

AMENDED IN ASSEMBLY JUNE 13, 2012

SENATE BILL

No. 1005

Introduced by Committee on Budget and Fiscal Review

February 6, 2012

An act to amend Section 10140 of the Public Contract Code, to amend Sections 8352.3, 8352.4, 8352.5, and 8352.6 of the Revenue and Taxation Code, to amend Section 2103 of the Streets and Highways Code, and to amend Section 9400.4 of, and to add Section 42272 to, the Vehicle Code, relating to the Budget Act of 2012 transportation, and making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

SB 1005, as amended, Committee on Budget and Fiscal Review. ~~Budget Act of 2012-Transportation.~~

(1) Existing law imposes an excise tax on motor vehicle fuel (gasoline). Existing law, as a result of the elimination of the sales tax on gasoline effective July 1, 2010, provides for a commensurate increase in the excise tax on gasoline. Article XIX of the California Constitution requires gasoline excise tax revenues from motor vehicles traveling upon public streets and highways to be deposited in the Highway Users Tax Account, for allocation to city, county, and state transportation purposes. Existing law generally provides for statutory allocation of gasoline excise tax revenues attributable to other modes of transportation, including aviation, boats, agricultural vehicles, and off-highway vehicles, to particular accounts and funds for expenditure on purposes associated with those other modes. Expenditure of the gasoline excise tax revenues attributable to those other modes is not restricted by Article XIX of the California Constitution.

This bill, with respect to the increase in gasoline excise taxes as a result of the elimination of the sales tax on gasoline, would instead transfer the revenues attributable to aviation, boats, agricultural vehicles, and off-highway vehicles to the General Fund, commencing July 1, 2012, and ending June 30, 2015. The bill, with respect to these revenues already transferred to the particular nonhighway accounts and funds in the 2010–11 and 2011–12 fiscal years, would also transfer those revenues to the General Fund. Commencing July 1, 2015, the bill would instead transfer these revenues to the Highway Users Tax Account for allocation to state and local transportation purposes. Because that account is continuously appropriated, the bill would make an appropriation.

(2) Existing law provides for the payment of current year general obligation bond debt service for specified voter-approved transportation bonds from various revenues deposited in the Transportation Debt Service Fund, including revenues from vehicle weight fees in the State Highway Account. Existing law also authorizes certain loans of vehicle weight fee revenue to the General Fund.

Existing law, for the 2011–12 fiscal year, appropriates \$866,300,000 from weight fee revenues in the State Highway Account for transfer to the General Fund as debt service reimbursement and loans. Existing law requires the Controller, upon notification by the Director of Finance that all debt service costs for the 2011–12 fiscal year have been reimbursed, to transfer any remaining weight fee revenues for that fiscal year in the State Highway Account to the General Fund as a loan until the \$866,300,000 has been transferred to the General Fund.

This bill would instead appropriate, for the fiscal year 2011–12, all annual revenue generated from the weight fees in the State Highway Account, excluding an amount equal to a loan of \$43,700,000 authorized pursuant to the Budget Act of 2011, for transfer to the General Fund as debt service reimbursement and loans. Any revenues for that fiscal year that remain after reimbursement of the debt service costs would be transferred to the General Fund as a loan, and the bill would require \$42,000,000 of those revenues to be transferred on July 1, 2012.

(3) Existing law appropriates, commencing with the 2012–13 fiscal year, all weight fee revenues deposited into the State Highway Account for transfer to the General Fund as reimbursement for debt service costs until all of the debt service paid on specified transportation bonds have been reimbursed or to redeem or defease bonds that are maturing in a subsequent year.

This bill would require the Controller, upon notification by the Director of Finance that all debt service costs for the fiscal year have been reimbursed, to transfer any remaining revenue generated from the weight fees for that fiscal year to the General Fund as a loan.

(4) Existing law requires public notice of a project under the State Contract Act to be given by publication in a newspaper or trade paper of general circulation, as specified.

This bill would authorize the Department of Transportation to alternatively meet the public notice requirement through electronic publication on the department's Internet Web site.

(5) This bill would require the Controller, upon order of the Director of Finance, to transfer \$432,200,000 from the Motor Vehicle Account to the General Fund as a loan in the 2012–13 fiscal year, to be repaid upon order of the Director of Finance and no later than June 30, 2016.

(6) The bill would make other related changes.

(7) This bill would appropriate \$1,000 to the California Transportation Commission from the General Fund relative to implementation of the bill.

(8) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

~~*This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2012.*~~

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

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

- 1 SECTION 1. Section 10140 of the Public Contract Code is
- 2 amended to read:
- 3 10140. (a) Public notice of a project shall be given by
- 4 publication once a week for at least two consecutive weeks or once
- 5 a week for more than two consecutive weeks if the longer period
- 6 of advertising is deemed necessary by the department, as follows:
- 7 (a)
- 8 (1) In a newspaper of general circulation published in the county
- 9 in which the project is located, or if located in more than one
- 10 county, in such a newspaper in a county in which a major portion
- 11 of the work is to be done.
- 12 (b)

(2) In a trade paper of general circulation published in San Francisco for projects located in County Group No. 1, as defined in Section 187 of the Streets and Highways Code, or in Los Angeles for projects located in County Group No. 2, as defined in said Section 187, devoted primarily to the dissemination of contract and building news among contracting and building materials supply firms.

