or
13 other consumption in this State of motor vehicle fuel, and that are
14 deposited in the General Fund of the State pursuant to that law,
15 shall be transferred to the Transportation Investment Fund, which
16 is hereby created in the State Treasury.

17 (b) (1) For the 2003–04 to 2007–08 fiscal years, inclusive,
18 moneys in the Transportation Investment Fund shall be allocated,
19 upon appropriation by the Legislature, in accordance with Section
20 7104 of the Revenue and Taxation Code as that section read on
21 March 6, 2002.

22 (2) For the 2008–09 fiscal year and each fiscal year thereafter,
23 moneys in the Transportation Investment Fund shall be allocated
24 solely for the following purposes:

25 (A) Public transit and mass transportation.

26 (B) Transportation capital improvement projects, subject to the
27 laws governing the State Transportation Improvement Program,
28 or any successor to that program.

29 (C) Street and highway maintenance, rehabilitation,
30 reconstruction, or storm damage repair conducted by cities,
31 including a city and county.

32 (D) Street and highway maintenance, rehabilitation,
33 reconstruction, or storm damage repair conducted by counties,
34 including a city and county.

35 ~~(e)~~

36 (3) For the 2008–09 fiscal year and each fiscal year thereafter,
37 moneys in the Transportation Investment Fund shall be allocated,
38 upon appropriation by the Legislature, as follows:

39 (A) Twenty percent of the moneys for the purposes set forth in
40 subparagraph (A) of paragraph (2) ~~of subdivision (b).~~

1 (B) Forty percent of the moneys for the purposes set forth in
2 subparagraph (B) of paragraph (2) of subdivision (b).

3 (C) Twenty percent of the moneys for the purposes set forth in
4 subparagraph (C) of paragraph (2) of subdivision (b).

5 (D) Twenty percent of the moneys for the purposes set forth in
6 subparagraph (D) of paragraph (2) of subdivision (b).

7 ~~(d) (1) Except as otherwise provided by paragraph (2), the~~
8 ~~transfer of revenues from the General Fund of the State to the~~
9 ~~Transportation Investment Fund pursuant to subdivision (a) may~~
10 ~~be suspended, in whole or in part, for a fiscal year if all of the~~
11 ~~following conditions are met:~~

12 ~~(A) The Governor issues a proclamation that declares that, due~~
13 ~~to a severe state fiscal hardship, the suspension of the transfer of~~
14 ~~revenues required by subdivision (a) is necessary.~~

15 ~~(B) The Legislature enacts by statute, pursuant to a bill passed~~
16 ~~in each house of the Legislature by rolleall vote entered in the~~
17 ~~journal, two-thirds of the membership concurring, a suspension~~
18 ~~for that fiscal year of the transfer of revenues required by~~
19 ~~subdivision (a) and the bill does not contain any other unrelated~~
20 ~~provision.~~

21 ~~(C) No later than the effective date of the statute described in~~
22 ~~subparagraph (B), a separate statute is enacted that provides for~~
23 ~~the full repayment to the Transportation Investment Fund of the~~
24 ~~total amount of revenue that was not transferred to that fund as a~~
25 ~~result of the suspension, including interest as provided by law.~~
26 ~~This full repayment shall be made not later than the end of the~~
27 ~~third fiscal year immediately following the fiscal year to which~~
28 ~~the suspension applies.~~

29 ~~(2) (A)~~

30 ~~(c) The transfer required by subdivision (a) shall not be~~
31 ~~suspended for more than two fiscal years during any period of 10~~
32 ~~consecutive *during any* fiscal years, which period begins with the~~
33 ~~first fiscal year commencing on or after July 1, 2007, for which~~
34 ~~the transfer required by subdivision (a) is suspended. *year. No*~~
35 ~~*loans of revenues transferred to the Transportation Investment*~~
36 ~~*Fund pursuant to this section, or of revenues subsequently*~~
37 ~~*transferred from the Transportation Investment Fund to other*~~
38 ~~*funds or accounts pursuant to this article, shall be made under*~~
39 ~~*any circumstances. No statute shall be valid that would reduce the*~~
40 ~~*extent to which, pursuant to the statutory authority in effect on*~~

1 January 1, 2009, tax revenues as described in subdivision (a) are
2 deposited in the General Fund of the State.

3 ~~(B) The transfer required by subdivision (a) shall not be~~
4 ~~suspended during any fiscal year if a full repayment required by~~
5 ~~a statute enacted in accordance with subparagraph (C) of paragraph~~
6 ~~(1) has not yet been completed.~~

7 ~~(e)~~

8 (d) The Legislature may enact a statute that modifies the
9 percentage shares set forth in *paragraph (3) of subdivision (e) (b)*
10 by a bill passed in each house of the Legislature by rollcall vote
11 entered in the journal, two-thirds of the membership concurring,
12 provided that the bill does not contain any other unrelated provision
13 and that the moneys described in subdivision (a) are expended
14 solely for the purposes set forth in paragraph (2) of subdivision
15 (b).

16 ~~(f)~~

17 (e) (1) An amount equivalent to the total amount of revenues
18 that were not transferred from the General Fund of the State to the
19 Transportation Investment Fund, as of July 1, 2007, because of a
20 suspension of transfer of revenues pursuant to this section as it
21 read on January 1, 2006, but excluding the amount to be paid to
22 the Transportation Deferred Investment Fund pursuant to Section
23 63048.65 of the Government Code, shall be transferred from the
24 General Fund to the Transportation Investment Fund no later than
25 June 30, 2016. Until this total amount has been transferred, the
26 amount of transfer payments to be made in each fiscal year shall
27 not be less than one-tenth of the total amount required to be
28 transferred by June 30, 2016. The transferred revenues shall be
29 allocated solely for the purposes set forth in this section as if they
30 had been received in the absence of a suspension of transfer of
31 revenues.

32 (2) The Legislature may provide by statute for the issuance of
33 bonds by the state or local agencies, as applicable, that are secured
34 by the minimum transfer payments required by paragraph (1).
35 Proceeds from the sale of those bonds shall be allocated solely for
36 the purposes set forth in this section as if they were revenues
37 subject to allocation pursuant to paragraph (2) of subdivision (b).

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