

ASSEMBLY BILL

No. 2650

Introduced by Assembly Member Conway
(Coauthors: Assembly Members Achadjian, Allen, Bigelow, Beth
Gaines, Gorell, Hagman, Harkey, Jones, Melendez, Olsen,
Patterson, Wagner, and Wilk)

February 21, 2014

An act to add Section 2704.096 to the Streets and Highways Code, relating to transportation, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 2650, as introduced, Conway. Bonds: transportation.

Existing law, the California High-Speed Rail Act, creates the High-Speed Rail Authority to develop and implement a high-speed rail system in the state. Existing law, the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as Proposition 1A at the November 4, 2008, general election, provides for the issuance of \$9 billion in general obligation bonds for high-speed rail purposes and \$950 million for other related rail purposes. Article XVI of the California Constitution requires measures authorizing general obligation bonds to specify the single object or work to be funded by the bonds and further requires a bond act to be approved by a $\frac{2}{3}$ vote of each house of the Legislature and a majority of the voters.

This bill would provide that no further bonds shall be sold for high-speed rail purposes pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, except as specifically provided with respect to an existing appropriation for high-speed rail purposes for early improvement projects in the Phase I blended system.

The bill, subject to the above exception, would require redirection of the unspent proceeds received from outstanding bonds issued and sold for other high-speed rail purposes prior to the effective date of these provisions, upon appropriation, for use in retiring the debt incurred from the issuance and sale of those outstanding bonds. The bill, subject to the above exception, would also require the net proceeds of other bonds subsequently issued and sold under the high-speed rail portion of the bond act to be made available, upon appropriation, to fund projects in the State Transportation Improvement Program, the State Highway Operation and Protection Program, and the state's freight plan. The bill would make no changes to the authorization under the bond act for issuance of \$950 million for rail purposes other than high-speed rail. These provisions would become effective only upon approval by the voters at the next statewide general election.

This bill would declare that it is to take effect immediately as an urgency statute.

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

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

- 1 SECTION 1. Section 2704.096 is added to the Streets and
- 2 Highways Code, to read:
- 3 2704.096. (a) (1) Notwithstanding any other provision of this
- 4 chapter, and except as provided in paragraph (2), no further bonds
- 5 shall be issued and sold for purposes of Section 2704.06 on and
- 6 after the effective date of this section.
- 7 (2) This section shall not apply to bonds issued and sold for
- 8 purposes of Section 2704.06 with respect to the appropriation in
- 9 Item 2665-104-6043 of Section 2.00 of the Budget Act of 2012,
- 10 as added by Section 3 of Chapter 152 of the Statutes of 2012.
- 11 (b) Notwithstanding any other provision of this chapter, and
- 12 except as otherwise provided in paragraph (2) of subdivision (a),
- 13 the unspent proceeds received from outstanding bonds issued and
- 14 sold pursuant to Section 2704.06 prior to the effective date of this
- 15 section shall, upon appropriation by the Legislature, be redirected
- 16 from high-speed rail purposes for use in retiring the debt incurred
- 17 from the issuance and sale of those outstanding bonds.
- 18 (c) Notwithstanding any other provision of this chapter, the
- 19 remaining unissued bonds, as of the effective date of this section,

1 that were previously authorized pursuant to Section 2704.06, except
2 as otherwise provided in paragraph (2) of subdivision (a), are
3 hereby authorized to be issued and sold, with the net proceeds,
4 upon appropriation by the Legislature, to be made available as
5 follows:

6 (1) Forty percent to fund projects in the State Transportation
7 Improvement Program.

8 (2) Forty percent to fund projects in the State Highway
9 Operation and Protection Program.

10 (3) Twenty percent to fund port and freight infrastructure
11 improvement projects identified in the state's freight plan prepared
12 pursuant to Section 13978.8 of the Government Code.

13 SEC. 2. Section 1 of this act would modify the single object
14 or work of a general obligation bond act previously submitted to
15 the voters by the Legislature pursuant to Section 1 of Article XVI
16 of the California Constitution, and subsequently approved by the
17 voters as Proposition 1A at the November 4, 2008, statewide
18 general election. Accordingly, Section 1 of this act shall become
19 effective only upon approval by the voters. The Secretary of State
20 shall submit Section 1 of this act to the voters on the ballot of the
21 next statewide general election.

22 SEC. 3. This act is an urgency statute necessary for the
23 immediate preservation of the public peace, health, or safety within
24 the meaning of Article IV of the Constitution and shall go into
25 immediate effect. The facts constituting the necessity are:

26 In order to make necessary amendments to the Safe, Reliable
27 High-Speed Passenger Train Bond Act for the 21st Century as
28 quickly as possible to prevent certain further expenditures of state
29 bond funds for a high-speed rail project that differs in both cost
30 and substance from the project approved by voters in 2008, and
31 to obtain voter approval to redirect certain net proceeds of future
32 bonds under that act to other transportation capital improvement
33 projects, it is necessary that this act take effect immediately.