The

(b) The department may publish the notice to bidders for a project in additional trade papers or newspapers of general circulation that it deems advisable.

(c) In the case of the Department of Transportation, in lieu of the public notice described in subdivision (a), the public notice requirement of this section may instead be met by publishing the notice electronically on that department's Internet Web site.

SEC. 2. Section 8352.3 of the Revenue and Taxation Code is amended to read:

8352.3. (a) Subject to Sections 8352 and 8352.1, and except as otherwise provided in subdivision (b), all moneys deposited to the credit of the Motor Vehicle Fuel Account attributable to the distribution of motor vehicle fuel for use or used in propelling an aircraft in the state shall be transferred to the Aeronautics Account in the State Transportation Fund, for allocation as follows:

(a) ~~To pay the refunds authorized by Section 8101.5.~~

(b)

(1) To pay the pro rata cost of the Controller and the board under subdivisions (b), (c), and (d) of Section 8352.1.

(c)

(2) To pay for the support of the Department of Transportation, for the administration of the State Aeronautics Act (Division 9 (commencing with Section 21001) of the Public Utilities Code).

(d)

(3) Remaining balance to be available for expenditures in accordance with ~~Sections~~ Section 21602; and ~~21682 to 21684, inclusive;~~ Article 4 (commencing with Section 21680) of Chapter 4 of Part 1 of Division 9 of the Public Utilities Code.

(b) From July 1, 2012, until June 30, 2015, inclusive, the revenues attributable to the taxes imposed pursuant to subdivision (b) of Section 7360 and Section 7361.1 and otherwise to be deposited in the Aeronautics Account pursuant to subdivision (a)

1 *shall instead be transferred to the General Fund. The revenues*
2 *attributable to the taxes imposed pursuant to subdivision (b) of*
3 *Section 7360 and Section 7361.1 that were deposited in the*
4 *Aeronautics Account in the 2010–11 and 2011–12 fiscal years*
5 *shall be transferred to the General Fund. Commencing July 1,*
6 *2015, the revenues attributable to the taxes imposed pursuant to*
7 *subdivision (b) of Section 7360 and Section 7361.1 and otherwise*
8 *to be deposited in the Aeronautics Account pursuant to subdivision*
9 *(a) shall instead be transferred to the Highway Users Tax Account*
10 *in the State Transportation Fund, for distribution pursuant to*
11 *subdivision (a) of Section 2103 of the Streets and Highways Code.*

12 *SEC. 3. Section 8352.4 of the Revenue and Taxation Code is*
13 *amended to read:*

14 *8352.4. (a) Subject to Sections 8352 and 8352.1, and except*
15 *as otherwise provided in subdivision (b), there shall be transferred*
16 *from the money deposited to the credit of the Motor Vehicle Fuel*
17 *Account to the Harbors and Watercraft Revolving Fund, for*
18 *expenditure in accordance with Division 1 (commencing with*
19 *Section 30) of the Harbors and Navigation Code, the sum of six*
20 *million six hundred thousand dollars (\$6,600,000) per annum,*
21 *representing the amount of money in the Motor Vehicle Fuel*
22 *Account attributable to taxes imposed on distributions of motor*
23 *vehicle fuel used or usable in propelling vessels. The actual amount*
24 *shall be calculated using the annual reports of registered boats*
25 *prepared by the Department of Motor Vehicles for the United*
26 *States Coast Guard and the formula and method of the December*
27 *1972 report prepared for this purpose and submitted to the*
28 *Legislature on December 26, 1972, by the Director of*
29 *Transportation. If the amount transferred during each fiscal year*
30 *is in excess of the calculated amount, the excess shall be*
31 *retransferred from the Harbors and Watercraft Revolving Fund to*
32 *the Motor Vehicle Fuel Account. If the amount transferred is less*
33 *than the amount calculated, the difference shall be transferred from*
34 *the Motor Vehicle Fuel Account to the Harbors and Watercraft*
35 *Revolving Fund. No adjustment shall be made if the computed*
36 *difference is less than fifty thousand dollars (\$50,000), and the*
37 *amount shall be adjusted to reflect any temporary or permanent*
38 *increase or decrease that may be made in the rate under the Motor*
39 *Vehicle Fuel Tax Law. Payments pursuant to this section shall be*
40 *made prior to payments pursuant to Section 8352.2.*

(b) From July 1, 2012, until June 30, 2015, inclusive, the revenues attributable to the taxes imposed pursuant to subdivision (b) of Section 7360 and Section 7361.1 and otherwise to be deposited in the Harbors and Watercraft Revolving Fund pursuant to subdivision (a) shall instead be transferred to the General Fund. The revenues attributable to the taxes imposed pursuant to subdivision (b) of Section 7360 and Section 7361.1 that were deposited in the Harbors and Watercraft Revolving Fund in the 2010–11 and 2011–12 fiscal years shall be transferred to the General Fund. Commencing July 1, 2015, the revenues attributable to the taxes imposed pursuant to subdivision (b) of Section 7360 and Section 7361.1 and otherwise to be deposited in the Harbor and Watercraft Revolving Fund pursuant to subdivision (a) shall instead be transferred to the Highway Users Tax Account in the State Transportation Fund, for distribution pursuant to subdivision (a) of Section 2103 of the Streets and Highways Code.

