Statutes Related to Programming and Funding of Transportation Projects

State of California
Business, Transportation, and Housing Agency
Department of Transportation
Division of Transportation Programming

June 2003

State of California | Business, Transportation and Housing Agency

Memorandum

To: CHAIR AND MEMBERS
California Transportation Commission
REGIONAL TRANSPORTATION PLANNING AGENCIES
DISTRICT DIRECTORS

Date: June 30, 2003

From: JIM NICHOLAS
Chief
Division of Transportation Programming

Subject: Statutes Related to Programming and Funding of Transportation Projects

The California Department of Transportation (Department) has updated the *Statutes Related to Programming and Funding of Transportation Projects,* commonly referred to as "the blue book." The enclosed update supersedes the April 2002 edition and includes changes in statute that became effective January 1, 2003. A summary of updates by both Code section and Bill number are provided as appendices.

The updated blue book is available on the internet at: http://www.dot.ca.gov/hq/transprog/reports.htm.

The Department appreciates the valuable suggestions and technical assistance provided by David Brewer, Deputy Director for Highways and Programming, California Transportation Commission in accomplishing this update.

Cathy Gomes of my staff is available to discuss any questions or comments you may have related to the updated blue book. You can contact Ms.Gomes at (916) 654-3271 or via email at Cathy_Gomes@dot.ca.gov.

Enclosure

c: DBrewer
CGomes

PREFACE

STATUTES BOOK

This book is a collection of statutes related to programming and funding of transportation projects. It is an auxiliary tool that is meant to provide easy access to current, relevant statutes. The 2003 edition of the Statutes Book incorporates all relevant legislation passed and signed into law up to January 1, 2003. All bills, with the exception of bills that are urgency statutes, become effective January 1st of the year following the end of the session. All bills passed in the 2002 legislative session become effective January 1, 2003. Bills that are urgency statutes become effective immediately upon signing into law by the Governor.

At the end of certain sections of the book, you will find a row of asterisks. These asterisks indicate there is additional legislation in this chapter, however, it was omitted as it did not pertain to programming or funding.

CALIFORNIA CODES

California Law consists of 29 codes which cover the State Constitution and the California Statutes. As defined, California Statutes are bills that have been chaptered by the Secretary of State after the bill has passed through the Assembly and Senate and subsequently signed by the Governor, or becomes law without the Governor's signature.

INTERNET ACCESS

The Programming Statutes Book is accessible on the internet at the following address:

http://www.dot.ca.gov/hq/transprog/reports.htm

The Legislative Counsel of California is required by law to maintain the World Wide Web (www) site where the complete California Codes are located. The address is:

http://www.leginfo.ca.gov/calaw.html

COMMENTS

Any comments or further information regarding the "Statutes Related to Programming and Funding of Transportation Projects" should be directed to Cathy Gomes, Division of Transportation Programming, at (916) 654-3271 or Calnet 8-464-3271.

TABLE OF CONTENTS

GOVERNMENT CODE **1**

SECTIONS 4529.10 – 4529.20 1
SECTIONS 8879 – 8879.17 2
SECTION 9795 7
SECTIONS 14031.6 – 14031.8 7
SECTION 14036 9
SECTIONS 14053 – 14057 10
SECTIONS 14070 – 14076.8 13
SECTIONS 14520 – 14556.9 18
SECTIONS 16304 – 16304.3 69
SECTIONS 29532 – 29532.4 71
SECTION 64000 72
SECTIONS 65070 – 65089.10 73

PUBLIC UTILITIES CODE **93**

SECTION 21602 93
SECTIONS 21681 – 21684 94
SECTIONS 21701 – 21707 98
SECTIONS 99310 – 99319 99
SECTIONS 99600 – 99696 113

REVENUE AND TAXATION CODE **132**

SECTIONS 7101 – 7104 132
SECTIONS 7360 137
SECTIONS 8651 – 8657 137

STREETS AND HIGHWAYS CODE **142**

SECTION 143 142
SECTIONS 163 – 217.8 143
SECTIONS 824 – 825 184
SECTIONS 885 – 894.2 185
SECTIONS 2100 – 2128.1 192
SECTIONS 2230 – 2234 209
SECTIONS 2330 – 2334 210
SECTIONS 2400 – 2414 213
SECTIONS 2560 – 2565 214

VEHICLE CODE **218**

SECTIONS 9400 – 9410 218

APPENDICES **224**

APPENDIX #1 – BY CODE 224
APPENDIX #2 – BY BILL 225

INDEX ..... **I**

GOVERNMENT CODE

TITLE 1. GENERAL
DIVISION 5. PUBLIC WORK AND PUBLIC PURCHASES
CHAPTER 10.1
ARCHITECTURAL AND ENGINEERING SERVICES
FAIR COMPETITION AND TAXPAYER SAVINGS ACT

Architectural and Engineering Services
Added: Proposition 35 (2000)
4529.10. For purposes of Article XXII of the California Constitution and this act, the term "architectural and engineering services" shall include all architectural, landscape architectural, environmental, engineering, land surveying, and construction project management services.

STIP Projects
Added: Proposition 35 (2000)
4529.11. All projects included in the State Transportation Improvement Program programmed and funded as interregional improvements or as regional improvements shall be subject to Article XXII of the California Constitution. The sponsoring governmental entity shall have the choice and the authority to contract with qualified private entities for architectural and engineering services. For projects programmed and funded as regional improvements, the sponsoring governmental entity shall be the regional or local project sponsor. For projects programmed and funded as interregional improvements, the sponsoring governmental entity shall be the State of California, unless there is a regional or local project sponsor, in which case the sponsoring governmental entity shall be the regional or local project sponsor. The regional or local project sponsor shall be a regional or local governmental entity.

Selection Process
Added: Proposition 35 (2000)
4529.12. All architectural and engineering services shall be procured pursuant to a fair, competitive selection process which prohibits governmental agency employees from participating in the selection process when they have a financial or business relationship with any private entity seeking the contract, and the procedure shall require compliance with all laws regarding political contributions, conflicts of interest or unlawful activities.

Design Standards
Added: Proposition 35 (2000)
4529.13. Nothing contained in this act shall be construed to change project design standards, seismic safety standards or project construction standards established by state, regional or local governmental entities. Nor shall any provision of this act be construed to prohibit or restrict the authority of the Legislature to statutorily provide different procurement methods for design-build projects or design-build-and-operate projects.

Standard Accounting Practices
Added: Proposition 35 (2000)

4529.14. Architectural and engineering services contracts procured by public agencies shall be subject to standard accounting practices and may require financial and performance audits as necessary to ensure contract services are delivered within the agreed schedule and budget.

4529.15. This act only applies to architectural and engineering services defined in Government Code Section 4529.10. Nothing contained in this act shall be construed to expand or restrict the authority of governmental entities to contract for fire, ambulance, police, sheriff, probation, corrections or other peace officer services. Nor shall anything in this act be construed to expand or restrict the authority of governmental entities to contract for education services including but not limited to, teaching services, services of classified school personnel and school administrators.

Federal Funding
Added: Proposition 35 (2000)

4529.16. This act shall not be applied in a manner that will result in the loss of federal funding to any governmental entity.

4529.17. The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

4529.18. If any act of the Legislature conflicts with the provisions of this act, this act shall prevail.

4529.19. This act shall be liberally construed to accomplish its purposes.

4529.20. This act seeks to comprehensively regulate the matters which are contained within its provisions. These are matters of statewide concern and when enacted are intended to apply to charter cities as well as all other governmental entities.

TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA
DIVISION 1. GENERAL
CHAPTER 12.48
SEISMIC RETROFIT BOND ACT OF 1996
Article 1. General Provision

Citation
Added: Proposition 192

8879. (a) This chapter shall be known as the Seismic Retrofit Bond Act of 1996.

(b) This chapter shall only become operative upon adoption by the voters at the March 26, 1996, direct primary election.

Legislative Findings And Declarations
Added: Proposition 192

8879.1. (a) The Legislature finds and declares that the completion of seismic safety retrofit work is essential to the welfare and economy of the state.

(b) It is the intent of the Legislature to ensure that the work be completed as quickly as possible.

(c) In order to avoid delays in the completion of the work, it is necessary that certain statutes that would otherwise be applicable be temporarily suspended, as specified in Article 4 commencing with Section 8879.17. *[sic: There is no Article 4; Article 3 ends with Section 8879.17]*

(d) The Department of Transportation shall report at the end of each calendar quarter to the Joint Legislative Budget Committee and the committees in each house of the Legislature that consider transportation issues regarding the department's progress toward completion of seismic safety retrofit projects.

Definitions
Added: Proposition 192

8879.2. As used in this chapter, the following terms have the following meanings:

(a) "Board" means any department receiving an allocation from the Department of Finance.

(b) "Committee" means the Seismic Retrofit Finance Committee created pursuant to Section 8879.7.

(c) "Fund" means the Seismic Retrofit Bond Fund of 1996 created pursuant to Section 8879.3.

(d) "State Highway Account" means the State Highway Account in the State Transportation Fund.

Article 2. Seismic Retrofit Bond Fund and Program

Bond Proceeds Appropriated
Added: Proposition 192

8879.3. The Seismic Retrofit Bond Fund of 1996 is hereby created in the State Treasury. The proceeds of bonds issued and sold pursuant to this chapter for the purposes specified in this chapter are hereby appropriated, without regard to fiscal years, to the Department of Finance for allocation in the following manner:

(a) (1) Two billion dollars ($2,000,000,000) for the seismic retrofit of state-owned highways and bridges, including toll bridges, throughout the state. Funds allocated by the California Transportation Commission for this purpose shall be deposited in the 1996 Seismic Retrofit Account, which is hereby created in the fund, and, upon deposit, are continuously appropriated to the Department of Transportation. Funds may be used to match any available federal funds for transportation purposes or may be used without matching federal funds to reconstruct, replace, or retrofit state-owned highways and bridges, including toll bridges.

(2) Funds described in this subdivision shall be spent exclusively for the seismic retrofit of state-owned toll bridges in an amount equal to six hundred fifty million dollars ($650,000,000).

(3) The funds in the 1996 Seismic Retrofit Account are available for borrowing only for cash-flow purposes of the State Highway Account, and the funds borrowed shall be repaid to the account within one year. In addition, the proceeds of the bonds sold shall be used to reimburse

the State Highway Account and the Consolidated Toll Bridge Fund for Phase Two retrofit expenditures incurred in the 1994-95 and 1995-96 fiscal years.

(b) The California Transportation Commission shall notify, in writing, the Chair of the Joint Legislative Budget Committee and the chairs of the fiscal committees of both houses of the Legislature at the end of each month regarding any allocations of funds pursuant to subdivision (a).

Article 3. Fiscal Provisions

Bond Authorization
Added: Proposition 192

8879.5. Bonds in the total amount of two billion dollars ($2,000,000,000), exclusive of refunding bonds, or so much thereof as is necessary, are hereby authorized to be issued and sold for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5. All bonds herein authorized which have been duly sold and delivered as provided herein shall constitute valid and legally binding general obligations of the state, and the full faith and credit of the state is hereby pledged for the punctual payment of both principal and interest thereof.

Bond Procedures
Added: Proposition 192

8879.6. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4), except Section 16727, and all of the other provisions of that law as amended from time to time apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

Seismic Retrofit Finance Committee
Added: Proposition 192

8879.7. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this chapter, the Seismic Retrofit Finance Committee is hereby created. For the purposes of this chapter, the Seismic Retrofit Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Treasurer, the Controller, the Director of Finance, and the Secretary of the Business, Transportation and Housing Agency, or a designated representative of each of those officials. The Treasurer shall serve as the chairperson of the committee. A majority of the committee may act for the committee.

(b) The committee may adopt guidelines establishing requirements for administration of its financing programs to the extent necessary to protect the validity of, and tax exemption for, interest on the bonds. The guidelines shall not constitute rules, regulations, orders, or standards of general application.

(c) For the purposes of the State General Obligation Bond Law, any department receiving an allocation from the Department of Finance is designated to be the "board."

Bonds Issued
Added: Proposition 192

8879.8. Upon request of the board stating that funds are needed for earthquake relief purposes, the committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the actions specified in Section 8879.3, and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and be sold at any one time. Bonds may bear interest subject to federal income tax.

Additional Revenue Collected
Added: Proposition 192

8879.9. There shall be collected annually, in the same manner and at the same time as other state revenue is collected, a sum of money in addition to the ordinary revenues of the state, sufficient to pay the principal of, and interest on, the bonds as provided herein, and all officers required by law to perform any duty in regard to the collections of state revenues shall collect that additional sum.

Additional Appropriation
Added: Proposition 192

8879.10. Notwithstanding Section 13340, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum which is necessary to carry out Section 8879.12, appropriated without regard to fiscal years.

Pooled Money Investment Account
Added: Proposition 192

8879.11. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312, for purposes of this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of this chapter, less any amount withdrawn pursuant to Section 8879.12. The board shall execute any documents as required by the Pooled Money Investment Board to obtain and repay the loan. Any amount loaned shall be deposited in the fund to be allocated by the California Transportation Commission in accordance with this chapter.

Executive Order To Withdraw Funds
Added: Proposition 192

8879.12. For the purpose of carrying out this chapter, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of any amount or amounts not to exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the Seismic Retrofit Bond Fund of 1996. Any money made available under this section shall be returned to the General Fund, plus the interest that the amounts would have earned in the

Pooled Money Investment Account, from money received from the sale of bonds which would otherwise be deposited in that fund.

Refunding Bonds
Amended: Statutes of 1996, Chapter 124 (AB 3417)

8879.13. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of the State General Obligation Bond Law. Approval by the electors of this act shall constitute approval of any refunding bonds issued pursuant to the State General Obligation Bond Law.

Bond Maximum Maturity
Added: Proposition 192

8879.14. Notwithstanding anything in the State General Obligation Bond Law, the maximum maturity of any bonds authorized by this chapter shall not exceed 30 years from the date of each respective series. The maturity of each series shall be calculated from the date of each series.

Bonds Not Proceeds Of Taxes
Added: Proposition 192

8879.15. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIIIB of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

Separate Investment Account
Added: Proposition 192

8879.16. Notwithstanding any provision of the State General Obligation Bond Law with regard to the proceeds from the sale of bonds authorized by this chapter that are subject to investment under Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4, the Treasurer may maintain a separate account for investment earnings, order the payment of those earnings to comply with any rebate requirement applicable under federal law, and may otherwise direct the use and investment of those proceeds so as to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

Director's Report to Legislature
Added: Proposition 192

8879.17. The Director of Transportation shall report annually to the Governor and the Legislature regarding the funds available for seismic retrofit projects and the expenditure of bond proceeds.

DIVISION 2. LEGISLATIVE DEPARTMENT
PART 1. LEGISLATURE
CHAPTER 7. LEGISLATIVE PRINTING AND PUBLICATIONS
Article 6. Reports to the Legislature

Reports to Legislature

Added: Statutes of 1996, Chapter 818 (AB 2458)

9795. (a)(1) Any report required or requested by law to be submitted by a state or local agency to the members of either house of the Legislature generally, shall instead be submitted to the Legislative Counsel, the Secretary of the Senate, and the Chief Clerk of the Assembly. Each report shall include a summary of its contents, not to exceed one page in length, a copy of which shall be provided to each member of the appropriate house or houses of the Legislature by the Legislative Counsel within two working days of its receipt. Notice of receipt of the report shall also be recorded in the journal of the appropriate house or houses of the Legislature by the secretary or clerk of that house.

(2) In addition to and as part of the information made available to the public in electronic form pursuant to Section 10248, the Legislative Counsel shall make available a list of the reports submitted by state and local agencies, as specified in paragraph (1). If the Legislative Counsel receives a request from a member of the public for a report contained in the list, the Legislative Counsel is not required to provide a copy of the report and may refer the requester to the state or local agency, as the case may be, that authored the report.

(b) A state or local agency shall be deemed to have complied with paragraph (1) of subdivision (a) if the agency submits to the Legislative Counsel, the Secretary of the Senate, and the Chief Clerk of the Assembly each one hard copy of the report required or requested.

(c) This section shall not apply to reports required or requested by law to be directed to a committee or other specified entity within the Legislature.

(d) No report shall be distributed to a Member of the Legislature unless specifically requested by that member.

(e) Compliance with subdivision (a) shall be deemed to be full compliance with subdivision (c) of Section 10242.5.

(f) For purposes of this section, "report" includes any study or audit.

* * * * * * *

DIVISION 3. EXECUTIVE DEPARTMENT
PART 5. DEPARTMENT OF TRANSPORTATION
CHAPTER 1. GENERAL
Article 3. Activities

Commuter and Intercity Rail Funding

Amended: Statutes of 1990, Chapter 807 (SB 856)

14031.6. (a) The Governor shall include in the Budget Bill an appropriation from the Transportation Planning and Development Account in the State Transportation Fund or from other appropriate sources to subsidize the operating costs of commuter and intercity passenger services pursuant to Section 14035 and an appropriation for capital outlay improvements to, and rolling stock for, intercity routes pursuant to Section 14038.

(b) The department shall request funding for capital improvements to commuter routes to which it provides subsidies through the transit capital improvement process established by Section 99317 of the Public Utilities Code.

(c) The department shall request funding for capital improvements and rolling stock for intercity rail passenger routes pursuant to Sections 14035 and 14038 through the transit capital improvement process established by the Public Utilities Code.

(d) This section does not apply to funds made available from general obligation bonds issued for purposes of Section 164.55 of the Streets and Highways Code.

Preallocation Review

Amended: Statutes of 1982, Chapter 723 (AB 1734)

14031.7. Prior to any allocation pursuant to subdivision (b) of Section 14031.6, for any recommended new service, the department shall submit a report to the commission consisting of the following:

(a) The speeds and other service attributes needed.

(b) Needed facilities and manpower specifications.

(c) The avoidable costs of direct services joint-use arrangements, capital facilities, and other necessary arrangements.

(d) An estimate of total costs for proposed services.

(e) An inventory and evaluation of other existing transportation services in the corridor.

(f) The market potential encompassing modal diversion and operating revenues.

(g) For any commuter service, the compatibility of the service with the affected regional transportation plan.

During the preparation of this report, the department shall draw upon the resources of the Public Utilities Commission and any other available resource. This report shall become a part of the department's proposed state transportation improvement program.

Intercity Service Funding Availability

Added: Statutes of 1996, Chapter 263 (SB 457)

14031.8. (a) The Secretary of Business, Transportation and Housing shall establish, through an annual budget process, the level of state funding available for the operation of intercity passenger rail service in each corridor.

(b) Where applicable, operating funds shall be allocated by the secretary to the joint powers board in accordance with an interagency agreement which includes mutually agreed-upon rail services. Funds for the administration and marketing of services, as appropriate, shall also be transferred by the secretary to the joint powers board, subject to the terms of the interagency agreement.

(c) The joint powers board or local or regional entities may augment state-provided resources to expand intercity passenger rail services, or to address funding shortfalls in achieving agreed-upon performance standards.

(d) The department may provide any support services as may be mutually agreed upon by the board and the department.

(e) Operating costs shall be controlled by dealing with, at a minimum, the current Amtrak cost allocation formula and the ability to contract out to Amtrak or other rail operators as a part of federal legislation dealing with Amtrak reauthorization.

(f) Not later than December 31, 1997, the secretary shall establish a set of uniform performance standards for all corridors and operators to control cost and improve efficiency.

* * * * * * *

State Rail Plan

Amended: Statutes of 2001, Chapter 597 (AB 1706)

14036. (a) The department shall prepare a 10-year State Rail Plan biennially for submission to the Legislature, the Governor, the Public Utilities Commission, and the California Transportation Commission. The plan shall be submitted to the California Transportation Commission on or before October 1, 1995, and on or before October 1 of each odd-numbered year thereafter, for its advice and consent, and to the Legislature, the Governor, and the Public Utilities Commission by the following March 1. The plan shall consist of a passenger rail element and a freight rail element.

(b) The passenger rail element shall contain all of the following:

(1) For capital and operating subsidies and costs, all actual encumbrances for the prior two fiscal years; and for state operations, all actual expenditures for the prior two fiscal years. All revenues shall be identified by source.

(2) For capital and operating subsidies, estimated encumbrances and revenues for the current year; and for state operations, estimated expenditures for the current year. The department shall use the same format as is required for prior year expenditures pursuant to paragraph (1).

(3) For the budget year and the nine following fiscal years, proposed encumbrances for capital and operating subsidies and costs shall be reported in the same format as is required for the prior year's expenditures. For state operations, proposed expenditures for the budget year shall be reported.

(4) The identification and cost of capital facilities necessary to enhance competitiveness of rail passenger services, including, for each intercity route, a list of at least the three highest priority capital improvement projects, with cost estimates and a funding plan.

(5) A performance evaluation of all services in operation for the two prior years, including performance trends, potential for efficiency and effectiveness, possible improvements, and strategies to achieve that potential. This shall include an evaluation of all feeder bus services, using, among other things, criteria based on ridership levels, break-even points, and levels of growth in service utilization. The number of daily feeder bus runs, if any, that failed to carry even one passenger shall be identified.

(6) A recommendation of a level of and program for services over a 10-year period, including a list of service enhancements on existing and additional routes, with funding and priority recommendations. This shall include identification of feeder bus service improvements and a management and operating plan for achieving these improvements.

(7) An evaluation of reports by regional planning agencies and county transportation commissions on commuter service alternatives in their regions, including presentation of their recommendations.

(8) A map showing all existing intercity and commuter passenger rail routes and services, all proposed intercity and commuter passenger rail routes and services, and all intercity and commuter passenger rail routes and services that are the subject of feasibility studies.

(9) A report on the expenditure of marketing activities funds for purchases of media advertising of rail passenger services. This report shall be prepared in consultation with the Public Utilities Commission and the National Rail Passenger Corporation. The department may

consult with other agencies, organizations, and persons with expertise. The department shall employ realistic assumptions, using Public Utilities Commission cost data whenever possible, with respect to the level of services it can provide and the cost of these services when developing the program.

(10) A discussion of the department's overall marketing strategy as it relates to the intercity rail passenger service, including feeder bus service, and a report on the expenditure of marketing activities funds for purchases of media advertising of rail passenger services.

(11) A discussion of fare policies and practices, including all of the following:

(A) The relationship of fare policies to ridership and yield, including the impact of (A) a variety of regular fares, including fares such as midweek and other off-peak discounts, (B) discount fare blackouts during certain holiday travel periods on yield and ridership, and (C) discount fares for small groups traveling together.

(B) Lightly traveled route segments where current fares are too high for the demand, and where ridership or yield, or both, would increase with lower fares.

(C) A potential fare policy that would maximize both ridership and yield.

(D) A summary of discussions with Amtrak on the subject of fares.

(c) The freight rail element shall contain all of the following:

(1) Environmental aspects, which shall include air quality, land use, and community impacts.

(2) Financing issues, which shall include a means to obtain federal and state funding.

(3) Rail issues, which shall include regional, intrastate, and interstate issues.

(4) Intermodal connections, which shall include seaports and intermodal terminals.

(5) Current system deficiencies.

(6) Service objectives, such as improving efficiency, accessibility, and safety.

(7) New technology, which shall include logistics and process improvement.

(8) Light density rail line analyses, which shall include traffic density, track characteristics, project selection criteria, and benefit-cost criteria.

* * * * * * *

Management Information System Committee, Plan

Added: Statutes of 1999, Chapter 783 (AB 1012)

14053. (a) It is the intent of the Legislature, in enacting this section, to establish an advisory body that, among other things, develops recommendations on ways to upgrade and modernize the data automation system within the department in a manner that enables the department to track the status of specific transportation projects and closely monitor the use of federal transportation funds, and include other features that foster efficiencies in the delivery of transportation projects in this state. It is the intent of the Legislature that the advisory body established under this section develop a plan that focuses on ways to complement existing efforts within the department to upgrade the department's internal data automation system.

(b)(1) The department shall provide staff support for a management information system committee.

(2) The secretary shall designate the chairperson of the committee and shall appoint representatives to the committee from all of the following:

(A) The commission.

(B) The Department of Information Technology.

(C) Counties.

(D) Cities.

(E) Agencies responsible for approving each county's submission to the state transportation improvement program.

(F) Designated, multicounty regional transportation planning agencies.

(G) The department.

(3) The committee shall develop a plan for a management information system for project monitoring and project delivery purposes. The plan shall specifically deal with the issue of closely monitoring the use of federal transportation funds, including, but not limited to, those funds that are made available though the federal Regional Surface Transportation Program and the federal Congestion Management [*sic*] and Air Quality program to ensure full and timely use of those funds under subdivision (i) of Section 182.6 of, and subdivision (f) of Section 182.7 of, the Streets and Highways Code. The committee shall consider developing all of the following:

(A) A report listing the data that would be required to provide necessary project accountability and tracking, including, but not limited to, requirements for specific project identification, budgeting, scheduling, milestone reporting, expenditures, and progress reports.

(B) A report on the anticipated costs of building and operating the system.

(C) A description of an appropriate procurement process.

(D) Any other information necessary for anticipating and effectively managing project delivery issues in an expeditious manner.

(c) The committee shall examine the feasibility of developing a system designed to reflect the diverse constituency of agencies that may need access to the system, including, but not limited to, regional transportation planning agencies, self-help sales tax authorities, local cities and counties, transit districts, and other recipients of funds under the state transportation improvement program.

(d) The committee shall consider one or more models for implementing the system in each county or region of the state. The model shall be appropriate for use in rural or urban districts.

(e) The plan shall contain recommendations for improvements to the department's internal data management system that can be implemented in phases. The first phase of the plan shall include recommendations on ways to improve project tracking capability. The plan shall also provide for development by the department of protocols regarding input and maintenance of the management information system.

(f)(1) Not later than March 31, 2000, the department shall submit to the Governor and the Legislature a progress report regarding current efforts by the department to improve its management information system capability and regarding development of the plan. The report shall include, but need not be limited to, an estimated completion date for the comprehensive data management system and a timetable for the interim steps that the department will take to provide the information necessary to satisfy the project monitoring requirements under Chapter 622 of the Statutes of 1997 and under the federal Transportation Equity Act for the 21st Century (Public Law 105-178) until the comprehensive data management system is operational.

(2) Not later than October 1, 2000, a draft of the plan shall be circulated to interested parties for review and comment.

(3) Not later than February 1, 2001, the committee shall submit the final plan to the Legislature.

Article 3.5. Elderly and Disabled Persons

Legislative Findings, Federal Section 5310 Program
Amended: Statutes of 1996, Chapter 669 (AB 772)

14055. The Legislature finds and declares all of the following:

(a) Elderly persons and persons with disabilities have the same rights as other persons to utilize mass transportation facilities and services.

(b) As administered by the state, funding under Section 5310 of Title 49 of the United States Code is dedicated to providing special transportation for elderly persons and persons with disabilities in all areas of the state, including urban, small urban, and rural areas.

(c) The goal of this federal program is to improve mobility for elderly persons and persons with disabilities for whom mass transportation services are unavailable, insufficient, or inappropriate.

(d) Additionally, the federal program should be coordinated with other area paratransit service providers and the consolidated transportation service agency designated pursuant to Section 15975, where applicable.

(e) Within the state, those eligible to receive grants shall include all of the following:

(1) Nonprofit corporations and associations which provide transportation services for elderly persons and persons with disabilities.

(2) Public agencies approved to coordinate services for elderly persons and persons with disabilities, including a consolidated transportation service agency designated pursuant to Section 15975.

(3) Public agencies that certify that no nonprofit corporations or associations are readily available in an area to provide the service.

Caltrans Responsibilities
Amended: Statutes of 1996, Chapter 669 (AB 772)

14055.1 The department shall act as the applicant for grants of funds to provide mass transit services to meet the special needs of elderly persons and persons with disabilities pursuant to Section 5310 of Title 49 of the United States Code. The department shall coordinate the funding and administration of available funds as prescribed by this article.

Allocation of Federal Section 5310 Funds
Amended: Statutes of 1996, Chapter 669 (AB 772)

14055.2. Funds made available to the department shall be allocated as follows:

(a) Not more than 5 percent of the annual federal apportionment may be retained by the department for the cost of administering grants.

(b) The remaining funds shall be allocated by the department, as directed by the commission, consistent with the provisions Section 14055.

Appeals Process
Amended: Statutes of 1996, Chapter 669 (AB 772)

14055.3. The commission shall establish an appeals process.

Public Hearing
Amended: Statutes of 1996, Chapter 669 (AB 772)

14055.4. Prior to approving its program of projects, the commission shall hold not less than one public hearing.

Article 5. Intercity Rail Agreements

Definitions
Added: Statutes of 1996, Chapter 263 (SB 457)

14070. As used in this article, the following terms have the following meanings:

(a) "Board" or "joint powers board" means the governing board of a joint exercise of powers agency established pursuant to Article 5.2 (commencing with Section 14072), Article 5.4 (commencing with Section 14074), or Article 5.6 (commencing with Section 14076) for the purpose of assuming administrative responsibility for intercity passenger rail service within the respective corridor.

(b) "Secretary" means the Secretary of the Business, Transportation and Housing Agency.

Program Administration
Added: Statutes of 1996, Chapter 263 (SB 457)

14070.2. (a) If authorized by the secretary, the department may, through an interagency agreement, transfer to a joint powers board, and the board may assume, all responsibility for administering passenger rail service in the corridor. Upon the date specified in the agreement, the board shall succeed to the department's powers and duties relative to that service, except that the department shall retain responsibility for developing budget requests for the service through the state budget process, which shall be developed in consultation with the board, and for coordinating service in the corridor with other passenger rail services in the state.

(b) The interagency agreement shall be executed on or before December 31, 1996. If an interagency agreement is not entered into on or before December 31, 1996, the secretary shall provide a report to the Governor and the Legislature on or before January 30, 1997, explaining why an acceptable agreement has not been developed, with specific recommendations for developing an acceptable interagency agreement.

(c) The secretary shall require the board to demonstrate the ability to meet the performance standards established by the secretary pursuant to subdivision (f) of Section 14031.8.

Interagency Transfer Agreement
Added: Statutes of 1996, Chapter 263 (SB 457)

14070.4. (a) An interagency transfer agreement between the department and a joint powers board, when approved by the secretary, shall do all of the following:

(1) Specify the date and conditions for the transfer of responsibilities and identify the annual level of funding for the initial five years of the transfer and ensure that the level of funding is consistent with and sufficient for the planned service improvements within the corridor.

(2) Identify, for the initial year and subsequent years, the funds to be transferred to the board including state operating subsidies made available for intercity rail services in the corridor, and funds currently used by the department for administration and marketing of the corridor, with the amounts adjusted annually for inflation and in accordance with the business plan.

(3) Specify the level of service to be provided, the respective responsibilities of the board and the department, the methods that the department will use to assure the coordination of services with other rail passenger services in the state, and the methods that the department will use for the annual review of the business plan and annual proposals on funding and appropriations.

(4) Describe the terms for transferring to the joint exercise of powers agency car and locomotive train sets, and other equipment and property owned by the department and required for the intercity service in the corridor including, but not limited to, the number of units to be provided, liability coverage, maintenance and warranty responsibilities, and indemnification issues.

(5) Describe auditing responsibilities and process requirements, reimbursement and billing procedures, the responsibility for funding shortfalls, if any, during the course of each fiscal year, an operating contract oversight review process, performance standards and reporting procedures, the level of rail infrastructure maintenance, and other relevant monitoring procedures. The description shall contain an evaluation of the impact of any transfer of equipment on other intercity corridors. The agreement shall endeavor to minimize the impact and maximize the efficient use of the equipment, including continued joint use of equipment that is currently shared by one or more corridors.

(b) Use of the annual state funding allocation, as set forth in the interagency transfer agreement for the initial five years, shall be described in an annual business plan submitted by the board to the secretary for review and recommendation by April 1 of each year. The business plan, when approved by the secretary, shall be deemed accepted by the state. The budget proposal developed by the department for the subsequent year shall be based upon the business plan approved by the secretary. The business plan shall be consistent with the interagency agreement and shall include a report on the recent as well as historical performance of the corridor service, an overall operating plan including proposed service enhancement to increase ridership and provide for increased traveler demands in the corridor for the upcoming year, short-term and long-term capitol improvement programs, funding requirements for the upcoming fiscal year, and an action plan with specific performance goals and objectives. The business plan shall document service improvements to provide the planned level of service, inclusion of operating plans to serve peak period work trips, and consideration of other service expansions and enhancements. The plan shall clearly delineate how funding and accounting for state-sponsored rail passenger services shall be separate from locally sponsored services in the corridor. Proposals to expand or modify passenger services shall be accompanied by the identification of all associated costs and ridership projections. The business plan shall establish, among other things: fares, operating strategies, capital improvements needed, and marketing and operational strategies designed to meet performance standards established in the interagency agreement.

(c) Based on the annual business plan and the subsequent appropriation by the Legislature, the secretary shall allocate state funds on an annual basis to the board. As provided in the interagency agreement, any additional funds that are required to operate the passenger rail service during the fiscal year shall be provided by the board from jurisdictions that receive service. In addition, the board may use any cost savings or farebox revenues to provide service improvements related to intercity service. In any event, the board shall report the fiscal results of the previous year' s operations as part of the annual business plan.

(d) The term of the agreement shall not exceed three years.

(e) The level of service funded by the state shall in no case be less than the current number of intercity roundtrips operated in a corridor and serving the end points currently served by the

intercity rail corridor. The level of service funded by the state shall also include feeder bus service with substantially the same number of route miles as the current feeder system, to be operated in conjunction with the trains.

(f) Nothing in this article shall be construed to preclude expansion of state-approved intercity rail service.

Contracting For Passenger Rail Services
Added: Statutes of 1996, Chapter 263 (SB 457)

14070.6. The department and any entity that assumes administrative responsibility for passenger rail services through an interagency transfer agreement, may, through a competitive solicitation process, contract with the National Railroad Passenger Corporation (Amtrak) or with other organizations not precluded by state or federal law to provide passenger rail services, and may contract with rail corporations and other rail operators for the use of tracks and other facilities and for the provision of passenger services on terms and conditions as the parties may agree. The department is deemed to be a third-party beneficiary of the contract, and the contract shall not contain any provision or condition that would negatively impact on or conflict with any other contracts the department has regarding intercity rail services. Any entity that succeeds the department as sponsor of state-supported passenger rail services through an interagency transfer agreement, is deemed an agency of the state for all purposes related to passenger rail services, including Section 1614 of Title 49 of the United States Code.

Article 5.2 Southern California Regional Rail Authority

Southern California Regional Rail Authority (SCRRA)
Amended: Statutes of 1996, Chapter 263 (SB 457)

14072. The Southern California Regional Rail Authority is an existing joint powers authority formed pursuant to Section 130255 of the Public Utilities Code, made up of the county transportation commissions of the Counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura, and set up to operate the commuter rail network known as Metrolink in those counties.

Expanded Authority
Added: Statutes of 1996, Chapter 263 (SB 457)

14072.2. The joint powers authority, known as the Southern California Regional Rail Authority, may, if the authority elects to be a party to an interagency agreement pursuant to Article 5 (commencing with Section 14070), be expanded to form an authority for the administration of intercity passenger rail services in the Counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, and Ventura. The expanded authority may include, but is not limited to, the following agencies: the Imperial Valley Association of Governments, the Los Angeles County Metropolitan Transportation Commission, the Orange County Transportation Authority, the Riverside County Transportation Commission, the San Bernardino Association of Governments, the San Diego Association of Governments, the San Luis Obispo Council of Governments, the Santa Barbara County Association of Governments, and the Ventura County Transportation Commission. For the purposes of this section, "authority" means the expanded board of the Southern California Regional Rail Authority. Only the expanded board or authority, not the Southern California

Regional Rail Authority board existing on July 1, 1996, may exercise jurisdiction over intercity rail matters for the service area of the authority. For purposes of taking action on intercity rail issues, including, but not limited to, equipment, funding, legislation, marketing, and operations, the member agency from each county shall be allowed one vote. Representation shall be limited to one agency per county.

Expanded Authority Membership
Added: Statutes of 1996, Chapter 263 (SB 457)

14072.4. Membership in the expanded Southern California Regional Rail Authority shall be one voting representative from each of the designated member agencies. Members shall be appointed from each of the member agencies annually.

Conditions Applicable To Authority
Added: Statutes of 1996, Chapter 263 (SB 457)

14072.6. This article shall be applicable only if the entities to be represented on the authority enter into a joint exercise of powers agreement to expand the authority, and elect to become a party to an interagency transfer agreement pursuant to Article 5 (commencing with Section 14070).

Article 5.4. San Joaquin Corridor

Definitions
Added: Statutes of 1996, Chapter 263 (SB 457)

14074. As used in this article, the following terms have the following meanings:

(a) "Board" means the governing board of the San Joaquin Corridor Joint Powers Agency established pursuant to Section 14074.2.

(b) "San Joaquin Corridor" or "corridor" means the Los Angeles-Bakersfield-Fresno-Stockton-Sacramento-Oakland rail corridor.

Membership
Added: Statutes of 1996, Chapter 263 (SB 457)

14074.2. (a) The San Joaquin Corridor Joint Powers Agency may be established by agreement of the represented agencies for the purpose of assuming responsibility for intercity passenger rail services in the San Joaquin Corridor.

(b) The board shall be composed of the following 19 members: (1) One member from the Capitol Corridor Joint Powers Board, if that board is in existence.

(2) One member from the County of Sacramento, appointed by the board of supervisors of that county.

(3) One member from the County of Los Angeles, appointed by the board of supervisors of that county.

(4) Two members each from the Counties of Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare, appointed by the board of supervisors of the respective county. Each county shall appoint one member who is an elected official and one who is a private citizen.

Conditions
Added: Statutes of 1996, Chapter 263 (SB 457)

14074.6. This article shall be applicable only if the entities that would be represented on the board enter into a joint exercise of powers agreement to form the agency, and elect to become a party to an interagency transfer agreement pursuant to Article 5 (commencing with Section 14070).

Task Force Steering Committee
Added: Statutes of 1997, Chapter 202 (SB 1118)

14074.8. The Steering Committee of the Caltrans Rail Task Force may confer with the secretary to coordinate intercity passenger rail service for the San Joaquin Corridor, including assisting in the development of an appropriate management structure for the San Joaquin Corridor as an element of a coordinated statewide intercity rail system.

Article 5.6. Capitol Corridor

Definitions
Amended: Statutes of 1997, Chapter 252 (SB 47)

14076. As used in this article, the following terms have the following meanings:

(a) "Authority" or "Capitol Corridor Joint Powers Authority" means the joint exercise of powers agency formed under Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 and specified in subdivision (a) of Section 14070.

(b) "Board" means the governing board of the Capitol Corridor Joint Powers Board established under Section 14076.2.

(c) "Capitol Corridor" or "corridor" means the Colfax-Sacramento-Suisun City-Oakland-San Jose rail corridor.

Establishment of Capitol Corridor Joint Powers Authority
Amended: Statutes of 1999, Chapter 724 (AB 1650)

14076.2. (a) There is hereby created the Capitol Corridor Joint Powers Board, subject to being organized pursuant to subdivision (b). The board shall be composed of not more than the following 16 members:

(1) Six members of the San Francisco Bay Area Rapid Transit District Board of Directors, appointed by the board of directors of that district, as follows:

(A) Two who are residents of Alameda County.

(B) Two who are residents of Contra Costa County.

(C) Two who are residents of the City and County of San Francisco.

(2) Two members of the Board of Directors of the Sacramento Regional Transit District, appointed by the board of directors of that district.

(3) Two members of the Board of Directors of the Santa Clara Valley Transportation Authority, appointed by the board of directors of that authority.

(4) Two members of the county congestion management agency for that County of Yolo, appointed by that agency.

(5) Two members of the county congestion management agency for the County of Solano, appointed by that agency.

(6) Two members of the Placer County Transportation Planning Agency, appointed by that agency.

(b) The board shall be organized when at least two of the jurisdictions described in paragraphs (1) to (6), inclusive, of subdivision (a) elect to appoint members to serve on the board. Only those jurisdictions that appoint members to serve on the board prior to December 31, 1996, shall be member-agencies of the board.

Administrative Support Staff

Added: Statutes of 1996, Chapter 263 (SB 457)

14076.4. If the board and the department enter into an interagency transfer agreement pursuant to Article 5 (commencing with Section 14070), for an initial period, that begins with the transfer of responsibilities from the department to the board and continues for a three-year period subsequent to the completion of the track and signal improvements between Sacramento and Emeryville, the San Francisco Bay Area Rapid Transit District General Manager and the district's administrative staff shall, if that district has appointed members to the board in accordance with Section 14076.2, provide all necessary administrative support to the board to perform its duties and responsibilities, and may perform for the board any and all activities that they are authorized to perform for the district. At the conclusion of the initial period, the board may, through procedures that it determines, select the San Francisco Bay Area Rapid Transit District or another existing public rail transit agency for a three-year term to provide all necessary administrative support staff to the board to perform its duties and responsibilities.

Vote Requirement

Added: Statutes of 1996, Chapter 263 (SB 457)

14076.6. The board shall make its decisions in accordance with the votes of its members, requiring a majority vote for all matters with the exception of the approval of the business plan, and revisions, which shall require a vote of two-thirds of the members.

Funding

Added: Statutes of 1996, Chapter 263 (SB 457)

14076.8. For the purpose of carrying out its responsibilities pursuant to this article, the board may seek funds from any jurisdiction served by the Capitols passenger rail service for enhanced service.

* * * * * * *

PART 5.3. CALIFORNIA TRANSPORTATION COMMISSION

CHAPTER 2. DUTIES

State Transportation Policies and Plans

Amended: Statutes of 1982, Chapter 454 (SB 1782)

14520. The commission shall advise and assist the Secretary of the Business, Transportation and Housing Agency and the Legislature in formulating and evaluating state policies and plans for transportation programs in the state.

Caltrans Responsibility for State Highways
Amended: Statutes of 1997, Chapter 622 (SB 45)

14520.3. (a) The Legislature, through the enactment of Senate Bill 45 during the 1997-98 Regular Session, intends to establish priorities and processes for the programming and expenditure of state transportation funds that are at the discretion of the Legislature and the Governor.

(b) The department is responsible for the planning, design, construction, maintenance, and operation of the state highway system and Senate Bill 45 is not intended to alter that responsibility.

(c) In addition to other responsibilities established by law, the department is the responsible agency for performing all state highway project components specified in subdivision (b) of Section 14529 of the Government Code except for construction.

(d) The Legislature, through the enactment of this section, intends that nothing in subdivision (b) of Section 14529 of the Government Code or any other provision in the act that added this section to the Government Code shall be construed to expand or restrict the authority or responsibility of the department, as provided by statute or the California Constitution, to perform the components described in subdivision (b) of Section 14529 of the Government Code on state highways.

Reports from Caltrans and Other Entities
Added: Statutes of 1977, Chapter 1106 (AB 402)

14521. The commission may request and review reports of the department and of other entities which pertain to transportation issues and concerns that the commission determines need special study.

Regional Transportation Plan Guidelines
Amended: Statutes of 1978, Chapter 669 (AB 3297)

14522. In cooperation with the regional transportation planning agencies, the commission may prescribe study areas for analysis and evaluation by such agencies and guidelines for the preparation of the regional transportation plans.

Commission Evaluation of Caltrans Budget
Amended: Statutes of 1997, Chapter 622 (SB 45)

14523. The commission may prepare an independent evaluation of the department's budget regarding the adequacy of funding levels and the relative needs of program categories as defined in Section 167 of the Streets and Highways Code and submit its recommendations to the Legislature not later than April 1 of each year. The report shall reflect the commission's judgment regarding the overall funding levels for each program category and shall not duplicate the item-by-item analysis conducted by the Legislative Analyst.

Biennial Caltrans Fund Estimate Submission
Amended: Statutes of 2000, Chapter 91 (AB 2928)

14524. (a) Not later than July 15, 2001, and July 15 of each odd-numbered year thereafter, the department shall submit to the commission a five-year estimate pursuant to Section 164 of the Streets and Highways Code, in annual increments, of all federal and state funds reasonably expected to be available during the following five fiscal years.

(b) The estimate shall specify the amount that may be programmed in each county for regional improvement programs pursuant to paragraph (2) of subdivision (a) of Section 164 of the Streets and Highways Code and shall identify any statutory restriction on the use of particular funds.

(c) For the purpose of estimating revenues, the department shall assume that there will be no changes in existing state and federal statutes. Federal funds available for demonstration projects that are not subject to federal obligational authority, or are accompanied with their own dedicated obligational authority, shall not be considered funds that would otherwise be available to the state and shall not be included in the fund estimate.

