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An act to amend Section 64000 of, to add Section 64001 to, and to repeal Division 2 (commencing with Section 64000) of Title 6.7 of, the Government Code, and to add Section 7105.1 to the Revenue and Taxation Code, relating to transportation.



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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 64000 of the Government Code is amended to read:

64000. (a) The California Transportation Commission may allocate available federal and state transportation funds to the Department of Transportation, consistent with all applicable state and federal laws governing the use of those funds, to implement the purposes of, and to operate and manage, the Transportation Finance Bank as provided in accordance with the provisions of Section 350 of Public Law 104-59 and Section 1511 of Public Law 105-178 using only funds made available to the department through the annual budget act.

(b) The department shall act as a lender in administering the Transportation Finance Bank and in entering into enforceable commitments to implement, operate, and manage the program created by this section to achieve the purposes of the Transportation Finance Bank.

(c) The department shall develop, and may amend as necessary, the guidelines and loan documents for the program, which shall be presented to the commission for adoption.

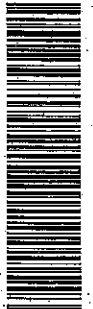
(d) An allocation of funds by the commission to meet capital and interest obligations created by the Transportation Finance Bank as those obligations become due shall be construed as an expenditure of those funds in the county or counties where the project is located. In the event of default on the loan, an amount equivalent to the remaining loan balance plus all accrued interest and penalties shall be deducted from the ~~STIP state transportation improvement program~~ county share of the affected county or counties pursuant to Sections 14524 and 14525 and an amount equivalent to the remaining loan balance plus all accrued interest and penalties shall be transferred from the State Highway Account to the Transportation Finance Bank. Interest shall continue to accrue up to the date that the fund transfer is actually made.

(e) An eligible entity requesting loan funds under this section shall first receive approval of the project from the applicable regional transportation planning agency or county transportation commission where the project is located ~~prior to~~ before the execution of a loan agreement with the department and the receipt of any funding.

(f) Only projects that have a dedicated revenue source and are eligible for assistance under Section 1511 of Public Law 105-178 are entitled to funding under this section.

(g) The Local Transportation Loan Account is hereby created in the State Highway Account in the State Transportation Fund for the management of funds for loans to local entities pursuant to this section. All funds for transportation loans in the Federal Trust Fund are hereby transferred to the Local Transportation Loan Account. The department shall deposit in the Local Transportation Loan Account all money received by the department from repayments ~~of of~~, and interest and penalties ~~on on~~, existing and future transportation loans from the Transportation Finance Bank. Interest on money in the Local Transportation Loan Account shall be credited to that account as it accrues.

(h) Notwithstanding Section 13340, the money in the Local Transportation Loan Account is continuously appropriated to the department without regard to fiscal years for purposes of loans to eligible projects as defined by Section 1511 of Public Law 105-178.



(i) All assets and liabilities of the Local Transportation Loan Account shall become assets and liabilities of the State Highway Account before January 1, 2020.

SEC. 2. Section 64001 is added to the Government Code, to read:

64001. This division shall remain in effect only until January 1, 2020, and as of that date is repealed.

SEC. 3. Section 7105.1 is added to the Revenue and Taxation Code, to read:

7105.1. (a) The State Highway Account in the State Transportation Fund is the successor account to the Transportation Deferred Investment Fund.

(b) All assets and liabilities of the Transportation Deferred Investment Fund shall become assets and liabilities of the State Highway Account on or before January 1, 2020.



LEGISLATIVE COUNSEL'S DIGEST

Bill No. _____
as introduced, _____
General Subject: Transportation funds and accounts.

(1) Existing law authorizes the California Transportation Commission to allocate federal and state transportation funds to the Department of Transportation to operate and manage the Transportation Finance Bank, pursuant to which loans are made for transportation projects that have a dedicated revenue source and are eligible under a federal program. Existing law creates the Local Transportation Loan Account in the State Highway Account in the State Transportation Fund for the management of funds for loans to local entities under these provisions. Existing law requires specified funds, interest, and penalties to be deposited in the account and continuously appropriates moneys in the account to the department for purposes of making loans to eligible local entities.

This bill would require all assets and liabilities of the Local Transportation Loan Account to become assets and liabilities of the State Highway Account before January 1, 2020. The bill would repeal all of the provisions relating to the account and the Transportation Finance Bank on January 1, 2020.

(2) Article XIX B of the California Constitution, as amended by Proposition 1A, approved by the voters at the November 7, 2006, statewide general election, requires full payment by June 30, 2016, of the amount that would have been transferred to the Transportation Investment Fund in the absence of a suspension of transfer of revenues that occurred in the 2003–04 and 2004–05 fiscal years, and until that has occurred, requires the amount of transfer payments in each fiscal year to be at least $\frac{1}{10}$ of the outstanding amount. Existing statutory law requires the minimum amount required by the California Constitution, plus interest, to be transferred by the Controller in each fiscal year until June 30, 2016, to the Transportation Deferred Investment Fund for allocation to transportation purposes that would have been funded in the absence of a suspension. Under existing law, the Transportation Deferred Investment Fund is considered part of the Transportation Investment Fund, except as specified.

This bill would require all assets and liabilities of the Transportation Deferred Investment Fund to become assets and liabilities of the State Highway Account before January 1, 2020.

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