~~When~~

(c) When deemed necessary by the Department of Transportation and the Department of Boating and Waterways, the Department of Transportation, after consultation with the Department of Boating and Waterways, shall prepare, or cause to be prepared, an updated report setting forth the current estimate of the amount of money credited to the Motor Vehicle Fuel Account attributable to taxes imposed on distributions of motor vehicle fuel used or usable in propelling vessels. The Department of Transportation shall submit the report to the Legislature upon its completion.

SEC. 4. Section 8352.5 of the Revenue and Taxation Code is amended to read:

8352.5. (a) (1) Subject to Sections 8352 and 8352.1, and except as otherwise provided in subdivision (b), there shall be transferred from the money deposited to the credit of the Motor Vehicle Fuel Account to the Department of Food and Agriculture Fund, during the second quarter of each fiscal year, an amount equal to the estimate contained in the most recent report prepared pursuant to this section.

~~The~~

(2) The amounts are not subject to Section 6357 with respect to the collection of sales and use taxes thereon, and represent the portion of receipts in the Motor Vehicle Fuel Account during a calendar year that were attributable to agricultural off-highway

1 use of motor vehicle fuel which is subject to refund pursuant to
2 Section 8101, less gross refunds allowed by the Controller during
3 the fiscal year ending June 30th 30 following the calendar year to
4 persons entitled to refunds for agricultural off-highway use
5 pursuant to Section 8101. Payments pursuant to this section shall
6 be made prior to payments pursuant to Section 8352.2.

7 *(b) From July 1, 2012, until June 30, 2015, inclusive, the*
8 *revenues attributable to the taxes imposed pursuant to subdivision*
9 *(b) of Section 7360 and Section 7361.1 and otherwise to be*
10 *deposited in the Department of Food and Agriculture Fund*
11 *pursuant to subdivision (a) shall instead be transferred to the*
12 *General Fund. The revenues attributable to the taxes imposed*
13 *pursuant to subdivision (b) of Section 7360 and Section 7361.1*
14 *that were deposited in the Department of Food and Agriculture*
15 *Fund in the 2010–11 and 2011–12 fiscal years shall be transferred*
16 *to the General Fund. Commencing July 1, 2015, the revenues*
17 *attributable to the taxes imposed pursuant to subdivision (b) of*
18 *Section 7360 and Section 7361.1 and otherwise to be deposited in*
19 *the Department of Food and Agriculture Fund pursuant to*
20 *subdivision (a) shall instead be transferred to the Highway Users*
21 *Tax Account in the State Transportation Fund, for distribution*
22 *pursuant to subdivision (a) of Section 2103 of the Streets and*
23 *Highways Code.*

24 ~~On~~
25 *(c) On or before September 30, 2012, and on or before*
26 *September 30th 30 of each ~~odd-numbered~~ even-numbered year*
27 *thereafter, the Director of Transportation and the Director of Food*
28 *and Agriculture shall jointly prepare, or cause to be prepared, a*
29 *report setting forth the current estimate of the amount of money,*
30 *including any revenues attributable to the taxes imposed pursuant*
31 *to subdivision (b) of Section 7360 and Section 7361.1 in the Motor*
32 *Vehicle Fuel Account attributable to agricultural off-highway use*
33 *of motor vehicle fuel, which is subject to refund pursuant to Section*
34 *8101 less gross refunds allowed by the Controller to persons*
35 *entitled to refunds for agricultural off-highway use pursuant to*
36 *Section 8101; and they shall submit a copy of the report to the*
37 *Legislature. Commencing July 1, 2015, any revenues attributable*
38 *to the taxes imposed pursuant to subdivision (b) of Section 7360*
39 *and Section 7361.1 shall be excluded from this report.*

1 *SEC. 5. Section 8352.6 of the Revenue and Taxation Code is*
2 *amended to read:*

3 8352.6. (a) (1) Subject to Section 8352.1, *and except as*
4 *otherwise provided in paragraphs (2) and (3), on the first day of*
5 every month, there shall be transferred from moneys deposited to
6 the credit of the Motor Vehicle Fuel Account to the Off-Highway
7 Vehicle Trust Fund created by Section 38225 of the Vehicle Code
8 an amount attributable to taxes imposed upon distributions of motor
9 vehicle fuel used in the operation of motor vehicles off highway
10 and for which a refund has not been claimed. Transfers made
11 pursuant to this section shall be made prior to transfers pursuant
12 to Section 8352.2.