(d) The method by which the estimate is determined shall be determined by the commission, in consultation with the department, transportation planning agencies, and county transportation commissions.

Project Delivery Plan

Amended: Statutes of 1992, Chapter 1296 (SB 986)

14524.15. (a) Not later than January 15 of each year, the department shall submit to the appropriate fiscal and policy committees of the Legislature, and to the Joint Legislative Budget Committee, a project delivery plan based on the state transportation improvement program adopted by the commission pursuant to Section 14529 on or before the preceding July 1. The plan shall consist of all of the following:

(1) The capital outlay staffing needs of the department for project study reports, project development, surveying, and construction inspection in the next fiscal year necessary to deliver the adopted state transportation improvement program and any new funding capacity as indicated in the adopted funding estimate for the subsequent state transportation improvement program period, including projects to be advanced.

(2) Beginning with the plan due on November 15, 1990, the department shall reconcile the capital outlay project development staffing estimates made in previous plans with staffing actually available and the staffing actually required to perform the identified work for the state transportation improvement program.

(3) A determination of that portion of the workload developed pursuant to subdivision (a) that is proposed to be accomplished by the department's staff and that portion that is proposed by the department to be accomplished by contract for professional and technical services.

(b) On or before June 1 of each year, the Legislative Analyst shall assess the department's project delivery plan. This assessment shall include each of the following:

(1) An analysis of the progress the department has made in the prior year toward delivering projects as scheduled in the adopted state transportation improvement program.

(2) An overall assessment of the plan's adequacy in ensuring that all federal, state, local, and private funds are used in a timely and efficient manner with a minimum of project delays.

(3) The Legislative Analyst's recommendations, if any, for improving the project delivery performance.

(c) Beginning on January 1, 1989, and on January 1 of each year thereafter, the department shall report to the Governor and the Legislature on the level of participation by minority and women business enterprises in contracting pursuant to this article. If the established goals are not met, the department shall report the reasons for its inability to achieve the standards and identify remedial steps it shall take.

(d) Not later than April 15 of each year, the department shall submit to the appropriate fiscal and policy committees of the Legislature, and to the Joint Legislative Budget Committee, a

revised project delivery plan which shall be the project delivery plan submitted pursuant to subdivision (a) updated to reflect the fund estimate provided the commission pursuant to Section 14524.

Project Development Costs
Amended: Statutes of 1992, Chapter 1296 (SB 986)

14524.16. (a) The department shall, as part of the reports required pursuant to Sections 14524.15 and 14525.5, report on its costs of project development for all state transportation improvement program projects awarded during the previous fiscal year.

(b) For purposes of this section, "costs of project development" includes all noncapital costs incurred by the department from completion of the project study report through the award of the construction contract.

The costs of project development include the prorated share of distributed departmental administration, as identified in the Governor's proposed budget, attributable to these project development activities. The calculation of the prorated share of departmental administration shall exclude tort payments, costs of legal services associated with those payments, and central administrative services.

(c) The department shall attempt to keep its cost of project development, as defined in subdivision (b), from exceeding 20 percent of the value of state transportation improvement program projects, including right-of-way costs, awarded during the previous fiscal year, except for those projects where the department has provided design oversight only or has not been the responsible agency for project design.

The average cost of project delivery for the three previous fiscal years shall not exceed the 20 percent target.

(d) On or before June 1 of each year, the Legislative Analyst shall assess the department's costs of project development.

Caltrans Capital Outlay Support Staffing Level and Contracting Out
Added: Statutes of 1993, Chapter 433 (SB 1209)

14524.2. (a) If the department's total project delivery plan for any year pursuant to subdivision (a) of Section 14524.15 requires a permanent and temporary capital outlay support staffing level which equals the 1986-87 budgeted permanent and temporary capital outlay support staffing level, the department's budget request for that year shall contain a permanent and temporary capital outlay support staffing level equal to its 1986-87 authorized permanent and temporary capital outlay support staffing level.

(b) If the department's total project delivery plan for any year pursuant to subdivision (a) of Section 14524.15 requires a permanent and temporary capital outlay support staffing level and personnel year equivalents for cash overtime and contract services which exceeds the 1986-87 authorized permanent and temporary capital outlay support staffing level and personnel year equivalents for cash overtime and contract services, the department's budget request for that year shall contain a permanent and temporary capital outlay support staffing level and personnel year equivalents for cash overtime equal to the 1986-87 authorized permanent and temporary capital outlay support staffing level and personnel year equivalents for cash overtime plus one-half of the excess over the 1986-87 authorized permanent and temporary capital outlay support staffing level and personnel year equivalents for cash overtime and contract services. The department may contract out, pursuant to Section 14131, an equal number of personnel year equivalents for each authorized permanent and temporary capital outlay support staffing level and personnel

year equivalents for cash overtime which exceeds the 1986-87 authorized permanent and temporary capital outlay support staffing level and personnel year equivalents for cash overtime.

(c) For purposes of this section, "permanent and temporary capital outlay support staffing level" means the department's permanent and temporary capital outlay support staffing level funded by state and federal funds through the State Highway Account.

(d) This section shall become operative on January 1, 1998.

Biennial Fund Estimate Adoption

Amended: Statutes of 2000, Chapter 91 (AB 2928)

14525. (a) Not later than August 15, 2001, and August 15 of each odd-numbered year thereafter, the commission shall adopt a five-year estimate pursuant to Section 164 of the Streets and Highways Code, in annual increments, of all state and federal funds reasonably expected to be available during the following five fiscal years.

(b) The estimate shall specify the amount that may be programmed in each county for regional improvement programs under paragraph (2) of subdivision (a) of Section 164 of the Streets and Highways Code and shall identify any statutory restriction on the use of particular funds.

(c) For the purpose of estimating revenues, the commission shall assume that there will be no change in existing state and federal statutes. Federal funds available for demonstration projects that are not subject to federal obligational authority, or are accompanied with their own dedicated obligational authority, shall not be considered funds that would otherwise be available to the state and shall not be included in the fund estimate.

(d) If the commission finds that legislation pending before the Legislature or the United States Congress may have a significant impact on the fund estimate, the commission may postpone the adoption of the fund estimate for no more than 90 days. Prior to March 1 of each even-numbered year, the commission may amend the estimate following consultation with the department, transportation planning agencies, and county transportation commissions to account for unexpected revenues or other unforeseen circumstances. In the event the fund estimate is amended, the commission shall extend the dates for the submittal of improvement programs as specified in Sections 14526 and 14527 and for the adoption of the state transportation improvement program pursuant to Section 14529.

Inflation Estimates

Added: Statutes of 1989, Chapter 105 (SB 300)

14525.1. The department and the commission shall use an inflation rate that has been established by the Department of Finance. The Department of Finance shall consult with the Legislative Analyst and the Department of Transportation when calculating the inflation rate for this purpose.

Project Delivery Report

Amended: Statutes of 1989, Chapter 106 (AB 471)

14525.5. (a) The department shall submit a project delivery report to the Governor and the Legislature not later than November 15 of each year. The report shall include all state highway projects that are included in the adopted state transportation improvement program costing one million dollars ($1,000,000) or more and for which the department is the responsible agency for project development work.

(b) For each of these projects, the report shall identify the milestone dates by month and year.

(c) For each fiscal year corresponding with the fiscal year used in programming the state transportation improvement program, the report shall identify the number of these projects which met one or more of the milestone dates. The report shall also identify each project where the department failed to meet one or more milestones. For each of those projects, the report shall identify the specific circumstances resulting in the delay, and present a plan to resolve any problems and a new schedule for delivery.

(d) For purposes of this section, each of the following is a "milestone date":

(1) Commencement of the environmental process.

(2) Commencement of the circulation of the draft environmental documents.

(3) Final approval of the environmental documents.

(4) Commencement of work on the plans, specifications, and estimates.

(5) Project ready to advertise.

(6) Project delivery.

(e) "Project delivery" is the date on which the project is advertised.

State Auditor Review of Conformity to Blueprint Legislation

Amended: Statutes of 1997, Chapter 690 (SB 408)

14525.6. (a) Until January 1, 1999, or the date of the report specified in subdivision (b), whichever is earlier, the State Auditor shall annually conduct a review of allocations and expenditures at the state level of transportation funds made available by Chapters 105, 106, and 108 of the Statutes of 1989, to determine whether the purposes for which those funds are allocated and expended conform to the requirements of Chapters 105, 106, and 108 of the Statutes of 1989. Not later than March 1, 1992, and by March 1 of each year thereafter, until January 1, 1999, or the date of the report specified in subdivision (b), whichever is earlier, the State Auditor shall submit a report on the results of that review to the Governor and to the Legislature.

(b) The Joint Legislative Audit Committee may review and report on the requirements imposed on the State Auditor by subdivision (a) on or before January 1, 1999.

Interregional Transportation Improvement Program (ITIP)

Amended: Statutes of 2000, Chapter 91 (AB 2928)

14526. (a) Not later than December 15, 2001, and December 15 of each odd-numbered year thereafter, and after consulting with the transportation planning agencies, county transportation commissions, and transportation authorities, the department shall submit to the commission its five-year interregional transportation improvement program consisting of all of the following:

(1) Projects to improve state highways, pursuant to subdivision (b) of Section 164 of the Streets and Highways Code.

(2) Projects to improve the intercity passenger rail system.

(3) Projects to improve interregional movement of people, vehicles, and goods.

(b) Projects may not be included in the interregional transportation improvement program without a project study report or major investment study.

(c) Major projects shall include current costs updated as of November 1 of the year of submittal and escalated to the appropriate year, and shall be consistent with, and provide the information required in, subdivision (b) of Section 14529.

(d) Projects included in the interregional transportation improvement program shall be consistent with the adopted regional transportation plan.

State Highway Operation and Protection Program (SHOPP)
Amended: Statutes of 1992, Chapter 1177 (SB 1435)

14526.5. (a) The department shall prepare a state highway operation and protection program for the expenditure of transportation funds for major capital improvements that are necessary to preserve and protect the state highway system. Projects included in the program shall be limited to capital improvements relative to maintenance, safety, and rehabilitation of state highways and bridges which do not add a new traffic lane to the system.

(b) The program shall include projects which are expected to be advertised prior to July 1 of the year following submission of the program, but which have not yet been funded. The program shall include those projects for which construction is to begin within four fiscal years, starting July 1 of the year following the year the program is submitted.

(c) The program shall be submitted to the commission not later than January 31 of each even-numbered year. Prior to submitting the plan, the department shall make a draft of its proposed program available to transportation planning agencies for review and comment and shall include the comments in its submittal to the commission.

(d) The commission may review the program relative to its overall adequacy, level of annual funding needed to implement the program, and the impact of those expenditures on the state transportation improvement program. The commission shall approve and submit the program to the Legislature and the Governor not later than April 1 of each even-numbered year.

(e) Expenditures for these projects shall not be subject to Sections 188 and 188.8 of the Streets and Highways Code.

Regional Transportation Improvement Program (RTIP)
Amended: Statutes of 2002, Chapter 472 (SB 1768)

14527. (a) After consulting with the department, the regional transportation planning agencies and county transportation commissions shall adopt and submit to the commission and the department, not later than December 15, 2001, and December 15 of each odd-numbered year thereafter, a five-year regional transportation improvement program in conformance with Section 65082. In counties where a county transportation commission or authority has been created pursuant to Chapter 2 (commencing with Section 130050) of Division 12 of the Public Utilities Code, the commission or the authority shall adopt and submit the county transportation improvement program, in conformance with Sections 130303 and 130304 of that code, to the multicounty designated transportation planning agency. Other information, including a program for expenditure of local or federal funds, may be submitted for information purposes with the program, but only at the discretion of the transportation planning agencies or the county transportation commissions.

(b) The regional transportation improvement program shall include all projects to be funded with regional improvement funds under paragraph (2) of subdivision (a) of Section 164 of the Streets and Highways Code. The regional programs shall be limited to projects to be funded in whole or in part with regional improvement funds that shall include all projects to receive allocations by the commission during the following five fiscal years. For each project, the total expenditure for each project component and the total amount of commission allocation and the year of allocation shall be stated. The total cost of projects to be funded with regional improvement funds shall not exceed the amount specified in the fund estimate made by the commission pursuant to Section 14525.

(c) The regional transportation planning agencies and county transportation commissions may recommend projects to improve state highways with interregional improvement funds pursuant to subdivision (b) of Section 164 of the Streets and Highways Code. The recommendations shall be separate and distinct from the regional transportation program. A project recommended for funding pursuant to this subdivision shall constitute a usable segment and shall not be a condition for inclusion of other projects in the regional transportation improvement program.

(d) The department may nominate or recommend the inclusion of projects in the regional transportation improvement program to improve state highways with regional transportation improvement funds pursuant to paragraph (2) of subdivision (a) and subdivision (e) of Section 164 of the Streets and Highways Code. A regional transportation planning agency and a county transportation commission shall have sole authority for determining whether any of the project nominations or recommendations are accepted and included in the regional transportation improvement program adopted and submitted pursuant to this section. This authority provided to a regional transportation planning agency or to a county transportation commission extends only to a project located within its jurisdiction.

(e) Major projects shall include current costs updated as of November 1 of the year of submittal and escalated to the appropriate year, and shall be consistent with, and provide the information required in, subdivision (b) of Section 14529.

(f) The regional transportation improvement program may not change the project delivery milestone date of any project as shown in the prior adopted state transportation improvement program without the consent of the department or other agency responsible for the project' s delivery.

(g) Projects may not be included in the regional transportation improvement program without a complete project study report or, for a project that is not on a state highway, a project study report equivalent or major investment study.

(h) The transportation planning agencies and county transportation commissions may request and receive an amount not to exceed 1 percent of their regional improvement fund expenditures for the purposes of project planning, programming, and monitoring. A transportation planning agency or county transportation commission not receiving federal metropolitan planning funds may request and receive an amount not to exceed 5 percent of its regional improvement fund expenditures for the purposes of project planning, programming, and monitoring.

Route 238 Local Alternative Program

Amended: Statutes of 1985, Chapter 494 (SB 296)

14528.5. (a) To resolve local transportation problems resulting from the unfeasibility of a planned state transportation facility on State Highway Route 238, the city or county in which the planned facility was to be located, or the transportation planning commission having jurisdiction over the city or county, may develop and file with the commission a local alternative transportation improvement program that addresses transportation problems and opportunities in the county which was to be served by the planned facility.

(b) The department may be requested to develop the local alternative transportation improvement program. In such a case, the local program shall be submitted as a part of the proposed state transportation improvement program under Section 14526.

(c) Prior to filing the local alternative transportation improvement program with the commission, the local program shall be submitted for review by the transportation planning agency and the department in the same manner as the regional transportation improvement program. If the transportation planning agency or the department does not adopt the local program as a part of the regional transportation improvement program or the proposed state transportation improvement program, the entity that developed and filed the local program, and the transportation planning agency if it has approved the local program, may request the commission to include the local program in the state transportation improvement program.

(d) The commission shall have the final authority regarding the content and approval of the local alternative transportation improvement program. The local program, if approved by the commission, shall be included in the state transportation improvement program adopted by the commission pursuant to Section 14529. The commission shall not approve any local alternative transportation improvement program submitted under this section after January 1, 1988.

(e) At the time the commission approved the local alternative transportation improvement program, the commission shall authorize the department to sell, at the prevailing fair market price, the excess properties acquired for the planned state transportation facilities. However, any properties required for the implementation of a local alternative transportation improvement project shall not be sold. Article 8.5 (commencing with Section 54235) of Chapter 5 of Part 1 of Division 2 of Title 5 does not apply to the sale of excess property pursuant to this section. All proceeds from the sale of the excess properties, less any reimbursements due to the federal government and all costs incurred in the sale of those excess properties, shall be allocated by the commission to fund the approved local program and shall not be subject to Sections 188 and 188.8. The proceeds shall be used only for highway purposes. The estimated amount of the proceeds shall be included in the adopted regional transportation improvement program and the state transportation improvement program.

(f) This section does not apply to those highways that are in the National System of Interstate and Defense Highways.

(g) This section applies only to State Highway Route 238.

Route 238 Relocation Assistance

Added: Statutes of 1982, Chapter 1391 (AB 3179)

14528.6. A local alternative transportation improvement program, approved pursuant to Section 14528.5, shall include all of the following:

(a) A program to provide relocation assistance for residents eligible for relocation assistance pursuant to Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of this code and guidelines adopted pursuant to Section 50460 of the Health and Safety Code.

(b) A program to provide relocation assistance for all lower income households, regardless of their eligibility for assistance pursuant to subdivision (a), who will be displaced from their residences because of actions taken to finance or implement the local alternative improvement transportation program, including sale or removal of their residences. To be eligible for assistance, lower income households shall have occupied their residence on the date that the local alternative transportation improvement program was approved by the commission, the program shall comply with the requirements, except eligibility requirements, of Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of this code and with guidelines adopted pursuant to Section 50460 of the Health and Safety Code.

(c) A program to provide all persons or families who are not otherwise eligible for assistance pursuant to subdivisions (a) and (b), with relocation advice and moving expenses as defined in Section 7261 and subdivisions (a) and (b) of Section 7262.

(d) A program to provide replacement housing units for persons and families of low or moderate income at an affordable housing cost. At a minimum, the program shall provide that the total number of new units for persons or families of low or moderate income to be provided shall be equal to or greater than the number of units occupied by persons or families of low or moderate income displaced by the local alternative transportation improvement program, and that the total number of new housing units to be provided for lower income households shall be equal to or greater than the number of units occupied by lower income households displaced by the local alternative transportation improvement program. The number of units so provided shall be determined at least one year prior to the date the commission approves the local alternative transportation improvement program. If it is not feasible to replace the total number of units required on surplus public property, other types of property shall be used in order to provide the replacement units. Replacement of the units shall be completed utilizing funds other than those derived from the sale of excess properties and shall be completed within four years of the date the persons or families are displaced or, if unoccupied, from the date of demolition or removal. Unoccupied units shall be replaced in the same ratio as units occupied by persons and families of low and moderate income in the right-of-way. It shall be an objective of the program that, where financially feasible, the number of new housing units of persons and families of low or moderate income shall be not less than 20 percent of all new housing units developed on the aggregate surplus public property.

(e) For purposes of this section, the terms "affordable housing cost," "lower income households," and "persons and families of low or moderate income" shall be defined as provided in Division 31 (commencing with Section 50000) of the Health and Safety Code.

(f) Unless specifically stated, this section shall in no way reduce or limit any requirements for the provision of housing for persons or families of low or moderate income as contained in any other provision of law.

(g) No state highway account funds shall be expended for planning or implementing the housing provisions of the local alternative transportation improvement program which are required to be carried out pursuant to subdivisions (b) to (d), inclusive.

(h) Neither the excess property nor the proceeds from the sale of the excess property shall be used for housing purposes. The excess property may be used for housing purposes after sale by the department.

Route Rescission Request

Added: Statutes of 1982, Chapter 1391 (AB 3179)

14528.7. A city or county acting jointly with the transportation planning agency having jurisdiction over the city or county may adopt a resolution requesting the rescission of a state highway route location within the city or county, as the case may be. The city or county, acting jointly with the transportation planning agency, may submit an alternative state highway project proposal with the resolution. If the commission concurs in the resolution, the route location shall be rescinded, and the department shall proceed with the sale of excess real properties that were acquired for the rescinded route location.

In the case of a city or county under the jurisdiction of a county transportation commission, only the county transportation commission may adopt the resolution and submit an alternative state highway project proposal.

Property Sales Proceeds
Amended: Statutes of 1990, Chapter 627 (SB 2829)

14528.8. When the department sells any real property or interest therein acquired for a state highway route location rescinded pursuant to Section 14528.7, the proceeds from the sale shall be allocated by the commission for expenditure by the department to fund the alternative state highway project proposed by the city or county, as the case may be, if it is approved by the commission. Expenditure of the proceeds for an alternative state highway project within the same county is not subject to Sections 188 and 188.8 of the Streets and Highways Code if the route location was rescinded pursuant to Section 14528.7.

State Transportation Improvement Program (STIP)
Amended: Statutes of 2000, Chapter 91 (AB 2928)

14529. (a) The state transportation improvement program shall include a listing of all capital improvement projects that are expected to receive an allocation of state transportation funds under Section 164 of the Streets and Highways Code, including revenues from transportation bond acts, from the commission during the following five fiscal years. It shall include, and be limited to, the projects to be funded with the following:

(1) Interregional improvement funds.

(2) Regional improvement funds.

(b) For each project, the program shall specify the allocation or expenditure amount and the allocation or expenditure year for each of the following project components:

(1) Completion of all permits and environmental studies.

(2) Preparation of plans, specifications, and estimates.

(3) The acquisition of rights-of-way, including, but not limited to, support activities.

(4) Construction and construction management and engineering, including surveys and inspection.

(c) Funding for right-of-way acquisition and construction for a project may be included in the program only if the commission makes a finding that the sponsoring agency will complete the environmental process and can proceed with right-of-way acquisition or construction within the five-year period. No allocation for right-of-way acquisition or construction shall be made until the completion of the environmental studies and the selection of a preferred alternative.

(d) The commission shall adopt and submit to the Legislature and the Governor, not later than April 1 of each even-numbered year thereafter, a state transportation improvement program. The program shall cover a period of five years, beginning July 1 of the year it is adopted, and shall be a statement of intent by the commission for the allocation or expenditure of funds during those five years. The program shall include projects which are expected to receive funds prior to July 1 of the year of adoption, but for which the commission has not yet allocated funds.

(e) The projects included in the adopted state transportation improvement program shall be limited to those projects submitted or recommended pursuant to Sections 14526 and 14527. The total amount programmed in each fiscal year for each program category shall not exceed the amount specified in the fund estimate adopted under Section 14525.

(f) The state transportation improvement program is a resource management document to assist the state and local entities to plan and implement transportation improvements and to utilize available resources in a cost-effective manner. It is a document for each county and each region to declare their intent to use available state and federal funds in a timely and cost-effective manner.

(g) Prior to the adoption of the state transportation improvement program, the commission shall hold not less than one hearing in northern California and one hearing in southern California to reconcile any objections by any county or regional agency to the department's program or the department's objections to any regional program.

(h) The commission shall incorporate projects that are included in the regional transportation improvement program and are to be funded with regional improvement funds, unless the commission finds that the regional transportation improvement program is not consistent with the guidelines adopted by the commission or is not a cost-effective expenditure of state funds, in which case the commission may reject the regional transportation improvement program in its entirety. The finding shall be based on an objective analysis, including, but not limited to, travel forecast, cost, and air quality. The commission shall hold a public hearing in the affected county or region prior to rejecting the program, or not later than 60 days after rejecting the program. When a regional transportation improvement program is rejected, the regional entity may submit a new regional transportation improvement program for inclusion in the state transportation improvement program. The commission shall not reject a regional transportation improvement program unless, not later than 60 days after the date it received the program, it provided notice to the affected agency that specified the factual basis for its proposed action.

(i) A project may be funded with more than one of the program categories listed in Section 164 of the Streets and Highways Code.

(j) Notwithstanding any other provision of law, no local or regional matching funds shall be required for projects that are included in the state transportation improvement program.

(k) The commission may include a project recommended by a regional transportation planning agency or county transportation commission pursuant to subdivision (c) of Section 14527, if the commission makes a finding, based on an objective analysis, that the recommended project is more cost-effective than a project submitted by the department pursuant to Section 14526.

Advance Project Development Element

Added: Statutes of 1999, Chapter 783 (AB 1012)

14529.01. (a) It is the intent of the Legislature to facilitate project development work on needed transportation projects to produce a steady flow of construction projects by adding an advance project development element to the state transportation improvement program, beginning with the 2000 State Transportation Improvement Program.

(b) The advance project development element shall include only project development activities for projects that are eligible for inclusion in a state transportation improvement program.

(c) The fund estimate for each state transportation improvement program shall designate an amount to be available for the advance project development element, which shall be not more than 25 percent of the programmable resources estimated to be available for the first and second years following the period of the state transportation improvement program, subject to the formulas in Sections 164,188 and 188.8 of the Streets and Highways Code.

(d) The department, transportation planning agencies, and county transportation commissions may nominate projects to the commission for inclusion in the advance project development element through submission of the regional transportation improvement program and the interregional transportation improvement program.

(e) The funds programmed in the advance project development element may be allocated within the period of the state transportation improvement program without regard to fiscal year.

(f) Not later than September 1, 2002, the commission shall report to the Governor and the Legislature on the impact of adding the advance project development element described in subdivision (a) with the funding level described in subdivision (c). The report shall evaluate whether the element has proven effective in producing a steady, deliverable stream of projects and whether addition of the element has resulted in any detrimental effects on the state's transportation system.

(g) The commission may develop guidelines to implement this section.

Allocation Guidelines

Added: Statutes of 1997, Chapter 622 (SB 45)

14529.1. The commission shall establish guidelines for the allocation of funds to an entity for a project to verify that the entity has the resources and capabilities to implement the project in a timely manner and may establish a process for monitoring the progress being made and proper use of funds. The guidelines and process shall be kept to the minimum needed to protect state funds and provide for a timely use of those funds. The commission shall request that the entity receiving funds accept an audit of funds allocated to it by the commission if an audit is deemed necessary.

Staff Recommendations Prior to STIP Adoption

Added: Statutes of 1984, Chapter 95 (SB 283)

14529.3. At least 20 days prior to the adoption of the state transportation improvement program, the executive director shall make available to the commission, the department, and the transportation planning agencies and county transportation commissions the recommendations of the staff on the program.

Project Study Reports Required

Added: Statutes of 1987, Chapter 878 (AB 84)

14529.4. The commission may include capacity-increasing projects in the adopted state transportation improvement program adopted pursuant to Section 14529 only if the project studies report has been completed for that project pursuant to Section 65086.5.

State Highway Account Loan Program

Added: Statutes of 1999, Chapter 783 (AB 1012)

14529.6. (a)(1) Notwithstanding any other provision of law, the commission may advance unallocated funds in the State Highway Account, in the form of loans, to transportation planning agencies, county transportation commissions, transit districts, city and county governments, and local transportation authorities for the advancement of projects eligible under the state transportation improvement program that are included within an adopted regional transportation plan.

(2) No application for a loan may be approved under this section for an agency that is not the approving authority for the county's submission to the state transportation improvement program unless the agency applies jointly with the approving authority.

(b) When considering loan applications, the commission shall ensure that all of the following conditions are met:

(1) Projects shall comply with the environmental impact report certification requirements of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) and associated rules and regulations, and have prepared an environmental impact report under that act.

(2) Total project costs shall be greater than ten million dollars ($10,000,000). In counties with populations of less than 500,000 persons, the commission may waive this requirement if 50 percent of a county's share for the current county share period made under Section 188.8 of the Streets and Highways Code is equal to or greater than the amount of project costs to be loaned.

(3) A fiscal assessment of the applicant's ability to repay a loan shall be made by an independent fiscal consultant selected by the applicant from a pre-qualified list of fiscal consultants approved jointly by the department and the commission. The department shall make a recommendation to the commission based on the analysis conducted by the independent fiscal consultant regarding each specific loan. Costs incurred for this assessment shall be paid by the applicant.

(4) The maximum amount of funds that may be loaned to any single county in any single loan for one or more projects shall be not more than 50 percent of the most recent regional-choice funding allocation made pursuant to Section 188.8 of the Streets and Highways Code, in an amount of not more than one hundred million dollars ($100,000,000).

(5) Loan repayments shall be made in cash from nonstate sources.

(6) Loans shall be repaid within four years from the date the loan is made.

(7) If a default occurs, 100 percent repayment of the principal and interest, plus a penalty charge of 5 percent of the outstanding principal, shall be required in the form of a reduction in the county's next allocation of county share funding made under Section 188.8 of the Streets and Highways Code. If that reduction is not sufficient to pay the principal, interest, and penalty due, further reduction shall be made from subsequent allocations until the outstanding amount is paid in full. Additionally, the defaulting county shall be ineligible for regional choice fund programming made under Section 188.8 of the Streets and Highways Code until the outstanding amount is paid in full.

(8) Interest rates on loans shall be set at the rate paid on money in the Pooled Money Investment Account during the period of time that the money is loaned.

(9) The commission shall approve or disapprove all loan applications not more than 30 days after the application is submitted.

(10) When approved by the commission, the money for the loan shall be transmitted by the department directly to the applicant not later than 30 days after approval.

(11) The total amount of outstanding loans approved under this program may not exceed five hundred million dollars ($500,000,000) at any one time.

(12) All payments on the principal of any loan plus interest or penalties paid shall be deposited in the State Highway Account.

(13) The department shall require in writing that projects funded under this section be under construction not later than six months after the date the loans funds are transmitted. If the project is not under construction on or before the date set by the department under this paragraph, the department shall require that the loan be paid back, with interest, not later than 10 days after the department notifies the recipient that repayment is due .

(c) The loan program created under this section shall automatically commence on a first-come, first-served basis whenever the State Highway Account cash balance exceeds four hundred million dollars ($400,000,000) and shall be suspended whenever the commission determines that moneys in the State Highway Account will reach a cash balance of less than four hundred million dollars ($400,000,000), based on historical experience, the need for state

matching funds, and anticipated contractual needs, except that the commission may terminate the program at any time it deems termination to be the most prudent course of action. For purposes of informing potential loan applicants of the availability of funds to be loaned, the commission shall adopt, on January 15 and July 15 of each year, projections regarding the availability of funds to be loaned and the period of time during which funds will be available. The department shall report to the commission prior to each projection regarding the cash-flow needs of the state transportation improvement program for the following six months.

(d) Prior to loan approval, local agencies shall certify that other resources are not available to fund the project for which the loan is requested and that the agency does not intend to create an indirect arbitrage situation.

(e) Not later than 120 days from the effective date of the act that added this section during the 1999-2000 Regular Session, the commission, in consultation with the department and interested parties, shall propose guidelines and procedures to implement and expedite the loan program established under this section.

(f) Not later than 180 days from the effective date of the act that added this section during the 1999-2000 Regular Session, the commission, after a public hearing, shall adopt a uniform loan agreement package, including guidelines and implementation procedures, and shall begin operation of the loan program. The uniform loan agreement package shall describe loan repayment options, and all other terms and conditions necessary to protect the public interest as well as expedite the availability of funds for needed transportation improvements in the state. The commission shall make available to all interested parties the loan agreement associated with every specific loan made under this section for a period of 30 days prior to approval of those loans by the commission.

(g) The commission shall recommend to the Governor and the Legislature any suggested changes in the dollar limits required under subdivision (c) and any proposed solutions to any other issues relating to the program's impact on expediting delivery of transportation projects.

Projects Advanced with Local Funds

Amended: Statutes of 1992, Chapter 1243 (AB 3090)

14529.7. (a) A local jurisdiction may, with the concurrence of the appropriate transportation planning agency, the commission, and the department, advance a project included in the state transportation improvement program to an earlier fiscal year through the use of its own funds. A project advanced in this manner shall be deliverable by the state, or by the local jurisdiction pursuant to agreement, in the earlier year proposed by the local jurisdiction.

If a project is advanced pursuant to this subdivision, the state transportation improvement program shall be revised at the time of adoption or by amendment to show the project in the earlier fiscal year.

With the concurrence of the appropriate transportation planning agency, the commission, and the department, one or more replacement state transportation projects shall be identified and included in the state transportation improvement program for the equivalent escalated dollar value and at the originally scheduled fiscal year of the advanced project. If the project to be advanced is programmed with federal funds, the replacement project or projects shall not result in an increase in state matching funds. A replacement project or projects shall have no lower priority for funding and delivery than did the advanced project, as originally scheduled.

(b) A local agency may enter into an agreement with the appropriate transportation planning agency, the department, and the commission to use its own funds to develop, purchase right-of-way for, and construct a transportation project within its jurisdiction if the project is one

which is included in the adopted state transportation improvement program, funded by the Passenger Rail Bond Fund, as set forth in Section 2701.05 of the Street and Highways Code, or if approved by the voters, the Passenger Rail Bond Fund created by, respectively, Section 2702.05 or 2703.05 of the Street and Highways Code, the Clean Air and Transportation Improvement Fund created by Section 99610 of the Public Utilities Code, the State Highway Account, or the Transportation Planning and Development Account, or any combination thereof, pursuant to all of the following requirements:

(1) Projects constructed pursuant to this subdivision shall conform to all applicable state and federal design and construction standards.

(2) Pursuant to the agreement, and from funds allocated by the commission for the project in the year it was scheduled in the state transportation improvement program, subject to annual legislative appropriation, the department shall reimburse a local agency for the actual cost of constructing the project, including the acquisition of right-of-way, with local funds pursuant to this subdivision. Interest or other debt service costs incurred by local agencies to finance right-of-way acquisition or construction for the project are not reimbursable. Reimbursement made to a local agency pursuant to this subdivision shall be made from the funding source identified in the state transportation program. For purposes of Section 188 and 188.8 of the Streets and Highways Code, the project shall be considered as an expenditure in the year it was originally scheduled in the state transportation improvement program.

(3) The amount actually reimbursed to the local agency under paragraph (2) shall be the amount expended by the local agency for right-of-way and construction, escalated by the actual construction cost index between the time of construction award and the time of commission allocation of reimbursement funding, but not to exceed the escalated amount programmed for expenditure for the project in the state transportation improvement program in the originally scheduled year. If the expenditure of local funds does not result in the completion of an operable segment of a transportation project, payback shall be limited only to the actual amount expended by the local agency for right-of-way or partial construction, with no escalation factor.

(4) From funds appropriated to the department for project development work, the department shall reimburse the local agency for the actual cost of developing the project with local funds pursuant to this subdivision. Reimbursement of project development costs shall not exceed 20 percent of estimated construction costs. In no case shall this reimbursement exceed any lesser amount mutually agreed to by the department, commission, and local agency. Reimbursement shall occur at the earliest date the department has budget authority to do so, but not later than the year in which the department would have made those expenditures to deliver the project as originally scheduled in the state transportation improvement program.

(5) The commission shall prepare a report on the progress and impact of the local transportation construction program authorized by this subdivision and shall include the report as an element of the annual report to the Legislature required pursuant to Sections 14535 and 14536 of the Government Code.

(6) Reimbursements made to local agencies pursuant to this subdivision for expenditures of local voter approved sales and use tax revenues shall be used for the same purposes for which the imposition of the sales and use tax is authorized.

(7) A project which is constructed pursuant to this subdivision is ineligible for funding from the State-Local Transportation Partnership Program established by Chapter 16 (commencing with Section 2600) of Division 3 of the Streets and Highways Code.

(8) The commission, in consultation with the department and local transportation officials, shall develop and adopt guidelines to implement this subdivision.

STIP Timely Use of Funds
Amended: Statutes of 1998, Chapter 53 (SB 837)

14529.8. (a) Funds may be allocated by the commission for each project element during the fiscal year that is identified in the state transportation improvement program and the funds shall be available for expenditure during that fiscal year and the following two fiscal years. Any funds not allocated, or allocated but not encumbered, during the period specified in this section, shall remain in the State Highway Account or Public Transportation Account, or be returned to that particular account, as the case may be.

(b) Upon a finding that an unforeseen and extraordinary circumstance beyond the control of the responsible agency has occurred that justifies an extension, the commission may extend the deadlines specified in subdivision (a). The deadline extensions shall not exceed the period of delay directly attributed to the extraordinary circumstance and in no event be more than 20 months. The commission shall not grant more than one extension.

Use Of Federal Advance Construction Authority
Added: Statutes of 1987, Chapter 1475 (SB 1411)

14529.9. (a) A transportation planning agency, county transportation commission, or local transportation authority may, with the concurrence of the commission, request the department to make a portion of the cost of any project funded by a local entity that is included in the state transportation improvement program eligible for reimbursement by the federal government pursuant to Section 115 of Title 23 of the United States Code. The transportation planning agency, county transportation commission, or local transportation authority shall be responsible for the cost the department incurs in making the project's cost eligible for federal reimbursement.

(b) The transportation planning agency, county transportation commission, or local transportation authority and the department shall specify by agreement whether reimbursements for project costs received from the federal government pursuant to Section 115 of Title 23 of the United States Code shall be returned to the local funding entity for transportation projects or allocated to additional projects in the state transportation improvement program. For purposes of Sections 188 and 188.8 of the Streets and Highways Code, reimbursements to local entities shall be considered expenditures from the State Highway Account in the year the reimbursement occurs.

(c) For reimbursements which a local funding entity specifies are to be allocated to additional projects in the state transportation improvement program, the transportation planning agency, county transportation commission, or local transportation authority and the department, in making their recommendations, and the commission, in adopting the state transportation improvement program, shall consider the recommendations of the local funding entity for projects to be funded from federal reimbursements received for a project the entity has funded. The reimbursements may not be used as substitute funding for projects the commission has included in the adopted state transportation improvement program and programmed to receive state and federal funds, other than those provided as reimbursement pursuant to Section 115 of Title 23 of the United States Code.

(d) The department, in its recommended funding estimate, shall identify the amount of project costs that can be made eligible for reimbursement pursuant to Section 115 of Title 23 of the United States Code. The department shall also estimate the amount of federal funds available for reimbursement in each year of the state transportation improvement program.

(e) Each year the department shall determine the actual amount of federal funds available for reimbursement pursuant to Section 115 of Title 23 of the United States Code and shall notify the commission and regional transportation planning agencies.

(f) In any federal fiscal year in which the department determines funding is available for reimbursement pursuant to Section 115 of Title 23 of the United States Code, the department shall seek reimbursement for locally funded projects in the order in which the projects were made eligible pursuant to subdivision (a). If the funds available are not sufficient to fully reimburse a locally funded project, the department shall seek reimbursement for the next project whose amount can be fully reimbursed. Projects bypassed for reimbursement in one fiscal year shall retain their priority in the next fiscal year in which funding is available.

(g) The commission shall not make a reimbursement pursuant to this section unless the department finds that implementation of advance construction of projects results in the state receiving federal funds in addition to those which would be received in the absence of advanced construction agreements under this section. Reimbursement shall only be made when the commission determines that all county minimum expenditures pursuant to Section 188.8 of the Streets and Highways Code can be reasonably met, that the minimum expenditures cannot be met for reasons not related to advance construction reimbursements, or when the county in which a reimbursement would be made is below its minimum expenditure amount pursuant to that section. A project bypassed for reimbursement under this subdivision in one fiscal year shall retain its priority in the next fiscal year in which funding is available.

(h) The department shall notify the commission within 30 days of applying for reimbursement by the federal government for locally funded projects.

Federal Advance Construction Guidelines and Procedures

Added: Statutes of 1987, Chapter 1475 (SB 1411)

14529.10. The department shall recommend, and the commission shall adopt, guidelines and procedures to implement Sections 14529.8 *[Section 14529.8 was repealed by Statutes of 1992, Chapter 1243 (AB 3090)]* and 14529.9.

Guidelines for Expedited PSR Compliance Process

Added: Statutes of 1999, Chapter 783 (AB 1012)

14529.11. (a) In order to assist in the delivery of high-priority transportation projects, as determined by the commission, or advance project development work, the commission shall adopt, not later than January 30, 2000, guidelines for an expedited process through which project may comply with the requirement that a project study report be prepared in order for a project to be considered for inclusion in the state transportation improvement program. The expedited compliance process may be initiated whenever the commission finds it to be in the public interest.

(b) The guidelines required under subdivision (a) shall be developed in consultation with the department, the county agencies responsible for submission of projects for inclusion in the state transportation improvement program, and regional transportation planning agencies.

(c) The guidelines developed by the commission shall require that any request for use of the expedited compliance process be approved by the county agency responsible for submission of projects for inclusion in the state transportation improvement program and that each county approval be reviewed and approved by the department before being considered by the commission.

Consultation and Consensus on STIP Projects
Added: Statutes of 1997, Chapter 622 (SB 45)

14529.12. (a) The department and the regional planning agencies shall consult and seek consensus on state highway projects to be proposed for inclusion in the state transportation improvement program under Sections 14526 and 14527.

(b) Agreements between the state and transportation planning agencies or county transportation commissions relating to program approvals or federal or state fund transfers and the expenditure of funds pursuant to those agreements shall comply with all applicable federal and state laws and regulations and be subject to the administrative operating procedures set forth in Federal Office of Management and Budget Circulars A-87, A-102, and A-128, but not to any other state agency procedures or requirements.

Implementation and Report on SB 45
Added: Statutes of 1997, Chapter 622 (SB 45)

14529.15. (a) The commission shall make a report to the Legislature on or before February 1, 1999, and on or before February 1, 2001, assessing the relative success of the provisions of Senate Bill 45, as enacted during the 1997-98 Regular Session, in achieving the Legislature's intent for reform of the state transportation improvement program, and assessing program delivery, expenditure of funds at both regional and statewide levels, and program performance.

(b) The Legislature intends that the 1998 State Transportation Improvement Program conform with the requirements of Senate Bill 45, as enacted during the 1997-98 Regular Session, to the maximum degree feasible, taking into account the limited time allowed between enactment of that bill and adoption of that program. The commission shall comply fully with all procedures and requirements of Senate Bill 45, as enacted during the 1997-98 Regular Session, in the preparation and adoption of the subsequent state transportation improvement programs.

(c) The 1998 State Transportation Improvement Program shall cover a period of six years as a transition into a four-year programming period.

Reimbursement of Local Expenditures Made Prior to Allocation
Added: Statutes of 1999, Chapter 572 (AB 872)

14529.17. (a) A regional or local entity that is the sponsor of, or is eligible to receive funding for, a project contained in the state transportation improvement program may expend its own funds for any component of a transportation project within its jurisdiction that is included in an adopted state transportation improvement program and for which the commission has not made an allocation.

(b) The amount expended under subdivision (a) shall be reimbursed by the state, subject to annual appropriation by the Legislature, if all of the following conditions are met:

(1) The commission makes an allocation for, and the department executes an agreement to transfer funds for, the project.

(2) Expenditures made by the regional or local entity are eligible for reimbursement in accordance with state and federal laws and procedures. In the event expenditures made by the regional or local entity are determined to be ineligible, the state has no obligation to reimburse those expenditures.

(3) The regional or local entity complies with all legal requirements for the project, including, but not limited to, authorization by the federal government, if required, Section 14520.3, and the requirements of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(c) Upon the execution of an agreement with the department to transfer reimbursement funds for a project described in subdivision (a), the commission may delay reimbursement pursuant to this section only if programming or cash-management issues prevent immediate repayment.

(d) This section shall be limited to projects advanced for expenditure by an eligible local or regional entity within the 12 months preceding the date the project would otherwise be allocated funding by the commission.

(e) Unless otherwise agreed in advance by the commission and the department, the funds appropriated for the purposes of reimbursement under this section shall be federal funds and state matching funds.

Timely Execution of Fund Transfer Agreement

Added: Statutes of 1999, Chapter 572 (AB 872)

14529.19. (a) If no deficiencies that require clarification by a local or regional entity are identified in the preaward audit for a local or regional project that is included in an adopted state transportation improvement program, the department and the local or regional entity shall execute an agreement to transfer funds for the project within 90 days from the date on which the commission approves an allocation for the project.

(b) Notwithstanding Section 7550.5, on July 1, 2000, and annually thereafter, the department shall compile information and report to the Legislature on the number of projects for which an agreement to transfer funds under subdivision (a) was executed and on all projects for which an agreement was not executed within the period provided under subdivision (a) and the reasons therefor. The information provided by the department shall include a description of any actions taken by the department during the prior fiscal year to streamline, expedite, and simplify the department's process for executing the agreements to transfer funds required under subdivision (a).

Electronic Transfer of Funds

Added: Statutes of 1999, Chapter 572 (AB 872)

14529.23. The department shall implement systems that allow rapid access to funds made available under executed agreements to transfer funds. The Controller shall develop a system that provides access to those funds by electronic transfer of funds. Upon the development of that system by the Controller, the department shall utilize that system to comply with Section 14529.19 to the maximum extent feasible.

Deviation From RTIP

Amended: Statutes of 1989, Chapter 105 (SB 300)

14530. The commission may deviate, in the adoption of the state transportation improvement program, from a regional transportation improvement program based on a finding that there (a) are inconsistencies between the program and the appropriate guidelines, (b) are insufficient funds available to implement the program, (c) are conflicts between the regional transportation improvement programs, (d) are conflicts between a regional transportation improvement program and the department's recommendations in its transportation improvement program, (e) is an overriding state need for a project to adequately accommodate interregional traffic, or (f) is no adopted congestion management program for a county in which a project is proposed.

STIP Development Guidelines
Amended: Statutes of 1998, Chapter 53 (SB 837)

14530.1. (a) The department, in cooperation with the commission, transportation planning agencies, and county transportation commissions and local governments, shall develop guidelines for the development of the state transportation improvement program and the incorporation of projects into the state transportation improvement program.

(b) The guidelines shall include, but not be limited to, all of the following:

(1) Standards for project deliverability.

(2) Standards for identifying projects and project components.

(3) Standards for cost estimating.

(4) Programming methods for increases and schedule changes.

(5) Objective criteria for measuring system performance and cost-effectiveness of candidate projects.

(c) The guidelines shall be submitted to the commission by February 1, 1999. After conducting at least one hearing in northern California and one in southern California, the commission shall adopt the guidelines by May 1, 1999.

(d) The guidelines shall be the complete and full statement of the policy, standards, and criteria that the commission intends to use in selecting projects to be included in the state transportation improvement program.

(e) The commission may amend the adopted guidelines after conducting at least one public hearing. The commission shall make a reasonable effort to adopt the amended guidelines prior to its adoption of the fund estimate pursuant to Section 14525. In no event shall the adopted guidelines be amended, or otherwise revised, modified, or altered during the period commencing 30 days after the adoption of the fund estimate pursuant to Section 14525 and before the adoption of the state transportation improvement program pursuant to Section 14529.

STIP Amendments
Amended: Statutes of 1997, Chapter 622 (SB 45)

14531. (a) The commission may amend the state transportation improvement program if the amendment meets both of the following conditions:

(1) The request for the amendment is made by the entity that submitted the project or projects that are in the program and are to be changed by the amendment.

(2) The total amount programmed in each county for regional improvements does not exceed the county's share prior to the amendment, or the total amount programmed in each county is treated as an adjustment to the share pursuant to Section 188.10 of the Streets and Highways Code.

(b) Public notice of the proposed amendments to the program or the plan shall be made at least 30 days before the commission takes formal action on the proposed amendments. The notice shall include the text and complete description of the proposed amendments.

Conditions Prerequisite to Unprogrammed Allocation
Amended: Statutes of 1989, Chapter 105 (SB 300)

14533. The commission shall allocate funds for transportation projects consistent with those provisions of the current and prior Budget Acts that apply to the use of the appropriated funds to be allocated. The commission shall not allocate funds for major projects required to be in a state transportation improvement program, or in the department's highway systems operation and

protection plan, that are not included in the adopted state transportation improvement program or in the department's highway systems operation and protection plan, except as follows:

(a) The allocation is necessary for a response to an emergency condition which has placed either people or property in jeopardy or which has caused or threatens to cause closure of a critical state transportation facility or access to it.

(b) Costs will be significantly increased if the project is delayed pending amendment to the program.

(c) When bids are opened, it is necessary to obtain an additional allocation which will make the project a major project and the delay in amending the program will increase the cost of the project significantly.

(d) The allocation is to supplement funding for an advertised project.

Advancing Funds Allocated for Guideway Projects

Amended: Statutes of 1984, Chapter 117 (AB 690)

14533.5. (a) The department shall advance funds for an exclusive public mass transit guideway project to a public entity eligible for those funds when all of the following conditions exist:

(1) The commission has allocated the funds pursuant to Section 14533 of this code and in accordance with Section 99317 of the Public Utilities Code or Section 199 of the Streets and Highways Code.

(2) The financing plan and the schedule for the project have been approved by the department pursuant to Section 14085.

(3) The department and the public entity have entered into a fund transfer agreement which specifies the terms of the advance and the procedure for periodic reimbursement of actual costs incurred for the project.

(4) The public entity has demonstrated to the satisfaction of the department that the advance is required to pay current expenses on the project for which the allocation is authorized.

(5) The advance does not exceed 10 percent of the allocation authorized.

(6) The advance will not jeopardize the timely discharge of the other commitments against the account in the State Transportation Fund from which the advance is made.

(b) If, upon completion of the project, the advance of funds, together with interest on the advance of funds earned for the full period of the advance equivalent to the average rate earned by investments in the Pooled Money Investment Account during the same period, exceeds that portion of the actual reimbursable costs for which the public entity has not been reimbursed, the public entity shall repay the excess amount to the state for deposit in the account from which the advance was made.

(c) If the department encounters any substantial problems in carrying out this section, it shall promptly prepare and submit to the Legislature a report which summarizes the procedures adopted to carry out the section, identifies any problems encountered, and indicates the direct and indirect costs to the state incurred in carrying out the section.

Minority Business Enterprise

Added: Statutes of 1988, Chapter 9 (SB 516)

14533.6. As used in this chapter:

(a) "Minority business enterprise" means a business concern which is all of the following:

(1) At least 51 percent owned by one or more minorities, or in the case of a publicly owned business, at least 51 percent of the stock of which is owned by one or more minorities.

(2) Managed by, and the daily business operations are controlled by, one or more minorities.

(3) A domestic corporation with its home office located in the United States.

(b) "Women business enterprise" means a business concern which is all of the following:

(1) At least 51 percent owned by a woman or, in the case of a publicly owned business, at least 51 percent of the stock of which is owned by one or more women.

(2) Managed by, and the daily business operations are controlled by, one or more women.

(3) A domestic corporation with its home office located in the United States.

Compliance with STIP

Amended: Statutes of 1982, Chapter 454 (SB 1782)

14534. Upon the adoption of the state transportation improvement program, the Secretary of the Business, Transportation and Housing Agency, the commission, and the department shall act in accordance with the program in carrying out their respective powers and duties, except as otherwise provided by law.

The existing adopted state transportation improvement program shall remain in effect until a new state transportation improvement program is adopted by the commission.

CHAPTER 3. ANNUAL REPORT

Commission's Annual Report

Amended: Statutes of 1984, Chapter 95 (SB 283)

14535. The commission shall adopt and submit to the Legislature, by December 15 of each year, an annual report summarizing the commission's prior-year decisions in allocating transportation capital outlay appropriations, and identifying timely and relevant transportation issues facing the State of California.

Contents of Annual Report

Amended: Statutes of 2001, Chapter 113 (AB 438)

14536. (a) The annual report shall include an explanation and summary of major policies and decisions adopted by the commission during the previously completed state and federal fiscal year, with an explanation of any changes in policy associated with the performance of its duties and responsibilities over the past year.

(b) The annual report may also include a discussion of any significant upcoming transportation issues anticipated to be of concern to the public and the Legislature.

(c) The annual report submitted to the Legislature for the years 2001 to 2008, inclusive, shall include all of the following:

(1) A summary and discussion of loans and transfers authorized pursuant to Sections 14556.7 and 14556.8.

(2) A summary and discussion on the cash-flow and project delivery impact of those loans and transfers.

(3) A summary of any guidance provided to the department pursuant to Section 14556.7.

CHAPTER 4. FEDERAL HIGHWAY GRANT ANTICIPATION NOTES

Article 1. Legislative Findings and Declarations

Legislative Findings

Added: Statutes of 1999, Chapter 862 (SB 928)

14550. The Legislature hereby finds and declares all of the following:

(a) Between 1970 and 1990, California's population grew by 50 percent, while the total number of miles driven in the state increased by 100 percent.

(b) Conservative estimates have the state adding an additional 6 million new residents by the end of the next decade.

(c) Revenues available for investment in California's transportation system have not kept pace with that increasing state population, or with the increased demand on the state's transportation infrastructure.

(d) California is now home to five of the nation's 10 most congested urban areas.

(e) Between 1987 and 1995, the number of California drivers who sit idle in traffic congestion has grown by 70 percent, and California drivers now sit idle in traffic congestion more than 300,000 hours per day.

(f) It is estimated that traffic congestion in California now costs the state's businesses more than two million eight hundred thousand dollars ($2,800,000) per day in lost time and resources.

(g) The United States Congress recently authorized states under the federal National Highway System Designation Act of 1995 and the federal Transportation Equity Act for the 21st Century to issue "GARVEE bonds," which are tax-exempt anticipation notes backed by annual federal appropriations for federal aid transportation projects.

(h) Utilizing grant anticipation notes to finance federal transportation projects can greatly accelerate projects and can result in significant cost savings to the state, since those transportation projects can be completed at present-day costs.

(i) Funding transportation projects with grant anticipation notes can also deliver projects to the public significantly sooner than traditional funding mechanisms.

(j) Therefore, it is in the best interest of the State of California to develop these new and innovative methods for funding and accelerating critical transportation infrastructure projects.

Article 2. Definitions

Definitions

Added: Statutes of 1999, Chapter 862 (SB 928)

14552. Unless the context otherwise requires, the definitions in this article govern the construction of this chapter.

Eligible Project

Amended: Statutes of 2001, Chapter 113 (AB 438)

14552.2. "Eligible Project" means the federally funded portion of any highway or other transportation project that has been designated for accelerated construction by the commission, including, but not limited to, any of the following:

(a) Toll bridge seismic retrofit projects.

(b) Projects approved for funding under the Traffic Congestion Relief Act of 2000 (Ch. 4.5 (commencing with Section 14556)).

(c) Projects programmed under the current adopted State Transportation Improvement Program or the current State Highway Operation and Protection Program.

Federal Transportation Funds

Added: Statutes of 1999, Chapter 862 (SB 928)

14552.4. "Federal transportation funds" means any funds apportioned to the state by the United States Department of Transportation, including, but not limited to, funds paid pursuant to the Transportation Equity Act for the 21st Century (Public Law 105-178).

Note

Added: Statutes of 1999, Chapter 862 (SB 928)

14552.6. A "note" is a federal highway grant anticipation note issued by the Treasurer under this chapter.

Article 3. Selection of Projects

Commission Responsibility

Added: Statutes of 1999, Chapter 862 (SB 928)

14553. (a) The commission may from time to time select and designate eligible projects to be funded from the proceeds of notes, if financing of the project from the proceeds of notes has been approved by the Federal Highway Administration and the regional transportation planning agency, and the project has completed environmental clearance and project design.

(b) Notwithstanding Section 7550.5 of the Government Code, on or before April 1 of each year, the commission, in conjunction with the Treasurer's office, shall prepare an annual analysis of the bonding capacity of federal transportation funds deposited in the State Highway Account in the State Transportation Fund.

Commission Guidelines

Added: Statutes of 1999, Chapter 862 (SB 928)

14553.2. The commission, in cooperation with the department and regional transportation planning agencies, shall establish guidelines for eligibility for funding allocations under this chapter. The guidelines shall be nondiscriminatory and shall be designed to allow as many counties as possible to establish eligibility for funding allocations under this chapter, regardless of the population or geographic location of the county.

Bonding Capacity

Added: Statutes of 1999, Chapter 862 (SB 928)

14553.4. The Treasurer may not authorize the issuance of notes if the annual repayment obligations of all outstanding notes in any fiscal year would exceed 30 percent of the total amount of federal transportation funds deposited in the State Highway Account in the State Transportation Fund for any consecutive 12-month period within the preceding 24 months.

Allocations Count Against County Share
Amended: Statutes of 2002, Chapter 438 (AB 3026)

14553.6. Funds allocated to a State Transportation Improvement Program project under this chapter, including cost overruns and financing costs, shall be counted against the interregional improvement program share in the case of a project in the interregional improvement program and the county share for the county in which the project is located in the case of a project in a regional improvement program.

Future Receipts Pledged as Collateral
Added: Statutes of 1999, Chapter 862 (SB 928)

14553.7. In order to provide security for repayment of the notes, the commission shall adopt a resolution dedicating and pledging any future receipts of federal transportation funds received by the state to the payment of principal of, and interest and premium on the notes, for as long as any notes remain outstanding. That action shall constitute a pledge or receipt of those moneys as collateral within the meaning of subdivision (b) of Section 5450. The pledge shall be governed under Chapter 5.5 (commencing with Section 5450) of Division 6 of Title 1 of the Government Code. The commission shall be deemed a "public body" for purposes of Section 5451, as defined in Section 5450.

Determination of Appropriateness
Amended: Statutes of 2002, Chapter 438 (AB 3026)

14553.8. Before notes are issued under this chapter, the commission, in cooperation with the department and the Department of Finance, shall consider and determine the appropriateness of the mechanism authorized by this chapter in comparison to other funding mechanisms, including, but not limited to, pay-as-you-go, federal advance construction, federal incremental advance construction, or other funding methods authorized under federal law to achieve maximum efficiency from the state's federal allocation of transportation funds.

Reporting
Added: Statutes of 1999, Chapter 862 (SB 928)

14553.9. (a) Upon taking the actions authorized under this article, the commission may request the Treasurer to issue notes to provide funds for the eligible projects.

(b) Notwithstanding Section 7550.5 of the Government Code, on or before April 1 of each year, the commission shall prepare and submit an annual report regarding the preceding calendar year to the Governor and the Legislature. Each report shall compile and detail the total amount of outstanding debt issued pursuant to this chapter and the projects funded by that outstanding debt.

Article 4. Issuance of Notes

Proceeds Deposited in Transportation Financing Subaccount
Added: Statutes of 1999, Chapter 862 (SB 928)

14554. (a) In order to provide for the financing of selected projects, the Treasurer may issue tax-exempt or taxable notes under this article. Proceeds of the sale of those notes shall be deposited in the Transportation Financing Subaccount, which is hereby created as a special trust fund in the State Highway Account in the State Transportation Fund. The funds in the

subaccount shall be available for use as directed by the commission and administered by the department and to pay costs associated with the issuance or further security of the notes or for capitalized interest of up to 12 months.

(b) Any issue of notes may be secured and made more attractive to capital markets through financial instruments, including, but not limited to, the following:

(1) Credit enhancements, including, but not limited to, letters of credit, bond insurance, and surety bonds provided by private sector financial institutions.

(2) Insurance and guarantees provided by any other agency of the state.

Contract with Holders of Notes

Added: Statutes of 1999, Chapter 862 (SB 928)

14554.2. The Treasurer shall issue notes from time to time pursuant to a resolution from the commission. Those pledges shall be governed under Chapter 5.5 (commencing with Section 5450) of Division 6 of Title 1 of the Government Code. The resolution may contain any of the following provisions, which shall be a part of the contract with the holders of the notes to be authorized:

(a) Provisions pledging receipt of future federal transportation funds to secure the payment of the notes or of any particular issue of notes, subject to those agreements with noteholders as may then exist, and pledging moneys held in funds and accounts pursuant to the note issue, or the earnings thereon. The Treasurer may authorize classes of notes having different priority in the receipt of available federal transportation funds.

(b) Provisions for the investment of proceeds of the notes or of the moneys received by the Treasurer for repayment of the notes.

(c) Provisions setting aside reserves or sinking funds, and the regulation and disposition thereof.

(d) Limitations on the issuance of additional notes, the terms upon which additional notes may be issued and secured, and the refunding of outstanding notes.

(e) The procedure, if any, by which the terms of any contract with noteholders may be amended or abrogated, the amount of notes and the holders thereof that are required to give consent thereto, and the manner in which the consent may be given.

(f) Definitions of acts or omissions to act that constitute a default in the duties of the state to holders of the notes, and provisions on the rights and remedies of the holders in the event of a default.

Note Resolution

Added: Statutes of 1999, Chapter 862 (SB 928)

14554.4. Any notes issued under this chapter may be secured by a trust agreement, indenture, or resolution by and between the commission and a trustee. The trustee may be the Treasurer or a bank or trust company chartered under the laws of this state or of the United States and designated by the Treasurer. The Treasurer may act under the note resolution as the fiscal agent for the notes.

Terms and Conditions

Added: Statutes of 1999, Chapter 862 (SB 928)

14554.6. The notes shall be authorized by resolution or resolutions of the Treasurer, shall be in the form, shall bear the date or dates, and shall mature at the time or times, as the resolution or resolutions may provide, except that no note may mature more than 30 years from the date of its

issue. The fixed or variable notes shall bear interest at the rate or rates, be in the denominations, be in the form, be executed in the manner, be payable in the medium of payment at the place or places within or without the state, be subject to the terms of redemption and contain the terms and conditions, that the resolution or resolutions may provide. The notes shall be sold at public or private sale by the Treasurer at, above, or below the par value, on the terms and conditions and for the consideration that the Treasurer shall determine.

Continuous Appropriation
Amended: Statutes of 2002, Chapter 438 (AB 3026)

14554.8. (a) Notwithstanding Section 13340 of the Government Code or any other provision of law, the amounts specified in the annual Budget Act as having been deposited in the State Highway Account in the State Transportation Fund from federal transportation funds, and pledged by the commission under this chapter, are hereby continuously appropriated, without regard to fiscal years, to the Treasurer for the purposes of, and in accordance with, this chapter.

(b) Funds that are subject to Section 1 or 2 of Article XIX of the California Constitution may be used as the state or local principal match for any project that is eligible for federal matching funds and is funded pursuant to this chapter.

Refunding
Added: Statutes of 1999, Chapter 862 (SB 928)

14555. Upon request of the commission, the Treasurer may issue refunding notes to refund any outstanding notes, and to pay costs associated with that refunding.

Legal Services
Added: Statutes of 1999, Chapter 862 (SB 928)

14555.2. Whenever the Treasurer deems that it will increase the salability or the price of the notes to obtain, prior to or after sale, a legal opinion, other than that of the Attorney General, as to the validity or tax-exempt nature of the notes, the Treasurer may obtain that legal opinion. Payment for those legal services shall be made from the proceeds of the sale of the notes.

Other Services
Added: Statutes of 1999, Chapter 862 (SB 928)

14555.4. The Treasurer may employ financial, engineering, or transportation consultants or advisers, underwriters, and accountants as may be necessary in his or her judgment in connection with the issuance and sale of any notes of the Treasurer. Payment for these services may be made out of the proceeds of the sale of the notes.

Exemption from State Procurement Procedures
Added: Statutes of 1999, Chapter 862 (SB 928)

14555.6. Section 10295 of the Public Contract Code and Article 4 (commencing with Section 10335) of, and Article 5 (commencing with Section 10355) of, Chapter 2 of Part 2 of Division 2 of the Public Contract Code do not apply to agreements entered into by the Treasurer pursuant to the sale of notes authorized under this chapter.

Legal Investments and Securities
Added: Statutes of 1999, Chapter 862 (SB 928)

14555.8. Notes issued under this chapter are a legal investment for any state special or trust fund notwithstanding any provision of law limiting the investments that may be made by the special or trust fund. The notes shall be legal investments in which all public officers and public bodies of the state, its political subdivisions, all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, savings and loan associations, savings banks and savings associations, investment companies, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons authorized to invest in notes or in other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them. The notes may be used as security for public deposits. The notes are also securities that may properly and legally be deposited with and received by all public officers and bodies of state or any agency or political subdivision of the state and all municipalities and public corporations for any purpose for which the deposit of notes or other obligations of the state is authorized by law, including deposits to secured public funds.

Limited Obligation
Added: Statutes of 1999, Chapter 862 (SB 928)

14555.9. Notes issued under the provisions of this chapter may not be deemed to constitute a debt or liability of the state or of any political subdivision thereof, or a pledge of the full faith and credit of the state or of any political subdivision thereof, but shall be payable solely from the funds and revenues pledged therefor.

All the notes shall contain on their face a statement to the effect that the State of California shall not be obligated to pay the principal, or the interest on the notes, except from the revenues received by the Treasurer as shall be provided by the documents governing the revenue note issuance, and that neither the faith and credit nor the taxing power of the State of California or of any of its political subdivisions is pledged to the payment of the principal or interest on the notes. The issuance of notes under this part shall not directly or indirectly or contingently obligate the state or any of its political subdivisions to levy or to pledge any form of taxation whatever or to make any appropriation for their payment.

* * * * * * *

CHAPTER 4.5. THE TRAFFIC CONGESTION RELIEF ACT OF 2000
Article 1. General Provisions

Citation
Added: Statutes of 2000, Chapter 91 (AB 2928)

14556. This chapter shall be known and may be cited as the Traffic Congestion Relief Act of 2000.

Definitions
Amended: Statutes of 2001, Chapter 113 (AB 438)

14556.1. For purposes of this chapter, the following terms shall have the following meanings, unless expressly stated otherwise:

(a) "Commission" is the California Transportation Commission.
(b) "Department" is the Department of Transportation.
(c) "Fund" or "TCRF" is the Traffic Congestion Relief Fund created under this chapter.
(d) "Program" is the Traffic Congestion Relief Program established under this chapter.

14556.1. For purposes of this chapter, the following terms shall have the following meanings, unless expressly stated otherwise:

(a) "Commission" is the California Transportation Commission.
(b) "Department" is the Department of Transportation.
(c) "Fund" is the Traffic Congestion Relief Fund created under this chapter.
(d) "Program" is the Traffic Congestion Relief Program established under this chapter.

Legislative Findings
Added: Statutes of 2000, Chapter 91 (AB 2928)

14556.3 The Legislature finds and declares that it is in the interest of the State of California to immediately take steps to relieve congestion on the state's transportation systems and finds and declares the following:

(a) California's population has grown by more than 50 percent over the past 20 years while highway capacity has increased only 7 percent.

(b) Between 1987 and 1995, the number of California drivers who sit idle in traffic congestion has grown 70 percent, and California drivers now sit idle in traffic congestion more than 300,000 hours per day.

(c) It is estimated that traffic congestion in California now costs the state's businesses more than two million eight hundred thousand dollars ($2,800,000) per day in lost time and resources.

(d) Local streets and roads in California suffer from an estimated ten billion two hundred million dollars ($10,200,000,000) backlog of deferred maintenance. The magnitude of this backlog is estimated to increase by four hundred million dollars ($400,000,000) each year.

(e) The Public Transportation Account in the State Transportation Fund, which provides funds for transit operations and intercity rail service in California, is estimated to have a four-year deficit of fifty-three million dollars ($53,000,000), increasing to a six-year deficit of one hundred fifty-eight million dollars ($158,000,000).

(f) The state's population is expected to exceed 45,000,000 persons by the year 2020, imposing additional demand on the transportation system.

(g) Significant benefits will be obtained by completing major improvements earlier, accelerating development of new improvements, and improving the connectivity of the various transportation modes within the state's transportation system.

(h) Therefore, it is appropriate to create a Traffic Congestion Relief Fund to finance congestion relief improvements, to dedicate the sales tax on gasoline to transportation purposes, and to create a Transportation Investment Fund to finance improvements to neighborhood streets and roads, to provide funding for transit operations and intercity rail, and to supplement the Traffic Congestion Relief Fund.

Article 2. Traffic Congestion Relief Fund

Creation of Traffic Congestion Relief Fund

Amended: Statutes of 2002, Chapter 445 (SB 1834)

14556.5. (a) The Traffic Congestion Relief Fund is hereby created in the State Treasury. The fund shall include deposits of funds provided in the annual Budget Act, provided from the Transportation Investment Fund established under Section 7104 of the Revenue and Taxation Code, or provided under any other statute. Notwithstanding Section 13340, the money in the fund is hereby continuously appropriated to the department, without regard to fiscal years, as follows:

(1) For allocation by the department, as directed by the commission pursuant to Section 14556.20, to the department and other regional and local transportation entities for the projects listed in Article 5 (commencing with Section 14556.40).

(2) For allocation by the Controller, the sum of four hundred million dollars ($400,000,000), for allocation during the 2000-01 fiscal year to cities, counties, and cities and counties, pursuant to Section 2182 of the Streets and Highways Code.

(3) For allocation by the commission to the funding exchange program authorized by Section 182.8 of the Streets and Highways Code.

(b) Notwithstanding any other provision of law, the Department of Finance may establish the accounting and reporting system used to determine the expenditures, cash needs, and balance of the fund.

Traffic Congestion Relief Fund: Purpose

Amended: Statutes of 2001, Chapter 113 (AB 438)

14556.6. The purpose of this article is to relieve traffic congestion, provide additional funding for local street and road deferred maintenance, and provide additional transportation capacity in high growth areas of the state. The Traffic Congestion Relief Fund is intended to contribute five billion three hundred thirteen million nine hundred thousand dollars ($5,313,900,000), above the traditional transportation funding provided by the state, towards the funding of projects listed in Article 5 (commencing with Section 14556.40) and the deferred maintenance program authorized in Section 2182 of the Streets and Highways Code. This funding commitment is intended to be combined with other state, local, federal, and private funds to complete and operate the transportation improvements identified in Article 5 (commencing with Section 14556.40). Funds needed to meet the contribution commitment described in this section are intended to be provided as follows:

(a) The sum of one billion five hundred million dollars ($1,500,000,000) from the General Fund, as appropriated by Section 20 of Chapter 91 of the Statutes of 2000, to the fund.

(b) The sum of five hundred million dollars ($500,000,000) from the transfer of the sales and use tax on motor vehicle fuel during the 2000-01 fiscal year, as required under Section 7102

of the Revenue and Taxation Code, as amended by Section 10 of Chapter 91 of the Statutes of 2000.

(c) The sum of six hundred seventy-eight million dollars ($678,000,000) is intended to be provided in each of four successive fiscal years, commencing with the 2003-04 fiscal year, plus the sum of six hundred one million nine hundred thousand dollars ($601,900,000) in the 2007-08 fiscal year, from the Transportation Investment Fund.

Traffic Congestion Relief Fund: Short Term Loans

Added: Statutes of 2001, Chapter 113 (AB 438)

14556.7. (a) To provide adequate cash for projects, including, but not limited to, projects in the State Transportation Improvement Program, the State Highway Operation and Protection Program, and the Traffic Congestion Relief Program, and for the support of the department, the department may transfer funds as short-term loans among and between the State Highway Account in the State Transportation Fund, the Transportation Investment Fund in the State Treasury, the Public Transportation Account in the State Transportation Fund and the Traffic Congestion Relief Fund (TCRF), subject to those terms and conditions that the Director of Finance may impose upon those transfers. When loan balances authorized in this subdivision are outstanding, the Director of Transportation shall report the amounts of loans outstanding with respect to each fund or account as of the last business day of each quarter to the commission. The commission shall monitor the cash-flow loan program authorized in this section and shall provide guidance to the department to ensure that sufficient resources will be available for all projects and all other authorized expenditures from each fund or account so as to not delay any authorized expenditure.

(b) For the purposes of this section, a "short-term loan" is a transfer that is made subject to the following conditions:

(1) That any amount loaned is to be repaid in full to the fund or account from which it was loaned during the same fiscal year in which the loan was made, except that repayment may be delayed until a date not more than 30 days after the date of enactment of the budget bill for the subsequent fiscal year.

(2) That loans shall be repaid whenever the funds are needed to meet cash expenditure needs in the loaning fund or account.

(c) This section shall become inoperative on July 1, 2008, and, as of January 1, 2009, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2009, deletes or extends the dates on which it becomes inoperative and is repealed.

Traffic Congestion Relief Fund: General Fund Short Term Loans

Added: Statutes of 2002, Chapter 445 (SB 1834)

14556.75. (a) The Director of Finance may authorize short-term loans from the General Fund to the State Highway Account to provide adequate cash for costs funded from that account. Repayment of these loans shall be the first obligation on revenues deposited into the State Highway Account after any loan is made pursuant to this section.

(b) This section shall become inoperative on July 1, 2008, and, as of January 1, 2009, is repealed, unless a later enacted statute, that is enacted before January 1, 2009, deletes or extends the dates on which it becomes inoperative and is repealed.

Traffic Congestion Relief Fund: Cash Availability

Amended: Statutes of 2002, Chapter 445 (SB 1834)

14556.8. (a) (1) To the extent necessary to provide adequate cash to fund projected expenditures under this chapter, the Director of Finance may authorize, by Executive order, the transfer of not more than one hundred million dollars ($100,000,000), as an interest free loan, from the Motor Vehicle Account in the State Transportation Fund to the TCRF, and the transfer of any available funds, as an interest free loan, from the General Fund to the TCRF. Loans from the Motor Vehicle Account may be made no sooner than July 1, 2004, and shall be repaid no later than July 1, 2007. The Director of Finance shall not authorize a loan from the Motor Vehicle Account, and shall promptly require the repayment of any outstanding balance owed to that account, if the funds are needed in the account to make expenditures authorized in the annual Budget Act and by any other appropriations made by the Legislature.

(2) To provide cash needed for expenditures on projects listed in Section 14556.40, the Legislature may authorize loans from the Public Transportation Account or the State Highway Account to the TCRF through the annual Budget Act. The Legislature may also authorize the State Highway Account to expend funds on behalf of projects listed in Section 14556.40 and those expenditures shall constitute a loan to the TCRF. Loans from the Public Transportation Account shall not exceed a cumulative total of two hundred eighty million dollars ($280,000,000), and loans from the State Highway Account shall not exceed a cumulative total of six hundred fifty-four million dollars ($654,000,000).

(b) The Director of Finance shall order the repayment of the loans authorized under this section under those terms and conditions that the director deems appropriate, upon determining that there are adequate funds available for that purpose in the TCRF and that repayment will not jeopardize the availability of money needed to fund approved and projected expenditures under this chapter. All loans from the Public Transportation Account shall be repaid by June 30, 2008, and all loans from the State Highway Account shall be repaid by June 30, 2007. Upon the request of the commission or the Director of Finance, the department shall provide a report, for purposes of this subdivision, projecting the cash needs of the projects approved under this chapter.

(c) (1) Money in the TCRF derived from the General Fund and not currently needed for expenditures on the projects listed in Section 14556.40 may be loaned to the General Fund through the annual Budget Act.

(2) Upon making a determination that funds in the TCRF are not adequate to support expected cash expenditures for the listed projects, the Director of Finance, by Executive order, shall require that funds loaned to the General Fund under paragraph (1) be repaid to the TCRF. All these loans shall be repaid no later than June 30, 2006.

(3) Interest at the rate earned by the Surplus Money Investment Fund shall be paid to the TCRF from the General Fund with respect to the cumulative amount loaned from the State Highway Account to the TCRF pursuant to paragraph (2) of subdivision (a) that is in excess of one hundred eighty million dollars ($180,000,000). The amount of this interest obligation shall be calculated annually on the balance of this portion of this outstanding loan amount. All interest on the loan shall be paid in full on or before June 30, 2007, and the interest payment shall be transferred from the TCRF to the State Highway Account.

(d) Funds loaned to the TCRF under this section shall be used for purposes consistent with any restrictions on uses of those funds imposed under the California Constitution or by statute. The department shall identify specific projects to which those funds may properly be applied and shall propose that application of funds to the commission. The commission shall designate projects to receive those funds through the processes described in Article 3 (commencing with Section 14556.10) and Article 4 (commencing with Section 14556.25). The department shall

report periodically to the commission and the Department of Finance on the expenditure of those funds.

(e) This section shall become inoperative on July 1, 2008, and, as of January 1, 2009, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2009, deletes or extends the dates on which it becomes inoperative and is repealed.

Traffic Congestion Relief Fund: Annual Report

Amended: Statutes of 2002, Chapter 445 (SB 1834)

14556.9. (a) The department shall submit quarter and annual reports to the Joint Legislative Budget Committee, and to the fiscal and policy committees of the Legislature that consider transportation issues, on all loans and transfers authorized pursuant to Sections 14556.7, 14556.75, and 14556.8 for the most recent reporting period. The reports shall summarize amounts loaned and repaid during the reporting period and any outstanding balances at the end of the reporting period. The annual report required under this section shall be delivered to the Legislature by March 1 of each year and shall include information on and a discussion of the impact of all loans and transfers on project expenditures for each affected program. Additionally, the annual report shall include the amount of loans outstanding as of the end of the reporting period and any actual or projected impacts of those loan balances on funds projected to be used for projects in the latest State Transportation Improvement Program fund estimate required pursuant to subdivision (a) of Section 14525.

(b) The department shall provide the monthly finance report it prepares for the commission to the fiscal and policy committees of the Legislature that consider transportation issues. The report shall include actual cash balances, revenues, and expenditures for the State Highway Account, the TCRF, and the Toll Bridge Seismic Retrofit Account.

(c) This section shall become inoperative on July 1, 2008, and, as of January 1, 2009, is repealed, unless a later enacted statute that is enacted before January 1, 2009, deletes or extends the dates on which it becomes inoperative and is repealed.

Article 3. Fund Allocation and Expenditure

Traffic Congestion Relief Program Lead Applicant Agency

Added: Statutes of 2000, Chapter 91 (AB 2928)

14556.10. (a) The lead applicant agency specified for each project in Article 5 (commencing with Section 14556.40) shall be responsible for preparing and submitting a project application to the commission in accordance with guidelines adopted by the commission.

(b) The lead applicant agency may, but is not required, to be the agency responsible for carrying out the work to complete the project.

(c) A lead applicant agency may submit separate applications for separate projects identified in Article 5 (commencing with Section 14556.40).

Traffic Congestion Relief Program Guidelines

Added: Statutes of 2000, Chapter 91 (AB 2928)

14556.11. Not later than 90 days from the effective date of the act that added this section, the commission, in consultation with the department and representatives from regional agencies and local agencies, and after a public hearing, shall establish guidelines to implement this chapter. The guidelines shall include, but not be limited to, criteria for project applications, estimation costs, assessment of capability to complete the project, allocation of funds to project

phases, timely expenditure of funds, management of changes to cost, scope, and schedules, assessment of progress in implementing projects, and audit requirements.

Traffic Congestion Relief Program Applications
Added: Statutes of 2000, Chapter 91 (AB 2928)

14556.12. (a) Designated lead applicant agencies shall submit applications to the commission within two years of the effective date of the act that added this section. If a completed application is not received within this period for a project listed in Article 5 (commencing with Section 14556.40), or an alternate project has not been submitted by the appropriate lead agency pursuant to subdivision (b), the commission shall notify the Governor and the Legislature and shall seek statutory identification and approval of another project or projects to use the funds.

(b) (1) A designated lead applicant agency may submit an application for an alternate or substitute for a project specified in Section 14556.40, for other than an intercity rail project, if the specified project is delayed by environmental or other factors external to the control of the lead applicant agency that are not likely to be removed within a reasonable time, if sufficient matching funds are not available to secure the designated state grant funds, if the specified project is not included in or consistent with the respective regional transportation plan, or if completion of the specified project would jeopardize the completion of other projects previously programmed in the State Transportation Improvement Program.

(2) An application for an alternative project shall be approved by the commission if the application is submitted by the identified lead applicant agency within the two-year period specified in subdivision (a), the alternative project is designated to relieve congestion consistent with this act, the alternate project is within the jurisdiction of the lead applicant agency, and all other project approval requirements are met.

Content of Applications
Added: Statutes of 2000, Chapter 91 (AB 2928)

14556.13. (a) The project applications shall define the project purpose, intended scope, proposed cost, intended funding sources, and schedule for project completion. Each application shall also specify the paragraph number of subdivision (a) of Section 14556.40 that authorizes the project, and identify the agency responsible for carrying out the work, to which the commission will allocate funds.

(b) Except as authorized under subdivision (c), the project application shall specify the scope of work, the cost, and the schedule for the following separate phases of work, as appropriate:

(1) Studies, environmental review, and permits.
(2) Preparation of project plans and specifications.
(3) Right-of-way acquisition.
(4) Construction or procurement.

(c) Some projects may be permitted to include scope of work on less than all of the phases specified in subdivisions (b).

(d) In accordance with guidelines established by the commission, each application shall include a plan describing all capital funds required for the project, the sources and the timing for those funds, and how those funds will be used. An application may seek funding for a single phase of a project.

(e) Applications for projects involving regional improvement program funds shall be cosigned by the regional transportation planning agency responsible for the regional

transportation improvement program. Applications for projects involving interregional improvement program funds or where the state is the owner-operator shall be cosigned by the department.

(f) The plan shall identify the sources and timing of all funds required to undertake and complete any phase of a project for which the applicant seeks an allocation of funds from the commission. The plan should also describe intended sources and timing of funds to complete any subsequent phases of the project, through construction.

TCR Projects in or Consistent with Regional Transportation Plan

Added: Statutes of 2000, Chapter 91 (AB 2928)

14556.14. The commission shall ascertain from the appropriate regional transportation planning agency that a project is included in, or is consistent with, the appropriate regional transportation plan before approving a project application involving right-of-way or construction phases. A project that involves only studies or project development phases is not required to be included in a regional transportation plan, unless federal funds will also be used to fund the project.

Application Approval

Added: Statutes of 2000, Chapter 91 (AB 2928)

14556.16. (a) The commission, with the assistance of the department, shall begin review of a project application within 30 days of receipt of the application.

(b) The commission shall either approve or deny a project application within 90 days of the receipt of the application, unless the commission requests additional information from the applicant, in which case the 90-day time to approve or deny the application shall begin on the date that the commission receives the additional information requested.

(c) The commission shall state specific reasons for denying an application. The commission shall allow the applicant to amend and resubmit an application that has been denied. The commission shall then have 90 days from receipt of the amended application to reconsider the denial.

(d) The commission shall not deny an application that meets the requirements of this chapter, including the guidelines adopted by the commission for this chapter and any other applicable statutes and regulations. The commission shall not unreasonably delay approval of an application that substantially conforms to these requirements if the applicant agrees to allow modifications to the application to meet the commission's conditions for approval.

Project Time Schedule

Added: Statutes of 2000, Chapter 91 (AB 2928)

14556.18. (a) Commission approval of a project application establishes the time schedule, by fiscal year, for implementation of the phases of a project. Project approval shall be deemed rescinded if the lead applicant agency or the agency responsible for carrying out the project does not seek an allocation from the commission and start the first phase of work during the fiscal year scheduled.

(b) If the first phase is not completed as scheduled, so that work on subsequent phases is delayed, the agency responsible for carrying out the project shall report the reasons for failure to complete the project to the commission. The commission may then reconsider the project application, ask for modification of the schedule and any other requirements of the application, and may, at its discretion, extend the time of reconsideration until environmental studies, review, and approval of final environmental documents has been completed.

Project Funding Allocations
Added: Statutes of 2000, Chapter 91 (AB 2928)

14556.20. (a) The commission shall direct the department to allocate funds to the department, regional transportation planning agencies, local transportation commissions, congestion management agencies, transportation authorities, cities, counties, a city and county, joint powers authorities, ports, and transit districts for projects specified in Article 5 (commencing with Section 14556.40).

(b) Funds allocated as directed by the commission shall be expended only for studies or the phases of project work specified in Article 5 (commencing with Section 14556.40).

(c) Allocations shall be made to specified phases of a project and may include more than one phase in a given allocation. The commission shall, at the time the first allocation is made to a project, indicate how it intends to spread the total funding authorized for the project among the phases, but that indication shall not be binding for future phases if the commission finds that a different level of funding for a later phase would help ensure quicker delivery of the project for construction.

(d) Consistent with Article 5 (commencing with Section 14556.40), these funds may be used to satisfy any federal, state, or local matching fund requirement for the project to be funded.

(e) The allocation shall specify the percentage rate of reimbursement for expenditures for each phase of the project, considering the funding shares from various sources that comprise the full funding of each phase. The commission may specify different rates of reimbursement for different phases, and shall determine the spread of funding specified in Article 5 (commencing with Section 14556.40) across all the phases of work, as appropriate for the project.

(f) The commission may approve minor changes to project scope, cost, or schedule, so long as those modifications fall within the project purpose specified in the project application.

(g) The commission may consider applications under this section upon adoption of implementing guidelines.

Article 4. Administration and Expenditure of Funds

Cooperative Agreement
Added: Statutes of 2000, Chapter 91 (AB 2928)

14556.25. (a) The department shall execute a cooperative agreement with the lead applicant agency or the agency responsible for carrying out the work for reimbursement of approved project expenditures, using funds allocated by the commission for that purpose and project phase. To reduce time and financial burden on lead applicant agencies, the department shall use electronic reimbursement procedures to the extent prudent and practical.

(b) The cooperative agreement shall specify how additional costs are to be covered, if necessary, and how savings are to be used or distributed, if available, among all the various funding sources being used for the project.

Local Maintenance of Effort
Amended: Statutes of 2001, Chapter 512 (AB 1705)

14556.26. (a) Except as provided in subdivision (b), a regional or local agency receiving an allocation from this program shall certify, by resolution of its governing board, before final execution of the cooperative agreement, that it will sustain its level of expenditures for transportation purposes at a level that is consistent with the average of its annual expenditures during the 1997-98, 1998-99, and 1999-2000 fiscal years, including funds reserved for

transportation purposes, during the fiscal years that the allocation provided under this chapter is available for use. The certification is subject to audit by the state.

(b) A transportation entity that imposes a retail transactions and use tax in accordance with an ordinance adopted pursuant to Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code for transportation purposes, and receives an allocation under this program, shall certify, by resolution of its governing board, before final execution of the cooperative agreement, that during the fiscal years that the allocation provided under this chapter is available for use, the transportation entity will expend the allocated funds for the originally programmed purpose, and that the entity will not use for other than transportation capital purposes any capital funds that were programmed, planned, or approved for transportation capital purposes on or before the effective date of the cooperative agreement. The certification is subject to audit by the state.

Project Cost Reimbursement and Advance Payment

Added: Statutes of 2000, Chapter 91 (AB 2928)

14556.28. (a) For applicants other than the department, funds allocated shall generally be administered as a reimbursement program. At the request of an applicant, the commission shall authorize an advance payment for project development work necessary for a project specified in Article 5 (commencing with Section 14556.40). At the request of an applicant, the commission may authorize an advance payment for demonstrated need, or for a project right-of-way, construction, or procurement phase.

(b) Project costs incurred prior to commission approval of a project application may not be reimbursed. Project costs incurred prior to commission allocation of funds, but after commission approval of a project application, may be reimbursed retroactively after allocation.

Electronic Fund Transfer

Added: Statutes of 2000, Chapter 656 (SB 1662)

14556.29. The Controller shall develop a system that provides access to funds allocated by the commission under this article from the Traffic Congestion Relief Fund by electronic transfer of funds.

Timely Progress

Added: Statutes of 2000, Chapter 91 (AB 2928)

14556.30. (a) After receiving an allocation, the lead applicant shall make diligent and timely progress toward completing the work as described in the submitted application. If timely progress is not achieved, the commission may review the status of the project. If the commission finds the lead applicant agency is not pursuing project work diligently, including use of funds under the agency's control committed to the project, the commission may reallocate those funds to another project or projects listed in Article 5 (commencing with Section 14556.40).

(b) If the commission and a lead applicant agency concur that a project is delayed by factors external to the control of the lead applicant agency and the factors are not likely to be removed within a reasonable time, the lead applicant agency may submit an application for an alternate or substitute project if the alternate project is designed to relieve congestion consistent with this act, is within the jurisdiction of the lead applicant agency, and meets all other project approval requirements.

(c) Notwithstanding Section 16304, funds allocated from the fund shall be available for encumbrance for three years after the date of allocation, and encumbered funds shall be available

for liquidation for two additional years, unless the time limit is extended by an act of the Legislature. Any funds not expended by that time-limit shall revert to the fund.

Cost Sharing: Increases and Savings
Added: Statutes of 2000, Chapter 91 (AB 2928)

14556.32. (a) The rate of reimbursement of expenditures shall not exceed the rate determined by the commission in its allocation of funds.

(b) After notifying the commission of savings in any phase, the lead applicant may use those savings for expenditures on a later phase of the same project.

(c) If additional funds are needed to complete a project, the lead applicant agency shall be responsible for securing the funding needed from other sources outside this program. The commission may not increase the allocation from this program beyond the amount specified for the project in Article 5 (commencing with Section 14556.40) unless the Governor and the Legislature subsequently designate a higher amount for the project.

(d) If a project can be completed at a lower cost than expected, any savings shall be divided among all funding sources contributing to the project in the proportion each of the funding sources bears to the total funding for the project as defined in the approved project application. For the savings that revert to this program, the commission shall determine the amount to be returned to the fund.

(e) If a determination is made to cease funding for a project, funds allocated but not expended on any phase shall be returned to the fund.

Letter of No Prejudice
Added: Statutes of 2001, Chapter 908 (AB 1335)

14556.33. (a) A regional or local entity that is a lead applicant agency under Article 5 (commencing with Section 14556.40), may apply to the commission for a letter of no prejudice for the project. If approved by the commission, the letter of no prejudice allows the regional or local entity to expend its own funds for any component of the transportation project.

(b) The amount expended under subdivision (a) shall be reimbursed by the state if all of the following conditions are met:

(1) The project is included in an adopted regional transportation plan.

(2) The department makes an allocation for the project pursuant to Section 14556.20.

(3) The expenditures made by the regional or local entity are eligible for reimbursement in accordance with state and federal laws and procedures. In the event expenditures made by the regional or local entity are determined to be ineligible, the state has no obligation to reimburse +- those expenditures.