13 (2) *From July 1, 2012, until June 30, 2015, inclusive, the*
14 *revenues attributable to the taxes imposed pursuant to subdivision*
15 *(b) of Section 7360 and Section 7361.1 and otherwise to be*
16 *deposited in the Off-Highway Vehicle Trust Fund pursuant to*
17 *paragraph (1) shall instead be transferred to the General Fund.*
18 *The revenues attributable to the taxes imposed pursuant to*
19 *subdivision (b) of Section 7360 and Section 7361.1 that were*
20 *deposited in the Off-Highway Vehicle Trust Fund in the 2010–11*
21 *and 2011–12 fiscal years shall be transferred to the General Fund.*
22 *Commencing July 1, 2015, the revenues attributable to the taxes*
23 *imposed pursuant to subdivision (b) of Section 7360 and Section*
24 *7361.1 and otherwise to be deposited in the Off-Highway Vehicle*
25 *Trust Fund pursuant to paragraph (1) shall instead be transferred*
26 *to the Highway Users Tax Account in the State Transportation*
27 *Fund, for distribution pursuant to subdivision (a) of Section 2103*
28 *of the Streets and Highways Code.*

29 (2)

30 (3) The Controller shall withhold eight hundred thirty-three
31 thousand dollars (\$833,000) from ~~this~~ the monthly transfer to the
32 Off-Highway Vehicle Trust Fund pursuant to paragraph (1), and
33 transfer that amount to the General Fund.

34 (b) The amount transferred to the Off-Highway Vehicle Trust
35 Fund pursuant to paragraph (1) of subdivision (a), as a percentage
36 of the Motor Vehicle Fuel Account, shall be equal to the percentage
37 transferred in the 2006–07 fiscal year. Every five years, starting
38 in the 2013–14 fiscal year, the percentage transferred may be
39 adjusted by the Department of Transportation in cooperation with
40 the Department of Parks and Recreation and the Department of

1 Motor Vehicles. Adjustments shall be based on, but not limited
2 to, the changes in the following factors since the 2006–07 fiscal
3 year or the last adjustment, whichever is more recent:

4 (1) The number of vehicles registered as off-highway motor
5 vehicles as required by Division 16.5 (commencing with Section
6 38000) of the Vehicle Code.

7 (2) The number of registered street-legal vehicles that are
8 anticipated to be used off highway, including four-wheel drive
9 vehicles, all-wheel drive vehicles, and dual-sport motorcycles.

10 (3) Attendance at the state vehicular recreation areas.

11 (4) Off-highway recreation use on federal lands as indicated by
12 the United States Forest Service’s National Visitor Use Monitoring
13 and the United States Bureau of Land Management’s Recreation
14 Management Information System.

15 (c) It is the intent of the Legislature that transfers from the Motor
16 Vehicle Fuel Account to the Off-Highway Vehicle Trust Fund
17 should reflect the full range of motorized vehicle use off highway
18 for both motorized recreation and motorized off-road access to
19 other recreation opportunities. Therefore, the Legislature finds that
20 the fuel tax baseline established in subdivision (b), attributable to
21 off-highway estimates of use as of the 2006–07 fiscal year,
22 accounts for the three categories of vehicles that have been found
23 over the years to be users of fuel for off-highway motorized
24 recreation or motorized access to nonmotorized recreational
25 pursuits. These three categories are registered off-highway
26 motorized vehicles, registered street-legal motorized vehicles used
27 off highway, and unregistered off-highway motorized vehicles.

28 (d) It is the intent of the Legislature that the off-highway motor
29 vehicle recreational use to be determined by the Department of
30 Transportation pursuant to paragraph (2) of subdivision (b) be that
31 usage by vehicles subject to registration under Division 3
32 (commencing with Section 4000) of the Vehicle Code, for
33 recreation or the pursuit of recreation on surfaces where the use
34 of vehicles registered under Division 16.5 (commencing with
35 Section 38000) of the Vehicle Code may occur.

36 *SEC. 6. Section 2103 of the Streets and Highways Code is*
37 *amended to read:*

38 2103. (a) Notwithstanding Section 13340 of the Government
39 Code, of the net revenues deposited to the credit of the Highway
40 Users Tax Account that are derived from the increases in the rates

1 of taxes that are imposed pursuant to subdivision (b) of Section
2 7360 and Section 7361.1 of the Revenue and Taxation Code, all
3 of the following shall occur on a monthly basis:

4 (1) (A) By the 15th day of every month, the Treasurer's office,
5 in consultation with the Department of Finance, shall notify the
6 Controller of the amount of debt service that will be paid on each
7 transportation bond during that month.