(4) The regional or local entity complies with all legal requirements for the project, including the requirements of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(c) Upon execution of an agreement with the department to transfer reimbursement funds for a project described in subdivision (a), the commission may delay reimbursement pursuant to this section only if cash-management issues prevent immediate repayment.

(d) The commission, in consultation with regional and local entities, and the department, may develop guidelines to implement this section.

Succeeding Agencies
Added: Statutes of 2000, Chapter 91 (AB 2928)

14556.34. Any agency or combination of agencies that succeed to an agency having any rights, powers, duties, or obligations under this chapter, including, but not limited to, eligibility to apply for, receive, and expend a grant allocation, shall fully succeed to those rights, powers, duties, and obligations.

Commission Annual Report

Added: Statutes of 2000, Chapter 91 (AB 2928)

14556.36. The commission shall report annually, starting no later than February 2001, to the Governor and the Legislature on progress in implementation of the program. The report shall assess programwide implementation progress, and identify project schedules and delays, project failures, cost savings, and any opportunities for the specification of additional or alternative projects for funding.

The commission report may also discuss any significant issues associated with implementation of the program, and recommend changes that could improve implementation.

Article 5. Eligible Projects

List of Eligible Projects

Amended: Statutes of 2000, Chapter 656 (SB 1662)

14556.40. (a) The following projects are eligible for grants from the fund for the purposes and amounts specified:

(1) BART to San Jose; extend BART from Fremont to Downtown San Jose in Santa Clara and Alameda Counties. Seven hundred twenty-five million dollars ($725,000,000). The lead applicant is the Santa Clara Valley Transportation Authority.

(2) Fremont-South Bay Commuter Rail; acquire rail line and start commuter rail service between Fremont and San Jose in Santa Clara and Alameda Counties. Thirty-five million dollars ($35,000,000). The lead applicant is the Santa Clara Valley Transportation Authority.

(3) Route 101; widen freeway from four to eight lanes south of San Jose, Bernal Road to Burnett Avenue in Santa Clara County. Twenty-five million dollars ($25,000,000). The lead applicant is the department or the Santa Clara Valley Transportation Authority.

(4) Route 680; add northbound HOV lane over Sunol Grade, Milpitas to Route 84 in Santa Clara and Alameda Counties. Sixty million dollars ($60,000,000). The lead applicant is the department or the Alameda County Congestion Management Agency.

(5) Route 101; add northbound lane to freeway through San Jose, Route 87 to Trimble Road in Santa Clara County. Five million dollars ($5,000,000). The lead applicant is the department or the Santa Clara Valley Transportation Authority.

(6) Route 262; major investment study for cross connector freeway, Route 680 to Route 880 near Warm Springs in Santa Clara County. One million dollars ($1,000,000). The lead applicant is the department or the Santa Clara Valley Transportation Authority.

(7) CalTrain; expand service to Gilroy; improve parking, stations, and platforms along UPRR line in Santa Clara County. Fifty-five million dollars ($55,000,000). The lead applicant is Santa Clara Valley Transportation Authority.

(8) Route 880; reconstruct Coleman Avenue Interchange near San Jose Airport in Santa Clara County. Five million dollars ($5,000,000). The lead applicant is the department or the Santa Clara Valley Transportation Authority.

(9) Capitol Corridor; improve intercity rail line between Oakland and San Jose, and at Jack London Square and Emeryville stations in Alameda and Santa Clara Counties. Twenty-five million dollars ($25,000,000). The lead applicant is the department or the Capitol Corridor Joint Powers Authority.

(10) Regional Express Bus; acquire low-emission buses for new express service on HOV lanes regionwide. In nine counties. Forty million dollars ($40,000,000). The lead applicant is the Metropolitan Transportation Commission.

(11) San Francisco Bay Southern Crossing; complete feasibility and financial studies for new San Francisco Bay crossing (new bridge, HOV/transit bridge, terminal connection, or second BART tube) in Alameda and San Francisco or San Mateo Counties. Five million dollars ($5,000,000). The lead applicant is the department or the Metropolitan Transportation Commission.

(12) Bay Area Transit Connectivity; complete studies of, and fund related improvements for, the I-580 Livermore Corridor; the Hercules Rail Station and related improvements, West Contra Costa County and Route 4 Corridors in Alameda and Contra Costa Counties. Seventeen million dollars ($17,000,000). Of the amount specified, seven million dollars ($7,000,000) shall be made available for the Route 4 Corridor study and improvements, seven million dollars

($7,000,000) shall be made available for the I-580 Corridor study and improvements, and three million dollars ($3,000,000) shall be made available for the Hercules Rail Station study and improvements. The lead applicant for the Hercules Rail Station and related improvements in west Contra Costa County is the Contra Costa County Transportation Authority. The lead applicants, for the I-580 Livermore Study and improvements are the Alameda County Congestion Management Authority and the San Francisco Bay Area Rapid Transit District. The lead applicants for the Route 4 Corridor study and improvements are the Contra Costa County Transportation Authority and the San Francisco Bay Area Rapid Transit District.

(13) CalTrain Peninsula Corridor; acquire rolling stock, add passing tracks, and construct pedestrian access structure at stations between San Francisco and San Jose in San Francisco, San Mateo, and Santa Clara Counties. One hundred twenty-seven million dollars ($127,000,000). The lead applicant is the Peninsula Joint Powers Board.

(14) CalTrain; extension to Salinas in Monterey County. Twenty million dollars ($20,000,000). The lead applicant is the Transportation Agency for Monterey County.

(15) Route 24; Caldecott Tunnel; add fourth bore tunnel with additional lanes in Alameda and Contra Costa Counties. Twenty million dollars ($20,000,000). The lead applicant is the department or the Metropolitan Transportation Commission.

(16) Route 4; construct one or more phases of improvements to widen freeway to eight lanes from Railroad through Loveridge Road, including two high-occupancy vehicle lanes, and to six or more lanes from east of Loveridge Road through Hillcrest. Thirty-nine million dollars ($39,000,000). The lead applicant is the Contra Costa Transportation Authority.

(17) Route 101; add reversible HOV lane through San Rafael, Sir Francis Drake Boulevard to North San Pedro Road in Marin County. Fifteen million dollars ($15,000,000). The lead applicant is the department or the Marin Congestion Management Agency.

(18) Route 101; widen eight miles of freeway to six lanes, Novato to Petaluma (Novato Narrows) in Marin and Sonoma Counties. Twenty-one million dollars ($21,000,000). The lead applicant is the department or the Sonoma County Transportation Authority.

(19) Bay Area Water Transit Authority; establish a regional water transit system beginning with Treasure Island in the City and County of San Francisco. Two million dollars ($2,000,000). The lead applicant is the Bay Area Water Transit Authority.

(20) San Francisco Muni Third Street Light Rail; extend Third Street line to Chinatown (tunnel) in the City and County of San Francisco. One hundred forty million dollars ($140,000,000). The lead applicant is the San Francisco Municipal Transportation Agency.

(21) San Francisco Muni Ocean Avenue Light Rail; reconstruct Ocean Avenue light rail line to Route 1 near California State University, San Francisco, in the City and County of San Francisco. Seven million dollars ($7,000,000). The lead applicant is the San Francisco Municipal Transportation Agency.

(22) Route 101; environmental study for reconstruction of Doyle Drive, from Lombard St./Richardson Avenue to Route 1 Interchange in City and County of San Francisco. Fifteen million dollars ($15,000,000). The lead applicant is the department or the San Francisco County Transportation Authority.

(23) CalTrain Peninsula Corridor; complete grade separations at Poplar Avenue in (San Mateo), 25th Avenue or vicinity (San Mateo), and Linden Avenue (South San Francisco) in San Mateo County. Fifteen million dollars ($15,000,000). The lead applicant is the San Mateo County Transportation Authority.

(24) Vallejo Baylink Ferry; acquire low-emission ferryboats to expand Baylink Vallejo-San Francisco service in Solano County. Five million dollars ($5,000,000). The lead applicant is the City of Vallejo.

(25) I-80/I-680/Route 12 Interchange in Fairfield in Solano County; 12 interchange complex in seven stages (Stage 1). Thirteen million dollars ($13,000,000). The lead applicant is the department or the Solano Transportation Authority.

(26) ACE Commuter Rail; add siding on UPRR line in Livermore Valley in Alameda County. One million dollars ($1,000,000). The lead applicant is the Alameda County Congestion Management Authority.

(27) Vasco Road Safety and Transit Enhancement Project in Alameda and Contra Costa Counties. Eleven million dollars ($11,000,000). The lead applicant is Alameda County Congestion Management Authority.

(28) Parking Structure at Transit Village at Richmond BART Station in Contra Costa County. Five million dollars ($5,000,000). The lead applicant is the City of Richmond.

(29) AC Transit; buy two fuel cell buses and fueling facility for demonstration project in Alameda and Contra Costa Counties. Eight million dollars ($8,000,000). The lead applicant is the Alameda Contra Costa Transit District.

(30) Implementation of commuter rail passenger service from Cloverdale south to San Rafael and Larkspur in Marin and Sonoma Counties. Thirty-seven million dollars ($37,000,000). The lead applicant is the Sonoma-Marin Area Transit Authority.

(31) Route 580; construct eastbound and westbound HOV lanes from Tassajara Road/Santa Rita Road to Vasco Road in Alameda County. Twenty-five million dollars ($25,000,000). The lead applicant is the department or the Alameda County Congestion Management Authority.

(32) North Coast Railroad; repair and upgrade track to meet Class II (freight) standards in Napa, Sonoma, Marin, Mendocino and Humboldt Counties. Sixty million dollars ($60,000,000). The lead applicant is the North Coast Rail Authority. Except for the amounts specified in paragraph (1) of subdivision (a) and subdivision (b) of Section 14456.50, no part of the specified amount may be made available to the authority until it has made a full accounting to the commission demonstrating that the expenditure of funds provided to the authority in the Budget Act of 2000 (Chapter 52 of the Statutes of 2000) was consistent with the limitations placed on those funds in that Budget Act.

(33) Bus Transit; acquire low-emission buses for Los Angeles County MTA bus transit service. One hundred fifty million dollars ($150,000,000). The lead applicant is the Los Angeles County Metropolitan Transportation Authority.

(34) Blue Line to Los Angeles; new rail line Pasadena to Los Angeles in Los Angeles County. Forty million dollars ($40,000,000). The lead applicant is the Pasadena Metro Blue Line Construction Authority.

(35) Pacific Surfliner; triple track intercity rail line within Los Angeles County and add run-through-tracks through Los Angeles Union Station in Los Angeles County. One hundred million dollars ($100,000,000). The lead applicant is the department.

(36) Los Angeles Eastside Transit Extension; build new light rail line in East Los Angeles, from Union Station to Atlantic via 1st Street to Lorena in Los Angeles County. Two hundred thirty-six million dollars ($236,000,000). The lead applicant is the Los Angeles County Metropolitan Transportation Authority.

(37) Los Angeles Mid-City Transit Improvements; build Bus Rapid Transit system or Light Rail Transit in Mid-City/Westside/Exposition Corridors in Los Angeles County. Two hundred fifty-six million dollars ($256,000,000). The lead applicant is the Los Angeles County Metropolitan Transportation Authority.

(38) Los Angeles-San Fernando Valley Transit Extension; (A) build an East-West Bus Rapid Transit system in the Burbank-Chandler corridor, from North Hollywood to Warner Center. One hundred forty-five million dollars ($145,000,000). (B) Build a North-South

corridor bus transit project that interfaces with the foregoing East-West Burbank-Chandler Corridor project and with the Ventura Boulevard Rapid Bus project. One hundred million dollars ($100,000,000). The lead applicant for both extension projects is the Los Angeles County Metropolitan Transportation Authority.

(39) Route 405; add northbound HOV lane over Sepulveda Pass, Route 10 to Route 101 in Los Angeles County. Ninety million dollars ($90,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.

(40) Route 10; add HOV lanes on San Bernardino Freeway over Kellogg Hill, near Pomona, Route 605 to Route 57 in Los Angeles County. Ninety million dollars ($90,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.

(41) Route 5; add HOV lanes on Golden State Freeway through San Fernando Valley, Route 170 (Hollywood Freeway) to Route 14 (Antelope Valley Freeway) in Los Angeles County. Fifty million dollars ($50,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.

(42) Route 5; widen Santa Ana Freeway to 10 lanes (two HOV + two mixed flow), Orange County line to Route 710, with related major arterial improvements, in Los Angeles County. One hundred twenty-five million dollars ($125,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.

(43) Route 5; improve Carmenita Road Interchange in Norwalk in Los Angeles County. Seventy-one million dollars ($71,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.

(44) Route 47 (Terminal Island Freeway); construct interchange at Ocean Boulevard Overpass in the City of Long Beach in Los Angeles County. Eighteen million four hundred thousand dollars ($18,400,000). The lead applicant is the Port of Long Beach.

(45) Route 710; complete Gateway Corridor study, Los Angeles/Long Beach ports to Route 5 in Los Angeles County. Two million dollars ($2,000,000). The lead applicant is the department.

(46) Route 1; reconstruct intersection at Route 107 in Torrance in Los Angeles County. Two million dollars ($2,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.

(47) Route 101; California Street off-ramp in Ventura County. Fifteen million dollars ($15,000,000). The lead applicant is the department or the City of San Buenaventura.

(48) Route 101; corridor analysis and PSR to improve corridor from Route 170 (North Hollywood Freeway) to Route 23 in Thousand Oaks (Ventura County) in Los Angeles and Ventura Counties. Three million dollars ($3,000,000). The lead applicant is the department.

(49) Hollywood Intermodal Transportation Center; intermodal facility at Highland Avenue and Hawthorn Avenue in the City of Los Angeles. Ten million dollars ($10,000,000). The lead applicant is the City of Los Angeles.

(50) Route 71; complete three miles of six-lane freeway through Pomona, from Route 10 to Route 60 in Los Angeles County. Thirty million dollars ($30,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.

(51) Route 101/405; add auxiliary lane and widen ramp through freeway interchange in Sherman Oaks in Los Angeles County. Twenty-one million dollars ($21,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.

(52) Route 405; add HOV and auxiliary lanes for 1 mile in West Los Angeles, from Waterford Avenue to Route 10 in Los Angeles County. Twenty-five million dollars ($25,000,000). The lead applicant is the department or the Los Angeles County Metropolitan Transportation Authority.

(53) Automated Signal Corridors (ATSAC); improve 479 automated signals in Victory/Ventura Corridor, and add 76 new automated signals in Sepulveda Boulevard and Route 118 Corridors in Los Angeles County. Sixteen million dollars ($16,000,000). The lead applicant is the City of Los Angeles.

(54) Alameda Corridor East; build grade separations on Burlington Northern-Santa Fe and Union Pacific Railroad lines, downtown Los Angeles to Los Angeles County line in Los Angeles County. One hundred fifty million dollars ($150,000,000). The lead applicant is the San Gabriel Valley Council of Governments.

(55) Alameda Corridor East; build grade separations on Burlington Northern-Santa Fe and Union Pacific Railroad lines, with rail-to-rail separation at Colton through San Bernardino County. Ninety-five million dollars ($95,000,000). The lead applicant is the San Bernardino Associated Governments.

(56) Metrolink; track and signal improvements on Metrolink; San Bernardino line in San Bernardino County. Fifteen million dollars ($15,000,000). The lead applicant is the Southern California Regional Rail Authority.

(57) Route 215; add HOV lanes through downtown San Bernardino, Route 10 to Route 30 in San Bernardino County. Twenty-five million dollars ($25,000,000). The lead applicant is the department or the San Bernardino County Transportation Commission.

(58) Route 10; widen freeway to eight lanes through Redlands, Route 30 to Ford Street in San Bernardino County. Ten million dollars ($10,000,000). The lead applicant is the department or the San Bernardino County Transportation Commission.

(59) Route 10; Live Oak Canyon Interchange, including, but not limited to, the 14th Street Bridge over Wilson Creek, in the City of Yucaipa in San Bernardino County. Eleven million dollars ($11,000,000). The lead applicant is the department or the San Bernardino County Transportation Commission.

(60) Route 15; southbound truck climbing lane at two locations in San Bernardino County. Ten million dollars ($10,000,000). The lead applicant is the department or the San Bernardino County Transportation Commission.

(61) Route 10; reconstruct Apache Trail Interchange east of Banning in Riverside County. Thirty million dollars ($30,000,000). The lead applicant is the department or the Riverside County Transportation Commission.

(62) Route 91; add HOV lanes through downtown Riverside, Mary Street to Route 60/215 junction in Riverside County. Forty million dollars ($40,000,000). The lead applicant is the department or the Riverside County Transportation Commission.

(63) Route 60; add seven miles of HOV lanes west of Riverside, Route 15 to Valley Way in Riverside County. Twenty-five million dollars ($25,000,000). The lead applicant is the department or the Riverside County Transportation Commission.

(64) Route 91; improve the Green River Interchange and add auxiliary lane and connector ramp east of the Green River Interchange to northbound Route 71 in Riverside County. Five million dollars ($5,000,000). The lead applicant is the department or the Riverside County Transportation Commission. *[sic: No 65-69]*

(70) Route 22; add HOV lanes on Garden Grove Freeway, Route I-405 to Route 55 in Orange County. Two hundred six million five hundred thousand dollars ($206,500,000). The lead applicant is the department or the Orange County Transportation Authority.

(73) Alameda Corridor East; (Orangethorpe Corridor) build grade separations on Burlington Northern-Santa Fe line, Los Angeles County line through Santa Ana Canyon in Orange County. Twenty-eight million dollars ($28,000,000). The lead applicant is the Orange County Transportation Authority.

(74) Pacific Surfliner; double track intercity rail line within San Diego County, add maintenance yard in San Diego County. Forty-seven million dollars ($47,000,000). The lead applicant is the department or North Coast Transit District.

(75) San Diego Transit Buses; acquire about 85 low-emission buses for San Diego transit service in San Diego County. Thirty million dollars ($30,000,000). The lead applicant is the San Diego Metropolitan Transit Development Board.

(76) Coaster Commuter Rail; acquire one new train set to expand commuter rail in San Diego County. Fourteen million dollars ($14,000,000). The lead applicant is North County Transit District.

(77) Route 94; complete environmental studies to add capacity to Route 94 corridor, downtown San Diego to Route 125 in Lemon Grove in San Diego County. Twenty million dollars ($20,000,000). The lead applicant is the department or San Diego Association of Governments.

(78) East Village access; improve access to light rail from new in-town East Village development in San Diego County. Fifteen million dollars ($15,000,000). The lead applicant is the San Diego Metropolitan Transit Development Board.

(79) North County Light Rail; build new 20-mile light rail line from Oceanside to Escondido in San Diego County. Eighty million dollars ($80,000,000). The lead applicant is North County Transit District.

(80) Mid-Coast Light Rail; extend Old Town light rail line 6 miles to Balboa Avenue in San Diego County. Ten million dollars ($10,000,000). The lead applicant is the San Diego Metropolitan Transit Development Board.

(81) San Diego Ferry; acquire low-emission high-speed ferryboat for new off-coast service between San Diego and Oceanside in San Diego County. Five million dollars ($5,000,000). The lead applicant is the Port of San Diego.

(82) Routes 5/805; reconstruct and widen freeway interchange, Genesee Avenue to Del Mar Heights Road in San Diego County. Twenty-five million dollars ($25,000,000). The lead applicant is the department or the San Diego Association of Governments.

(83) Route 15; add high-tech managed lane on I-15 freeway north of San Diego (Stage 1) from Route 163 to Route 78 in San Diego County. Seventy million dollars ($70,000,000). The lead applicant is the department or the San Diego Association of Governments.

(84) Route 52; build four miles of new six-lane freeway to Santee, Mission Gorge to Route 67 in San Diego County. Forty-five million dollars ($45,000,000). The lead applicant is the department or the San Diego Association of Governments.

(85) Route 56; construct approximately five miles of new freeway alignment between I-5 and I-15 from Carmel Valley to Rancho Penasquitos in the City of San Diego in San Diego County. Twenty-five million dollars ($25,000,000). The lead applicant is the department or the San Diego Association of Governments.

(86) Route 905; build new six-lane freeway on Otay Mesa, Route 805 to Mexico Port of Entry in San Diego County. Twenty-five million dollars ($25,000,000). The lead applicant is the department or the San Diego Association of Governments.

(87) Routes 94/125; build two new freeway connector ramps at Route 94/125 in Lemon Grove in San Diego County. Sixty million dollars ($60,000,000). The lead applicant is the department or the San Diego Association of Governments.

(88) Route 5; realign freeway at Virginia Avenue, approaching San Ysidro Port of Entry to Mexico in San Diego County. Ten million dollars ($10,000,000). The lead applicant is the department or the San Diego Association of Governments.

(89) Route 99; improve Shaw Avenue Interchange in northern Fresno in Fresno County. Five million dollars ($5,000,000). The lead applicant is the department or the Council of Fresno County Governments.

(90) Route 99; widen freeway to six lanes, Kingsburg to Selma in Fresno County. Twenty million dollars ($20,000,000). The lead applicant is the department or the Council of Fresno County Governments.

(91) Route 180; build new expressway east of Clovis, Clovis Avenue to Temperance Avenue in Fresno County. Twenty million dollars ($20,000,000). The lead applicant is the department or the Council of Fresno County Governments.

(92) San Joaquin Corridor; improve track and signals along San Joaquin intercity rail line near Hanford in Kings County. Ten million dollars ($10,000,000). The lead applicant is the department.

(93) Route 180; complete environmental studies to extend Route 180 westward from Mendota to I-5 in Fresno County. Seven million dollars ($7,000,000). The lead applicant is the department or the Council of Fresno County Governments.

(94) Route 43; widen to four-lane expressway from Kings County line to Route 99 in Selma in Fresno County. Five million dollars ($5,000,000). The lead applicant is the department or the Council of Fresno County Governments.

(95) Route 41; add auxiliary lane/operational improvements and improve ramps at Friant Road Interchange in Fresno in Fresno County. Ten million dollars ($10,000,000). The lead applicant is the department or the Council of Fresno County Governments.

(96) Friant Road; widen to four lanes from Copper Avenue to Road 206 in Fresno County. Ten million dollars ($10,000,000). The lead applicant is the County of Fresno.

(97) Operational improvements on Shaw Avenue, Chestnut Avenue, Willow Avenue, and Barstow Avenue near California State University at Fresno in Fresno County. Ten million dollars ($10,000,000). The lead applicant is the California State University at Fresno. Of the amount authorized under this paragraph, the sum of two million dollars ($2,000,000) shall be transferred to the California State University at Fresno for the purposes of funding preliminary plans, working drawings, or both of those, and related program management costs for the Fresno Events Center.

(98) Peach Avenue; widen to four-lane arterial and add pedestrian overcrossings for three schools in Fresno County. Ten million dollars ($10,000,000). The lead applicant is the City of Fresno.

(99) San Joaquin Corridor; improve track and signals along San Joaquin intercity rail line in seven counties. Fifteen million dollars ($15,000,000). The lead applicant is the department.

(100) San Joaquin Valley Emergency Clean Air Attainment Program; incentives for the reduction of emissions from heavy-duty diesel engines operating within the eight-county San Joaquin Valley region. Twenty-five million dollars ($25,000,000). The lead applicant is the San Joaquin Valley Unified Air Pollution Control District.

(101) Santa Cruz Metropolitan Transit District bus fleet; acquisition of low-emission buses. Three million dollars ($3,000,000). The lead applicant is the Santa Cruz Metropolitan Transit District.

(102) Route 101 access; State Street smart corridor Advanced Traffic Corridor System (ATSC) technology in Santa Barbara County. One million three hundred thousand dollars ($1,300,000). The lead applicant is the City of Santa Barbara.

(103) Route 99; improve interchange at Seventh Standard Road, north of Bakersfield in Kern County. Eight million dollars ($8,000,000). The lead applicant is the department or Kern Council of Governments.

(104)Route 99; build seven miles of new six-lane freeway south of Merced, Buchanan Hollow Road to Healey Road in Merced County. Five million dollars ($5,000,000). The lead applicant is the department or the Merced County Association of Governments.

(105)Route 99; build two miles of new six-lane freeway, Madera County line to Buchanan Hollow Road in Merced County. Five million dollars ($5,000,000). The lead applicant is the department or the Merced County Association of Governments.

(106)Campus Parkway; build new arterial in Merced County from Route 99 to Bellevue Road. Twenty-three million dollars ($23,000,000). The lead applicant is the County of Merced.

(107)Route 205; widen freeway to six lanes, Tracy to I-5 in San Joaquin County. Twenty-five million dollars ($25,000,000). The lead applicant is the department or the San Joaquin Council of Governments.

(108)Route 5; add northbound lane to freeway through Mossdale "Y" , Route 205 to Route 120 in San Joaquin County. Seven million dollars ($7,000,000). The lead applicant is the department or the San Joaquin Council of Governments.

(109)Route 132; build four miles of new four-lane expressway in Modesto from Dakota Avenue to Route 99 and improve Route 99 Interchange in Stanislaus County. Twelve million dollars ($12,000,000). The lead applicant is the department or the Stanislaus Council of Governments.

(110)Route 132; build 3.5 miles of new four-lane expressway from Route 33 to the San Joaquin county line in Stanislaus and San Joaquin Counties. Two million dollars ($2,000,000). The lead applicant is the department or the Stanislaus Council of Governments.

(111)Route 198; build 10 miles of new four-lane expressway from Route 99 to Hanford in Kings and Tulare Counties. Fourteen million dollars ($14,000,000). The lead applicant is the department or the Kings County Association of Governments.

(112)Jersey Avenue; widen from 17th Street to 18th Street in Kings County. One million five hundred thousand dollars ($1,500,000). The lead applicant is Kings County.

(113)Route 46; widen to four lanes for 33 miles from Route 5 to San Luis Obispo County line in Kern County. Thirty million dollars ($30,000,000). The lead applicant is the department or the Kern Council of Governments.

(114)Route 65; add four passing lanes, intersection improvement, and conduct environmental studies for ultimate widening to four lanes from Route 99 in Bakersfield to Tulare County line in Kern County. Twelve million dollars ($12,000,000). The lead applicant is the department or the Kern Council of Governments.

(115)South Line Light Rail; extend South Line three miles towards Elk Grove, from Meadowview Road to Calvine Road in Sacramento County. Seventy million dollars ($70,000,000). The lead applicant is the Sacramento Regional Transit District.

(116)Route 80 Light Rail Corridor; double-track Route 80 light rail line for express service in Sacramento County. Twenty-five million dollars ($25,000,000). The lead applicant is the Sacramento Regional Transit District.

(117)Folsom Light Rail; extend light rail tracks from 7th Street and K Street to the Amtrak Depot in downtown Sacramento, and extend Folsom light rail from Mather Field Station to downtown Folsom. Add a new vehicle storage and maintenance facility in the area between the Sunrise Boulevard and Hazel Avenue Stations in Sacramento County. Twenty million dollars ($20,000,000). The lead applicant is the Sacramento Regional Transit District.

(118)Sacramento Emergency Clean Air/Transportation Plan (SECAT); incentive for the reduction of emissions from heavy-duty diesel engines operating within the Sacramento region. Fifty million dollars ($50,000,000). The lead applicant is the Sacramento Area Council of Governments.

(119) Convert Sacramento Regional Transit bus fleet to low emission and provide Yolo bus service by the Yolo County Transportation District; acquire approximately 50 replacement low-emission buses for service in Sacramento and Yolo Counties. Nineteen million dollars ($19,000,000). The lead applicants are the Sacramento Regional Transit District, the Sacramento Area Council of Governments, and the Yolo Bus Authority. *[sic: No 120]*

(121) Metropolitan Bakersfield System Study; to reduce congestion in the City of Bakersfield. Three hundred fifty thousand dollars ($350,000). The lead applicant is the Kern County Council of Governments.

(122) Route 65; widening project from 7th Standard Road to Route 190 in Porterville. Three million five hundred thousand dollars ($3,500,000). The lead applicant is the County of Tulare.

(123) Oceanside Transit Center; parking structure. One million five hundred thousand dollars ($1,500,000). The lead applicant is the City of Oceanside. *[sic: No 124 or 125]*

(126) Route 50/Watt Avenue Interchange; widening of overcrossing and modifications to interchange. Seven million dollars ($7,000,000). The lead applicant is the County of Sacramento.

(127) Route 85/Route 87; interchange completion; addition of two direct connectors for southbound Route 85 to northbound Route 87 and southbound Route 87 to northbound Route 85. Three million five hundred thousand dollars ($3,500,000). The lead applicant is the City of San Jose.

(128) Airport Road; reconstruction and intersection improvement project. Three million dollars ($3,000,000). The lead applicant is the County of Shasta.

(129) Route 62; traffic and pedestrian safety and utility undergrounding project in right-of-way of Route 62. Three million two hundred thousand dollars ($3,200,000). The lead applicant is the Town of Yucca Valley. *[sic: No 130-132]*

(133) Feasibility studies for grade separation projects for Union Pacific Railroad at Elk Grove Boulevard and Bond Road. One hundred fifty thousand dollars ($150,000). The lead applicant is the City of Elk Grove.

(134) Route 50/Sunrise Boulevard; interchange modifications. Three million dollars ($3,000,000). The lead applicant is the County of Sacramento.

(135) Route 99/Sheldon Road; interchange project; reconstruction and expansion. Three million dollars ($3,000,000). The lead applicant is the County of Sacramento. *[sic: No 136-137]*

(138) Cross Valley Rail; upgrade track from Visalia to Huron. Four million dollars ($4,000,000). The lead applicant is the Cross Valley Rail Corridor Joint Powers Authority.

(139) Balboa Park BART Station; phase I expansion. Six million dollars ($6,000,000). The lead applicant is the San Francisco Bay Area Rapid Transit District.

(140) City of Goshen; overpass for Route 99. One million five hundred thousand dollars ($1,500,000). The lead applicant is the department.

(141) Union City; pedestrian bridge over Union Pacific rail lines. Two million dollars ($2,000,000). The lead applicant is the City of Union City.

(142) West Hollywood; repair, maintenance, and mitigation of Santa Monica Boulevard. Two million dollars ($2,000,000). The lead applicant is the City of West Hollywood. *[sic: No 143]*

(144) Seismic retrofit of the national landmark Golden Gate Bridge. Five million dollars ($5,000,000). The lead applicant is the Golden Gate Bridge, Highway and Transportation District.

(145) Construction of a new siding in Sun Valley between Sheldon Street and Sunland Boulevard. Six million five hundred thousand dollars ($6,500,000). The lead applicant is the Southern California Regional Rail Authority.

(146) Construction of Palm Drive Interchange. Ten million dollars ($10,000,000). The lead applicant is the Coachella Valley Association of Governments. *[sic: No 147]*

(148) Route 98; widening of 8 miles between Route 111 and Route 7 from 2 lanes to 4 lanes. Ten million dollars ($10,000,000). The lead applicant is the department.

(149) Purchase of low-emission buses for express service on Route 17. Three million seven hundred fifty thousand dollars ($3,750,000). The lead applicant is the Santa Cruz Metropolitan Transit District.

(150) Renovation or rehabilitation of Santa Cruz Metro Center.One million dollars ($1,000,000). The lead applicant is the Santa Cruz Metropolitan Transit District.

(151) Purchase of 5 alternative fuel buses for the Pasadena Area Rapid Transit System. One million one hundred thousand dollars ($1,100,000). The lead applicant is the Pasadena Area Rapid Transit System.

(152) Pasadena Blue Line transit-oriented mixed-use development. One million five hundred thousand dollars ($1,500,000). The lead applicant is the City of South Pasadena.

(153) Pasadena Blue Line utility relocation. Five hundred fifty thousand dollars ($550,000). The lead applicant is the City of South Pasadena.

(154) Route 134/I-5 Interchange study. One hundred thousand dollars ($100,000). The lead applicant is the department. *[sic: No 155]*

(156) Seismic retrofit and core segment improvements for the Bay Area Rapid Transit system. Twenty million dollars ($20,000,000). The lead applicant is the San Francisco Bay Area Rapid Transit District.

(157) Route 12; Congestion relief improvements from Route 29 to I-80 through Jamison Canyon. Seven million dollars ($7,000,000). The lead applicant is the department.

(158) Remodel the intersection of Olympic Boulevard, Mateo Street, and Porter Street and install a new traffic signal. Two million dollars ($2,000,000). The lead applicant is the City of Los Angeles.

(159) Route 101; redesign and construction of Steele Lane Interchange. Six million dollars ($6,000,000). The lead applicant is the department or the Sonoma County Transportation Authority.

(b) As used in this section "route" is a state highway route as identified in Article 3 (commencing with Section 300) of Chapter 2 of Division 1 of the Streets and Highways Code.

Article 6. Miscellaneous Provisions

North Coast Railroad Authority

Amended: Statutes of 2000, Chapter 656 (SB 1662)

14556.50. The grant authorized under paragraph (32) of subdivision (a) of Section 14556.40 shall be allocated as follows:

(a) (1) Two hundred fifty thousand dollars ($250,000) to defray the administrative costs of the North Coast Railroad Authority, allocated directly to the authority as directed by the commission at its first scheduled meeting immediately upon enactment of the Budget Act of 2000.

(2) Two hundred fifty thousand dollars ($250,000) to defray the administrative costs of the authority, allocated directly to the authority as directed by the commission within six months from the date of enactment of the Budget Act of 2000.

(3) Five hundred thousand dollars ($500,000) to defray the administrative costs of the authority, allocated to the authority as directed by the commission, within one year from the date of enactment of the Budget Act of 2000, if the commission determines that additional funding is needed by the authority as directed by the commission at its first scheduled meeting for administrative costs.

(b) Six hundred thousand dollars ($600,000) to fund completion of the authority's rail line from Lombard to Willits, allocated directly to the authority immediately upon enactment of the Budget Act of 2000.

(c) One million dollars ($1,000,000) to fund completion of the authority's rail line from Willits to Arcata, allocated to the authority as directed by the commission, within six months from the date of enactment of the Budget Act of 2000.

(d) Five million dollars ($5,000,000) to fund the upgrade of the authority's rail line to Class II or III status, allocated to the authority as directed by the commission.

(e) Four million one hundred thousand dollars ($4,100,000) for environmental remediation projects, allocated to the authority as directed by the commission, within six months from the date of enactment of the Budget Act of 2000.

(f) Ten million dollars ($10,000,000) for the authority's debt reduction, allocated to the authority as directed by the commission, within six months from the date of enactment of the Budget Act of 2000.

(g) One million eight hundred thousand dollars ($1,800,000) for use by the authority as local match funds, allocated to the authority as directed by the commission.

(h) Five million five hundred thousand dollars ($5,500,000) to fund repayment of the authority's federal loan obligations, allocated to the authority as directed by the commission.

(g) Thirty-one million dollars ($31,000,000) for long-term stabilization projects, allocated to the authority as directed by the commission.

Alameda Corridor East Projects

Amended: Statutes of 2000, Chapter 656 (SB 1662)

14556.52. (a) Before grants from the fund may be allocated to any of the three Alameda Corridor East Projects identified in paragraphs (54), (55), and (73) of subdivision (a) of Section 14556.40, a report shall be completed and submitted to the commission within one year of the operative date of this section. The report shall be prepared by a team consisting of the lead applicants for those projects and the Riverside County Transportation Commission. The report shall address regional mobility needs as well as regional, state, and national economic impacts of

the corridor. The team shall also evaluate and assess the technical merits, determine the phasing and delivery schedule, and identify a financing strategy for the proposed corridor improvements. Based on the good faith participation of the stakeholders, the commission shall allocate some or all of the available funds to one or more of the lead applicants for specific projects within the corridor that meet the requirements under this chapter.

(b) Funds may be allocated from the fund to produce the report required under this section.

* * * * * * *

DIVISION 4. FISCAL AFFAIRS
PART 2. STATE FUNDS
CHAPTER 1. GENERAL

Availability of State Budget Appropriation for Encumbrance
Amended: Statutes of 2000, Chapter 364 (SB 220)

16304. An appropriation shall be available for encumbrance during the period specified therein, or, if not otherwise limited by law, for three years after the date upon which it first became available for encumbrance. An appropriation containing the term "without regard to fiscal years" shall be available for encumbrance from year to year until expended.

An appropriation shall be deemed to be encumbered at the time and to the extent that a valid obligation against the appropriation is created.

As used in this code and in every other statute heretofore or hereafter enacted, the term "unexpended balance" shall be construed to mean "unencumbered balance."

Appropriations for the following purposes are exempt from limitations as to period of availability in any appropriation, and shall remain available from year to year until expended:

(a) Payment of interest and redemption charges on any portion of the bonded debt of the state.

(b) Transfers of money from any fund for the benefit of elementary schools, high schools, community colleges, the University of California, or any interest and sinking fund in the State Treasury.

(c) Money transferred to revolving funds specifically created by law, including, but not limited to, the Architecture Revolving Fund and the Water Resources Revolving Fund.

(d) Appropriations available for the acquisition of real property to the extent that such appropriations have been encumbered by the filing of condemnation proceedings on behalf of the State of California prior to the expiration of the period of availability of the appropriation.

(e) Money transferred to and expendable from funds other than the fund in which originally deposited, pursuant to the provisions of law earmarking or appropriating for expenditure certain classes of revenue or other receipts.

(f) Continuing provisions of law appropriating for specific purposes certain classes of revenue or other receipts, upon their deposit in a particular fund in the State Treasury or upon their collection by an agency of this state.

Appropriation for Relocation Assistance
Added: Statutes of 1977, Chapter 829 (SB 656)

16304.01. Notwithstanding Section 16304, an appropriation available for the acquisition of real property to the extent that such appropriation is required to carry out the provisions of Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 *[Relocation Assistance]*

shall be available for five years after the date upon which it first became available for encumbrance.

Availability of State Encumbrances for Liquidation
Amended: Statutes of 1994, Chapter 726 (AB 3069)

16304.1. Disbursements in liquidation of encumbrances may be made before or during the two years following the last day an appropriation is available for encumbrance, except in the case of a fund made up of federal funds. Disbursements in liquidation of encumbrances may be made before or during the four years following the last day an appropriation of federal funds is available for encumbrance. Whenever, during either liquidation period, the Director of Finance determines that the project for which the appropriation was made is completed and that a portion of the appropriation is not necessary for disbursements, that portion shall, upon order of the Director of Finance, revert to and become a part of the fund from which the appropriation was made. Upon the expiration of two years, or four years in the case of a fund made up of federal funds, following the last day of the period of its availability, the undisbursed balance in any appropriation shall revert to and become a part of the fund from which the appropriation was made. Subsequent to reversion any unpaid encumbrance against the appropriation may be paid from any current appropriations available for the same purposes.

To the extent that appropriations are exempt from limitations as to periods of availability under Section 16304, they shall not be subject to the provisions of this section.

* * * * * * *

Availability of Appropriation for a Cooperative Work Agreement
Added: Statutes of 2000, Chapter 364 (SB 220)

16304.3. (a) Notwithstanding Section 16304, an appropriation for an approved cooperative work agreement shall be available for expenditure as provided in this section.

(b) An approved cooperative work agreement is a binding contract or agreement between multiple parties, including the state or other governmental entities, or private nonprofit organizations, for work that cannot be completed for valid and substantial reasons during the period of time for which the funding is available for liquidation, and that meets all of the following criteria:

(1) The cooperative work agreement has been approved by the Department of Finance.

(2) The work to be completed is consistent with the intent of the original appropriation.

(3) The cooperative work agreement is funded only from appropriations for local assistance.

(c) Only that portion of the appropriation already encumbered upon approval of the cooperative work agreement by the Department of Finance shall be available to complete the work specified in the agreement. Any unencumbered or disencumbered balance shall revert to the fund of origin consistent with standard state accounting practices.

(d) The unliquidated balance subject to the approved cooperative work agreement shall revert to the fund of origin no later than eight years from the date of the original appropriation.

(e) This section shall not apply to cooperative work agreements entered into prior to January 1, 2001.

* * * * * * *

TITLE 3. GOVERNMENT OF COUNTIES

DIVISION 3. FINANCIAL PROVISIONS

CHAPTER 2. FUNDS

Article 11. Transportation Fund

Designation of Transportation Planning Agencies

Amended: Statutes of 1992, Chapter 1172 (AB 3799)

29532. From funds appropriated pursuant to Section 29531, the county auditor shall pay to public transportation entities the amounts allocated by the transportation planning agencies designated by the Director of Transportation as follows:

(a) For a county included within the jurisdiction of a statutorily created regional transportation planning agency, that agency.

(b) For a county which is not included within the jurisdiction of a statutorily created regional transportation planning agency but for which there is a council of governments, and an election has not been made pursuant to Section 29536, that council. For a county which is not included within the jurisdiction of a statutorily created regional transportation planning agency but for which there is a council of governments for which an election has been made under Section 29536 to form a local transportation commission, the local transportation commission authorized in Section 29535.

(c) For a county not within the jurisdiction of a statutorily created regional transportation planning agency or a council of governments, the local transportation commission authorized in Section 29535.

(d) Upon the request of a county within the jurisdiction of the multicounty designated transportation planning agency, as defined in Section 130004 of the Public Utilities Code, that agency.

Statutorily Created Transportation Planning Agencies

Amended: Statutes of 2002, Chapter 743 (SB 1703)

29532.1. Pursuant to subdivision (a) of Section 29532, each of the following entities is designated the transportation planning agency for its respective area:

(a) The Metropolitan Transportation Commission created by Title 7.1 (commencing with Section 66500).

(b) The Tahoe Regional Planning Agency created by interstate compact and ratified by Title 7.4 (commencing with Section 66800).

(c) The Placer County Transportation Planning Agency created by Title 7.91 (commencing with Section 67910).

(d) The Nevada County Transportation Planning Agency created by Title 7.92 (commencing with Section 67920).

(e) The Transportation Agency of Monterey County created pursuant to Title 7.93 (commencing with Section 67930).

(f) The Santa Cruz County Regional Transportation Commission created by Title 7.94 (commencing with Section 67940).

(g) The El Dorado County Transportation Planning Agency created by Title 7.95 (commencing with Section 67950).

(h) The consolidated agency created by Chapter 3 (commencing with Section 132350) of Division 12.7 of the Public Utilities Code.

County Transportation Commissions
Amended: Statutes of 1992, Chapter 1172 (AB 3799)

29532.4. (a) Notwithstanding subdivision (d) of Section 29532, the county transportation commission created in the Counties of Los Angeles, Orange, Riverside, and San Bernardino by Division 12 (commencing with Section 130000) of the Public Utilities Code shall not be designated by the Director of Transportation as the transportation planning agency for the area under its jurisdiction, and the Imperial Valley Association of Governments in Imperial County shall not be designated the transportation planning agency for the area under its jurisdiction.

(b) Notwithstanding Section 29532, for the purposes of Chapter 4 (commencing with Section 99200) of Part 11 of Division 10 of the Public Utilities Code, "transportation planning agency" means the county transportation commission created in the Counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura by Division 12 (commencing with Section 130000) of the Public Utilities Code, and also includes the Imperial Valley Association of Governments in Imperial County. The county auditor in each of those counties shall pay to the public transportation entities in the county the amounts allocated by the respective commissions or that association of governments, as the case may be.

* * * * * * *

TITLE 6.7. INFRASTRUCTURE FINANCE

DIVISION 2. TRANSPORTATION FINANCE BANK

Transportation Finance Bank
Amended: Statutes of 2002, Chapter 805 (AB 2996)

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 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 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 and interest and penalties 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) On or before March 1 of each year in which the loan program authorized by this section is effective, the department shall report, to the fiscal committees and the policy committees of the Legislature that consider transportation issues, on its activities in administering that program. The report shall include, but not be limited to, the total amount of loans issued by the department pursuant to this section, a description of the projects funded by those loans, the identification of all recipients of those loans, and any loans that the department intends to make in the subsequent fiscal year pursuant to this section.

* * * * * * *

TITLE 7. PLANNING AND LAND USE

DIVISION 1. PLANNING AND ZONING

CHAPTER 2.3. LONG-RANGE TRANSPORTATION PLANNING

California Transportation Plan: Legislative Findings

Added: Statutes of 1992, Chapter 1177 (SB 1435)

65070. (a) The Legislature finds and declares, consistent with Section 65088, that it is in the interest of the State of California to have an integrated state and regional transportation planning process. It further finds that federal law mandates the development of a state and regional long-range transportation plan as a prerequisite for receipt of federal transportation funds. It is the intent of the Legislature that the preparation of these plans shall be a cooperative process involving local and regional government, transit operators, congestion management agencies, and the goods movement industry and that the process be a continuation of activities performed by each entity and be performed without any additional cost.

(b) The Legislature further finds and declares that the last attempt to prepare a California Transportation Plan occurred between 1973 and 1977 and resulted in the expenditure of over eighty million dollars ($80,000,000) in public funds and did not produce a usable document. As a consequence of that, the Legislature delegated responsibility for long-range transportation

planning to the regional planning agencies and adopted a seven-year programming cycle instead of a longer range planning process for the state.

(c) The Legislature further finds and declares that the Transportation Blueprint for the Twenty-First Century (Chapters 105 and 106 of the Statutes of 1989) is a long-range state transportation plan that includes a financial plan and a continuing planning process through the preparation of congestion management plans and regional transportation plans, and identifies major interregional road networks and passenger rail corridors for the state.

California Transportation Plan: Elements

Added: Statutes of 1992, Chapter 1177 (SB 1435)

65072. The California Transportation Plan shall include all of the following:

(a) A policy element that describes the state's transportation policies and system performance objectives. These policies and objectives shall be consistent with legislative intent described in Sections 14000, 14000.5, and 65088. For the plan to be submitted in December 1993, the policy element shall address any opportunities for changes or additions to state legislative policy direction or statute.

(b) A strategies element that shall incorporate the broad system concepts and strategies synthesized from the adopted regional transportation plans prepared pursuant to Section 65080. The California Transportation Plan shall not be project specific.

(c) A recommendations element that includes economic forecasts and recommendations to the Legislature and the Governor to achieve the plan's broad system concepts, strategies, and performance objectives.

California Transportation Plan: Adoption

Added: Statutes of 1992, Chapter 1177 (SB 1435)

65073. The department shall submit the California Transportation Plan to the Governor by December 1, 1993. The department shall make a draft of its proposed plan available to the Legislature, the commission, and the regional transportation planning agencies for review and comment. The commission may present the results of its review and comment to the Legislature and the Governor. The Legislature intends to hold public hearings and submit its comments to the department and the Governor by conducting joint hearings of the Transportation Committees of the Senate and Assembly. The Governor shall adopt the plan and submit the plan to the Legislature and the Secretary of the United States Department of Transportation.

Federal Statewide Transportation Improvement Program (FSTIP)

Added: Statutes of 1992, Chapter 1177 (SB 1435)

65074. The Department of Transportation shall prepare, in cooperation with the metropolitan planning agencies, a federal transportation improvement program in accordance with subsection (f) of Section 135 of Title 23 of the United States Code. The federal transportation improvement program shall be submitted by the department to the United States Secretary of Transportation, by October 1 of each even-numbered year.

Regional Transportation Plan (RTP)

Amended: Statutes of 2001, Chapter 99 (AB 133)

65080. (a) Each transportation planning agency designated under Section 29532 or 29532.1 shall prepare and adopt a regional transportation plan directed at achieving a coordinated and balanced regional transportation system, including, but not limited to, mass transportation,

highway, railroad, maritime, bicycle, pedestrian, goods movement, and aviation facilities and services. The plan shall be action-oriented and pragmatic, considering both the short-term and long-term future, and shall present clear, concise policy guidance to local and state officials. The regional transportation plan shall consider factors specified in Section 134 of Title 23 of the United States Code. Each transportation planning agency shall consider and incorporate, as appropriate, the transportation plans of cities, counties, districts, private organizations, and state and federal agencies.

(b) The regional transportation plan shall include all of the following:

(1) A policy element that describes the transportation issues in the region, identifies and quantifies regional needs, and describes the desired short-range and long-range transportation goals, and pragmatic objective and policy statements. The objective and policy statements shall be consistent with the funding estimates of the financial element. The policy element of transportation planning agencies with populations that exceed 200,000 persons may quantify a set of indicators including, but not limited to, all of the following:

(A) Measures of mobility and traffic congestion, including, but not limited to, vehicle hours of delay per capita and vehicle miles traveled per capita.

(B) Measures of road and bridge maintenance and rehabilitation needs, including, but not limited to, roadway pavement and bridge conditions.

(C) Measures of means of travel, including, but not limited to, percentage share of all trips (work and nonwork) made by all of the following:

(i) Single occupant vehicle.

(ii) Multiple occupant vehicle or carpool.

(iii) Public transit including commuter rail and intercity rail.

(iv) Walking.

(v) Bicycling.

(D) Measures of safety and security, including, but not limited to, total injuries and fatalities assigned to each of the modes set forth in subparagraph (C).

(E) Measures of equity and accessibility, including, but not limited to, percentage of the population served by frequent and reliable public transit, with a breakdown by income bracket, and percentage of all jobs accessible by frequent and reliable public transit service, with a breakdown by income bracket.

(F) The requirements of this section may be met utilizing existing sources of information. No additional traffic counts, household surveys, or other sources of data shall be required.

(G) For the region defined in Section 66502, the indicators specified in this paragraph shall be supplanted by the performance measurement criteria established pursuant to subdivision (e) of Section 66535, if that subdivision is added to the Government Code by Section 1 of Senate Bill 1995 of the 1999-2000 Regular Session. *[SB 1995 was not enacted.]*

(2) An action element that describes the programs and actions necessary to implement the plan and assigns implementation responsibilities. The action element may describe all projects proposed for development during the 20-year life of the plan. The action element shall consider congestion management programming activities carried out within the region.

(3) (A) A financial element that summarizes the cost of plan implementation constrained by a realistic projection of available revenues. The financial element shall also contain recommendations for allocation of funds. A county transportation commission created pursuant to Section 130000 of the Public Utilities Code shall be responsible for recommending projects to be funded with regional improvement funds, if the project is consistent with the regional transportation plan. The first five years of the financial element shall be based on the five-year estimate of funds developed pursuant to Section 14524. The financial element may recommend

the development of specified new sources of revenue, consistent with the policy element and action element.

(B) The financial element of transportation planning agencies with populations that exceed 200,000 persons may include a project cost breakdown for all projects proposed for development during the 20-year life of the plan that includes total expenditures and related percentages of total expenditures for all of the following:

(i) State highway expansion.

(ii) State highway rehabilitation, maintenance, and operations.

(iii) Local road and street expansion.

(iv) Local road and street rehabilitation, maintenance, and operation.

(v) Mass transit, commuter rail, and intercity rail expansion.

(vi) Mass transit, commuter rail, and intercity rail rehabilitation, maintenance, and operations.

(vii) Pedestrian and bicycle facilities.

(viii) Environmental enhancements and mitigation.

(ix) Research and planning.

(x) Other categories.

(c) Each transportation planning agency may also include other factors of local significance as an element of the regional transportation plan, including, but not limited to, issues of mobility for specific sectors of the community, including, but not limited to, senior citizens.

(d) Each transportation planning agency shall adopt and submit, every three years, an updated regional transportation plan to the California Transportation Commission and the Department of Transportation. The plan shall be consistent with federal planning and programming requirements. A transportation planning agency that does not contain an urbanized area may at its option adopt and submit a regional transportation plan once every four years beginning by September 1, 2001. Prior to adoption of the regional transportation plan, a public hearing shall be held, after the giving of notice of the hearing by publication in the affected county or counties pursuant to Section 6061.

CHAPTER 2.5. TRANSPORTATION PLANNING AND PROGRAMMING

Planning Agency Redesignation

Amended: Statutes of 1982, Chapter 681 (AB 1168)

65080.1. Once preparation of a regional transportation plan has been commenced by or on behalf of a designated transportation planning agency, the Secretary of the Business, Transportation and Housing Agency shall not designate a new transportation planning agency pursuant to Section 29532 for all or any part of the geographic area served by the originally designated agency unless he or she first determines that redesignation will not result in the loss to California of any substantial amounts of federal funds.

San Diego Planning

Amended: Statutes of 1978, Chapter 669 (AB 3297)

65080.2. A transportation planning agency which has within its area of jurisdiction a transit development board established pursuant to Division 11 (commencing with Section 120000) of the Public Utilities Code shall include, in the regional transportation improvement program prepared pursuant to Section 65080, those elements of the transportation improvement program

prepared by the transit development board pursuant to Section 120353 of the Public Utilities Code relating to funds made available to the transit development board for transportation purposes.

RTP Alternative Planning Scenario

Added: Statutes of 2000, Chapter 832 (AB 2140)

65080.3. (a) Each transportation planning agency with a population that exceeds 200,000 persons may prepare at least one "alternative planning scenario" for presentation to local officials, agency board members, and the public during the development of the triennial regional transportation plan and the hearing required under subdivision (c) of Section 65080.

(b) The alternative planning scenario shall accommodate the same amount of population growth as projected in the plan but shall be based on an alternative that attempts to reduce the growth in traffic congestion, make more efficient use of existing transportation infrastructure, and reduce the need for costly future public infrastructure.

(c) The alternative planning scenario shall be developed in collaboration with a broad range of public and private stakeholders, including local elected officials, city and county employees, relevant interest groups, and the general public. In developing the scenario, the agency shall consider all of the following:

(1) Increasing housing and commercial development around transit facilities and in close proximity to jobs and commercial activity centers.

(2) Encouraging public transit usage, ridesharing, walking, bicycling, and transportation demand management practices.

(3) Promoting a more efficient mix of current and future job sites, commercial activity centers, and housing opportunities.

(4) Promoting use of urban vacant land and "brownfield" redevelopment.

(5) An economic incentive program that may include measures such as transit vouchers and variable pricing for transportation.

(d) The planning scenario shall be included in a report evaluating all of the following:

(1) The amounts and locations of traffic congestion.

(2) Vehicle miles traveled and the resulting reduction in vehicle emissions.

(3) Estimated percentage share of trips made by each means of travel specified in subparagraph (C) of paragraph (1) of subdivision (b) of Section 65080.

(4) The costs of transportation improvements required to accommodate the population growth in accordance with the alternative scenario.

(5) The economic, social, environmental, regulatory, and institutional barriers to the scenario being achieved.

(e) If the adopted regional transportation plan already achieves one or more of the objectives set forth in subdivision (c), those objectives need not be discussed or evaluated in the alternative planning scenario.

(f) The alternative planning scenario and accompanying report shall not be adopted as part of the regional transportation plan, but it shall be distributed to cities and counties within the region and to other interested parties, and may be a basis for revisions to the transportation projects that will be included in the regional transportation plan.

(g) Nothing in this section grants transportation planning agencies any direct or indirect authority over local land use decisions.

(h) This section does not apply to a transportation plan adopted on or before September 1, 2001, proposed by a transportation planning agency with a population of less than 1,000,000 persons.

Regional Transportation Plan and RTIP Preparation
Amended: Statutes of 1982, Chapter 681 (AB 1168)

65080.5. (a) For each area for which a transportation planning agency is designated under subdivision (c) of Section 29532, or adopts a resolution pursuant to subdivision (c) of Section 65080, the Department of Transportation, in cooperation with the transportation planning agency, and subject to subdivision (e), shall prepare the regional transportation plan, and the updating thereto, for that area and submit it to the governing body or designated policy committee of the transportation planning agency for adoption. Prior to adoption, a public hearing shall be held, after the giving of notice of the hearing by publication in the affected county or counties pursuant to Section 6061. Prior to the adoption of the regional transportation improvement program by the transportation planning agency if it prepared the program, the transportation planning agency shall consider the relationship between the program and the adopted plan. The adopted plan and program, and the updating thereto, shall be submitted to the California Transportation Commission and the department pursuant to subdivision (b) of Section 65080.

(b) In the case of a transportation planning agency designated under subdivision (c) of Section 29532, the transportation planning agency may prepare the regional transportation plan for the area under its jurisdiction pursuant to this chapter, if the transportation planning agency, prior to July 1, 1978, adopts by resolution a declaration of intention to do so.

(c) In those areas that have a county transportation commission created pursuant to Section 130050 of the Public Utilities Code, the multicounty designated transportation planning agency, as defined in Section 130004 of that code, shall prepare the regional transportation plan and the regional transportation improvement program in consultation with the county transportation commissions.

(d) Any transportation planning agency which did not elect to prepare the initial regional transportation plan for the area under its jurisdiction, may prepare the updated plan if it adopts a resolution of intention to do so at least one year prior to the date when the updated plan is to be submitted to the California Transportation Commission.

(e) If the department prepares or updates a regional transportation improvement program or regional transportation plan, or both, pursuant to this section, the state-local share of funding the preparation or updating of the plan and program shall be calculated on the same basis as though the preparation or updating were to be performed by the transportation planning agency and funded under Sections 99311, 99313, and 99314 of the Public Utilities Code.

Airport Ground Access
Amended: Statutes of 1997, Chapter 622 (SB 45)

65081.1. (a) After consultation with other regional and local transportation agencies, each transportation planning agency whose planning area includes a primary air carrier airport shall, in conjunction with its preparation of an updated regional transportation plan, include an airport ground access improvement program.

(b) The program shall address the development and extension of mass transit systems, including passenger rail service, major arterial and highway widening and extension projects, and any other ground access improvement projects the planning agency deems appropriate.

(c) Highest consideration shall be given to mass transit for airport access improvement projects in the program.

(d) If federal funds are not available to a transportation planning agency for the costs of preparing or updating an airport ground access improvement program, the agency may charge

the operators of primary air carrier airports within its planning area for the direct costs of preparing and updating the program. An airport operator against whom charges are imposed pursuant to this subdivision shall pay the amount of those charges to the transportation planning agency.

Designation of Special Corridors for Priority Acquisition
Added: Statutes of 1992, Chapter 754 (AB 3719)

65081.3. (a) As a part of its adoption of the regional transportation plan, the designated county transportation commission, regional transportation planning agency, or the Metropolitan Transportation Commission may designate special corridors, which may include, but are not limited to, adopted state highway routes, which, in consultation with the Department of Transportation, cities, counties, and transit operators directly impacted by the corridor, are determined to be of statewide or regional priority for long-term right-of-way preservation.

(b) Prior to designating a corridor for priority acquisition, the regional transportation planning agency shall do all of the following:

(1) Establish geographic boundaries for the proposed corridor.

(2) Complete a traffic survey, including a preliminary recommendation for transportation modal split, which generally describes the traffic and air quality impacts of the proposed corridor.

(3) Consider the widest feasible range of possible transportation facilities that could be located in the corridor and the major environmental impacts they may cause to assist in making the corridor more environmentally sensitive and, in the long term, a more viable site for needed transportation improvements.

(c) A designated corridor of statewide or regional priority shall be specifically considered in the certified environmental impact report completed for the adopted regional transportation plan required by the California Environmental Quality Act, which shall include a review of the environmental impacts of the possible transportation facilities which may be located in the corridor. The environmental impact report shall include a survey within the corridor boundaries to determine if there exist any of the following:

(1) Rare or endangered plant or animal species.

(2) Historical or cultural sites of major significance.

(3) Wetlands, vernal pools, or other naturally occurring features.

(d) The regional transportation planning agency shall designate a corridor for priority acquisition only if, after a public hearing, it finds that the range of potential transportation facilities to be located in the corridor can be constructed in a manner which will avoid or mitigate significant environmental impacts or values identified in subdivision (c), consistent with the California Environmental Quality Act and the state and federal Endangered Species Acts

(e) Notwithstanding any other provision of this section, a corridor of statewide or regional priority may be designated as part of the regional transportation plan only if it has previously been specifically defined in the plan required pursuant to Section 134 and is consistent with the plan required pursuant to Section 135 of Title 23 of the United States Code.

Regional Transportation Improvement Program (RTIP)
Amended: Statutes of 2000, Chapter 91 (AB 2928)

65082. (a) (1) A five-year regional transportation improvement program shall be prepared, adopted, and submitted to the California Transportation Commission on or before December 15 of each odd-numbered year thereafter, updated every two years, pursuant to Sections 65080 and

65080.5 and the guidelines adopted pursuant to Section 14530.1, to include regional transportation improvement projects and programs proposed to be funded, in whole or in part, in the state transportation improvement program.

(2) Major projects shall include current costs updated as of November 1 of the year of submittal and escalated to the appropriate year, and be listed by relative priority, taking into account need, delivery milestone dates, as defined in Section 14525.5, and the availability of funding.

(b) Except for those counties that do not prepare a congestion management program pursuant to Section 65088.3, congestion management programs adopted pursuant to Section 65089 shall be incorporated into the regional transportation improvement program submitted to the commission by December 15 of each odd-numbered year.

(c) Local projects not included in a congestion management program shall not be included in the regional transportation improvement program. Projects and programs adopted pursuant to subdivision (a) shall be consistent with the capital improvement program adopted pursuant to paragraph (5) of subdivision (b) of Section 65089, and the guidelines adopted pursuant to Section 14530.1.

(d) Other projects may be included in the regional transportation improvement program if listed separately.

(e) Unless a county not containing urbanized areas of over 50,000 population notifies the Department of Transportation by July 1 that it intends to prepare a regional transportation improvement program for that county, the department shall, in consultation with the affected local agencies, prepare the program for all counties for which it prepares a regional transportation plan.

(f) The requirements for incorporating a congestion management program into a regional transportation improvement program specified in this section do not apply in those counties that do not prepare a congestion management program in accordance with Section 65088.3.

(g) The regional transportation improvement program may include a reserve of county shares for providing funds in order to match federal funds.

High Density Residential Development

Amended: Statutes of 2000, Chapter 91 (AB 2928)

65083. As part of implementation of the demonstration program established pursuant to Section 14045 of the Government Code, the regional transportation planning agency preparing the five-year regional transportation improvement program pursuant to Section 65082 shall consider those exclusive mass transit guideway projects where the applicant and the local entity responsible for land use decisions have entered into a binding agreement to promote high density residential development within one-half mile of a mass transit guideway station. Any project selected by the agency that is located in a demonstration site shall be considered for inclusion in the regional transportation improvement program. This section shall not preclude the agency from applying the criteria for making awards that may be required or permitted pursuant to other provisions of law.

County Director of Transportation

Added: Statutes of 1972, Chapter 1253 (AB 69)

65084. In order to insure coordinated planning, development, and operation of transportation systems of all types and modes, the board of supervisors of each county may appoint a county director of transportation, and specify the extent of the responsibilities of such officer.

County Officer Designation
Added: Statutes of 1972, Chapter 1253 (AB 69)

65085. The board of supervisors may designate any county officer who is properly qualified to serve as the county director of transportation.

State Highway System Planning
Amended: Statutes of 1997, Chapter 622 (SB 45)

65086. The Department of Transportation, in consultation with transportation planning agencies, county transportation commissions, counties, and cities, shall carry out long-term state highway system planning to identify future highway improvements.

State Highway Standards
Amended: Statutes of 1997, Chapter 622 (SB 45)

65086.4. Projects on the state highway system shall comply with applicable state and federal standards to ensure systemwide consistency with operational, safety, and maintenance needs. The department may approve exceptions to this requirement that it determines to be appropriate.

Project Study Reports
Amended: Statutes of 1998, Chapter 596 (AB 2035)

65086.5. (a) To the extent that the work does not jeopardize the delivery of the projects in the adopted state transportation improvement program, the Department of Transportation may prepare a project studies report for capacity-increasing state highway projects that are not included in the state transportation improvement program. Preparation of the project studies report shall be limited by the resources available to the department for that work, supplemented, as appropriate, by regional or local sources. The project studies report shall include the project-related factors of limits, description, scope, costs, and the amount of time needed for initiating construction.

(b) Whenever project studies reports are performed by an entity other than the Department of Transportation, the department shall review and approve the report.

(c) The Department of Transportation may be requested to prepare a project studies report for a capacity-increasing state highway project which is being proposed for inclusion in a future state transportation improvement program. The department shall have 30 days to determine whether it can complete the requested report in a timely fashion. If the department determines that it cannot complete the report in a timely fashion, the requesting entity may prepare the report. Upon submission of a project studies report to the department by the entity, the department shall complete its review and provide its comments to that entity within 60 days from the date of submission. The department shall complete its review and final determination of a report which has been revised to address the department's comments within 30 days following submission of the revised report.

(d) The Department of Transportation, in consultation with representatives of cities, counties, and regional transportation planning agencies, shall prepare draft guidelines for the preparation of project studies reports by all entities. The guidelines shall address the development of reliable cost estimates. The department shall submit the draft guidelines to the California Transportation Commission not later than July 1, 1991. The commission shall adopt the final guidelines not later than October 1, 1991. Guidelines adopted by the commission shall apply only to project studies reports commenced after October 1, 1991.

CHAPTER 2.6. CONGESTION MANAGEMENT

Legislative Findings

Amended: Statutes of 2002, Chapter 505 (SB 1636)

65088. The Legislature finds and declares all of the following:

(a) Although California's economy is critically dependent upon transportation, its current transportation system relies primarily upon a street and highway system designed to accommodate far fewer vehicles than are currently using the system.

(b) California's transportation system is characterized by fragmented planning, both among jurisdictions involved and among the means of available transport.

(c) The lack of an integrated system and the increase in the number of vehicles are causing traffic congestion that each day results in 400,000 hours lost in traffic, 200 tons of pollutants released into the air we breathe, and three million one hundred thousand dollars ($3,100,000) added costs to the motoring public.

(d) To keep California moving, all methods and means of transport between major destinations must be coordinated to connect our vital economic and population centers.

(e) In order to develop the California economy to its full potential, it is intended that federal, state, and local agencies join with transit districts, business, private and environmental interests to develop and implement comprehensive strategies needed to develop appropriate responses to transportation needs.

(f) In addition to solving California's traffic congestion crisis, rebuilding California's cities and suburbs, particularly with affordable housing and more walkable neighborhoods, is an important part of accommodating future increases in the state's population because homeownership is only now available to most Californians who are on the fringes of metropolitan areas and far from employment centers.

(g) The Legislature intends to do everything within its power to remove regulatory barriers around the development of infill housing, transit-oriented development, and mixed use commercial development in order to reduce regional traffic congestion and provide more housing choices for all Californians.

(h) The removal of regulatory barriers to promote infill housing, transit-oriented development, or mixed use commercial development does not preclude a city or county from holding a public hearing nor finding that an individual infill project would be adversely impacted by the surrounding environment or transportation patterns.

Definitions

Amended: Statutes of 2002, Chapter 505 (SB 1636)

65088.1. As used in this chapter the following terms have the following meanings:

(a) Unless the context requires otherwise, "regional agency" means the agency responsible for preparation of the regional transportation improvement program.

(b) Unless the context requires otherwise, "agency" means the agency responsible for the preparation and adoption of the congestion management program.

(c) "Commission" means the California Transportation Commission.

(d) "Department" means the Department of Transportation.

(e) "Local jurisdiction" means a city, a county, or a city and county.

(f) "Parking cash-out program" means an employer-funded program under which an employer offers to provide a cash allowance to an employee equivalent to the parking subsidy that the employer would otherwise pay to provide the employee with a parking space. "Parking

subsidy" means the difference between the out-of-pocket amount paid by an employer on a regular basis in order to secure the availability of an employee parking space not owned by the employer and the price, if any, charged to an employee for use of that space.

A parking cash-out program may include a requirement that employee participants certify that they will comply with guidelines established by the employer designed to avoid neighborhood parking problems, with a provision that employees not complying with the guidelines will no longer be eligible for the parking cash-out program.

(g) "Infill opportunity zone" means a specific area designated by a city or county, pursuant to subdivision (c) of Section 65088.4, zoned for new compact residential or mixed use development within one-third mile of a site with an existing or future rail transit station, a ferry terminal served by either a bus or rail transit service, an intersection of at least two major bus routes, or within 300 feet of a bus rapid transit corridor, in counties with a population over 400,000. The mixed use development zoning shall consist of three or more land uses that facilitate significant human interaction in close proximity, with residential use as the primary land use supported by other land uses such as office, hotel, health care, hospital, entertainment, restaurant, retail, and service uses. The transit service shall have maximum scheduled headways of 15 minutes for at least 5 hours per day. A qualifying future rail station shall have broken ground on construction of the station and programmed operational funds to provide maximum scheduled headways of 15 minutes for at least 5 hours per day.

(h) "Interregional travel" means any trips that originate outside the boundary of the agency. A "trip" means a one-direction vehicle movement. The origin of any trip is the starting point of that trip. A roundtrip consists of two individual trips.

(i) "Level of service standard" is a threshold that defines a deficiency on the congestion management program highway and roadway system which requires the preparation of a deficiency plan. It is the intent of the Legislature that the agency shall use all elements of the program to implement strategies and actions that avoid the creation of deficiencies and to improve multimodal mobility.

(j) "Multimodal" means the utilization of all available modes of travel that enhance the movement of people and goods, including, but not limited to, highway, transit, nonmotorized, and demand management strategies including, but not limited to, telecommuting. The availability and practicality of specific multimodal systems, projects, and strategies may vary by county and region in accordance with the size and complexity of different urbanized areas.

(k) "Performance measure" is an analytical planning tool that is used to quantitatively evaluate transportation improvements and to assist in determining effective implementation actions, considering all modes and strategies. Use of a performance measure as part of the program does not trigger the requirement for the preparation of deficiency plans.

(l) "Urbanized area" has the same meaning as is defined in the 1990 federal census for urbanized areas of more than 50,000 population.

(m) "Bus rapid transit corridor" means a bus service that includes at least four of the following attributes:

(1) Coordination with land use planning.
(2) Exclusive right-of-way.
(3) Improved passenger boarding facilities.
(4) Limited stops.
(5) Passenger boarding at the same height as the bus.
(6) Prepaid fares.
(7) Real-time passenger information.
(8) Traffic priority at intersections.

(9) Signal priority.
(10) Unique vehicles.

County Election to be Exempt
Amended: Statutes of 1996, Chapter 293 (AB 2419)

65088.3. This chapter does not apply in a county in which a majority of local governments, collectively comprised of the city councils and the county board of supervisors, which in total also represent a majority of the population in the county, each adopt resolutions electing to be exempt from the congestion management program.

Infill Opportunity Zone
Added: Statutes of 2002, Chapter 505 (SB 1636)

65088.4. (a) It is the intent of the Legislature to balance the need for level of service standards for traffic with the need to build infill housing and mixed use commercial developments within walking distance of mass transit facilities, downtowns, and town centers and to provide greater flexibility to local governments to balance these sometimes competing needs.

(b) Notwithstanding any other provision of law, level of service standards described in Section 65089 shall not apply to the streets and highways within an infill opportunity zone. The city or county shall do either of the following:

(1) Include these streets and highways under an alternative areawide level of service standard or multimodal composite or personal level of service standard that takes into account both of the following:

(A) The broader benefits of regional traffic congestion reduction by siting new residential development within walking distance of, and no more than one-third mile from, mass transit stations, shops, and services, in a manner that reduces the need for long vehicle commutes and improves the jobs-housing balance.

(B) Increased use of alternative transportation modes, such as mass transit, bicycling, and walking.

(2) Approve a list of flexible level of service mitigation options that includes roadway expansion and investments in alternate modes of transportation that may include, but are not limited to, transit infrastructure, pedestrian infrastructure, and ridesharing, vanpool, or shuttle programs.

(c) The city or county may designate an infill opportunity zone by adopting a resolution after determining that the infill opportunity zone is consistent with the general plan and any applicable specific plan. A city or county may not designate an infill opportunity zone after December 31, 2009.

(d) The city or county in which the infill opportunity zone is located shall ensure that a development project shall be completed within the infill opportunity zone not more than four years after the date on which the city or county adopted its resolution pursuant to subdivision (c). If no development project is completed within an infill opportunity zone by the time limit imposed by this subdivision, the infill opportunity zone shall automatically terminate.

County Transportation Commissions in SCAG Area
Added: Statutes of 1996, Chapter 1154 (AB 3020)

65088.5. Congestion management programs, if prepared by county transportation commissions and transportation authorities created pursuant to Division 12 (commencing with Section 130000) of the Public Utilities Code, shall be used by the regional transportation planning agency to meet federal requirements for a congestion management system, and shall be incorporated into the congestion management system.

Congestion Management Program
Amended: Statutes of 2002, Chapter 505 (SB 1636)

65089. (a) A congestion management program shall be developed, adopted, and updated biennially, consistent with the schedule for adopting and updating the regional transportation improvement program, for every county that includes an urbanized area, and shall include every city and the county. The program shall be adopted at a noticed public hearing of the agency. The program shall be developed in consultation with, and with the cooperation of, the transportation planning agency, regional transportation providers, local governments, the department, and the air pollution control district or the air quality management district, either by the county transportation commission, or by another public agency, as designated by resolutions adopted by the county board of supervisors and the city councils of a majority of the cities representing a majority of the population in the incorporated area of the county.

(b) The program shall contain all of the following elements:

(1) (A) Traffic level of service standards established for a system of highways and roadways designated by the agency. The highway and roadway system shall include at a minimum all state highways and principal arterials. No highway or roadway designated as a part of the system shall be removed from the system. All new state highways and principal arterials shall be designated as part of the system, except when it is within an infill opportunity zone. Level of service (LOS) shall be measured by Circular 212, by the most recent version of the Highway Capacity Manual, or by a uniform methodology adopted by the agency that is consistent with the Highway Capacity Manual. The determination as to whether an alternative method is consistent with the Highway Capacity Manual shall be made by the regional agency, except that the department instead shall make this determination if either (i) the regional agency is also the agency, as those terms are defined in Section 65088.1, or (ii) the department is responsible for preparing the regional transportation improvement plan for the county.

(B) In no case shall the LOS standards established be below the level of service E or the current level, whichever is farthest from level of service A except when the area is in an infill opportunity zone. When the level of service on a segment or at an intersection fails to attain the established level of service standard outside an infill opportunity zone, a deficiency plan shall be adopted pursuant to Section 65089.4.

(2) A performance element that includes performance measures to evaluate current and future multimodal system performance for the movement of people and goods. At a minimum, these performance measures shall incorporate highway and roadway system performance, and measures established for the frequency and routing of public transit, and for the coordination of transit service provided by separate operators. These performance measures shall support mobility, air quality, land use, and economic objectives, and shall be used in the development of the capital improvement program required pursuant to paragraph (5), deficiency plans required pursuant to Section 65089.4, and the land use analysis program required pursuant to paragraph (4).

(3) A travel demand element that promotes alternative transportation methods, including, but not limited to, carpools, vanpools, transit, bicycles, and park-and-ride lots; improvements in the balance between jobs and housing; and other strategies, including, but not limited to, flexible work hours, telecommuting, and parking management programs. The agency shall consider parking cash-out programs during the development and update of the travel demand element.

(4) A program to analyze the impacts of land use decisions made by local jurisdictions on regional transportation systems, including an estimate of the costs associated with mitigating those impacts. This program shall measure, to the extent possible, the impact to the transportation system using the performance measures described in paragraph (2). In no case shall the program include an estimate of the costs of mitigating the impacts of interregional travel. The program shall provide credit for local public and private contributions to improvements to regional transportation systems. However, in the case of toll road facilities, credit shall only be allowed for local public and private contributions which are unreimbursed from toll revenues or other state or federal sources. The agency shall calculate the amount of the credit to be provided. The program defined under this section may require implementation through the requirements and analysis of the California Environmental Quality Act, in order to avoid duplication.

(5) A seven-year capital improvement program, developed using the performance measures described in paragraph (2) to determine effective projects that maintain or improve the performance of the multimodal system for the movement of people and goods, to mitigate regional transportation impacts identified pursuant to paragraph (4).

The program shall conform to transportation-related vehicle emission air quality mitigation measures, and include any project that will increase the capacity of the multimodal system. It is the intent of the Legislature that, when roadway projects are identified in the program, consideration be given for maintaining bicycle access and safety at a level comparable to that which existed prior to the improvement or alteration. The capital improvement program may also include safety, maintenance, and rehabilitation projects that do not enhance the capacity of the system but are necessary to preserve the investment in existing facilities.

(c) The agency, in consultation with the regional agency, cities, and the county, shall develop a uniform data base on traffic impacts for use in a countywide transportation computer model and shall approve transportation computer models of specific areas within the county that will be used by local jurisdictions to determine the quantitative impacts of development on the circulation system that are based on the countywide model and standardized modeling assumptions and conventions. The computer models shall be consistent with the modeling methodology adopted by the regional planning agency. The data bases used in the models shall be consistent with the data bases used by the regional planning agency. Where the regional agency has jurisdiction over two or more counties, the data bases used by the agency shall be consistent with the data bases used by the regional agency.

(d) (1) The city or county in which a commercial development will implement a parking cash-out program that is included in a congestion management program pursuant to subdivision (b), or in a deficiency plan pursuant to Section 65089.4, shall grant to that development an appropriate reduction in the parking requirements otherwise in effect for new commercial development.

(2) At the request of an existing commercial development that has implemented a parking cash-out program, the city or county shall grant an appropriate reduction in the parking requirements otherwise applicable based on the demonstrated reduced need for parking, and the space no longer needed for parking purposes may be used for other appropriate purposes.

(e) Pursuant to the federal Intermodal Surface Transportation Efficiency Act of 1991 and regulations adopted pursuant to the act, the department shall submit a request to the Federal Highway Administration Division Administrator to accept the congestion management program in lieu of development of a new congestion management system otherwise required by the act.

Trip Reduction Plans, South Coast Air Quality Management District
Added: Statutes of 1994, Chapter 534 (SB 1134)

65089.1. (a) For purposes of this section, "plan" means a trip reduction plan or a related or similar proposal submitted by an employer to a local public agency for adoption or approval that is designed to facilitate employee ridesharing, the use of public transit, and other means of travel that do not employ a single-occupant vehicle.

(b) An agency may require an employer to provide rideshare data bases; an emergency ride program; a preferential parking program; a transportation information program; a parking cash-out program, as defined in subdivision (f) of Section 65088.1; a public transit subsidy in an amount to be determined by the employer, bicycle parking areas; and other noncash value programs which encourage or facilitate the use of alternatives to driving alone. An employer may offer, but no agency shall require an employer to offer, cash, prizes, or items with cash value to employees to encourage participation in a trip reduction program as a condition of approving a plan.

(c) Employers shall provide employees reasonable notice of the content of a proposed plan and shall provide the employees an opportunity to comment prior to submittal of the plan to the agency for adoption.

(d) Each agency shall modify existing programs to conform to this section not later than June 30, 1995. Any plan adopted by an agency prior to January 1, 1994, shall remain in effect until adoption by the agency of a modified plan pursuant to this section.

(e) Employers may include disincentives in their plans that do not create a widespread and substantial disproportionate impact on ethnic or racial minorities, women, or low-income or disabled employees.

(f) This section shall not be interpreted to relieve any employer of the responsibility to prepare a plan that conforms with trip reduction goals specified in Division 26 (commencing with Section 39000) of the Health and Safety Code, or the Clean Air Act (42 U.S.C. Sec. 7401 et seq.).

(g) This section only applies to agencies and employers within the South Coast Air Quality Management District.

Regional Agency Review
Amended: Statutes of 1994, Chapter 1146 (AB 1965)

65089.2. (a) Congestion management programs shall be submitted to the regional agency. The regional agency shall evaluate the consistency between the program and the regional transportation plans required pursuant to Section 65080. In the case of multicounty regional transportation planning agency, that agency shall evaluate the consistency and compatibility of the programs within the region.

(b) The regional agency, upon finding that the program is consistent, shall incorporate the program into the regional transportation improvement program as provided for in Section 65082. If the regional agency finds the program is inconsistent, it may exclude any project in the

congestion management program from inclusion in the regional transportation improvement program.

(c) (1) The regional agency shall not program any surface transportation program funds and congestion mitigation and air quality funds pursuant to Section 182.6 and 182.7 of the Streets and Highways Code in a county unless a congestion management program has been adopted by December 31, 1992, as required pursuant to Section 65089. No surface transportation program funds or congestion mitigation and air quality funds shall be programmed for a project in a local jurisdiction that has been found to be in nonconformance with a congestion management program pursuant to Section 65089.5 unless the agency finds that the project is of regional significance.

(2) Notwithstanding any other provision of law, upon the designation of an urbanized area, pursuant to the 1990 federal census or a subsequent federal census, within a county which previously did not include an urbanized area, a congestion management program as required pursuant to Section 65089 shall be adopted within a period of 18 months after designation by the Governor.

(d) (1) It is the intent of the Legislature that the regional agency, when its boundaries include areas in more than one county, should resolve inconsistencies and mediate disputes which arise between agencies related to congestion management programs adopted for those areas.

(2) It is the further intent of the Legislature that disputes which may arise between regional agencies, or agencies which are not within the boundaries of a multicounty regional transportation planning agency, should be mediated and resolved by the Secretary of Business, Housing and Transportation Agency, or an employee of that agency designated by the secretary, in consultation with the air pollution control district or air quality management district within whose boundaries the regional agency or agencies are located.

(e) At the request of the agency, a local jurisdiction that owns, or is responsible for operation of, a trip-generating facility in another county shall participate in the congestion management program of the county where the facility is located. If a dispute arises involving a local jurisdiction, the agency may request the regional agency to mediate the dispute through procedures pursuant to subdivision (d) of Section 65089.2. Failure to resolve the dispute does not invalidate the congestion management program.

Congestion Management Program Conformance Reviews

Amended: Statutes of 1996, Chapter 293 (AB 2419)

65089.3. The agency shall monitor the implementation of all elements of the congestion management program. The department is responsible for data collected and analysis on state highways, unless the agency designates that responsibility to another entity. The agency may also assign data collection and analysis responsibilities to other owners and operators of facilities or services if the responsibilities are specified in its adopted program. The agency shall consult with the department and other affected owners and operators in developing data collected and analysis procedures and schedules prior to program adoption. At least biennially, the agency shall determine if the county and cities are conforming to the congestion management program, including, but not limited to, all of the following:

(a) Consistency with levels of service standards, except as provided in Section 65089.4.

(b) Adoption and implementation of a program to analyze the impacts of land use decisions, including the estimate of the costs associated with mitigating these impacts.

(c) Adoption and implementation of a deficiency plan pursuant to Section 65089.4 when highway and roadway level of service standards are not maintained on portions of the designated system.

Deficiency Plan

Added: Statutes of 1994, Chapter 1146 (AB 1963)

65089.4. (a) A local jurisdiction shall prepare a deficiency plan when highway or roadway level of service standards are not maintained on segments or intersections of the designated system. The deficiency plan shall be adopted by the city or county at a noticed public hearing.

(b) The agency shall calculate the impacts subject to exclusion pursuant to subdivision (f) of this section, after consultation with the regional agency, the department, and the local air quality management district or air pollution control district. If the calculated traffic level of service following exclusion of these impacts is consistent with the level of service standard, the agency shall make a finding at a publicly noticed meeting that no deficiency plan is required and so notify the affected local jurisdiction.

(c) The agency shall be responsible for preparing and adopting procedures for local deficiency plan development and implementation responsibilities, consistent with the requirements of this section. The deficiency plan shall include all of the following:

(1) An analysis of the cause of the deficiency. This analysis shall include the following:

(A) Identification of the cause of the deficiency.

(B) Identification of the impacts of those local jurisdictions within the jurisdiction of the agency that contribute to the deficiency. These impacts shall be identified only if the calculated traffic level of service following exclusion of impacts pursuant to subdivision (f) indicates that the level of service standard has not been maintained, and shall be limited to impacts not subject to exclusion.

(2) A list of improvements necessary for the deficient segment or intersection to maintain the minimum level of service otherwise required and the estimated costs of the improvements.

(3) A list of improvements, programs, or actions, and estimates of costs, that will (A) measurably improve multimodal performance, using measures defined in paragraphs (1) and (2) of subdivision (b) of Section 65089, and (B) contribute to significant improvements in air quality, such as improved public transit service and facilities, improved nonmotorized transportation facilities, high occupancy vehicle facilities, parking cash-out programs, and transportation control measures. The air quality management district or the air pollution control district shall establish and periodically revise a list of approved improvements, programs, and actions that meet the scope of this paragraph. If an improvement, program, or action on the approved list has not been fully implemented, it shall be deemed to contribute to significant improvements in air quality. If an improvement, program, or action is not on the approved list, it shall not be implemented unless approved by the local air quality management district or air pollution control district.

(4) An action plan, consistent with the provisions of Chapter 5 (commencing with Section 66000), that shall be implemented, consisting of improvements identified in paragraph (2), or improvements, programs, or actions identified in paragraph (3), that are found by the agency to be in the interest of the public health, safety, and welfare. The action plan shall include a specific implementation schedule. The action plan shall include implementation strategies for those jurisdictions that have contributed to the cause of the deficiency in accordance with the agency's deficiency plan procedures. The action plan need not mitigate the impacts of any

exclusions identified in subdivision (f). Action plan strategies shall identify the most effective implementation strategies for improving current and future system performance.

(d) A local jurisdiction shall forward its adopted deficiency plan to the agency within 12 months of the identification of a deficiency. The agency shall hold a noticed public hearing within 60 days of receiving the deficiency plan. Following that hearing, the agency shall either accept or reject the deficiency plan in its entirety, but the agency may not modify the deficiency plan. If the agency rejects the plan, it shall notify the local jurisdiction of the reasons for that rejection, and the local jurisdiction shall submit a revised plan within 90 days addressing the agency's concerns. Failure of a local jurisdiction to comply with the schedule and requirements of this section shall be considered to be nonconformance for the purposes of Section 65089.5.

(e) The agency shall incorporate into its deficiency plan procedures, a methodology for determining if deficiency impacts are caused by more than one local jurisdiction within the boundaries of the agency.

(1) If, according to the agency's methodology, it is determined that more than one local jurisdiction is responsible for causing a deficient segment or intersection, all responsible local jurisdictions shall participate in the development of a deficiency plan to be adopted by all participating local jurisdictions.

(2) The local jurisdiction in which the deficiency occurs shall have lead responsibility for developing the deficiency plan and for coordinating with other impacting local jurisdictions. If a local jurisdiction responsible for participating in a multi-jurisdictional deficiency plan does not adopt the deficiency plan in accordance with the schedule and requirements of paragraph (a) of this section, that jurisdiction shall be considered in nonconformance with the program for purposes of Section 65089.5.

(3) The agency shall establish a conflict resolution process for addressing conflicts or disputes between local jurisdictions in meeting the multi-jurisdictional deficiency plan responsibilities of this section.

(f) The analysis of the cause of the deficiency prepared pursuant to paragraph (1) of subdivision (c) shall exclude the following:

(1) Interregional travel.

(2) Construction, rehabilitation, or maintenance of facilities that impact the system.

(3) Freeway ramp metering.

(4) Traffic signal coordination by the state or multi-jurisdictional agencies.

(5) Traffic generated by the provision of low-income and very low income housing.

(6) (A) Traffic generated by high-density residential development located within one-fourth mile of a fixed rail passenger station, and

(B) Traffic generated by any mixed use development located within one-fourth mile of a fixed rail passenger station, if more than half of the land area, or floor area, of the mixed use development is used for high density residential housing, as determined by the agency.

(g) For the purposes of this section, the following terms have the following meanings:

(1) "High density" means residential density development which contains a minimum of 24 dwelling units per acre and a minimum density per acre which is equal to or greater than 120 percent of the maximum residential density allowed under the local general plan and zoning ordinance. A project providing a minimum of 75 dwelling units per acre shall automatically be considered high density.

(2) "Mixed use development" means development which integrates compatible commercial or retail uses, or both, with residential uses, and which, due to the proximity of job locations, shopping opportunities, and residences, will discourage new trip generation.

Determination Of Nonconformance
Amended: Statutes of 1994, Chapter 1146 (AB 1963)

65089.5. (a) If, pursuant to the monitoring provided for Section 65089.3, the agency determines, following a noticed public hearing, that a city or county is not conforming with the requirements of the congestion management program, the agency shall notify the city or county in writing of the specific areas of nonconformance. If, within 90 days of the receipt of the written notice of nonconformance, the city or county has not come into conformance with the congestion management program, the governing body of the agency shall make a finding of nonconformance and shall submit the finding to the commission and to the Controller.

(b) (1) Upon receiving notice from the agency of nonconformance, the Controller shall withhold apportionments of funds required to be apportioned to that nonconforming city or county by Section 2105 of the Streets and Highways Code.

(2) If, within the 12-month period following the receipt of a notice of nonconformance, the Controller is notified by the agency that the city or county is in conformance, the Controller shall allocate the apportionments withheld pursuant to this section to the city or county.

(3) If the Controller is not notified by the agency that the city or county is in conformance pursuant to paragraph (2), the Controller shall allocate the apportionments withheld pursuant to this section to the agency.

(c) The agency shall use funds apportioned under this section for projects of regional significance which are included in the capital improvement program required by paragraph (5) of subdivision (b) of Section 65089, or in a deficiency plan which has been adopted by the agency. The agency shall not use these funds for administration or planning purposes.