8 (B) Within two business days following the 28th day of each
9 month, the Controller shall transfer to the Transportation Debt
10 Service Fund an amount equal to the amount of monthly debt
11 service paid by the General Fund on any bonds issued pursuant to
12 the Seismic Retrofit Bond Act of 1996 (Chapter 12.48
13 (commencing with Section 8879) of Division 1 of Title 2 of the
14 Government Code) or any other highway bonds issued for highway
15 or eligible guideway projects consistent with the requirements
16 applicable to the expenditure of revenues under Article XIX of the
17 California Constitution as identified by the Department of Finance
18 pursuant to Section 16965 of the Government Code, and
19 three-quarters of the amount of monthly debt service paid on any
20 bonds issued pursuant to the Highway Safety, Traffic Reduction,
21 Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49
22 (commencing with Section 8879.20) of Division 1 of Title 2) for
23 reimbursement of the General Fund for these costs. If revenues
24 available pursuant to this subdivision in any given month are
25 insufficient to fully reimburse the General Fund for the debt service
26 payments made, the first revenues available pursuant to this
27 subdivision in the following month or months shall be transferred
28 to the Transportation Debt Service Fund so that all debt service
29 payments made on these bonds from the General Fund in a given
30 fiscal year are fully reimbursed. However, no further transfers
31 shall be made pursuant to this subparagraph once the transfers for
32 the months of July to October, inclusive, in 2010 have been made.
33 Any transfers made from the net revenues identified in this
34 paragraph for highway and eligible guideway bond debt service
35 for months after October 2010 shall be reversed and shall instead
36 be made from weight fee revenues in the State Highway Account,
37 as described in subparagraph ~~(D)~~ (F).

38 (C) Beginning November 2, 2010, the Controller shall transfer
39 to the State Highway Account within two business days following
40 the 28th day of each month all of the monthly net revenues

1 identified in subparagraph (B) that were designated for highway
2 *and eligible guideway* bond debt service reimbursement but that
3 have not been transferred, or that were transferred by means of a
4 transfer that was reversed, pursuant to that subparagraph. ~~However,~~
5 ~~beginning July 1, 2011, transfers made under this subparagraph~~
6 ~~during a fiscal year shall not exceed the annual revenue generated~~
7 ~~from vehicle weight fees, as determined by Sections 9400.4 and~~
8 ~~42205 of the Vehicle Code, at the rates in effect as of March 24,~~
9 ~~2011, as determined by the Director of Finance.~~ To the extent the
10 Controller has distributed any of those net revenues to cities and
11 counties pursuant to subparagraph (C) of paragraph (3) between
12 November 2, 2010, and ~~the effective date of this subparagraph~~
13 *March 24, 2011*, the Controller shall subsequently reduce the
14 amount transferred to cities and counties on a monthly basis
15 pursuant to subparagraph (C) of paragraph (3) and shall instead
16 transfer these funds to the State Highway Account until all of the
17 revenues that would otherwise have been transferred to the State
18 Highway Account on and after November 2, 2010, pursuant to this
19 subparagraph have been so transferred. *For the 2011–12 fiscal*
20 *year, the Controller shall transfer to the State Highway Account*
21 *within two business days following the 28th day of each month an*
22 *amount equal to the weight fee revenues transferred to the*
23 *Transportation Debt Service Fund pursuant to subdivision (b) of*
24 *Section 9400.4 of the Vehicle Code, including forty-three million*
25 *seven hundred thousand dollars (\$43,700,000) authorized pursuant*
26 *to Item 2660-013-0042 of Section 2.00 of the Budget Act of 2011*
27 *and an amount equal to weight fee revenues transferred to the*
28 *General Fund as a loan pursuant to subdivision (b) of Section*
29 *9400.4 of the Vehicle Code. To the extent the Controller has*
30 *distributed any of those revenues to cities and counties pursuant*
31 *to subparagraph (C) of paragraph (3), the Controller shall*
32 *subsequently reduce the amount transferred to cities and counties*
33 *on a monthly basis pursuant to subparagraph (C) of paragraph*
34 *(3) and instead transfer these funds to the State Highway Account*
35 *until all of the revenues that would otherwise have been transferred*
36 *to the State Highway Account in the 2011–12 fiscal year pursuant*
37 *to this subparagraph have been so transferred.*
38 (D) Notwithstanding subparagraph (C), commencing with the
39 2012–13 fiscal year and every fiscal year thereafter, the Controller
40 shall transfer to the State Highway Account within two business

1 days following the 28th day of each month an amount equal to the
2 amount of weight fee revenues transferred to the Transportation
3 Debt Service Fund for highway and eligible guideway bond debt
4 service and to the General Fund as a loan pursuant to subdivision
5 (c) of Section 9400.4 of the Vehicle Code.

6 (E) Beginning July 1, 2011, transfers made under subparagraphs
7 (C) and (D) during a fiscal year shall not exceed the annual
8 revenue generated from weight fees, as determined by Sections
9 9400.4 and 42205 of the Vehicle Code, at the rates in effect as of
10 March 24, 2011, as determined by the Department of Finance.

11 ~~(D)~~

12 (F) Any remaining amount of the highway or eligible guideway
13 bond debt service reimbursement authorized by this paragraph that
14 has not been made pursuant to subparagraph (B) on and after
15 November 2, 2010, shall instead be made pursuant to subdivisions
16 (a) and, (b), and (c) of Section 9400.4 of the Vehicle Code from
17 revenues in the State Highway Account derived from weight fees
18 deposited in the account pursuant to subdivision (e) of Section
19 9400.1 and Section 42205 of the Vehicle Code.