Failure To Complete
Amended: Statutes of 1994, Chapter 1146 (AB 1963)

65089.6. Failure to complete or implement a congestion management program shall not give rise to a cause of action against a city or county for failing to conform with its general plan, unless the city or county incorporates the congestion management program into the circulation element of its general plan.

Development Agreement Exception
Amended: Statutes of 1994, Chapter 1146 (AB 1963)

65089.7. A proposed development specified in a development agreement entered into prior to July 10, 1989, shall not be subject to any action taken to comply with this chapter, except actions required to be taken with respect to the trip reduction and travel demand element of a congestion management program pursuant to paragraph (3) of subdivision (b) of Section 65089.

Demonstration Study
Added: Statutes of 1994, Chapter 1146 (AB 1963)

65089.9. The study steering committee established pursuant to Section 6 of Chapter 444 of the Statutes of 1992 may designate at least two congestion management agencies to participate in a demonstration study comparing multimodal performance standards to highway level of service standards. The department shall make available, from existing resources, fifty thousand dollars ($50,000) from the Transportation Planning and Development Account in the State Transportation Fund to fund each of the demonstration projects. The designated agencies shall submit a report to the Legislature not later than June 30, 1997, regarding the findings of each demonstration project.

Bay Area Air Quality Management District
Added: Statutes of 1995, Chapter 950 (AB 414)

65089.10. Any congestion management agency that is located in the Bay Area Air Quality Management District and receives funds pursuant to Section 44241 of the Health and Safety Code for the purpose of implementing paragraph (3) of subdivision (b) of Section 65089 shall ensure that those funds are expended as part of an overall program for improving air quality and for the purposes of the chapter.

* * * * * * *

PUBLIC UTILITIES CODE

DIVISION 9. AVIATION
PART 1. STATE AERONAUTICS ACT
CHAPTER 4. AIRPORTS AND AIR NAVIGATION FACILITIES

Article 1. Assistance to Political Subdivisions

Financial Assistance
Amended: Statutes of 2002, Chapter 438 (AB 3026)

21602. (a) Subject to the terms and within the limits of special appropriations made by the Legislature, the department may render financial assistance by grant or loan, or both, to political subdivisions jointly, in the planning, acquisition, construction, improvement, maintenance, or operation of an airport owned or controlled, or to be owned or controlled, by a political subdivision or subdivisions, if the financial assistance has been shown by public hearing to be appropriate to the proper development or maintenance of a statewide system of airports. Financial assistance may be furnished in connection with federal or other financial aid for the same purpose.

(b) Notwithstanding subdivision (a) of Section 21681, a city or county designated by the Airport Land Use Commission is eligible to compete for funds held in the Aeronautics Account in the State Transportation Fund on behalf of any privately owned, public use airport that is included in an airport land use compatibility plan. However, the city or county shall be eligible to compete for the funds only when zoning on the parcel is tantamount to a taking of all reasonable uses that might otherwise be permitted on the parcel. The eligible airport and aviation purposes are limited to those specified in paragraphs (4), (5), (6), (9), and (14) of subdivision (f) of Section 21681, and, further, any capital improvements or acquisitions shall become the property of the designated city or county. Matching funds pursuant to subdivision (a) of Section 21684 may include the in-kind contribution of real property, with the approval of the department.

(c) Any grant of funds held in the Aeronautics Account in the State Highway Account on behalf of any privately owned airports shall contain a covenant that the airport remain open for public use for 20 years. Any grant made to a city or county on behalf of a privately owned airport shall contain a payback provision based upon existing market value at the time the private airport ceases to be open for public use.

(d) Upon request, California Aid to Airports Program (CAAP) projects included within the adopted Aeronautics Program, may be funded in advance of the year programmed, with the concurrence of the department, in order to better utilize funds in the account.

(e) There is, in the Aeronautics Account in the State Transportation Fund, a subaccount for the management of funds for loans to local entities pursuant to this chapter. All funds for airport loans in the Special Deposit Fund are hereby transferred to the subaccount. With the approval of the Department of Finance, the department shall deposit in the subaccount all money received by the department from repayments of and interest on existing and future airport loans including, but not limited to, the sums of five hundred forty thousand dollars ($540,000) in repayments

from the General Fund due in July 1987, and July 1988, and may, upon appropriation, transfer additional funds from the Aeronautics Account in the State Transportation Fund to the subaccount as the department deems appropriate. Interest on money in the subaccount shall be credited to the subaccount as it accrues.

(f) Notwithstanding Section 13340 of the Government Code, the money in the subaccount created by subdivision (e) is hereby continuously appropriated to the department without regard to fiscal years for purposes of loans to political subdivisions for airport purposes.

* * * * * * *

Article 4. Aeronautics Fund

Definitions

Amended: Statutes of 2002, Chapter 438 (AB 3026)

21681. As used in this article, the following terms have the following meanings:

(a) "Own and operate" means that the public entity shall own the property in fee simple or by a long-term lease of a minimum of 20 years, unless otherwise approved by the department, and shall maintain dominion and control of the property, except that the public entity may provide by contract with a person for the operation and management of an airport otherwise meeting the requirements of this article. Operations of the airport shall be for, and on behalf of, the public entity. All leases to the public entity of property are required to be approved by the department. A lease of the property by the public entity to an agent or agency other than to a public entity does not meet the criteria for participation in airport assistance funds.

(b) "Matching funds" means money that is provided by the public entity and does not consist of funds previously received from state or federal agencies or public entity funds previously used to match federal or state funds. This definition shall be retroactive to July 1, 1967.

(c) "General aviation" means all aviation except air carrier and military aviation.

(d) "Public entity" means any city, county, airport district, airport authority, port district, port authority, public district, public authority, political subdivision, airport land use commission, community services district, or public corporation and the University of California.

(e) "Public agency" means the various agencies of the State of California and the federal government.

(f) "Airport and aviation purposes" means expenditures of a capital improvement nature, including the repair or replacement of a capital improvement, and expenditures for compatible land use planning in the area surrounding an airport, for any of the following purposes:

(1) Land acquisition for development and improvement of general aviation aircraft landing facilities.

(2) Grading and drainage necessary for the construction or reconstruction of runways or taxiways.

(3) Construction or reconstruction of runways or taxiways.

(4) Acquisition of "runway protection zones" as defined in Federal Aviation Administration Advisory Circular 150/1500-13.

(5) Acquisition of easements through, or other interests in, airspace as may be reasonably required for safeguarding aircraft operations in the vicinity of an aircraft landing facility.

(6) Removal of natural obstructions from runway protection zones.

(7) Installation of "segmented circle airport marker systems" as defined in current regulations of the Federal Aviation Administration.

(8) Installation of runway, taxiway, boundary, or obstruction lights, together with directly related electrical equipment.

(9) Installation of minimum security fencing around the perimeter of an aircraft landing facility.

(10) Grading and drainage necessary to provide for parking of transient general aviation aircraft.

(11) Construction or reconstruction of transient general aviation aircraft parking areas.

(12) Servicing of revenue or general obligation bonds issued to finance capital improvements for airport and aviation purposes.

(13) Air navigational facilities.

(14) Engineering and preliminary engineering related directly to a project funded under this article.

(15) Other capital improvements as may be designated in rules and regulations adopted by the department.

(16) Activities of an airport land use commission in connection with the preparation of a new or updated airport land use compatibility plan pursuant to Section 21675. Expenditures that cannot be clearly identified as capital improvements shall be submitted to the department for consideration and approval.

(17) Airport master plans and airport layout plans.

(g) "Operation and maintenance" means expenditures for wages or salaries, utilities, service vehicles, and all other noncapital expenditures that are included in insurance, professional services, supplies, construction equipment, upkeep and landscaping, and other items of expenditure designated as "operation and maintenance" in rules and regulations adopted by the department.

(h) "Enplanement" means the boarding of an aircraft by a revenue passenger, including an original, stopover, or transfer boarding of the aircraft. For purposes of this subdivision, a stopover is a deliberate and intentional interruption of a journey by a passenger scheduled to exceed four hours in the case of an intrastate or interstate passenger or not to exceed 24 hours in the case of an international passenger at a point between the point of departure and the point of destination, and a transfer is an occurrence at an intermediate point in an itinerary whereby a passenger or shipment changes from a flight of one carrier to another flight either of the same or a different carrier with or without a stopover.

Aeronautics Account – Annual Grants

Amended: Statutes of 1993, Chapter 671 (AB 597)

21682. (a) The department shall establish individual revolving fund subaccounts for eligible airports in the Aeronautics Account in the State Transportation Fund. Money payable under this section shall be credited to individual airport subaccounts annually, and may be accumulated for a maximum period of five years.

(b) The department shall, subject to Section 21684, credit from the Aeronautics Account to each public entity owning and operating an airport or airports under a valid permit issued by the department for every airport which has not been designated by the Federal Aviation Administration as (1) a reliever airport, as defined in Section 503 (a) (19) of the federal Airport and Airway Improvement Act of 1982, as amended, or (2) a commercial service airport, as defined in Section 503 (a) (5) of the federal Airport and Airway Improvement Act of 1982, as

amended, the sum of ten thousand dollars ($10,000) annually for each qualifying airport. These funds shall be paid to public entities upon request for expenditure on preapproved eligible projects. Eligible public entities may submit applications for the withdrawal of credited funds for expenditure on proposed projects in letter form to the department for review and approval. Projects identified shall be for airport and aviation purposes and operation and maintenance purposes. No payment made under this section is transferable, but shall be expended only upon the airport for which the payment is made, unless the department authorizes a payment to be transferred for expenditure on another airport owned or operated by the public entity. The department may establish any accounting systems it deems necessary to provide for the cumulation and expenditure of funds under this subdivision.

(c) If, in any year, there is insufficient money in the Aeronautics Account to make the credits specified in subdivision (b), the department shall, subject to Section 21684, credit to each public entity subaccount an amount which is equal to the total amount of money in the Aeronautics Account multiplied by a percentage equivalent to the proportion which the airport or airports of the public entity for which credit is required to be made pursuant to subdivision (b) bear to the total number of airports for which credit is required to be made pursuant to subdivision (b).

(d) No payment shall be made under this section to any public entity for any airport on which general or commercial aviation activities are substantially restricted if the airport is licensed to conduct these activities by the department. The department shall determine whether or not general or commercial aviation activities are restricted.

(e) The department shall adopt rules and regulations and establish procedures to effect prompt payment to public entities for eligible airport projects from money credited pursuant to this section.

* * * * * * *

Applications

Amended: Statutes of 1993, Chapter 671 (AB 597)

21683. Any public entity may apply to the department each year for the allocation of funds for the acquisition or development of airports. The commission may, pursuant to rules and regulations promulgated by the department, make an allocation to the public entity if it determines that the proposed acquisition or development is feasible and in accordance with the policies and standards established by the department. The department shall make recommendations to the commission on all applications. Such allocations shall be represented as subventions in the department budget in accordance with Section 21206.

No moneys paid under this section shall be expended for operation and maintenance. No payment shall be made under this section to any public entity for any airport on which general or commercial aviation activities are substantially restricted if the airport is licensed to conduct such activities by the department. The department shall determine whether or not general or commercial aviation activities are restricted.

Match for Federal Airport Improvement Program Grants

Amended: Statutes of 2002, Chapter 754 (AB 2630)

21683.1. (a) At the discretion of the commission, any balance remaining in the Aeronautics Account, after the payments made under Section 21682, may be used to provide a portion of the local match for federal Airport Improvement Program grants. Matching shall be provided only for grants at general aviation airports, or at airports that have been designated by the Federal Aviation Administration as reliever airports, as defined in Section 503(a)(19) of the federal Airport and Airway Improvement Act of 1982, as amended.

(b) Funds shall not be allocated by the commission until the federal grant offer is accepted by the public entity. Upon allocation by the commission, the department may pay a public entity an amount equal to 5 percent of the amount of a federal Airport Improvement Program grant. These funds are excluded from the requirements of Section 21684.

(c) Funds shall not be allocated by the commission until the federal grant offer is accepted by the public entity. Upon allocation by the commission, the department may, until December 31, 2006, pay a public entity an amount equal to the 10 percent local match required for a federal Airport Improvement Program grant for security projects at small general aviation airports. For purposes of this section, a "security project" means a project to install or maintain fencing, gates, security lighting, access controls systems, and surveillance systems. For purposes of this section a "small general aviation airport" means an airport with fewer than 80,000 annual landings and take-offs of aircraft.

Use of Balance in Account

Added: Statutes of 1993, Chapter 671 (AB 597)

21683.2. Any balance remaining in the Aeronautics Account, after the payments made under Section 21682 and Section 21683.1, shall be used at the discretion of the commission for airport and aviation purposes subject to the provisions of Section 21684.

Local Match; Special Aviation Fund

Amended: Statutes of 1993, Chapter 671 (AB 597)

21684. (a) No payment shall be made to a public entity pursuant to this article unless the public entity has established a special aviation fund in which all payments received by a public entity under this article shall be deposited for expenditure solely for airport and aviation purposes. No payment shall be made to a public entity for a project pursuant to Section 21683.2 unless the public entity deposits in its special aviation fund a sum from other than state or federal sources, established annually by the commission at not less than 10 percent nor more than 50 percent of the nonfederal portion of the project.

Notwithstanding the provisions of this subdivision requiring matching funds, the department shall pay to each public entity owning and operating an airport or airports the annual amount that is in accordance with Section 21682.

(b) No payment shall be made for any airport to the University of California pursuant to this article unless the university has established a special aviation fund in which all payments received by the university under this article shall be deposited for expenditure solely for airport and aviation purposes. No payment shall be made for any airport to the University of California pursuant to Section 21683.2 unless the university deposits in its special aviation fund each year, for expenditure solely for airport and aviation purposes, a sum from nonstate or nonfederal funds based on the rate established annually by the commission pursuant to subdivision (a), or unless a city located within 10 miles of the airport or the county within which the airport is located pays to the university a sum based on the rate established annually by the commission pursuant to

subdivision (a). However, any sums so deposited by the university or paid by the city or county may be considered jointly as meeting the requirements of this section. The payments received from a city or county pursuant to these sections are to be expended solely for the airport and for aviation purposes related to such airport. All payments received by the university shall be deposited in its special aviation fund.

* * * * * * *

CHAPTER 6. AIRPORT PLANNING

California Aviation System Plan

Added: Statutes of 1989, Chapter 1149 (SB 707)

21701. The division, in consultation with transportation planning agencies as designated by the director pursuant to Section 29532 of the Government Code, shall prepare a California Aviation System Plan, which shall include, but not be limited to, every California airport designated in the federal National Plan of Integrated Airport Systems and any other existing or proposed public use airports, as designated by the division.

Elements

Amended: Statutes of 2002, Chapter 438 (AB 3026)

21702. The California Aviation System Plan shall include, but not be limited to, all of the following elements:

(a) A background and introduction element, which summarizes aviation activity in California and establishes goals and objectives for aviation improvement.

(b) An air transportation issues element, which addresses issues such as aviation safety, airport noise, airport ground access, transportation systems management, airport financing, airport land use compatibility planning, and institutional relationships.

(c) A regional plan alternative element, which consists of the aviation elements of the regional transportation plans prepared by each transportation planning agency. This element shall include consideration of regional air transportation matters relating to growth, capacity needs, county activity, airport activity, and systemwide activity in order to evaluate adequately the overall impacts of regional activity in relation to the statewide air transportation system. This element shall propose general aviation and air carrier public use airports for consideration by the commission for funding eligibility under this chapter.

(d) A state plan alternative element, which includes consideration of statewide air transportation matters relating to growth, including, but not limited to, county activity, airport activity, and systemwide activity in order to evaluate adequately the state aviation system and to designate an adequate number of general aviation and air carrier public use airports for state funding in order to provide a level of air service and safety acceptable to the public.

(e) A comparative element, which compares and contrasts the regional plan alternative with the state plan alternative, including, but not limited to, airport noise, air quality, toxic waste cleanup, energy, economics, and passengers served.

(f) A 10-year capital improvement program, which is divided into two five-year phases for each airport, based on the airport's adopted master plan, prepared by each transportation planning agency, and submitted to the division for inclusion in the California Aviation System Plan.

(g) Any other element deemed appropriate by the division and the transportation planning agencies.

(h) A summary and conclusion element, which presents the findings and recommended course of action.

Submittal
Added: Statutes of 1989, Chapter 1149 (SB 707)

21703. The division shall submit the California Aviation System Plan to the commission.

Revision Schedule
Added: Statutes of 1989, Chapter 1149 (SB 707)

21704. The division, in consultation with the transportation planning agencies, shall biennially revise the capital improvement program developed pursuant to subdivision (f) of Section 21702, and the division shall submit the revised program to the commission. The division, in consultation with the transportation planning agencies, shall revise all other elements of the California Aviation System Plan every five years, and shall submit the revised plan to the commission.

Public Hearings
Added: Statutes of 1989, Chapter 1149 (SB 707)

21705. The commission shall review, hold public hearings on, and, based on these hearings, adopt or revise and adopt as revised, the California Aviation System Plan and its subsequent revisions.

Consistency
Added: Statutes of 1989, Chapter 1149 (SB 707)

21706. The division shall require that every project submitted for funding from the Aeronautics Account in the State Transportation Fund shall be consistent with the California Aviation System Plan. Applications for funding shall be processed in accordance with the procedures adopted by the commission for processing applications by local entities for projects included in the state transportation improvement program, to the extent those procedures may be applicable. In determining the priorities of projects, the division shall, and the transportation planning agencies may, utilize the methodology adopted by the commission for determining the priorities of projects listed in the aviation element of the state transportation improvement program.

Federal Grants
Added: Statutes of 1989, Chapter 1149 (SB 707)

21707. Any funds necessary to carry out this chapter shall be obtained from federal grants.

DIVISION 10. TRANSIT DISTRICTS
PART 11. PROVISIONS APPLICABLE TO ALL PUBLIC TRANSIT
CHAPTER 4. TRANSPORTATION DEVELOPMENT

Article 6.5. Transportation Planning and Development Account

Public Transportation Account Created
Amended: Statutes of 1997, Chapter 622 (SB 45)

99310. (a) The Transportation Planning and Development Account in the State Transportation Fund, hereafter referred to as the "account" in this article, is hereby continued in existence as the Public Transportation Account in the fund.

(b) Any reference in any law or regulation to the Transportation Planning and Development Account in the State Transportation Fund is a reference to the Public Transportation Account.

Purposes of Account
Amended: Proposition 116

99310.5. (a) The account is hereby designated a trust fund.

(b) The funds in the account shall be available, when appropriated by the Legislature, only for transportation planning and mass transportation purposes, as specified by the Legislature.

(c) The Legislature may amend this section by statute passed in each house of the Legislature by rollcall vote entered in the journal, two-thirds of the membership concurring, if the statute is consistent with, and furthers the purposes of, this section.

Accounting and Reporting System
Added: Statutes of 2002, Chapter 445 (SB 1834)

99310.6. Notwithstanding any other provision of law, the Department of Finance may establish the accounting and reporting system used to determine the expenditures, cash needs, and balance of the Public Transportation Account.

Planning Transfers from State Highway Account and Aeronautics Account
Amended: Statutes of 1992, Chapter 1172 (AB 3799)

99311. Upon appropriation by the Legislature, funds transferred, or scheduled as a reimbursement, to the account, pursuant to Section 21682.5 of this code and Section 194 of the Streets and Highways Code shall be available for allocation by the Director for the following purposes:

(a) State transportation planning.

(b) Regional transportation planning by transportation planning agencies designated pursuant to Section 29532 of the Government Code, but not those specified in subdivision (b) of Section 29532.4 of the Government Code.

Rural Transportation Planning Agency Allocations
Added: Statutes of 1996, Chapter 436 (SB 902)

99311.1. Upon appropriation by the Legislature, the director shall allocate, from the account or from other available state or federal sources, or from both state and federal sources, for the purposes of subdivision (b) of Section 99311, an amount commensurate with the historical allocation to transportation planning agencies designated pursuant to Section 29532 of the Government Code that do not directly receive federal planning funds, as set forth in Section 134 of Title 23 of the United States Code.

Transportation Planning Agency Allocation
Amended: Statutes of 1984, Chapter 579 (SB 1406)

99311.5. The amount allocated to a transportation planning agency designated pursuant to Section 29532 of the Government Code, for the preparation or updating of a regional transportation plan pursuant to Chapter 2.5 (commencing with Section 65080) of Title 7 of that code, may be up to 70 percent of its nonfederally reimbursed costs for regional transportation planning.

For a transportation planning agency in a county with a population of less than 500,000 persons, the Director may increase that percentage, if the Director determines it to be in the best interests of regional and state transportation planning to do so.

Funding Split
Amended: Statutes of 1997, Chapter 622 (SB 45)

99312. From the funds transferred to the account pursuant to Section 7102 of the Revenue and Taxation Code, the Legislature shall appropriate funds for the following purposes:

(a) To the department, 50 percent for purposes of Section 99315.

(b) To the Controller, 25 percent for allocation to transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board pursuant to Section 99314.

(c) To the Controller, 25 percent for allocation to transportation agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board for purposes of Section 99313.

SCAG and SANDAG Allocations
Amended: Statutes of 1982, Chapter 322 (AB 2551)

99312.5. (a) In the case of a transportation planning agency with county transportation commissions within its area of jurisdiction, the allocations pursuant to Sections 99313 and 99314 to the transportation planning agency shall be determined by excluding the areas also under the jurisdiction of the county transportation commissions.

(b) In the case of the transportation planning agency with the San Diego Metropolitan Transit Development Board within its area of jurisdiction, the allocations pursuant to Sections 99313 and 99314 to the transportation planning agency shall be determined by excluding the area also under the jurisdiction of the transit development board.

State Transit Assistance Controller's Estimates
Amended: Statutes of 2000, Chapter 787 (SB 1404)

99312.7. (a) Not later than each January 31st, the Controller shall send to each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board, an estimate of the amount of funds to be allocated to it during the next fiscal year pursuant to Sections 99313 and 99314.

(b) Not later than each August 1st, on the basis of the amount appropriated in the Budget Act for purposes of Sections 99313 and 99314, the Controller shall send to each of the entities an estimate of the amount of funds to be allocated to it during the fiscal year.

This section shall become operative on July 1, 1987.

State Transit Assistance Population Formula Allocation
Amended: Statutes of 1989, Chapter 105 (SB 300)

99313. From the funds made available pursuant to subdivision (c) of Section 99312, an amount shall be allocated by the Controller to each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board, based on the ratio of the population of the area under its jurisdiction to the total population of the state.

State Transit Assistance Fund Transfers
Added: Statutes of 1984, Chapter 707 (AB 2359)

99313.1. A transportation planning agency, a county transportation commission, or the San Diego Metropolitan Transit Development Board may transfer any funds which it receives pursuant to Section 99313 to another transportation planning agency, county transportation commission, or the San Diego Metropolitan Transit Development Board. Any funds transferred pursuant to this Section shall be used only for the purposes authorized by this chapter and are subject to all statutes and rules and regulations applicable to funds allocated pursuant to Section 99313.

If one transfer has been completed between a transportation planning agency, a county transportation commission, or the San Diego Metropolitan Transit Development Board, pursuant to this section, no other transfer may be made between the same parties.

In the event of a transfer of funds to the Los Angeles County Transportation Commission pursuant to this section, the amount of that transfer, if any, which exceeds the amount of funds transferred at that time by the Los Angeles County Transportation Commission to the transferring transportation planning agency, county transportation commission, or the San Diego Metropolitan Transit Development Board, may not be used for the purpose of funding an exclusive public mass transit guideway system project. The Los Angeles County Transportation Commission shall report to the Senate Committee on Transportation and the Assembly Committee on Transportation on the expenditure of any funds received by it pursuant to a transfer made pursuant to this section.

Use of State Transit Assistance Funds
Amended: Statutes of 1991, Chapter 13 (AB 37)

99313.3. The amount received by each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board, pursuant to Sections 99313 and 99314, shall be allocated for public transportation purposes, including community transit services. Funds received pursuant to Section 99314 may be expended for community transit services pursuant to Section 99275.

Creation of State Transit Assistance Funds
Amended: Statutes of 1994, Chapter 704 (SB 1699)

99313.6. (a) Except as provided in subdivision (b), each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board, shall create a state transit assistance fund and deposit therein the funds allocated to it pursuant to Sections 99313 and 99314 for allocations to operators, and to claimants for the purposes specified in Section 99275 and in subdivisions (b), (c), (d), and (e) of Section 99400, within the area on which its allocation was determined.

(b) From funds allocated to it pursuant to Sections 99313 and 99314, the Los Angeles County Transportation Commission may allocate funds to itself for the planning, design, and construction of an exclusive public mass transit guideway system.

(c) An allocation of funds from a state transit assistance fund for a transit capital project may be used for the payment of the principal of, and interest on, equipment trust certificates, bonded or other indebtedness, or in accomplishment of a defeasance of any outstanding revenue bond indenture issued for that project.

(d) From funds allocated to it pursuant to Section 99313, the Metropolitan Transportation Commission may allocate funds to itself for projects to achieve regional transit coordination objectives.

Rail Passenger Service Agencies Eligible for State Transit Assistance
Added: Statutes of 1991, Chapter 995 (SB 791)

99313.7. A public agency authorized to file claims with the transportation planning agency and expend funds pursuant to Section 99234.5, 99234.7, or 99234.9 may also file claims, receive allocations, and expend state transit assistance funds made available pursuant to Sections 99313 and 99314.

State Transit Assistance Revenue Allocation Formula
Amended: Statutes of 2000, Chapter 632 (AB 1951)

99314. (a) From funds made available pursuant to subdivision (b) of Section 99312, an amount shall be allocated by the Controller to each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board.

The allocation shall include an amount corresponding to each of the member agencies of the Altamont Commuter Express Authority and the Southern California Regional Rail Authority. The amount of funds allocated shall be based on the ratio of the total revenue of all the operators and the member agencies of the Altamont Commuter Express Authority and the Southern California Regional Rail Authority in the area under their respective jurisdictions during the prior fiscal year to the total revenue of all the operators in the state and the member agencies of the Altamont Commuter Express Authority and the member agencies of the Southern California Regional Rail Authority during the prior fiscal year.

(b) For purposes of this section and Section 99314.3, "revenue" means fare revenues and any other funds used by the operator for its transit operation, and the revenue that is derived from operating as a member of the authority pursuant to Section 99314.1, except federal and state funds which may only be used for transportation purposes and funds allocated pursuant to Section 99233. The revenue amount for each operator shall be determined from the annual report submitted to the Legislature by the Controller pursuant to Section 99243.5. The revenue amount for each member agency of the Altamont Commuter Express Authority and the Southern California Regional Rail Authority shall be determined by the revenues reported to the Controller by the respective authorities in accordance to subdivision (b) of Section 99314.1 and subdivision (b) of Section 99314.2, respectively.

State Transit Assistance Revenue Allocation, Altamont Commuter Express
Added: Statutes of 2000, Chapter 632 (AB 1951)

99314.1. (a) For purposes of this section, the following terms have the following meanings:

(1) The "Altamont Commuter Express Authority" or the "authority" is the joint powers agency duly formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of

Division 7 of Title 1 of the Government Code, by and between the Alameda Congestion Management Agency, the Santa Clara Valley Transportation Authority, and the San Joaquin Regional Rail Commission.

(2) "Revenue" means revenue, as defined in subdivision (b) of Section 99314, that is derived from operating as a member agency of the authority.

(b) The Altamont Commuter Express Authority shall report to the Controller, for each fiscal year, the ratio that the revenue of each member agency of the authority during the prior fiscal year bears to the total revenue of the authority during that fiscal year.

(c) (1) From funds made available pursuant to subdivision (b) of Section 99312, the Controller shall allocate to each member agency of the authority an amount that is based on the ratio provided under subdivision (b).

(2) The allocation set forth in paragraph (1) shall be in addition to any other allocation provided under this article.

(3) Allocations made under this section shall be used only for purposes authorized under this chapter.

State Transit Assistance Revenue Allocation, SCRRA

Added: Statutes of 2000, Chapter 632 (AB 1951)

99314.2. (a) For purposes of this section, the following terms have the following meanings:

(1) The "Southern California Regional Rail Authority" or the "authority" is that joint powers authority described in Section 14072 of the Government Code and includes any additional agencies that may join the authority under Section 14072.2 of that code.

(2) "Revenue" means revenue, as defined in subdivision (b) of Section 99314, that is derived from operating as a member agency of the authority.

(b) The Southern California Regional Rail Authority shall report to the Controller, on an annual basis, the ratio that the revenue of each member agency of the authority during the prior fiscal year bears to the total revenue of the authority during that fiscal year.

(c) (1) From funds made available pursuant to subdivision (b) of Section 99312, the Controller shall allocate to each member agency of the authority an amount that is based on the ratio provided under subdivision (b).

(2) The allocation set forth in paragraph (1) shall be in addition to any other allocation provided under this article.

(3) Allocations made under this section shall be used only for purposes authorized under this chapter.

Revenue Based Allocations to Operators

Amended: Statutes of 2000, Chapter 632 (AB 1951)

99314.3. (a) The amount received by each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board, pursuant to Section 99314 shall be allocated to the operators in the area of its jurisdiction.

(b) The amount of funds allocated by the Controller corresponding to each of the member agencies of the Altamont Commuter Express Authority and the member agencies of the Southern California Regional Rail Authority, pursuant to Section 99314, shall be allocated by the transportation planning agency having jurisdiction over the member agency's area, for purposes authorized in this chapter. The allocation shall be based on the ratio of the revenues of each of the member agencies and of all the operators during the prior fiscal year within the area of jurisdiction of the allocating agency, commission, or board as the case may be.

(c) The amount allocated to each operator pursuant to this section shall be based on the ratio of its revenue of all the operations and the member agencies of the Altamont Commuter Express Authority and the member agencies of the Southern California Rail Authority during the prior fiscal year to the total revenue of all the operators during the prior fiscal year within the area of jurisdiction of the allocating agency, commission, or board, as the case may be.

(d) For purposes of subdivision (a), the City and County of San Francisco with respect to its municipal railway system, the Alameda-Contra Costa Transit District, and the San Francisco Bay Area Rapid Transit District shall be considered one operator. The amount allocated to them as one operator shall be apportioned to each of them based on the ratio of its revenue to the sum of their revenues, excluding from the determination of that ratio the amount allocated to each of them pursuant to Section 29142.2.

State Transit Assistance Funding Exchange Program

Amended: Statutes of 1989, Chapter 630 (AB 2184)

99314.4. (a) An operator in an urbanized area having a population of less than 200,000 persons may elect to participate in the funding exchange program authorized by this subdivision. An operator electing to participate in the funding exchange program shall give notice to the director and shall indicate the amount of funds which it wants allocated for the funding exchange program.

From funds that would otherwise be allocated to an operator pursuant to Sections 99313.3, 99314, and 99314.3, an amount so designated by the participating operator shall be allocated to the department for transfer pursuant to an agreement between the department and the State of Arizona whereby California can receive federal mass transportation funds originally apportioned to the State of Arizona.

The department shall allocate the federal mass transportation funds so received to each participating operator in the same proportion as the operator contributed to the funding exchange program. Funds so received shall be used only for the purposes authorized by this chapter and are subject to all statutes and rules and regulations applicable to funds allocated pursuant to Sections 99313 and 99314.

The Legislature finds and declares that the exchange of state funds for federal mass transportation funds authorized by this section will result in a net increase in the total amount of funds to be available to the participating operators.

(b) A transportation planning agency, county transportation commission, or transit development board may authorize an operator under its jurisdiction to exchange funds allocated to it pursuant to Section 99314.3 for funds made available pursuant to Section 99231. Any funds allocated pursuant to Section 99314.3 that are exchanged pursuant to this subdivision shall only be available to other operators and shall be used for the purposes authorized by this chapter and are subject to all statutes and rules and regulations applicable to funds allocated pursuant to Section 99314.3. Exchanges pursuant to this subdivision shall be on a dollar-for-dollar basis.

Eligibility for State Transit Assistance

Amended: Statutes of 2002, Chapter 201 (AB 1912)

99314.5. (a) No funds allocated pursuant to Section 99313.3 or 99314.3 shall be allocated to an operator unless it is eligible for allocations under Article 4 (commencing with Section 99260), without considering any funds to be allocated to it pursuant to those sections, or it is in a county in which funds may be allocated for purposes specified in Section 99400.

(b) No funds allocated pursuant to Section 99313.3 shall be allocated to a city or county for the purposes specified in subdivisions (b), (c), (d), and (e) of Section 99400 unless it is eligible for allocations under Article 8 (commencing with Section 99400) for those purposes, without considering any funds to be allocated to it pursuant to that section.

(c) It is the intent of the Legislature that, in allocating the funds, the transportation planning agencies and the county transportation commissions, and the San Diego Metropolitan Transit Development Board, give priority consideration to claims to offset reductions in federal operating assistance and the unanticipated increase in the cost of fuel, to enhance existing public transportation services, and to meet high-priority regional, countywide, or areawide public transportation needs.

(d) No funds allocated pursuant to Section 99313.3 or 99314.3 shall be allocated to a claimant for the purposes specified in Section 99275 unless it is eligible for allocation under Article 4.5 (commencing with Section 99275) for those purposes, without considering any funds to be allocated to it pursuant to those sections.

(e) Nothing in this section shall be construed to prohibit, or limit the ability of, a public transit operator to do the following:

(1) Contract with common carriers of persons operating under a franchise or license.

(2) Employ part-time drivers.

Cap on Operator Subsidies

Amended: Statutes of 1996, Chapter 10 (AB 1869)

99314.6. Except as provided in Section 99314.7, the following eligibility standards apply:

(a) Except as provided in subdivision (b), funds shall not be allocated for operating purposes pursuant to Sections 99313 and 99314 to an operator unless the operator meets either of the following efficiency standards:

(1) The operator's total operating cost per revenue vehicle hour in the latest year for which audited data are available does not exceed the sum of the preceding year's total operating cost per revenue vehicle hour and an amount equal to the product of the percentage change in the Consumer Price Index for the same period multiplied by the preceding year's total operating cost per revenue vehicle hour.

(2) The operator's average total operating cost per revenue vehicle hour in the latest three years for which audited data are available does not exceed the sum of the average of the total operating cost per revenue vehicle hour in the three years preceding the latest year for which audited data are available and an amount equal to the product of the average percentage change in the Consumer Price Index for the same period multiplied by the average total operating cost per revenue vehicle hour in the same three years.

(b) The transportation planning agency, county transportation commission, or the San Diego Metropolitan Transit Development Board, as the case may be, may adjust the calculation of operating costs and revenue vehicle hours pursuant to subdivision (a) to account for either or both of the following factors as it deems appropriate to encourage progress in achieving the objectives of efficiency, effectiveness, and productivity pursuant to Section 99244:

(1) Exclusion of costs increases beyond the change in the Consumer Price Index for fuel, alternative fuel programs, insurance, or state or federal mandates.

(2) Exclusion of startup costs for new services for a period of not more than two years.

(c) Funds withheld from allocation to an operator pursuant to subdivision (a) shall be retained by the transportation planning agency, county transportation commission, or the San

Diego Metropolitan Transit Development Board, as the case may be, for reallocation to that operator for two years following the year of ineligibility. In a year in which an operator's funds are allocated pursuant to subdivision (a), funds withheld from allocation during a preceding year shall also be allocated. Funds not allocated before the commencement of the third year following the year of ineligibility shall be reallocated to cost-effective high priority regional transit activities, as determined by the transportation planning agency, county transportation commission, or the San Diego Metropolitan Transit Development Board, as the case may be. If that agency or commission, or the board, determines that no cost-effective high priority regional transit activity exists, the unallocated funds shall revert to the Controller for reallocation.

(d) As used in this section, the following terms have the following meanings:

(1) "Operating cost" means the total operating cost as reported by the operator under the Uniform System of Accounts and Records, pursuant to Section 99243 and subdivision (a) of Section 99247.

(2) "Revenue vehicle hours" has the same meaning as "vehicle service hours," as defined in subdivision (h) of Section 99247.

(3) "Consumer Price Index," as applied to an operator, is the regional Consumer Price Index for that operator's region, as published by the United States Bureau of Labor Statistics. If a regional index is not published, the index for the State of California applies.

(4) "New service" has the same meaning as "extension of public transportation services" as defined in Section 99268.8.

(e) The restrictions in this section do not apply to allocations made for capital purposes.

(f) The Legislature finds and declares that the Loma Prieta earthquake of 1989 caused damage to commercial property and employment losses, with consequent reductions in sales tax revenues, within the Santa Cruz Metropolitan Transit District to the economic detriment of that district. Accordingly, that district's exemption from this section, as initially provided for by Section 4 of Chapter 35 of the Statutes of 1991, is reinstated and shall continue until July 1, 1998; therefore, the district is exempt from this section for the 1995-96, 1996-97, and 1997-98 fiscal years.

MTC Eligibility Standards for State Transit Assistance

Amended: Statutes of 1996, Chapter 256 (SB 1474)

99314.7. (a) In allocating funds for operating purposes pursuant to Sections 99313 and 99314, the Metropolitan Transportation Commission shall apply the following eligibility standards to the operators within the region subject to its jurisdiction:

(1) An operator is not eligible for its full allocation under this section unless the operator has been found to have made reasonable effort in implementing productivity improvements pursuant to Section 99244. In determining whether a reasonable effort has been made, the Metropolitan Transportation Commission shall give consideration to whether the operator would qualify for funding under Section 99314.6. The amount of funds allocated shall be reduced in an amount that the Metropolitan Transportation Commission deems proportionate to the failure of the operator to implement the recommended improvements. The Metropolitan Transportation Commission shall adopt rules and regulations, in cooperation with the affected operators, governing the allocation of any funds withheld under this paragraph, subject to paragraphs (2) and (3).

(2) Notwithstanding paragraph (1), an operator shall not receive any funds pursuant to Section 99313 or 99314 unless it has complied with the applicable rules, regulations, and

recommendations adopted by the Metropolitan Transportation Commission pursuant to Sections 66516 and 66516.5 of the Government Code.

(3) Funds withheld from allocation to an operator pursuant to paragraph (1) shall be retained by the Metropolitan Transportation Commission for reallocations to that operator for two years following the year of ineligibility. With respect to the funds withheld from an operator pursuant to paragraph (1), the Metropolitan Transportation Commission shall reallocate those funds to the operator if the operator complies with that paragraph within two years. Funds not reallocated to the operator, and funds withheld pursuant to paragraph (2), shall be allocated to any eligible operator within the region subject to the jurisdiction of the Metropolitan Transportation Commission for the purpose of improving coordination among the operators, or to any operator whose increase in total operating cost per revenue vehicle hour is less than the increase in the Consumer Price Index. Funds allocated for these purposes are exempt from subdivision (a).

(b) For purposes of this section, "operating cost," "revenue vehicle hour," and "Consumer Price Index" have the same meaning as defined in Section 99314.6.

Availability of Public Transportation Account for State Programs

Amended: Statutes of 1997, Chapter 622 (SB 45)

99315. Funds made available pursuant to subdivision (a) of Section 99312, shall be available for all of the following purposes:

(a) Bus and passenger rail services pursuant to Sections 14035, 14035.5, and 14038 of the Government Code.

(b) Funding of public transit capital improvement projects in the state transportation improvement program, pursuant to Section 14529 of the Government Code.

(c) To the department for its planning activities not payable from the State Highway Account in the State Transportation Fund, its mass transportation responsibilities, and its assistance in regional transportation planning.

(d) To the director for allocation to the Institute of Transportation Studies of the University of California for training and research in public transportation systems engineering and management and coordination with other transportation modes.

(e) To the commission for its activities not payable from the State Highway Account.

(f) To the Public Utilities Commission for its passenger rail safety responsibilities specified in statute on commuter rail, intercity rail, and urban rail transit lines.

Orange County Funding Exchange

Added: Statutes of 1999, Chapter 278 (AB 168)

99315.5. (a) Pursuant to an agreement between the board of directors of the Orange County Transportation Authority and the department, the authority, acting as the board of directors of the Orange County Transit District, may exchange with the department funds apportioned and paid to the authority under paragraph (1) of subdivision (a) of Section 2128 of the Streets and Highways Code for state funds appropriated to the department under subdivision (c) of Section 99315, as follows:

(1) The authority shall notify the director on or before March 1 of its desire to participate during the subsequent fiscal year in the funding exchange program authorized under this section.

(2) Upon receipt of the notice required under paragraph (1), the director shall determine whether any of the funds to be appropriated to the department under subdivision (c) of Section 99315 will be available for the exchange and, on or before April 1, shall report to the Legislature and the Governor on all of the following:

(A) The amount that will be available for exchange.

(B) The state programs proposed to be funded during the following fiscal year with funds appropriated to the department under subdivision (c) of Section 99315, and the amounts proposed for each of those programs.

(C) The impacts of the proposed transfer of funds on each of those programs.

(3) Based upon the information provided under paragraph (2), the Legislature shall determine the portion of the department's appropriation under subdivision (c) of Section 99315 that may be allocated and transferred to the authority for the purposes of this section and shall designate that amount in the Budget Act.

(4) Upon receiving the appropriation under subdivision (c) of Section 99315, the department shall allocate and transfer to the authority from that appropriation the amount designated for that purpose under paragraph (3).

(5) Upon receiving the funds transferred under paragraph (4) and the apportionment under paragraph (1) of subdivision (a) of Section 2128 of the Streets and Highways Code, the authority shall transfer to the department from that payment an amount equal to the amount received under paragraph (4).

(b)(1) Nothing in this section affects the allocations under Sections 99313, 99314, and 99315.

(2) The department may not reduce any request for appropriation for any program funded under Section 99313, 99314, or 99315, except for programs funded under subdivision (c) of Section 99315, as a result of participating in the funding exchange program authorized under this section.

(c) The department shall expend the funds received from the authority under paragraph (5) of subdivision (a) exclusively for programs and projects funded from the Public Transportation Account in the State Transportation Fund, to the extent that the expenditure is authorized under Article XIX of the California Constitution.

(d) Funds received by the authority under paragraph (4) of subdivision (a) shall be used only for the purposes authorized under this article and are subject to all of the provisions of law applicable to funds allocated under Sections 99313 and 99314.

(e) This section shall become inoperative on June 30, 2003, and as of January 1, 2004, is repealed, unless a later enacted statute that becomes operative on or before January 1, 2004, deletes or extends the dates on which it becomes inoperative and is repealed.

Allocations for Fresno Amtrak Station
Added: Statutes of 1999, Chapter 1007 (SB 532)

99315.7. All funds from the Public Transportation Account and the State Highway Account, State Transportation Fund, previously allocated by the commission or the department to the new Fresno Amtrak Station project shall also be available for expenditure on any form of Amtrak project in the Fresno downtown area, including, but not limited to, the rehabilitation of the former Santa Fe Railway station, as approved by the commission or the department or the commission and the department. The encumbering and expending of funds for this project is not subject to an additional allocation action or approval action, or both actions, by the commission.

Availability of Prior Allocations for North Coast Railroad Authority
Added: Statutes of 2000, Chapter 860 (AB 2908)

99315.8. All funds from the Public Transportation Account and the State Highway Account, in the State Transportation Fund, previously allocated by the commission for specific track repair and rolling stock acquisitions through resolutions number MFP-95-05, MFP-95-10, MPFP-95-01, MFA-96-01, and MBFA-98-01 shall also be available for expenditure on any form of track improvement project, track rehabilitation project, or rolling stock acquisition project nominated by the North Coast Railroad Authority, as approved by the commission. Projects nominated by the North Coast Railroad Authority, for which funds in the State Highway Account in the State Transportation Fund are to be used, are also required to be eligible under Article XIX of the California Constitution. The encumbering and expending of funds for this project is not subject to an additional allocation action or approval action, or both actions, by the commission.

Monterey County Allocations
Added: Statutes of 2002, Chapter 736 (AB 2206)

99315.95. All funds from the Public Transportation Account and the State Highway Account, in the State Transportation Fund, previously allocated by the California Transportation Commission to the City of Seaside for the acquisition of right-of-way for the Fort Ord rail station shall also be available for expenditure by the Transportation Agency for Monterey County for work at the Monterey Bay rail station. The commission shall oversee the timely use of these funds in accordance with the requirements specified in current law.

Appropriations for Bus and Passenger Rail Services
Amended: Statutes of 1989, Chapter 105 (SB 300)

99316. Funds made available pursuant to subdivision (a) of Section 99315 shall be appropriated to the department for allocation, as directed by the commission, for purposes of bus and passenger rail services pursuant to Sections 14035, 14035.5, and 14038 of the Government Code.

Appropriations for Transit Capital Improvement Projects
Amended: Statutes of 1998, Chapter 53 (SB 837)

99317. (a) Funds made available pursuant to subdivision (b) of Section 99315 shall be appropriated to the department for allocation, as directed by the commission, to fund public transit capital improvement projects that maintain or improve public transit service.

(b) Funds made available for capital outlay pursuant to subdivision (a) of Section 14031.6 of the Government Code and subdivision (a) of Section 99315 shall be appropriated to the

department, as directed by the commission, solely for capital outlay improvements and rolling stock on intercity rail passenger routes.

(c) The Legislature may amend this section, by statute passed in each house of the Legislature by rollcall vote entered in the journal two-thirds of the membership concurring, if the statute is consistent with, and furthers the purposes of, this section.

Allocation for Short-Line Railroad Rehabilitation

Amended: Statutes of 2001, Chapter 597 (AB 1706)

99317.1. (a) Funds appropriated pursuant to subdivision (a) of Section 99317 shall, in addition to the purposes specified in that section, be available for short-line railroad rehabilitation projects, through the state transportation improvement program.

(1) Projects eligible for funding pursuant to this subdivision shall be limited to railroad rehabilitation projects.

(2) To be eligible for funding pursuant to this subdivision, a project proposal shall be submitted by a public entity. The public entity shall submit a project proposal only if it has made a finding, following a public hearing, that rail service on the affected railroad would be in imminent danger of being discontinued without the expenditure of public funds, and that continuation of the service serves a public purpose.

(b) As used in this section, "short-line railroad" means any standard gauge railroad which is being, or is planned to be, used for passenger service, other than a class I railroad, as that term is used and applied in federal law.

Inspection of Intermodal Transfer Stations

Amended: Statutes of 2001, Chapter 597 (AB 1706)

99317.8. (a) A public agency that has received an allocation for funding of an intermodal transfer station pursuant to subdivision (a) of Section 99317 shall provide for maintaining the station and its appurtenances, including, but not limited to, restroom facilities, in good condition and repair, and in accordance with high standards of cleanliness. As part of its duties in monitoring state-funded rail and bus services, the department shall, at least annually, conduct an unannounced inspection of each facility and make recommendations, if any, to the operating agency. Results of the department's inspections shall be included in the passenger rail element of the State Rail Plan required pursuant to Section 14036 of the Government Code. If appropriate remedial action is not taken, the department may recommend to the commission that future applications for transit capital funding be denied.

(b) The Legislature finds and declares that regular inspections of intermodal stations are necessary to protect the state's capital investment in these essential transportation facilities and to avoid the problems resulting from deferred maintenance.

Priority for Improved Access to State Prisons

Amended: Statutes of 2001, Chapter 597 (AB 1706)

99317.9. The department and the commission shall give reasonable priority to allocations pursuant to subdivision (a) of Section 99317 to station projects that improve access for visitors to state prisons.

Intermodal Transfer Station State Funded Bus Service
Amended: Statutes of 2001, Chapter 597 (AB1706)

99317.10. (a) A public entity which has received an allocation for funding of an intermodal transfer station pursuant to subdivision (a) of Section 99317 shall, upon request of the department, authorize state-funded bus service to use the station without any charge to the department or its contractors, and shall assist the department in the placement of signs and informational material designed to alert the public to the availability of the state-funded bus service.

(b) A public entity shall not be eligible to receive an allocation for funding of an intermodal transfer station pursuant to subdivision (a) of Section 99317 unless it first agrees that, upon any future request of the department, it will authorize a state-funded bus service to use the station without any charge to the department or its contractors and it will assist the department in the placement of signs and informational material designed to alert the public to the availability of the state-funded bus service.

(c) For the purpose of this section, "state-funded bus service" means any bus service funded pursuant to Section 99316.

Intercity Rail Projects
Amended: Statutes of 2001, Chapter 597 (AB 1706)

99318.1. An intercity rail project nominated by the department shall be eligible to compete for funding pursuant to Section 99317 if it is recommended in the passenger rail element of the State Rail Plan prepared pursuant to Section 14036 of the Government Code, or an update to that plan.

Rail Platform Construction Standards
Amended: Statutes of 2001, Chapter 597 (AB 1706)

99319. (a) If a rail capital improvement project proposed for funding by the department or a local agency includes as an element the addition or improvement of rail passenger service boarding platforms, those platforms shall be constructed in conformity with applicable rules and orders of the Public Utilities Commission and in such a manner that the top of each platform is not less than eight inches above the adjacent rails, unless the department makes a finding that the circumstances in a particular case warrant otherwise and obtains approval from the Public Utilities Commission for any deviation from its applicable rules and orders.

(b) The requirements of this section apply to all passenger service boarding platforms constructed with funds made available pursuant to Section 14031.6 of the Government Code, Sections 99234.5, 99234.9 and 99317 of this code, Section 164 of the Streets and Highways Code, and funds made available from the proceeds of state general obligation bonds issued for the purposes of rail capital improvements.

* * * * * * *

PART 11.5. CLEAN AIR AND TRANSPORTATION IMPROVEMENT ACT OF 1990

CHAPTER 1. GENERAL PROVISIONS

Citation

Added: Proposition 116

99600. This part shall be known as the Clean Air and Transportation Improvement Act of 1990.

Findings and Declarations

Added: Proposition 116

99601. The people of California find and declare all of the following:

(a) Rail transportation results in cleaner air, less energy use, more transportation opportunities for those who cannot drive, and less crowding on already overcrowded streets and highways.

(b) For these reasons, it is appropriate to use state general obligation bonds to finance rail infrastructure.

(c) This part will result in implementation of part of an overall transportation plan which will provide cleaner air and better transportation options for all Californians.

Definitions

Added: Proposition 116

99602. For purposes of this part, the following terms have the following meanings, unless expressly state otherwise:

(a) "CalTrain" means the commuter rail service operated along the San Francisco Peninsula commute corridor.

(b) "Commission" means the California Transportation Commission.

(c) "Commuter rail service" and its derivative terms have the same meaning as the term "commuter service" and its derivative terms, as defined in paragraph (9) of subsection (a) of Section 502 of Title 45 of the United States Code.

(d) "Department" means the Department of Transportation.

(e) "Exclusive public mass transit guideway" means a transit capital improvement included in the definition of this term as applied and used in 70 Op. Atty. Gen. 119 or a transit capital improvement for which motor fuel tax funds from the State Highway Account in the State Transportation Fund were actually allocated by the commission on or before January 1, 1989.

(f) "Fund" means the Clean Air and Transportation Improvement Fund created by Section 99610.

(g) "Grade separations" means grade separations for either passenger or freight rail services.

(h) "Intercity rail" and its derivative terms means passenger rail service between urban areas of the state.

(i) "Local agency" means a county, city, city and county, county transportation commission, county transportation authority, transit development board, transit district, or any joint powers agency specified in this part.

(j) "Rail project" means a commuter passenger rail service project, an intercity passenger rail project, or a rail transit project, and includes exclusive public mass transit guideway projects and the project described in Section 99624.

(k) "Rail transit" means a rail mass transportation operation usually within an urban area, generally characterized by more frequent service over shorter distances than normally provided by commuter rail service or intercity rail service, and operating on a rail line without any or with very limited rail freight service.

(l) "Right-of-way" means right-of-way for rail purposes, including separate right-of-way alignments adjacent to existing freight lines.

Advisory Committee

Added: Proposition 116

99603. (a) The department shall establish an advisory committee to assist the department in developing specifications for standard state-of-the-art California commuter and intercity rail cars and locomotives. The committee shall consist of representatives from all affected local transportation agencies as well as the department's Division of Mass Transportation and one consumer representative.

(b) The purpose of the standard equipment is to facilitate joint procurement in economic quantities, to further interchangeability of equipment among corridors, and to reduce maintenance costs by minimizing the need for spare parts inventories.

(c) To the extent possible, the committee shall rely on the department's existing work in procuring new equipment for CalTrain.

(d) The committee shall investigate the feasibility of a uniform design of a rail car shell which could be deployed in both intercity and commuter rail applications, with car interiors to be appropriately outfitted for either intercity or commuter service.

(e) The committee shall consider two types of coach service, dining or cafe car service, or both, and economical sleeping car service for intercity applications.

(f) The committee shall consider inclusion of sanitary holding tanks and reasonable passenger amenities including, but not limited to, accommodations for a reasonable number of bicycles carried on board by passengers, for both intercity and commuter applications.

(g) Intercity equipment specifications shall not be adopted unless approved by the National Railroad Passenger Corporation.

Allocation Reduced

Added: Proposition 116

99604. If bonds sufficient to fund the total aggregate of the amounts specified in Chapter 3 (commencing with Section 99629) cannot be sold pursuant to Chapter 6 (commencing with Section 99690), the allocation for each project shall be reduced proportionately.

Amendment Conditions

Added: Proposition 116

99605. Except as otherwise provided in this part, the Legislature may amend this part, by statute passed in each house of the Legislature by rollcall vote entered in the journal, four-fifths of the membership concurring, if the statute is consistent with, and furthers the purposes of, this part. No changes shall be made in the way in which funds are allocated pursuant to Chapter 3 (commencing with Section 99620), except pursuant to Section 99684.

CHAPTER 2. THE CLEAN AIR AND TRANSPORTATION IMPROVEMENT FUND

Clean Air and Transportation Improvement Fund
Added: Proposition 116

99610. The Clean Air and Transportation Improvement Fund is hereby created.

Not to Displace Other Funding
Added: Proposition 116

99611. It is the intent of the people of California, in enacting this part, that bond funds shall not be used to displace existing sources of funds for rail and other forms of public transportation, including, but not limited to, funds that have been provided pursuant to Article XIX of the California Constitution, the Transportation Planning and Development Account in the State Transportation Fund, the Mills-Alquist-Deddeh Act (Chapter 4 (commencing with Section 99200) of Part 11), and local transportation sales taxes; that any future comprehensive transportation funding legislation shall not offset or reduce the amounts otherwise made available for transit purposes by this act; and that funding for public transit should be increased from existing sources including fuel taxes and sales tax on fuels.

Continuously Appropriated to Commission
Added: Proposition 116

99612. Notwithstanding Section 13340 of the Government Code, all money deposited in the fund is hereby continuously appropriated to the commission, without regard to fiscal years, for allocation for grants to itself, the department, the Department of Parks and Recreation, and to local agencies pursuant to Chapter 3 (commencing with Section 99620).

Allocation of Funds
Added: Proposition 116

99613. (a) The commission shall allocate money from the fund in accordance with the allocations specified in Chapter 3 (commencing with Section 99620) to the department, to the Department of Parks and Recreation, and to local agencies as grants for expenditure for the preservation, acquisition, construction, or improvement of any of the following:

(1) Rights-of-way for rail purposes.

(2) Rail terminals and stations.

(3) Rolling stock, including locomotives, passenger cars, and related rail equipment and facilities.

(4) Grade separations and other improvements along rail rights-of-way for rail purposes.

(5) Rail maintenance facilities.

(6) Other capital facilities deemed necessary for a specified rail service, including soundwalls.

(7) Capital expenditures for the purposes specified in subdivision (b) of Section 1 of Article XIX of the California Constitution.

(8) Paratransit vehicles, bicycle facilities, and water-borne ferry vessels and facilities.

(9) The project described in Section 99648.

(b) The commission shall require each applicant for a grant pursuant to Chapter 3 (commencing with Section 99620), including the department, to demonstrate in its application that if the grant funds being applied for are awarded, no other funds which were previously planned, programmed, or approved for rail purposes will be used for other than rail purposes.

(c) Consistent with Section 99665, money from the fund may be used to satisfy any federal, state or local matching fund requirement for the project to be funded. Money from the fund may be used to provide local matching funds for grade separations pursuant to subdivision (c) of Section 1202 or Section 1202.5.

(d) Authorized expenditures listed in paragraphs (1) to (7), inclusive, of subdivision (a) are "rail projects" as defined in subdivision (j) of Section 99602.

(e) Grant funds shall be expended only for capital expenditures.

(f) Projects to be funded shall include, to the greatest extent possible, projects which integrate and facilitate transfers between rail lines, including all rail lines for which funding is provided by this part.

Interest Paid from General Fund
Added: Proposition 116

99614. (a) Notwithstanding Section 16312 of the Government Code and Section 99694.5 of this part, the interest on any loans made from the Pooled Money Investment Account to the fund for the purposes of carrying out the purposes of this part shall be paid from the General Fund.

(b) Notwithstanding Section 13440 of the Government Code, the amounts required to be paid pursuant to subdivision (a) are hereby continuously appropriated from the General Fund.

(c) The appropriations for interest payments pursuant to subdivision (b) are appropriations for debt service, as defined in Section 8 of Article XIII B of the California Constitution, and are therefore exempt from the appropriations limit set by that article.

CHAPTER 3. GRANTS

Grants Awarded by Commission Pursuant to Proposition 116
Added: Proposition 116

99620. This chapter sets forth the purposes and the amounts for which allocations shall be made from the fund. Money from the fund shall be awarded as grants by the commission pursuant to Sections 99621 to 99651, inclusive, for the purposes specified in those sections. The amount of a grant awarded pursuant to any of those sections shall not exceed the amount specified therein. The department and local agencies may implement service funded pursuant to this chapter on an incremental basis. Partial grants may be made for preliminary engineering and design purposes.

Caltrans: Survey of Rail Rights-of-Way
Added: Proposition 116

99621. One million dollars ($1,000,000) shall be allocated to the department to complete a survey of all rail rights-of-way in the state. The study shall be completed by December 31, 1991, and shall identify the status of all the rail corridors in the state and evaluate their relative importance and potential for future rail passenger service.

Caltrans: San Joaquin and Capitol Corridors
Added: Proposition 116

99622. Two hundred thirty million dollars ($230,000,000) shall be allocated to the department for all of the following:

(a) Improvements to the Los Angeles-Fresno-San Francisco Bay Area passenger rail corridor and extension of the corridor to Sacramento, one hundred forty million dollars

($140,000,000), including at least sixty million dollars ($60,000,000) for rail rehabilitation and other rail improvements to provide intercity rail service between Fresno and Oakland via Madera, Merced, Turlock, and Modesto, and not more than thirty million dollars ($30,000,000) for rehabilitation and other rail improvements to provide intercity rail service between Stockton and Sacramento via Lodi and Galt.

(b) Preliminary engineering and feasibility studies of a high speed passenger rail link between Bakersfield and Los Angeles, five million dollars ($5,000,000).

(c) Implementation of intercity rail service from Placer County to Santa Clara County, eighty five million dollars ($85,000,000), of which not more than thirty five million dollars ($35,000,000) for rehabilitation and other rail improvements to provide intercity rail service between Auburn and Davis, including funding for right-of-way acquisition. Service to Woodland may also be provided, if deemed practicable by the department.

Caltrans: Los Angeles-Santa Barbara Corridor

Added: Proposition 116

99623. (a) Eighty one million dollars ($81,000,000) shall be allocated to the department for intercity and commuter rail projects along the Los Angeles-Santa Barbara rail corridor to be allocated for expenditure as follows:

(1) In Ventura County, thirty one million dollars ($31,000,000).

(2) In Santa Barbara County, seventeen million dollars ($17,000,000).

(3) In Los Angeles County, thirty three million dollars ($33,000,000).

(b) The funds allocated for expenditure in Los Angeles and Ventura Counties may be expended in coordination with a joint powers agency required to be established for commuter rail service pursuant to Section 130255 within that segment of the corridor.

Grade Separations, Alameda Corridor

Added: Proposition 116

99624. (a) Eighty million dollars ($80,000,000) to the department for grade separations along the Alameda-San Pedro branch rail line connecting the Los Angeles and Long Beach Harbors with downtown Los Angeles and paralleling Alameda Street, to alleviate vehicle traffic congestion, conserve energy, reduce air pollution in the area, and facilitate the more efficient and expeditious shipment of freight to and from the Los Angeles and Long Beach Harbors. The current owner of the Alameda-San Pedro branch line may, at its option, continue to own and operate the line and related right-of-way.

(b) The allocation and granting of funds pursuant to this Section shall be exempt from Sections 99653 and 99663. The allocation and granting of funds pursuant to this section shall also be exempt from subdivision (c) of Section 1202, and Sections 1202.5 and 99317.8 of the Public Utilities Code, and Sections 2450 to 2461, inclusive, of the Streets and Highways Code if the affected railroad corporation contributes ten (10) percent of the costs of constructing the grade separations funded pursuant to this section. Notwithstanding any provision of this code or the Streets and Highways Code, no city on the Alameda-San Pedro branch line shall be assessed costs for the grade separations. The department is the sole state agency responsible for designing, determining priorities, and implementing the construction of those grade separations. The department shall coordinate its planning with any joint powers agency established to represent affected cities, local agencies, or commissions. The department shall further coordinate and cooperate with any such joint powers agency so that the expenditure of any federal, local, and private funds including those for tracks, switching, and interconnection

improvements, and the possible construction of a proposed Alameda Street truck corridor is accomplished in an efficient and well-planned manner.

(c) For the purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), grade separations funded pursuant to this section and all related track and switching improvements and rail interconnections shall be considered to be one project.

Rail Service-Humboldt County

Added: Proposition 116

99625. (a) Six million dollars ($6,000,000) shall be allocated to the department for the improvement of rail service, including rail freight service and tourist-related services, important to the regional economy of Humboldt county.

(b) The commission shall not approve a grant for purposes of this section unless the Board of Supervisors of the County of Humboldt makes a finding that the project proposed for funding is in the public interest and vital to the economy of the county and the commission determines that the proposed project will serve a public purpose.

(c) Notwithstanding subdivisions (a) and (b), the grant authorized by this section may be used by the Humboldt County Association of Governments, at its request, for any of the purposes specified in Section 99628.

Rail Service-Mendocino County

Added: Proposition 116

99626. (a) Four million dollars ($4,000,000) shall be allocated to the department for the improvement of rail service, including rail freight service and tourist-related services, important to the regional economy of Mendocino County.

(b) The commission shall not approve a grant for purposes of this section unless the Board of Supervisors of the County of Mendocino makes a finding that the project proposed for funding is in the public interest and vital to the economy of the county and the commission determines that the proposed project will serve a public purpose.

(c) Notwithstanding subdivisions (a) and (b), the grant authorized by this section may be used by the Mendocino Council of Governments, at its request, for any of the purposes specified in Section 99628.

North Coast Railroad Authority

Added: Proposition 116

99627. (a) If the Legislature establishes a railroad transportation authority which includes, or which is subsequently expanded to include, within its jurisdiction, Humboldt County or Mendocino County, or both of them, the authority shall be substituted for the department and affected councils of government as the applicant and the grantee agency for purposes of Sections 99625 and 99626.

(b) If the authority includes, or is expanded to include, within its jurisdiction, Del Norte County, the authority shall be substituted for the county as the applicant and grantee agency for purposes of Section 99628.

Nonurban Program
Added: Proposition 116

99628. (a) Seventy three million dollars ($73,000,000) for allocation by the commission on a per capita basis to the Counties of Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Imperial, Inyo, Lake, Lassen, Mariposa, Modoc, Mono, Napa, Nevada, Plumas, San Benito, San Luis Obispo, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Tuolumne, and Yuba, for railroad grade crossing improvements, acquisition of railroad rights-of-way for rail transportation purposes, rail passenger or other rail stations, railroad soundwalls, and other local rail improvements for safety; purchase of paratransit vehicles; and other capital facilities for public transportation. Funds may not be allocated for street or highway improvements, operations, maintenance, or construction.

(b) Application for grants shall be submitted to the commission by the transportation planning agency having jurisdiction in the county.

(c) If the commission has not received applications by December 31, 1992, for all of the funds available for allocation pursuant to this section, it may reallocate the remaining funds on the basis of a competitive grants program to the counties specified in subdivision (a). The commission shall adopt regulations or guidelines governing the competitive program allocations to proposals which best serve the purposes of this part.

(d) Funds allocated pursuant to this section and Section 99639 may be pooled by any combination of the recipient counties and used with private funds to acquire existing railroad rights-of-way for passenger and freight rail projects, or for other rail projects.

Los Angeles-San Diego Rail Corridor
Added: Proposition 116

99629. Two hundred two million dollars ($202,000,000) shall be allocated to the Los Angeles-San Diego Rail Corridor Agency for intercity and commuter rail projects for expenditure as follows:

(a) In San Diego County, forty five million dollars ($45,000,000).

(b) In Orange County, eighty two million dollars ($82,000,000).

(c) In Los Angeles County, seventy five million dollars ($75,000,000).

Los Angeles County
Added: Proposition 116

99630. Two hundred twenty nine million dollars ($229,000,000) shall be allocated to the Los Angeles County Transportation Commission, for expenditure on rail projects within Los Angeles County as follows:

(a) Not less than eighty million dollars ($80,000,000) thereof shall be allocated for Metro Rail.

(b) Not less than eighty million dollars ($80,000,000) thereof shall be allocated for rail projects other than Metro Rail within Los Angeles County.

San Bernardino - Riverside - Orange County Corridor
Added: Proposition 116

99631. (a) Seventy nine million dollars ($79,000,000) shall be allocated to the joint powers agency required to be established pursuant to Section 130255, for the San Bernardino-Riverside-Orange County rail corridor, for expenditure for commuter rail projects as follows:

(1) In Riverside County, forty seven million dollars ($47,000,000).

(2) In Orange County, twenty seven million dollars ($27,000,000).

(3) In San Bernardino County, five million dollars ($5,000,000).

(b) If full or partial funding for the project in Riverside County becomes available from other sources, application may be made by the Riverside County Transportation Commission to use the portion of the grant not needed for the project for other rail projects in the county.

(c) If full or partial funding for the project in San Bernardino County becomes available from other sources, application may be made by the San Bernardino County Transportation Commission to use the portion of the grant not needed for the project for other rail projects in the county.

(d) If full or partial funding for the project in Orange County becomes available from other sources, application may be made by the Orange County Transportation Commission to use the portion of the grant not needed for the project for other rail projects in the county.

San Bernardino - Los Angeles Corridor

Added: Proposition 116

99632. (a) Ninety eight million dollars ($98,000,000) shall be allocated to the joint powers agency required to be established pursuant to Section 130255, for the San Bernardino-Los Angeles rail corridor, for expenditure for commuter rail projects in the county.

(1) In Los Angeles County, forty two million dollars ($42,000,000).

(2) In San Bernardino County, fifty six million dollars ($56,000,000).

(b) If full or partial funding for the project in Los Angeles County becomes available from other sources, the Los Angeles County Transportation Commission may make application to use the portion of the grant not needed for the project for other rail projects in the county.

(c) If full or partial funding for the project in San Bernardino County becomes available from other sources, application may be made by the San Bernardino County Transportation Commission to use the portion of the grant not needed for the project for other rail projects in the county.

Alameda County Transportation Authority

Added: Proposition 116

99633. Sixty one million dollars ($61,000,000) shall be allocated to the Alameda County Transportation Authority for expenditure on rail projects of the San Francisco Bay Area Rapid Transit District and other rail projects within Alameda County, as determined by the authority. Projects funded pursuant to this section shall be consistent with the new rail starts and extensions plan of the Metropolitan Transportation Commission.

Contra Costa Transportation Authority

Added: Proposition 116

99634. Thirty seven million dollars ($37,000,000) shall be allocated to the Contra Costa Transportation Authority for expenditure on rail projects of the San Francisco Bay Area Rapid Transit District and other rail projects within Contra Costa County, as determined by the authority. Projects funded pursuant to this section shall be consistent with the new rail starts and extensions plan of the Metropolitan Transportation Commission.

San Francisco City and County
Added: Proposition 116

99635. Thirty five million dollars ($35,000,000) shall be allocated to the Public Utilities Commission of the City and County of San Francisco, for expenditure for rail projects within the City and County of San Francisco.

CalTrain
Added: Proposition 116

99636. One hundred seventy three million dollars ($173,000,000) shall be allocated to the Peninsula Corridor Study Joint Powers Board for CalTrain capital improvements and acquisition of rights-of-way, as follows:

(a) In the City and County of San Francisco, thirteen million dollars ($13,000,000).

(b) In San Mateo County, nineteen million dollars ($19,000,000).

(c) In Santa Clara County, twenty one million dollars ($21,000,000), to be allocated for expenditure as follows:

(1) Existing service from San Jose, seventeen million dollars ($17,000,000).

(2) Extension of service south of San Jose to the county line, four million dollars ($4,000,000).

(d) Acquisition of rights-of-way, one hundred twenty million dollars ($120,000,000).

San Mateo County Transit District
Added: Proposition 116

99637. Ten million dollars ($10,000,000) shall be allocated to the San Mateo County Transit District for expenditure for extensions of the San Francisco Bay Area Rapid Transit District within San Mateo County.

Monterey County
Added: Proposition 116

99638. Seventeen million dollars ($17,000,000) shall be allocated to the Monterey County Transportation Commission for the following:

(a) Extension of CalTrain service.

(b) Other rail projects within Monterey County.

Marin and Sonoma Counties
Added: Proposition 116

99639. (a) Twenty eight million dollars ($28,000,000) shall be allocated to a joint powers agency responsible for expenditure for a rail project along the Santa Rosa to Larkspur rail corridor.

(b) Notwithstanding subdivision (a), eleven million dollars ($11,000,000) of the grant authorized by this section may be allocated to the Board of Supervisors of the County of Marin, and seventeen million dollars ($17,000,000) may be allocated to the Board of Supervisors of the County of Sonoma, for expenditure on the rail project described in subdivision (a) or for any of the purposes specified in Section 99628, if both boards concur.

Santa Cruz County Transportation Commission
Added: Proposition 116

99640. Eleven million dollars ($11,000,000) shall be allocated to the Santa Cruz County Transportation Commission for the following:

(a) Intercity passenger rail projects connecting the City of Santa Cruz with the Watsonville Junction.

(b) Other rail projects within Santa Cruz County which facilitate recreational, commuter, intercity and intercounty travel.

Santa Clara County Transit District
Added: Proposition 116

99641. Forty seven million dollars ($47,000,000) shall be allocated to the Santa Clara County Transit District, for expenditure for rail projects within Santa Clara County.

San Diego County
Added: Proposition 116

99642. Seventy seven million dollars ($77,000,000) shall be allocated on a per capita basis to the San Diego Metropolitan Transit Development Board and the North San Diego County Transit Development Board for expenditure for rail projects within San Diego County.

Sacramento Regional Transit District
Added: Proposition 116

99643. One hundred million dollars ($100,000,000) shall be allocated to the Sacramento Regional Transit District for rail transit projects.

San Joaquin Council of Governments
Added: Proposition 116

99644. Fourteen million dollars ($14,000,000) shall be allocated to the San Joaquin Council of Governments for expenditure for rail projects along the Stockton-Manteca-Tracy corridor to the Alameda County line, including three hundred thousand dollars ($300,000) for a preliminary engineering and economic study of passenger rail service along the Stockton-Livermore (Altamont) corridor. Projects funded pursuant to this section shall be consistent with a locally adopted regional transportation plan.

City of Irvine
Added: Proposition 116

99645. One hundred twenty five million dollars ($125,000,000) shall be allocated to the City of Irvine for construction of a guideway demonstration project.

City of Vallejo
Added: Proposition 116

99646. Ten million dollars ($10,000,000) shall be allocated to the City of Vallejo for expenditure on water-borne ferry vessels and terminal improvements.

City of South Lake Tahoe
Added: Proposition 116

99647. Seven million dollars ($7,000,000) shall be allocated to the City of South Lake Tahoe for expenditure on acquisition of rights-of-way, construction of an intermodal station, and related facilities for an exclusive public mass transit guideway project.

State Museum of Railroad Technology
Added: Proposition 116

99648. Five million dollars ($5,000,000) to the Department of Parks and Recreation for construction of the California State Museum of Railroad Technology. These funds shall be provided to the Department of Parks and Recreation when sufficient funding for the entire project is available.

Rail Cars and Locomotives
Added: Proposition 116

99649. (a) One hundred million dollars ($100,000,000) shall be allocated by the commission to fund a competitive program for the acquisition of both commuter and intercity rail cars and locomotives designed pursuant to Section 99603. Local agencies and the department may apply for these funds, which shall be allocated to the department for a joint purchase. No matching funds shall be required for this competitive program. A local agency may contract with the department for purchase of additional rail equipment funded with other funds available to the local agency, including funds made available by this chapter. No funds made available by the commission pursuant to this chapter shall be used to purchase intercity or commuter rail cars or locomotives other than the standard equipment designed pursuant to Section 99603.

(b) The department shall estimate the need for commuter and intercity rail cars and locomotives to be ordered pursuant to this section and establish a delivery schedule based on the needs of the operators of rail service. Orders for rail cars and locomotives shall include options as deemed necessary by the department to ensure that equipment is delivered when needed and to permit additional future orders.

(c) The department may purchase rail cars and locomotives by competitive bid or competitive negotiation, and may negotiate sale-lease back provisions if determined to be advantageous. Proceeds from sale-lease back shall be used to acquire additional rail cars and equipment.

Bicycle Improvement Projects
Added: Proposition 116

99650. (a) Twenty million dollars ($20,000,000) shall be allocated to fund a program of competitive grants to local agencies for capital outlay for bicycle improvement projects which improve safety and convenience for bicycle commuters.

(b) Grants for the establishment of separate bicycle paths and ways shall be awarded only if the department determines that the route established will be principally used by bicycle commuters.

Water-Borne Ferry Projects
Added: Proposition 116

99651. Twenty million dollars ($20,000,000) shall be allocated to fund a program of competitive grants to local agencies for the construction, improvement, acquisition, and other

capital expenditures associated with water-borne ferry operations for the transportation of passengers or vehicles, or both.

Administration
Added: Proposition 116

99652. Not more than ten million dollars ($10,000,000) may be allocated for the administration of this part by the commission to pay its expenses and the expenses of the department in administering this part. The commission may contract with the department for technical review services needed to review grant applications pursuant to this section. The commission shall not reduce the amount of a grant authorized by this chapter to defray the costs of analyzing grant applications or any other costs associated with its administration of this part.

Reallocation Within Corridor
Added: Proposition 116

99653. In any case in which funds are granted or allocated for expenditure within specified counties or regions in or along a rail corridor, the grantee agency, including the department may, by resolution, and with the approval of the commission and of all the agencies which program capital improvements for transportation purposes along the affected part of the corridor, reallocate the funds for expenditure elsewhere along the corridor. For the purposes of this section, a corridor is a route used to provide passenger rail service.

Successor Agency
Added: Proposition 116

99654. Any agency or combination of agencies which is the successor to an agency having any rights, powers, duties, or obligations under this part, including eligibility to apply for, award, receive, and expend a grant, shall fully succeed to those rights, powers, duties, and obligations.

CHAPTER 4. APPLICATIONS FOR GRANTS

Guidelines
Added: Proposition 116

99660. (a) The commission shall adopt guidelines, as necessary, to require that grants for transit projects be expended for projects which are essential to the implementation of safe and reliable transit services. The guidelines shall include criteria for the awarding of grants for new or rehabilitated rail construction for passenger rail projects, specifying a maximum cost per mile for service for various regions of the state.

(b) The purpose of this section is to facilitate implementation of improved cost-effective transit service to the maximum number of Californians and to prevent the funds provided for by this part from being spent on needlessly costly features.

Applications
Added: Proposition 116

99661. The department, the Department of Parks and Recreation, or a local agency responsible for a project which is eligible for a grant pursuant to Chapter 3 (commencing with Section 99620) may apply to the commission for a grant for that project. Each application shall identify the specific section of Chapter 3 which authorizes the grant applied for. If a project is proposed to be funded by grants authorized by more than one section, the application shall

identify each of the applicable sections and shall specify the amount applied for under each of those sections.

Joint Applications
Added: Proposition 116

99662. Two or more applicant agencies may join in applying for a grant for a project in which each of the agencies will participate.

Application Plan
Added: Proposition 116

99663. (a) In accordance with regulations and guidelines of the commission, each application shall be accompanied by a plan describing how the grant funds will be used, what other capital funds are available for the project, and how those funds will be used. The plan shall include a plan for operating any new service, including a financial plan for operation.

(b) The plan shall also identify the sources of the remainder of the funds required for construction and operation of any new service.

(c) The application shall demonstrate that a reasonable share of the cost of any new or rehabilitated passenger rail service, as determined by the commission, will be covered by farebox revenue.

Application Review Time Limits
Added: Proposition 116

99664. (a) The commission, with the assistance of the department, shall commence its review of an application for a grant within 30 days of receipt of the application.

(b) The application shall either be approved or denied by the commission within 180 days of its receipt, except that, if the commission requests additional information from the applicant, the time for approving or denying the application shall be calculated from the date that the commission receives the additional information requested.

(c) If the commission denies an application, it shall state the specific reasons for that denial and may, in its discretion, permit the application to be amended to remove those grounds for denial. The commission shall have 180 days from the receipt of an amended application to either approve or deny the amended application.

(d) The commission shall not deny any application which meets the requirements of this part and which conforms to the regulations and guidelines of the commission for the award of grants, nor shall the commission unreasonably delay the approval of an application which substantially conforms to those requirements if the applicant agrees to allow the commission to modify the application to meet its conditions for approval.

Matching Funds
Added: Proposition 116

99665. (a) To be eligible for a grant for a rail transit project pursuant to Section 99630, subdivision (b), (c), or (d) of Section 99631, subdivision (b) or (c) of Section 99632, Section 99633, 99634, 99635, 99637, subdivision (b) of Section 99638, Section 99639, subdivision (b) of Section 99640, Section 99641, 99642, 99643, 99644, or 99645, an applicant agency shall match on a dollar-for-dollar basis, the amount of the grant from other public or private sources and shall demonstrate, to the satisfaction of the commission, the availability of those other funds.

(b) Local agencies shall not adopt new or increased development taxes, fees, or exactions or permit fees for the purpose of providing matching funds for any grant specified in subdivision (a) or to pay for operating costs of new service established by a grant made pursuant to this part.

(c) Bridge toll revenues otherwise available to a local agency may be used as a source of matching funds.

Eligibility Specific to Statutory Allocation
Added: Proposition 116

99666. The eligibility of an applicant agency for a grant pursuant to a section of Chapter 3 (commencing with Section 99620) does not make it ineligible to apply for and receive a grant pursuant to any other provision of that chapter.

Regional Grant Review Authority
Added: Proposition 116

99667. (a) An application for a grant for a commuter rail or rail transit project within the area of jurisdiction of a transportation planning agency, as defined in Sections 29532 and 29532.4 of the Government Code, shall be subject to the grant review authority of the transportation planning agency.

[sic] [Subdivision (a) is the only subdivision in this section]

Commuter Rail Coordination
Added: Proposition 116

99668. *[sic] [This section has no subdivision (a)]* Each application for a grant to fund a segment of a commuter rail project shall demonstrate that the project is coordinated with all other planned and existing connecting commuter and intercity services, to maximize their efficiency and service to the people in the region.

(b) If practicable, a joint maintenance facility shall be developed for commuter and other rail equipment at a central location in Southern California.

(c) In order to maximize efficiency and avoid duplication of effort, a single joint powers agency may be established to implement and operate all commuter rail services in Southern California.

Transit Integration Plan
Added: Proposition 116

99669. An application for rail transit extension shall include a plan for integrating bus service with rail line and for avoiding duplicative and competing bus service. The commission shall submit the application to a peer review committee of at least three persons which shall evaluate the adequacy of the local agency's transit integration plan. The peer review committee shall be appointed by the commission from persons recommended by the department and shall include representatives of transit operators. The local agency shall either implement recommendations of the peer review committee or indicate why the recommendations are not being implemented. The commission shall review the adequacy of the transit integration plan before approving the rail transit extension.

CHAPTER 5. CONDITIONS

Excluded Projects
Added: Proposition 116

99680. Funds allocated pursuant to this part shall not be used for any of the following:

(a) A rail project connecting San Bernardino County and the State of Nevada.

(b) Any alteration to the Golden Gate Bridge.

(c) Passenger rail facilities which would not be available to the general public or whose primary purpose would be to benefit a private entity or individual.

Railroad Corporation
Added: Proposition 116

99681. Funds shall not be allocated for a project requiring service over the right-of-way of a railroad corporation unless a course of improvements and operation is agreed to by the railroad corporation or unless the right-of-way, or all or part of use of the right-of-way, is acquired by eminent domain or purchase. New or increased passenger service over the right-of-way of a railroad corporation shall be implemented in a manner which ensures the adequacy and efficiency of existing freight service. Neither the specific amounts allocated pursuant to Chapter 3 (commencing with 99620), nor any other provision of this part, are intended to indicate the actual fair market value of any railroad right-of-way to be acquired or leased.

Facilities Accessible to Physically Disabled
Added: Proposition 116

99682. All passenger rail and water borne ferry equipment and facilities acquired or constructed pursuant to this part and intended for public use shall be accessible to persons with physical disabilities, including wheelchair users. All passenger vehicles and vessels shall be accessible to wheelchair users at all stops, stations and terminals whether or not staffed.

Bicycle Access
Added: Proposition 116

99683. All passenger vehicles and vessels acquired pursuant to this part shall provide reasonable access to bicycles. All stations acquired or constructed pursuant to this part shall provide convenient and secure bicycle parking facilities.

Reallocation by Legislature
Added: Proposition 116

99684. (a) All funds allocated to an agency pursuant to this part shall be programmed, encumbered, obligated, or spent prior to July 1, 2000, unless economically infeasible. If funds allocated to an agency pursuant to this part are not expended or encumbered prior to July 1, 2000, the Legislature may, by a statute passed in each house by a two-thirds vote, reallocate those funds for another rail project within that agency's jurisdiction.

(b) If any of the funds are not expended or encumbered prior to July 1, 2010, the Legislature may, in the same manner, reallocate the funds for any other passenger rail project in the state.

(c) In the case of funds allocated to the department, the reallocation shall be for a state-sponsored passenger rail project.

(d) The Legislature may, by statute passed in each house by majority vote, or in the annual Budget Bill, require the commission to award any grant specified in Chapter 3 (commencing with Section 99620) which the commission has denied.

Governor's Option
Added: Proposition 116

99685. If, within one year after the commission has denied any grant specified in Chapter 3 (commencing with Section 99620), the Legislature does not require the commission to award the grant pursuant to Section 99864, the Governor may direct the commission to award the grant if the Governor finds that the applicant for the grant is in substantial compliance with the requirements of this part.

California Environmental Quality Act (CEQA)
Added: Proposition 116

99686. Every expenditure made pursuant to this part shall be made in compliance with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

CHAPTER 6. BONDS

Clean Air and Transportation Improvement Bond Act
Added: Proposition 116

99690. This chapter shall be known and may be cited as the Clean Air and Transportation Improvement Bond Act of 1990.

Bond Authorization
Added: Proposition 116

99690.5. Bonds in the total amount of one billion nine hundred ninety million dollars ($1,990,000,000), exclusive of refunding bonds, or so much thereof as is necessary, may be issued and sold to be used for carrying out the purposes expressed in this part and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest as they become due and payable.

Clean Air and Transportation Improvement Fund
Added: Proposition 116

99691. The proceeds of bonds and notes issued and sold pursuant to this chapter shall be deposited in the Clean Air and Transportation Improvement Fund created by Section 99610.

State General Obligation Bond Law
Added: Proposition 116

99691.5. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code),

and all provisions of that law shall apply to the bonds and are hereby incorporated in this chapter as though set forth in full in this chapter.

Transportation Improvement Finance Committee
Added: Proposition 116

99692. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this chapter, the Transportation Improvement Finance Committee is hereby created. For purposes of this chapter, the Transportation Improvement Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee shall consist of the Controller, the Director of Finance, and the Treasurer, or their designated representatives. The Treasurer shall serve as chairperson of the committee. A majority of the committee may act for the committee.

(b) For purposes of this chapter, the commission is hereby designated as "the board".

Bond Committee
Added: Proposition 116

99692.5. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out this part, and, if so, the amount of the bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those purposes progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

Principal and Interest
Added: Proposition 116

99693. There shall be collected annually in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

General Fund Appropriation
Added: Proposition 116

99693.5. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund, for the purposes of this part, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum which is necessary to carry out Section 99694, appropriated without regard to fiscal years.

Use of General Fund
Added: Proposition 116

99694. For the purposes of carrying out this part, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of unsold bonds which have been authorized by the committee to be sold for the purpose of carrying out those provisions. Any amounts withdrawn shall be deposited in the fund. Any money made

available under this section shall be returned to the General Fund from money received from the sale of bonds which would otherwise be deposited in the fund.

Maintaining Federal Tax-Exempt Status
Added: Statutes of 1991, Chapter 652 (SB 822)

99694.2. Notwithstanding any other provision of this bond act, or of the State General Obligation bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), if the Treasurer sells bonds pursuant to this bond act that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions, the Treasurer may maintain separate accounts for the bond proceeds invested and the investment earnings on those proceeds, and may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law, or take any other action with respect to the investment and use of those bond proceeds, as may be required or desirable under federal law in order to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

Pooled Money Investment Account Loan
Added: Proposition 116

99694.5. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account in the General Fund, in accordance with Section 16312 of the Government Code, to carry out this part. The amount of the loan shall not exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purposes of this chapter. The board shall execute any documents as required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated in accordance with this chapter.

Premium and Accrued Interest
Added: Proposition 116

99695. All money derived from premium and accrued interest on bonds sold shall be reserved and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

Refunding Bonds
Added: Proposition 116

99695.5. Any bonds issued or sold pursuant to this chapter may be refunded by the issuance of refunding bonds in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code. Approval by the electors of the state for the issuance of the bonds shall include approval of the issuance of any bonds issued to refund any bonds originally issued or any previously issued refunding bonds.

Proceeds Not Subject to Gann Limitation
Added: Proposition 116

99696. The people of California hereby find and declare that, inasmuch as the proceeds from the sale of bonds authorized by this part are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitation imposed by that article.

* * * * * * *

REVENUE AND TAXATION CODE

DIVISION 2. OTHER TAXES
PART 1. SALES AND USE TAXES
CHAPTER 9. DISPOSITION OF PROCEEDS

Retail Sales Tax Fund
Added: Statutes of 1941, Chapter 36 (AB 449)

7101. All fees, taxes, interest, and penalties imposed and all amounts of tax required to be paid to the State under this part shall be paid to the board in the form of remittances payable to the State Board of Equalization of the State of California. The board shall transmit the payments to the State Treasurer to be deposited in the State Treasury to the credit of the Retail Sales Tax Fund.

Disposition of State Sales Tax Revenues (FY 2000-01)
Amended: Statutes of 2000, Chapter 91 (AB 2928, Section 10)

Disposition of State Sales Tax Revenues (Effective June 30, 2001)
Amended: Statutes of 2001, Chapter 113 (AB 438), Section 8

7102. The money in the fund shall, upon order of the Controller, be drawn therefrom for refunds under this part, credits or refunds pursuant to Section 60202, and refunds pursuant to Section 1793.25 of the Civil Code, or be transferred in the following manner:

(a) (1) All revenues, less refunds, derived under this part at the 4 3/4-percent rate, including the imposition of sales and use taxes with respect to the sale, storage, use, or other consumption of motor vehicle fuel which would not have been received if the sales and use tax rate had been 5 percent and if motor vehicle fuel, as defined for purposes of the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301)), had been exempt from sales and use taxes, shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and shall be transferred quarterly to the Public Transportation Account, a trust fund in the State Transportation Fund.

(A) For the 2001-02 fiscal year, those transfers may not be more than eighty-one million dollars ($81,000,000) plus one-half of the amount computed pursuant to this paragraph that exceeds eighty-one million dollars ($81,000,000).

(B) For the 2002-03 fiscal year, those transfers may not be more than thirty-seven million dollars ($37,000,000) plus one-half of the amount computed pursuant to this paragraph that exceeds thirty-seven million dollars ($37,000,000).

(2) All revenues, less refunds, derived under this part at the 4 3/4-percent rate, resulting from increasing, after December 31, 1989, the rate of tax imposed pursuant to the Motor Vehicle Fuel License Tax Law on motor vehicle fuel, as defined for purposes of that law, shall be

transferred quarterly to the Public Transportation Account, a trust fund in the State Transportation Fund.

(3) All revenues, less refunds, derived under this part at the 4 3/4-percent rate from the imposition of sales and use taxes on fuel, as defined for purposes of the Use Fuel Tax Law (Part 3 (commencing with Section 8601)) and the Diesel Fuel Tax Law (Part 31 (commencing with Section 60001)), shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and shall be transferred quarterly to the Public Transportation Account, a trust fund in the State Transportation Fund.