20 (2) (A) In the 2010–11 fiscal year, after the monthly transfer
21 made pursuant to paragraph (1), the sum of fifty-four million one
22 hundred sixty-seven thousand dollars (\$54,167,000) per month
23 shall be held in the account for future appropriation by the
24 Legislature.

25 (B) Notwithstanding any other provision of law, with respect
26 to the monthly net revenues described in subparagraph (A), no
27 further transfers of these revenues for the purpose of loans to the
28 General Fund shall be made pursuant to Item 2660-011-0062 of
29 Section 2.00 of the Budget Act of 2010 once the loan transfers for
30 the months of July to October, inclusive, in 2010 have been made.
31 Notwithstanding the loan repayment date specified in the
32 provisional language for that item, the funds loaned shall be repaid
33 by June 30, 2021. Any transfers made from the monthly net
34 revenues in subparagraph (A) for months after October 2010 shall
35 be reversed and shall instead be made from weight fee revenues
36 in the State Highway Account, as described in subparagraph (D).
37 The revenues from loan repayments shall be held in the Highway
38 Users Tax Account for future appropriation by the Legislature.

39 (C) Beginning November 2, 2010, all of the monthly net
40 revenues described in subparagraph (A) shall instead be transferred

by the Controller to the State Highway Account within two business days following the 28th day of each month. To the extent that the Controller has distributed any of the revenues identified in this paragraph to cities and counties pursuant to subparagraph (C) of paragraph (3) between October 14, 2010, and the effective date of this subparagraph March 24, 2011, the Controller shall subsequently reduce the amount transferred to cities and counties on a monthly basis pursuant to subparagraph (C) of paragraph (3) and shall instead transfer these funds to the State Highway Account until all of the revenues that would have been transferred to the General Fund as a loan pursuant to Item 2660-011-0062 of Section 2.00 of the Budget Act of 2010 on and after November 2, 2010, have instead been transferred to the State Highway Account.

(D) Any remaining amount of the loans to the General Fund authorized pursuant to Item 2660-011-0062 of Section 2.00 of the Budget Act of 2010 that has not been made pursuant to subparagraph (B) on and after November 2, 2010, shall instead be made pursuant to subdivisions (a) ~~and~~, (b), *and* (c) of Section 9400.4 of the Vehicle Code from revenues in the State Highway Account derived from weight fees deposited in the account pursuant to subdivision (e) of Section 9400.1 and Section 42205 of the Vehicle Code.

(3) The Controller shall transfer any remaining net revenues subject to this subdivision as follows:

(A) Forty-four percent shall be transferred to the State Highway Account to fund projects in the State Transportation Improvement Program that are consistent with Section 1 of Article XIX of the California Constitution, except in the 2010–11 fiscal year, 50 percent shall be transferred for purposes of this subparagraph.

(B) Twelve percent shall be transferred to the State Highway Account to fund projects in the State Highway Operation and Protection Program, except in the 2010–11 fiscal year, no revenues shall be transferred for purposes of this subparagraph.

(C) Forty-four percent shall be apportioned by the Controller for local street and road purposes, except in the 2010–11 fiscal year, 50 percent shall be transferred for purposes of this subparagraph as follows:

(i) Fifty percent shall be apportioned by the Controller to cities, including a city and county, in the proportion that the total

1 population of the city bears to the total population of all the cities
2 in the state.

3 (ii) Fifty percent shall be apportioned by the Controller to
4 counties, including a city and county, in accordance with the
5 following formulas:

6 (I) Seventy-five percent shall be apportioned among the counties
7 in the proportion that the number of fee-paid and exempt vehicles
8 that are registered in the county bear to the number of fee-paid and
9 exempt vehicles registered in the state.

10 (II) Twenty-five percent shall be apportioned among the counties
11 in the proportion that the number of miles of maintained county
12 roads in each county bear to the total number of miles of
13 maintained county roads in the state. For the purposes of
14 apportioning funds under this subparagraph, any roads within the
15 boundaries of a city and county that are not state highways shall
16 be deemed to be county roads.

17 (b) After the transfers or other actions pursuant to subdivision
18 (a), at least 90 percent of the balance deposited to the credit of the
19 Highway Users Tax Account in the Transportation Tax Fund by
20 the 28th day of each month shall be apportioned or transferred, as
21 applicable, by the Controller by the second working day thereafter,
22 except for June, in which case the apportionment or transfer shall
23 be made the same day. These apportionments or transfers shall be
24 made as provided for in Sections 2104 to 2122, inclusive. If
25 information is not available to make the apportionment or transfer
26 as required, the apportionment or transfer shall be made on the
27 basis of the information of the previous month. Amounts not
28 apportioned or transferred shall be included in the apportionment
29 or transfer of the subsequent month.

30 (c) Notwithstanding any other law, the funds apportioned by
31 the Controller to cities and counties pursuant to subparagraph (C)
32 of paragraph (3) of subdivision (a) are not subject to Section 7104
33 or 7104.2 of the Revenue and Taxation Code. These funds may
34 be expended for any street and road purpose consistent with the
35 requirements of this chapter.

36 *SEC. 7. Section 9400.4 of the Vehicle Code is amended to read:*

37 9400.4. Weight fee revenue deposited into the State Highway
38 Account pursuant to subdivision (e) of Section 9400.1 and Section
39 42205 shall be used as follows:

1 (a) For the 2010–11 fiscal year, seven hundred fifty-six million
2 three hundred ninety-six thousand dollars (\$756,396,000) is hereby
3 appropriated from weight fee revenues in the State Highway
4 Account for transfer to the General Fund as transportation bond
5 debt service reimbursement and loans as follows:

6 (1) The Controller shall transfer all weight fee revenues
7 deposited into the State Highway Account in any month to the
8 Transportation Debt Service Fund for transfer to the General Fund
9 as reimbursement for debt service costs until all of the debt service
10 paid on transportation bonds for projects that the Director of
11 Finance indicates qualify for reimbursement as provided for in
12 Section 16965 of the Government Code have been reimbursed.

13 (2) After the Director of Finance has notified the Controller that
14 all debt service costs for the 2010–11 fiscal year have been
15 reimbursed, the Controller shall transfer any remaining monthly
16 weight fee revenues in the State Highway Account to the General
17 Fund as a loan until the full amount appropriated in this subdivision
18 has been transferred to the General Fund. The Director of Finance
19 may repay any remaining portion of the outstanding balance of
20 this loan in any year in which the Director of Finance determines
21 the funds are needed to reimburse the General Fund for current
22 year transportation bond debt service or to redeem or defease those
23 bonds, pursuant to Section 16774 of the Government Code,
24 maturing in a subsequent fiscal year, provided that the loans shall
25 be repaid no later than June 30, 2021. All funds loaned pursuant
26 to this section, upon repayment to the State Highway Account,
27 shall be immediately transferred by the Controller to the
28 Transportation Debt Service Fund for use pursuant to Section
29 16965 of the Government Code.

30 (3) By June 15, 2011, the Director of Finance in consultation
31 with the Treasurer shall notify the Controller regarding the final
32 amount of debt service paid from the General Fund during the
33 2010–11 fiscal year pursuant to Section 16965 of the Government
34 Code and shall direct the Controller to reverse and adjust any
35 transfers made as debt service reimbursements or loans so that a
36 maximum amount of transfers are made for debt service
37 reimbursements and with any loan amounts limited to the
38 difference between this amount and the total amount appropriated
39 in this subdivision. The total amount of weight fee revenues
40 transferred from the State Highway Account for the 2010–11 fiscal

1 year shall not be greater than the total amount of weight fee
2 revenues deposited into the State Highway Account for that year.

3 (4) With respect to transfers or portions of transfers that cannot
4 be made in any given month if weight fee revenues are insufficient,
5 the first weight fee revenues available in the following month or
6 months shall be used to complete the transfers for the previous
7 month or months prior to making additional transfers for later
8 months.

9 (b) For the 2011–12 fiscal year, ~~eight hundred sixty-six million~~
10 ~~three hundred thousand dollars (\$866,300,000) is hereby~~
11 ~~appropriated all revenue generated from weight fee revenues fees~~
12 ~~in the State Highway Account, as determined by Sections 9400.1~~
13 ~~and 42205, excluding an amount equal to the loan of forty-three~~
14 ~~million seven hundred thousand dollars (\$43,700,000) authorized~~
15 ~~pursuant to Item 2660-013-0042 of Section 2.00 of the Budget Act~~
16 ~~of 2011, is hereby appropriated for transfer to the General Fund~~
17 ~~as debt service reimbursement and loans as follows:~~

18 (1) The Controller shall transfer all weight fee revenues
19 deposited into the State Highway Account in any month to the
20 Transportation Debt Service Fund for transfer to the General Fund
21 as reimbursement for debt service costs until all of the debt service
22 paid on transportation bonds for projects that the Director of
23 Finance indicates qualify for reimbursement as provided for in
24 Section 16965 of the Government Code have been reimbursed.

25 (2) After the Director of Finance has notified the Controller that
26 all debt service costs for the 2011–12 fiscal year have been
27 reimbursed, the Controller shall transfer any remaining ~~monthly~~
28 ~~weight fee revenues for that fiscal year~~ in the State Highway
29 Account to the General Fund as a loan until ~~the full amount all~~
30 ~~weight fee revenues for that fiscal year~~ appropriated in this
31 subdivision ~~has~~ have been transferred to the General Fund,
32 ~~excluding forty-two million dollars (\$42,000,000), which shall be~~
33 ~~transferred to the General Fund as a loan on July 1, 2012.~~ The
34 Director of Finance may repay any portion of the balance of this
35 loan in any year in which the Director of Finance determines the
36 funds are needed to reimburse the General Fund for current year
37 transportation bond debt service or to redeem or defease those
38 bonds, pursuant to Section 16774 of the Government Code,
39 maturing in a subsequent year, provided that the loans shall be
40 repaid no later than June 30, 2021. All funds loaned pursuant to

1 this section, upon repayment to the State Highway Account, shall
2 be immediately transferred by the Controller to the Transportation
3 Debt Service Fund for use pursuant to Section 16965 of the
4 Government Code.

5 (3) By June 15, 2012, the Director of Finance in consultation
6 with the Treasurer shall notify the Controller regarding the final
7 amount of debt service paid from the General Fund during the
8 2011–12 fiscal year pursuant to Section 16965 of the Government
9 Code and shall direct the Controller to reverse and adjust any
10 transfers made as debt service reimbursements or loans so that a
11 maximum amount of transfers are made for debt service
12 reimbursements and with any loan amounts limited to the
13 difference between this amount and the total amount appropriated
14 in this subdivision. The total amount of weight fee revenues
15 transferred from the State Highway Account for the 2011–12 fiscal
16 year shall not be greater than the total amount of weight fee
17 revenues deposited into the State Highway Account in that year.

18 (4) With respect to transfers or portions of transfers that cannot
19 be made in any given month if weight fee revenues are insufficient,
20 the first weight fee revenues available in the following month or
21 months shall be used to complete the transfers for the previous
22 month or months prior to making additional transfers for later
23 months.

24 (c) (1) Starting with the 2012–13 fiscal year and every year
25 thereafter, all weight fee revenues deposited into the State Highway
26 Account in any month shall be transferred to the Transportation
27 Debt Service Fund and are hereby appropriated for transfer to the
28 General Fund by the Controller as reimbursement for debt service
29 costs until all of the debt service paid on transportation bonds that
30 the Director of Finance indicates qualify for reimbursement as
31 provided for in Section 16965 of the Government Code has been
32 reimbursed, or to redeem or defease bonds, pursuant to Section
33 16774 of the Government Code, as referenced in subdivision (b)
34 or ~~(c)~~ (d) of Section 16965 of the Government Code that are
35 maturing in a subsequent year. *After the Director of Finance has*
36 *notified the Controller that all debt service costs for the fiscal year*
37 *have been reimbursed, the Controller shall transfer any remaining*
38 *revenue generated from weight fees for that fiscal year in the State*
39 *Highway Account to the General Fund as a loan. The Director of*
40 *Finance may repay any portion of the balance of this loan in any*

1 year in which the Director of Finance determines that the funds
2 are needed to reimburse the General Fund for current year
3 transportation bond debt service or to redeem or defease those
4 bonds pursuant to Section 16774 of the Government Code,
5 maturing in a future fiscal year, provided that the loans shall be
6 repaid no later than June 30, 2021. All funds loaned pursuant to
7 this section, upon repayment to the State Highway Account, shall
8 be immediately transferred by the Controller to the Transportation
9 Debt Service Fund for use pursuant to Section 16965 of the
10 Government Code. By June 15 of each year, the Director of
11 Finance, in consultation with the Treasurer, shall notify the
12 Controller regarding the final amount of debt service paid from
13 the General Fund during that fiscal year pursuant to Section 16965
14 of the Government Code and shall direct the Controller to reverse
15 or adjust any transfers made as debt service reimbursements or
16 loans so that a maximum amount of transfers are made for debt
17 service reimbursements and with any loan amounts limited to the
18 difference between this amount and the total amount of revenue
19 for that fiscal year generated from weight fees, as determined by
20 Sections 9400.1 and 42205. The total amount of weight fee
21 revenues transferred from the State Highway Account in any fiscal
22 year shall not be greater than the total amount of weight fee
23 revenues deposited into the State Highway Account in that year.

24 (2) With respect to transfers or portions of transfers that cannot
25 be made in any given month if weight fee revenues are insufficient,
26 the first weight fee revenues available in the following month or
27 months shall be used to complete the transfers for the previous
28 month or months prior to making additional transfers for later
29 months.

30 SEC. 8. Section 42272 is added to the Vehicle Code, to read:

31 42272. For the 2012–13 fiscal year, upon order of the Director
32 of Finance, the Controller shall transfer four hundred thirty-two
33 million two hundred thousand dollars (\$432,200,000) from the
34 Motor Vehicle Account to the General Fund as a loan, provided
35 that the loan shall be repaid. The Director of Finance shall order
36 the repayment by the Controller of that four hundred thirty-two
37 million two hundred thousand dollars (\$432,200,000) to the Motor
38 Vehicle Account no later than June 30, 2016.

39 SEC. 9. The sum of one thousand dollars (\$1,000) is hereby
40 appropriated from the General Fund to the California

1 *Transportation Commission to implement the provisions of this*
2 *act.*

3 *SEC. 10. This act is a bill providing for appropriations related*
4 *to the Budget Bill within the meaning of subdivision (e) of Section*
5 *12 of Article IV of the California Constitution, has been identified*
6 *as related to the budget in the Budget Bill, and shall take effect*
7 *immediately.*

8 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~
9 ~~changes relating to the Budget Act of 2012.~~