(4) All revenues, less refunds, derived under this part from a rate of more than 4 3/4 percent pursuant to Sections 6051.1 and 6201.1 for the period December 1, 1989, to June 5, 1990, inclusive, shall be transferred to the Disaster Relief Fund created by Section 16419 of the Government Code.

(5) All revenues, less refunds, derived under this part from a rate of more than 4 3/4 percent pursuant to Sections 6051.1 and 6201.1 for the period June 6, 1990, to December 31, 1990, inclusive, which is attributable to the imposition of sales and use taxes with respect to the sale, storage, use, or other consumption of tangible personal property other than fuel, as defined for purposes of the Use Fuel Tax Law (Part 3 (commencing with Section 8601)), shall be transferred to the Disaster Relief Fund created by Section 16419 of the Government Code.

(6) All revenues, less refunds, derived under this part from a rate of more than 4 3/4 percent pursuant to Sections 6051.1 and 6201.1 for the period June 6, 1990, to December 31, 1990, inclusive, which is attributable to the imposition of sales and use taxes with respect to the sale, storage, use, or other consumption of fuel, as defined for purposes of the Use Fuel Tax Law (Part 3 (commencing with Section 8601)), shall be transferred to the Disaster Relief Fund created by Section 16419 of the Government Code.

(7) All revenues, less refunds, derived under this part from the taxes imposed pursuant to Sections 6051.2 and 6201.2 shall be transferred to the Sales Tax Account of the Local Revenue Fund for allocation to cities and counties as prescribed by statute.

(8) All revenues, less refunds, derived under this part from the taxes imposed pursuant to Sections 6051.6 and 6201.6 shall be transferred to the Interim Public Safety Account in the Local Public Safety Fund created in Section 30051 of the Government Code for allocation to counties as prescribed by statute.

(9) All revenues, less refunds, derived from the taxes imposed pursuant to Section 35 of Article XIII of the California Constitution shall be transferred to the Public Safety Account in the Local Public Safety Fund created in Section 30051 of the Government Code for allocation to counties as prescribed by statute.

(10) An amount equal to all revenues, less refunds, derived under this part at a 4 3/4 percent rate for the period between January 1, 1994, and July 1, 1994, from the increase in sales and use tax revenue attributable to the increase in the rate of the federal motor vehicle fuel tax between January 1, 1993, and the rate in effect on January 1, 1994, shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and an amount equal to that amount, but not exceeding seven million five hundred thousand dollars ($7,500,000) shall be transferred from the Retail Sales Tax Fund to the Small Business Expansion Fund created by Article 5 (commencing with Section 14030) of Chapter 1 of Part 5 of Division 3 of Title I of the Corporations Code.

(b) The balance shall be transferred to the General Fund.

(c) The estimates required by subdivision (a) shall be based on taxable transactions occurring during a calendar year, and the transfers required by subdivision (a) shall be made during the fiscal year that commences during that same calendar year. Transfers required by

paragraphs (1), (2), and (3) of subdivision (a) shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and shall be made quarterly.

(d) Notwithstanding the designation of the Public Transportation Account as a trust fund pursuant to subdivision (a), the Controller may use the Public Transportation Account for loans to the General Fund as provided in Sections 16310 and 16381 of the Government Code. The loans shall be repaid with interest from the General Fund at the Pooled Money Investment Account rate.

(e) The Legislature may amend this section, by statute passed in each house of the Legislature by rollcall vote entered in the journal, two-thirds of the membership concurring, if the statute is consistent with, and furthers the purposes of this section.

(f) This section shall become operative on June 30, 2001.

Transportation Investment Fund

Amended: Statutes of 2001, Chapter 113 (AB 438)

7104. (a) The Transportation Investment Fund (hereafter the fund) is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, the money in the fund is continuously appropriated without regard to fiscal years for disbursement in the manner and for the purposes set forth in this section.

(b) All of the following shall occur on a quarterly basis:

(1) The State Board of Equalization, in consultation with the Department of Finance, shall estimate the amount that is transferred to the General Fund under subdivision (b) of Section 7102 that is attributable to revenue collected for the sale, storage, use, or other consumption in this state of motor vehicle fuel, as defined in Section 7304.

(2) The State Board of Equalization shall inform the Controller, in writing, of the amount estimated under paragraph (1).

(3) Commencing with the 2003-04 fiscal year, the Controller shall transfer the amount estimated under paragraph (1) from the General Fund to the fund.

(c) For each quarter during the period commencing on July 1, 2003, and ending on June 30, 2008, the Controller shall make all of the following transfers and apportionments from the funds identified for transfer under paragraph (2) of subdivision (b) in the following order:

(1) To the Traffic Congestion Relief Fund created in the State Treasury by Section 14556.5 of the Government Code, the sum of one hundred sixty-nine million five hundred thousand dollars ($169,500,000), except that the transfer for the final quarter shall be ninety-three million four hundred thousand dollars ($93,400,000), for a total transfer of three billion three hundred thirteen million nine hundred thousand dollars ($3,313,900,000).

(2) To the Public Transportation Account, a trust fund in the State Transportation Fund, 20 percent of the amount remaining after the transfer required under paragraph (1). Funds transferred under this paragraph shall be appropriated by the Legislature as follows:

(A) To the Department of Transportation, 50 percent for purposes of subdivision (a) or (b) of Section 99315 of the Public Utilities Code.

(B) To the Controller, 25 percent for allocation pursuant to Section 99314 of the Public Utilities Code. Funds allocated under this subparagraph shall be subject to all of the provisions governing funds allocated under Section 99314 of the Public Utilities Code.

(C) To the Controller, 25 percent for allocation pursuant to Section 99313 of the Public Utilities Code. Funds allocated under this subparagraph shall be subject to all of the provisions governing funds allocated under Section 99313 of the Public Utilities Code.

(3) To the Department of Transportation for expenditure for programming for transportation capital improvement projects subject to all of the provisions governing the State Transportation Improvement Program, 40 percent of the amount remaining after the transfer required under paragraph (1), except that in the 2006-07 and 2007-08 fiscal years, the transfer shall be 80 percent of the amount remaining after the transfer required under paragraph (1).

(4) To the Controller for apportionment to the counties, including a city and county, 20 percent of the amount remaining after the transfer required under paragraph (1), except that in the 2006-07 and 2007-08 fiscal years, no transfer may be made under this paragraph. Funds transferred under this paragraph shall be allocated in accordance with the following formulas:

(A) Seventy-five percent of the funds payable under this paragraph shall be apportioned among the counties in the proportion that the number of fee-paid and exempt vehicles that are registered in the county bears to the number of fee-paid and exempt vehicles registered in the state.

(B) Twenty-five percent of the funds payable under this paragraph shall be apportioned among the counties in the proportion that the number of miles of maintained county roads in each county bears to the total number of miles of maintained county roads in the state. For the purposes of apportioning funds under this subparagraph, any roads within the boundaries of a city and county that are not state highways shall be deemed to be county roads.

(5) To the Controller for apportionment to cities, including a city and county, 20 percent of the amount remaining after the transfer required under paragraph (1), except that in the 2006-07 and 2007-08 fiscal years, no transfer may be made under this paragraph. Funds transferred under this paragraph shall be apportioned among the cities in the proportion that the total population of the city bears to the total population of all the cities in the state.

(d) Funds received under paragraph (4) or (5) of subdivision (c) shall be deposited as follows in order to avoid the commingling of those funds with other local funds:

(1) In the case of a city, into the city account that is designated for the receipt of state funds allocated for transportation purposes.

(2) In the case of a county, into the county road fund.

(3) In the case of a city and county, into a local account that is designated for the receipt of state funds allocated for transportation purposes.

(e) Funds allocated to a city, county, or city and county under paragraph (4) or (5) of subdivision (c) shall be used only for street and highway maintenance, rehabilitation, reconstruction, and storm damage repair. For purposes of this section, the following terms have the following meanings:

(1) "Maintenance" means either or both of the following:

(A) Patching.

(B) Overlay and sealing.

(2) "Reconstruction" includes any overlay, sealing, or widening of the roadway, if the widening is necessary to bring the roadway width to the desirable minimum width consistent with the geometric design criteria of the department for 3R (reconstruction, resurfacing, and rehabilitation) projects that are not on a freeway, but does not include widening for the purpose of increasing the traffic capacity of a street or highway.

(3) "Storm damage repair" is repair or reconstruction of local streets and highways and related drainage improvements that have been damaged due to winter storms and flooding, and construction of drainage improvements to mitigate future roadway flooding and damage problems, in those jurisdictions that have been declared disaster areas by the President of the United States, where the costs of those repairs are ineligible for emergency funding with Federal

Emergency Relief (ER) funds or Federal Emergency Management Administration (FEMA) funds.

(f) (1) Cities and counties shall maintain their existing commitment of local funds for street and highway maintenance, rehabilitation, reconstruction, and storm damage repair in order to remain eligible for the allocation of funds pursuant to paragraph (4) or (5) of subdivision (c).

(2) In order to receive any allocation pursuant to paragraph (4) or (5) of subdivision (c), the city or county shall annually expend from its general fund for street, road, and highway purposes an amount not less than the annual average of its expenditures from its general fund during the 1996-97, 1997-98, and 1998-99 fiscal years, as reported to the Controller pursuant to Section 2151 of the Streets and Highways Code. For purposes of this paragraph, in calculating a city's or county's annual general fund expenditures and its average general fund expenditures for the 1996-97, 1997-98, and 1998-99 fiscal years, any unrestricted funds that the city or county may expend at its discretion, including vehicle in-lieu tax revenues and revenues from fines and forfeitures, expended for street and highway purposes shall be considered expenditures from the general fund. One-time allocations that have been expended for street and highway purposes, but which may not be available on an ongoing basis, including revenue provided under the Teeter Plan Bond Law of 1994 (Chapter 6.6 (commencing with Section 54773) of Part 1 of Division 2 of Title 5 of the Government Code, may not be considered when calculating a city's or county's annual general fund expenditures.

(3) For any city incorporated after July 1, 1996, the Controller shall calculate an annual average of expenditure for the period between July 1, 1996, and December 31, 2000, that the city was incorporated.

(4) For purposes of paragraph (2), the Controller may request fiscal data from cities and counties in addition to data provided pursuant to Section 2151, for the 1996-97, 1997-98, and 1998-99 fiscal years. Each city and county shall furnish the data to the Controller not later than 120 days after receiving the request. The Controller may withhold payment to cities and counties that do not comply with the request for information or that provide incomplete data.

(5) The Controller may perform audits to ensure compliance with paragraph (2) when deemed necessary. Any city or county that has not complied with paragraph (2) shall reimburse the state for the funds it received during that fiscal year. Any funds withheld or returned as a result of a failure to comply with paragraph (2) shall be reallocated to the other counties and cities whose expenditures are in compliance.

(6) If a city or county fails to comply with the requirements of paragraph (2) in a particular fiscal year, the city or county may expend during that fiscal year and the following fiscal year a total amount that is not less than the total amount required to be expended for those fiscal years for purposes of complying with paragraph (2).

(7) The allocation made under paragraph (4) or (5) of subdivision (c) shall be expended not later than the end of the fiscal year following the fiscal year in which the allocation was made, and any funds not expended within that period shall be returned to the Controller and shall be reallocated to the other cities and counties pursuant to the allocation formulas set forth in paragraph (4) or (5) of subdivision (c).

(g) The Los Angeles County Metropolitan Transportation Authority shall give first priority for using its share of the funds made available under subparagraphs (B) and (C) of paragraph (2) of subdivision (c) to providing the levels of bus service mandated under the consent decree entered into by the authority on October 29, 1996, in the case of Labor/Community Strategy Center, et al. v. Los Angeles County Metropolitan Transportation Authority.

(h) For the purpose of allocating funds under paragraph (4) or (5) of subdivision (c) to counties, cities, and a city and county, the Controller shall use the most recent population estimates prepared by the Demographic Research Unit of the Department of Finance. For a city that incorporated after January 1, 1998, that does not appear on the most recent population estimates prepared by the Demographic Research Unit, the Controller shall use the population determined for that city under Section 11005.3 of the Revenue and Taxation Code.

(i) This section shall become inoperative on the date that all encumbrances incurred for the projects funded under paragraph (3) of subdivision (c) have been liquidated or on June 30, 2008, whichever date is later, and as of the January 1 immediately following that date is repealed.

* * * * * * *

PART 2. MOTOR VEHICLE FUEL LICENSE TAX

CHAPTER 2. IMPOSITION OF TAX

Gasoline Tax (Beginning 2002)

Amended: Statutes of 2000, Chapter 1053 (AB 2114); effective January 1, 2002.

7360. (a) A tax of eighteen cents ($0.18) is hereby imposed upon each gallon of fuel subject to the tax in Sections 7362, 7363, and 7364.

(b) If the federal fuel tax is reduced below the rate of nine cents ($0.09) per gallon and federal financial allocations to this state for highway and exclusive public mass transit guideway purposes are reduced or eliminated correspondingly, the tax rate imposed by this section, on and after the date of the reduction, shall be recalculated by an amount so that the combined state and federal tax rate per gallon equals twenty-seven cents ($0.27).

(c) If any person or entity is exempt or partially exempt from the federal fuel tax at the time of a reduction, the person or entity shall continue to be so exempt under this section.

* * * * * * *

PART 3. USE FUEL TAX

CHAPTER 2. IMPOSITION OF TAX

Use Fuel Tax: Diesel

Amended: Statutes of 1990, Chapter 627 (SB 2829)

8651. (a) An excise tax is hereby imposed for the use of fuel at the following rate per gallon:

(1) Fourteen cents ($0.14) during 1990, on and after August 1.

(2) Fifteen cents ($0.15) during 1991.

(3) Sixteen cents ($0.16) during 1992.

(4) Seventeen cents ($0.17) during 1993.

(5) Eighteen cents ($0.18) on and after January 1, 1994.

(b) If the federal fuel tax is reduced below the rate of fifteen cents ($0.15) per gallon and federal financial allocations to this state for highway and exclusive public mass transit guideway purposes are reduced or eliminated correspondingly, the tax rate imposed by this Section, on and after the date of the reduction, shall be increased by an amount so that the combined state and federal tax rate per gallon equals the following:

(1) Twenty-nine cents ($0.29) during 1990, on and after August 1.
(2) Thirty cents ($0.30) during 1991.
(3) Thirty-one cents ($0.31) during 1992.
(4) Thirty-two cents ($0.32) during 1993.
(5) Thirty-three cents ($0.33) on and after January 1, 1994.

(c) If any person or entity is exempt or partially exempt from the federal fuel tax at the time of a reduction, the person or entity shall continue to be exempt under this section.

Use Fuel Tax: Liquefied Petroleum Gas

Amended: Statutes of 1975, Chapter 807 (AB 2149)

8651.5. Notwithstanding the provisions of Section 8651, on or after January 1, 1966 the excise tax imposed upon liquefied petroleum gas shall be at the rate of six cents ($0.06) for each gallon of fuel used. All references in this code to Section 8651 shall be deemed, with respect to the rate imposed upon liquefied petroleum gas on or after January 1,1966, to also refer to this section. Neither the tax imposed by this section nor the tax imposed by Section 8651 shall apply to the use of liquefied petroleum gas in a vehicle during any period of time for which the owner or operator of the vehicle has paid the annual flat rate fuel tax as provided in Section 8651.7.

Use Fuel Tax: Natural Gas

Amended: Statutes of 1975, Chapter 807(AB 2149)

8651.6. Notwithstanding the provisions of Sections 8651 and 8651.5, on or after January 1, 1971, the excise tax imposed upon natural gas shall be at the rate of seven cents ($0.07) for each 100 cubic feet of compressed natural gas used, measured at standard pressure and temperature, and at a rate of six cents ($0.06) for each gallon of liquid natural gas used. All references in this code to Section 8651 shall, with respect to the rate imposed upon natural gas on or after January 1, 1971, also refer to this section. Neither the tax imposed by this section nor the tax imposed by Section 8651 shall apply to the use of compressed natural gas or liquid natural gas used in a vehicle during any period of time for which the owner or operator of the vehicle has paid the annual flat rate fuel tax as provided in Section 8651.7.

Annual Flat Rate

Amended: Statutes of 1997, Chapter 620 (SB 1102)

8651.7. (a) The owner or operator, except an interstate user, of a vehicle propelled by a system using liquefied petroleum gas, liquid natural gas, or compressed natural gas may pay the fuel tax for the use of those fuels by paying an annual flat rate fuel tax according to the following schedule:

Unladen weight	Fee
All passenger cars and other vehicles 4,000 lbs. or less	$36
More than 4,000 lbs. but less than 8,001 lbs.	72
More than 8,000 lbs. but less than 12,001 lbs.	120
12,001 lbs. or more	168

(b) The annual flat rate fuel tax described in subdivision (a) shall be an annual tax. The annual period shall be that period from the end of the month in which the tax was paid to the end of the month prior in the following calendar year. When an owner or operator elects to pay the annual flat rate fuel tax on more than one vehicle, the owner or operator may request that the board prorate the tax due on a vehicle added during the annual period, so that all vehicles have the same annual period. In the year a vehicle is added, the annual flat rate fuel tax for that

vehicle shall be calculated by dividing the fee set forth in subdivision (a) by 12 and multiplying the resulting amount by the number of months remaining before the beginning of the next annual period.

(c) The board shall adopt an identification procedure for vehicles with respect to which the annual flat rate tax described in subdivision (a) of this section has been paid.

Use Fuel Tax: Ethanol or Methanol

Amended: Statutes of 1993, Chapter 875 (SB 146)

8651.8. (a) Notwithstanding Section 8651, the excise tax imposed upon ethanol or methanol containing not more than 15 percent gasoline or diesel fuels shall be one-half the rate prescribed by Section 8651 for each gallon of fuel used.

(b) All references in this code to Section 8651 shall be deemed, with respect to the rate imposed upon ethanol or methanol, to also refer to this section.

Exemption for Fuel Used for Nontransportation Purposes

Amended: Statutes of 1968, Chapter 1217 (SB 478)

8652. No tax shall be imposed upon any user with respect to that fuel which the user establishes to the satisfaction of the board is used:

(a) To propel an implement of husbandry, truck, or farm tractor used in agricultural operations off the highway and only incidentally operated upon a highway, for the purpose of moving between farms or parts of farms, which farms or parts of farms are in close proximity, and which implement of husbandry, truck or farm tractor is exempt from registration under the Vehicle Code;

(b) To propel any construction equipment while operated within the confines and limits of a construction project and only incidentally operated upon the highway and which construction equipment is exempt from vehicle registration pursuant to the Vehicle Code; or

(c) For a purpose other than the generation of power to propel a motor vehicle in this state.

Exemption for Off-Highway Operations

Amended: Statutes of 1968, Chapter 1217 (SB 478)

8653. No tax shall be imposed upon any user with respect to that fuel which the user establishes to the satisfaction of the board is used in the operation of a motor vehicle off the highway.

Exemption for Operation on US Department of Agriculture Roads

Added: Statutes of 1967, Chapter 1682 (SB 1296)

8653.1. No tax shall be imposed on any user with respect to fuel used in the operation of a motor vehicle on any highway which is under the jurisdiction of the United States Department of Agriculture and with respect to the use of such highway the user pays, or contributes to, the cost of construction or maintenance thereof pursuant to an agreement with, or permission of, the United States Department of Agriculture.

Exemption for Public Agency Use on Military Reservation Roads

Added: Statutes of 1957, Chapter 419 (AB 544)

8654. No tax shall be imposed as to any fuel used in any motor vehicle owned by any county, city and county, city, district, or other political subdivision or public agency when operated by it over any highway constructed and maintained by the United States or any

department or agency thereof within a military reservation in this State. If any such motor vehicle is operated both over such highway and over a public highway outside the military reservation in a continuous trip the tax shall be imposed only as to that portion of the fuel used to operate the vehicle over the public highway outside the military reservation.

Nothing contained in this section shall be construed as an exemption from the tax of the use of fuel in any motor vehicle operated upon a public highway within a military reservation, which highway is constructed and or maintained by this State or any political subdivision thereof.

As used in this section, "military reservation" includes any establishment of the United States Government or any agency thereof used by the armed forces of the United States for military, air, or naval operations, including research projects.

Fuel Tax Relief for Transit and School Buses

Amended: Statutes of 1984, Chapter 1663 (AB 281)

8655. (a) This section shall be known and may be cited as the Mills-Hayes Act.

(b) No tax shall be imposed upon fuel used by:

(1) Any transit district, transit authority, or city owning and operating a local transit system itself or through a wholly owned nonprofit corporation.

(2) Any private entity providing transportation services for the transportation of people under contract or agreement, except general franchise agreements, with a public agency authorized to provide public transportation services, only for fuels consumed while providing services under such contracts or agreements entered into subsequent to the effective date of this act.

(3) Any passenger stage corporation subject to the jurisdiction of the Public Utilities Commission when the motor vehicles of such passenger stage corporation are exclusively operated in urban or suburban areas or between cities in close proximity for the transportation of persons for hire, compensation, or profit; provided, however, that the exemption is not extended to any line or lines operated by such passenger stage corporation which shall exceed 50 miles of one-way route mileage.

(4) Any common carrier of passengers operating exclusively on any line or lines within the limits of a single city between fixed termini or over a regular route, 98 percent of whose operations, as measured by total route mileage operated, are exclusively within the limits of a single city, and who by reason thereof is not a passenger stage corporation subject to the jurisdiction of the Public Utilities Commission.

(5) Any school district, community college district, or county superintendent of schools owning, leasing, or operating buses for the purpose of transporting pupils to and from school and for other school or college activities involving pupils, including, but not limited to, field trips and athletic contests.

(6) Any private entity providing transportation services for the purposes specified in paragraph (5) under contract or agreement with a school district, community college district, or county superintendent of schools, only for fuels consumed while providing services under those contracts or agreements entered into subsequent to the effective date of the act adding this paragraph.

(c) Notwithstanding the exemption provided for by subdivision (b), any system, corporation, or carrier using fuel exempt under the provisions of subdivision (b) shall, for the privilege of operating vehicles on state highways and freeways, make a payment equal to one cent ($0.01) for each gallon of such exempt fuel used. The payments required by this

subdivision shall be paid to the State Board of Equalization in the manner prescribed by the board, and such payments shall be treated as a tax for all purposes of this part.

(d) The exemption provided for in subdivision (b) and the payments provided for in subdivision (c) shall not be applicable to fuel used by a charter-party carrier of passengers. The term "charter-party carrier of passengers" has the same meaning as that specified in Section 5360 of the Public Utilities Code and shall further include those transportation services described in subdivisions (a) and (e) of Section 5353 of the Public Utilities Code, if such transportation service is rendered as contract carriage and not as common carriage of passengers.

(e) There are in the State of California many local bus transit operators in need of financial assistance from sources other than the local property tax. These operators are performing essential public transit service as a vital counterpart of the streets and highways. It is the purpose of this section to provide relief from the payment of use fuel tax for local transit operators and it is the intent of the Legislature that the funds accruing to such operators shall be used for the improvement of their transit operations and to aid in providing better transit service to and from places of employment.

There are also in the State of California many private entities providing public transportation services for the transportation of people in vehicles other than buses under contract or agreement with local government, transit districts or local bus transit operators. It is the purpose of this section to provide relief from the payment of use fuel taxes for diesel fuel for those private entities only for fuel consumed while providing these services.

Fuel Tax Relief for School Buses Reimbursed by General Fund

Amended: Statutes of 1984, Chapter 1663 (AB 281)

8655.5. (a) Commencing with the 1984-85 fiscal year, the Controller shall annually transfer from the General Fund to the Highway Users Tax Account in the Transportation Tax Fund, the amount, as determined by the State Board of Equalization, necessary to fully reimburse the account for any revenue loss caused by the exemptions provided by paragraphs (5) and (6) of subdivision (b) of Section 8655.

(b) In addition, the Controller shall transfer, on January 1, 1985, the sum of four hundred thirty-five thousand dollars ($435,000) from the General Fund to the account to fully reimburse the account for the revenue loss caused by Section 3 of the act enacting this section.

Alcohol Taxed as Fuel

Amended: Statutes of 1982, Chapter 1589 (AB 3195)

8657. (a) Notwithstanding any provision of the Alcoholic Beverage Control Act (Division 9 (commencing with Section 230000) of the Business and Professions Code) any alcohol produced for use in or as a fuel to propel a motor vehicle shall be taxed as fuel under this part and shall not be subject to taxes under the Alcoholic Beverage Tax Law (Part 14 (commencing with Section 32001)).

(b) The state requirements for determining whether alcohol is produced for use in or as a fuel to propel a motor vehicle and not for use as an alcoholic beverage shall be the same as the requirements of the Bureau of Alcohol, Tobacco and Firearms of the United States Department of Treasury under federal law.

* * * * * * *

STREETS AND HIGHWAYS CODE

DIVISION 1. STATE HIGHWAYS
CHAPTER 1. ADMINISTRATION
Article 3. The Department of Transportation

AB 680 - Toll Road Demonstration Program Constructed By Private Entities
Amended: Statutes of 2002, Chapter 688 (AB 1010)

143. (a) The department may solicit proposals and enter into agreements with private entities, or consortia thereof, for the construction by, and lease to, private entities of two public transportation demonstration projects. The department shall not enter into an agreement for any new proposals under this authority after January 1, 2003.

(b) For the purpose of facilitating those projects, the agreements may include provisions for the lease of rights-of-way in, and airspace over or under, state highways, for the granting of necessary easements, and for the issuance of permits or other authorizations to enable the private entity to construct transportation facilities supplemental to existing state-owned transportation facilities. Facilities constructed by a private entity pursuant to this section shall, at all times, be owned by the state. The agreement shall provide for the lease of those facilities to the private entity for up to 35 years. In consideration therefor, the agreement shall provide for complete reversion of the privately constructed facility to the state at the expiration of the lease at no charge to the state.

(c) The department may exercise any power possessed by it with respect to the development and construction of state transportation projects to facilitate the development and construction of transportation projects pursuant to this section. Agreements for maintenance and police services entered into pursuant to this section shall provide for full reimbursement for services rendered by the department or other state agencies. The department may provide services for which it is reimbursed with respect to preliminary planning, environmental certification, and preliminary design of the demonstration projects.

(d) (1) Agreements entered into pursuant to this section shall authorize the private entity to impose tolls for use of a facility constructed by it, and shall require that over the term of the lease the toll revenues be applied to payment of the private entity's capital outlay costs for the project, the costs associated with operations, toll collection, administration of the facility, reimbursement to the state for the costs of maintenance and police services, and a reasonable return on investment to the private entity. The agreement shall require that any excess toll revenue either be applied to any indebtedness incurred by the private entity with respect to the project or be paid into the State Highway Account, or both.

(2) The authority to collect tolls for the use of these facilities shall terminate at the expiration of the franchise agreement.

(e) The plans and specifications for each project constructed pursuant to this section shall comply with the department's standards for state transportation projects. A facility constructed by and leased to a private entity shall, during the term of the lease, be deemed to be a part of the state highway system for purposes of identification, maintenance, enforcement of traffic laws, and for the purposes of Division 3.6 (commencing with Section 810) of Title 1 of the Government Code.

(f) The assignment authorized by subdivision (c) of Section 130240 of the Public Utilities Code is consistent with this section.

* * * * * * *

Article 4.3. Transportation Funding Plan

Basis for Fund Estimate
Amended: Statutes of 1998, Chapter 877 (AB 2132)

163. The Legislature, through the enactment of this section, intends to establish a policy for the use of all transportation funds that are available to the state, including the State Highway Account, the Public Transportation Account, and federal funds. For the purposes of this section, "federal funds" means any obligational authority to be provided under annual federal transportation appropriations acts. The department and the commission shall prepare fund estimates pursuant to Sections 14524 and 14525 of the Government Code based on the following:

(a) Annual expenditures for the administration of the department shall be the same as the most recent Budget Act, adjusted for inflation.

(b) Annual expenditures for the maintenance and operation of the state highway system shall be the same as the most recent Budget Act, adjusted for inflation and inventory.

(c) Annual expenditure for the rehabilitation of the state highway system shall be the same as the most recent Budget Act, or, if a long-range rehabilitation plan has been enacted pursuant to Section 164.6, it shall be based on planned expenditures in a long-range rehabilitation plan prepared by the department pursuant to Section 164.6.

(d) Annual expenditures for local assistance shall be the amount required to fund local assistance programs required by state or federal law or regulations, including, but not limited to, railroad grade crossing maintenance, bicycle transportation account, congestion mitigation and air quality, regional surface transportation programs, local highway bridge replacement and rehabilitation, local seismic retrofit, local hazard elimination and safety, and local emergency relief.

(e) After deducting expenditures for administration, operation, maintenance, local assistance, safety, and rehabilitation pursuant to subdivisions (a), (b), (c), and (d), and for expenditures pursuant to Section 164.56, the remaining funds shall be available for capital improvement projects to be programmed in the state transportation improvement program.

STIP Regional and Interregional Programs; 75/25 Split
Amended: Statutes of 1998, Chapter 596 (AB 2035)

164. (a) Funds made available for transportation capital improvement projects under subdivision (e) of Section 163 shall be programmed and expended for the following program categories:

(1) Twenty-five percent for interregional improvements.

(2) Seventy-five percent for regional improvements.

(b) Sixty percent of the funds available for interregional improvements under paragraph (1) of subdivision (a) shall be programmed and expended for improvements to state highways that are specified in Sections 164.10 to 164.20, inclusive, and that are outside the boundaries of an urbanized area with a population of more than 50,000, and for intercity rail improvements.

(c) Not less than 15 percent of the amount of funds programmed under subdivision (b) shall be programmed for intercity rail improvement projects, including separation of grade projects.

(d) Funds made available under paragraph (1) of subdivision (a) shall be used for transportation improvement projects that are needed to facilitate interregional movement of people and goods. The projects may include state highway, intercity passenger rail, mass transit guideway, or grade separation projects.

(e) Funds made available under paragraph (2) of subdivision (a) shall be used for transportation improvement projects that are needed to improve transportation within the region. The projects may include, but shall not be limited to, improving state highways, local roads, public transit, intercity rail, pedestrian, and bicycle facilities, and grade separation, transportation system management, transportation demand management, soundwall projects, intermodal facilities, safety, and providing funds to match federal funds.

Interregional Road System

Amended: Statutes of 1997, Chapter 622 (SB 45)

164.3. The interregional road system shall include, and shall be limited to, those routes that are specified in Sections 164.10 to 164.20, inclusive.

Ten-Year State Rehabilitation Plan

Amended: Statutes of 2000, Chapter 91 (AB 2928)

164.6. (a) The department shall prepare a 10-year state rehabilitation plan for the rehabilitation and reconstruction, or the combination thereof, of all state highways and bridges owned by the state. The plan shall identify all rehabilitation needs for the 10-year period beginning on July 1, 1998, and ending on June 30, 2008, and shall include a schedule of improvements to complete all needed rehabilitation not later than June 30, 2008. The plan shall be updated every two years beginning in 2000. The plan shall include specific milestones and quantifiable accomplishments, such as miles of highways to be repaved and number of bridges to be retrofitted. The plan shall contain strategies to control cost and improve the efficiency of the program, and include a cost estimate for at least the first five years of the program.

(b) The plan shall be submitted to the commission for review and comments and shall be transmitted to the Governor and the Legislature not later than May 1, 1998.

(c) The plan shall be the basis for the department's budget request and for the adoption of fund estimates pursuant to Section 163.

Eligible Interregional Routes

Amended: Statutes of 1996, Chapter 1154 (AB 3020)

164.10. For purposes of subdivision (e) of Section 164.3, the eligible interregional and intercounty routes include all of the following:

Route 1.

Route 2, between the north urban limits of Los Angeles-Long Beach and Route 138.

Route 4, between the east urban limits of Antioch-Pittsburg and Route 89.

Route 5.

Route 6.

Route 7.

Route 8.

Route 9, between the north urban limits of Santa Cruz and the south urban limits of San Jose.

Route 10, between the east urban limits of San Bernardino-Riverside and the Arizona state line.

Eligible Interregional Routes
Amended: Statutes of 1998, Chapter 877 (AB 2132)

164.11. For purposes of subdivision (e) of Section 164.3, the eligible interregional and intercounty routes include all of the following:

Route 12.

Route 14.

Route 15.

Route 16, between the east urban limits of Sacramento and Route 49.

Route 17, between the north urban limits of Santa Cruz and the south urban limits of San Jose.

Route 18, between the City of San Bernardino and the junction with Routes 18 and 138 in Los Angeles County.

Route 20.

Route 25, between Route 146 in San Benito County and Route 101 in Santa Clara County.

Route 28.

Route 29.

Eligible Interregional Routes
Amended: Statutes of 1996, Chapter 1154 (AB 3020)

164.12. For purposes of subdivision (e) of Section 164.3, the eligible interregional and intercounty routes include all of the following:

Route 36, between Route 5 and Route 395.

Route 37, between the east urban limits of San Francisco-Oakland near Novato and the west urban limits of San Francisco-Oakland near Vallejo.

Route 38, between the east urban limits of San Bernardino-Riverside and Route 18 west of Big Bear Lake.

Route 40.

Route 41, between Route 1 and Yosemite National Park.

Route 44, between the east urban limits of Redding and Route 36.

Route 46, between Route 1 and Route 99.

Route 49, between Route 41 and Route 89.

Eligible Interregional Routes
Amended: Statutes of 1996, Chapter 1154 (AB 3020)

164.13. For purposes of subdivision (e) of Section 164.3, the eligible interregional and intercounty routes include all of the following:

Route 50.

Route 53.

Route 58, between Route 5 and Route 15.

Route 62.

Route 63, between the north urban limits of Visalia and Route 180.

Route 65, between the north urban limits of Bakersfield and Route 198 near Exeter and between Route 80 and Route 99 near Yuba City.

Route 68.

Eligible Interregional Routes
Amended: Statutes of 1996, Chapter 1154 (AB 3020)

164.14. For purposes of subdivision (e) of Section 164.3, the eligible interregional and intercounty routes include all of the following:

Route 70, between Route 99 north of Sacramento and Route 395.
Route 74.
Route 78.
Route 79, between Route 8 and Route 10.
Route 80.
Route 86, between Route 111 in Brawley and Route 10.
Route 88.
Route 89.

Eligible Interregional Routes
Amended: Statutes of 1996, Chapter 1154 (AB 3020)

164.15. For purposes of subdivision (e) of Section 164.3, the eligible interregional and intercounty routes include all of the following:

Route 94, except within the urban limits of the County of San Diego.
Route 95, between Route 10 and the Nevada state line.
Route 97.
Route 98, between Route 111 and Route 7.
Route 99, with routing to be determined via Route 70 or via Route 99 between Route 70 north of Sacramento and Route 149 north of Oroville.
Route 101.
Route 108, between Route 120 at Yosemite Junction and Route 395.
Route 111, between the Mexico border near Calexico and Route 10 near Whitewater.
Route 113, between Route 80 and Route 5.
Route 116, between Route 1 and Route 12.

Eligible Interregional Routes
Amended: Statutes of 2002, Chapter 438 (AB 3026)

164.16. For purposes of Section 164.3, the eligible interregional and intercounty routes include all of the following:

Route 120, between Route 5 and Route 395.
Route 126, between the east urban limits of Oxnard-Ventura-Thousand Oaks and Route 5. Route 127.
Route 128.
Route 129, between Route 1 and Route 101.
Route 132, west of Route 99.
Route 138, between Route 5 and Route 14 in Los Angeles County and between Route 14 in Los Angeles County and Route 18 near Crestline in San Bernardino County.
Route 139, between Route 299 and the Oregon state line.
Route 246, between Route 1 and Route 101.

Eligible Interregional Routes
Amended: Statutes of 1998, Chapter 877 (AB 2132)

164.17. For purposes of subdivision (e) of Section 164.3, the eligible interregional and intercounty routes include all of the following:

Route 140, between the east urban limits of Merced and Yosemite National Park.
Route 146.
Route 149.
Route 152, between Route 101 and Route 99.
Route 154.
Route 156, between Route 1 and Route 152.

Eligible Interregional Routes
Added: Statutes of 1998, Chapter 877 (AB 2132)

164.18. For purposes of subdivision (e) of Section 164.3, the eligible interregional and intercounty routes include all of the following:

Route 160, between the north urban limits of Antioch-Pittsburg and the south urban limits of Sacramento.
Route 168, between the east urban limits of Fresno and Route 168 at Florence Lake Road, and between Route 168 near Lake Sabrina and Route 395.
Route 178, between the east urban limits of Bakersfield and Route 14.
Route 180, between the east urban limits of Fresno and Kings Canyon National Park.
Route 188.
Route 190, between Route 65 and Route 127.
Route 198, between Route 5 and the Sequoia National Park.
Route 199.

Eligible Interregional Routes
Added: Statutes of 1989, Chapter 105 (SB 300)

164.19. For purposes of subdivision (e) of Section 164.3, the eligible interregional and intercounty routes include all of the following:

Route 203.
Route 205.
Route 207.
Route 215.
Route 243.
Route 267.
Route 299, between Route 101 and Route 89, and between Route 139 and Route 395.

EligibleInterregional Routes
Added: Statutes of 1989, Chapter 105 (SB 300)

164.20. For purposes of subdivision (e) of Section 164.3, the eligible interregional and intercounty routes include all of the following:

Route 330, between the north urban limits of San Bernardino-Riverside and Route 18.
Route 371.
Route 395.
Route 505.
Route 580.

Route 680.
Route 905, except within the urban limits of San Diego.

SB 2800-Advance Expenditures of Local Share for STIP projects
Added: Statutes of 1990, Chapter 993 (SB 2800)

164.53. (a) A local agency may request authorization from the commission to make advance expenditures of funds, other than state or federal funds, for a project which is included in the priority list for the allocation of transit capital improvement funds pursuant to Section 99317 of the Public Utilities Code, or is included in the adopted state transportation improvement program, or is specifically authorized by Chapter 3 (commencing with Section 99600) of Part 11.5 of Division 10 of the Public Utilities Code.

(b) If the commission approves a request submitted pursuant to subdivision (a), the approved advance expenditures shall be considered either part of the nonfederal share of project costs, or part of the match from public or private sources, for projects which are included in the transit capital improvement program pursuant to Section 99317 of the Public Utilities Code, or included in the state transportation improvement program, or which are authorized by Chapter 3 (commencing with Section 99600) of Part 11.5 of Division 10 of the Public Utilities Code.

(c) The commission's approval of a request pursuant to subdivision (b) does not, in and of itself, constitute an obligation to allocate state funds for the project.

(d) The commission, in consultation with the department and local transportation officials, shall develop and adopt guidelines to implement this section. The guidelines shall include a requirement that the advance expenditure of funds will result in the completion of an operable segment of a transportation project. The acquisition of right-of-way needed either for a usable urban or commuter rail project or an operable segment of an urban or commuter rail project meets that requirement.

(e) The commission shall prepare a report on the progress and impact of the advance expenditure program authorized by this section and shall include the report as an element of the annual report to the Legislature required pursuant to Sections 14535 and 14536 of the Government Code.

Environmental Enhancement and Mitigation Program
Amended: Statutes of 1999, Chapter 739 (SB 117)

164.56. (a) It is the intent of the legislature to allocate ten million dollars ($10,000,000) annually to the Environmental Enhancement and Mitigation Program Fund, which is hereby created.

(b) Local, state, and federal agencies and nonprofit entities may apply for and receive grants, not to exceed five million dollars ($5,000,000) for any single grant, to undertake environmental enhancement and mitigation projects that are directly or indirectly related to the environmental impact of modifying existing transportation facilities or for the design, construction, or expansion of new transportation facilities.

(c) Projects eligible for funding include, but are not limited to, all of the following:

(1) Highway landscaping and urban forestry projects designed to offset vehicular emissions of carbon dioxide.

(2) Acquisition or enhancement of resource lands to mitigate the loss of, or the detriment to, resource lands lying within the right-of-way acquired for proposed transportation improvements.

(3) Roadside recreational opportunities, including roadside rests, trails, trailheads, and parks.

(4) Projects to mitigate the impact of proposed transportation facilities or to enhance the environment, where the ability to effectuate the mitigation or enhancement measures is beyond the scope of the lead agency responsible for assessing the environmental impact of the proposed transportation improvement.

(d) Grant proposals shall be submitted to the Resources Agency for evaluation in accordance with procedures and criteria prescribed by the Resources Agency. The Resources Agency shall evaluate proposals submitted to it and prepare a list of proposals recommended for funding. The list may be revised at any time. Prior to including a proposal on the list, the Resources Agency shall make a finding that the proposal is eligible for funding pursuant to subdivision (f).

(e) Within the fiscal limitations of subdivisions (a) and (b), the commission shall annually award grants to fund proposals that are included on the list prepared by the Resources Agency pursuant to subdivision (d).

(f) Projects funded pursuant to this section shall be projects that contribute to mitigation of the environmental effects of transportation facilities, as provided for by Section 1 of Article XIX of the California Constitution.

(g) Notwithstanding Section 7550.5 of the Government Code, on or before December 31 of each year, the commission shall provide the Assembly Committee on Budget and the Senate Committee on Budget and Fiscal Review with a list of projects funded from the Environmental Enhancement and Mitigation Program during the previous fiscal year and a copy of the most recent criteria for allocating grants pursuant to this section.

Article 4.5. Transportation Budget

Caltrans Budget Proposed

Amended: Statutes of 1982, Chapter 681 (AB 1168)

165. The department shall prepare and submit to the Governor a proposed budget. The department shall include, within the proposed budget, the portion of that budget that is to be funded from the State Highway Account.

The department shall inform the commission of all pertinent assumptions and policy directions it intends to use in preparing the budget. This information shall be forwarded to the commission as soon as available. The commission shall review the assumptions and policy directions used in preparing the budget and forward its comments and recommendations to the department.

Budget Administration

Amended: Statutes of 1982, Chapter 681 (AB 1168)

166. The portion of the proposed budget to be funded from the State Highway Account shall be included in the printed fiscal year budget submitted to the Legislature. The degree of detail contained in the portion of the proposed budget shall be established jointly by the Department of Transportation and the Department of Finance. That portion of the proposed budget shall be, for the State Highway Account, the complete and detailed budget as required by Section 13320 of the Government Code. In case of inconsistency between that section and this article, the provisions of this article shall control.

Notwithstanding Section 13321 of the Government Code, the Department of Transportation, in administering the budget of the State Highway Account, shall be responsible for determining the expenditures or incurrence of obligations by quarter or other period of the fiscal year.

Develop Fiscal Information Systems

Amended: Statutes of 1982, Chapter 681 (AB 1168)

166.5. In order to support its proposed budgets and to improve its program management, the Department of Transportation shall develop budgeting, accounting, fiscal control, and management information systems to provide at least the following information:

(a) Documentation and control of positions and personnel services expenditures.

(b) Accounting and reporting of revenues and expenditures on a basis generally consistent with provisions of the Government Code.

These systems shall be developed to better inform the Legislature so that responsible legislative oversight of the program and budget of the Department of Transportation would be possible. These systems shall recognize the special characteristics of the department's program.

Development of these systems shall be closely coordinated with the Department of Finance, the Joint Legislative Budget Committee, the Committees on Transportation of the Senate and Assembly, the Subcommittee on General Government and Transportation of the Senate Committee on Finance, and the Subcommittee on Resources and Transportation of the Assembly Committee on Ways and Means.

Budget Programs and Priorities

Amended: Statutes of 1997, Chapter 622 (SB 45)

167. (a) Funds in the State Highway Account in the State Transportation Fund shall be programmed, budgeted subject to Section 163, and expended to maximize the use of federal funds and shall be based on the following sequence of priorities:

(1) Operation, maintenance, and rehabilitation of the state highway system.

(2) Safety improvements where physical changes, other than adding additional lanes, would reduce fatalities and the number and severity of injuries.

(3) Transportation capital improvements that expand capacity or reduce congestion, or do both.

(4) Environmental enhancement and mitigation programs.

(b) With respect to the funds in the State Highway Account, in the Public Transportation Account, and in the Passenger Rail Bond Fund, the proposed budget shall be organized on a program basis. The proposed budget shall list the proposed expenditures for the transportation program under the following program elements:

(1) Administration.
(2) Program development.
(3) Maintenance.
(4) State highway operation and protection.
(5) Local assistance.
(6) Interregional improvements.
(7) Regional improvements.
(8) Environmental enhancement and mitigation programs.

(c) State operations expenditure amounts of the department for interregional and regional transportation improvement projects shall be listed as required by subdivision (b) of Section 14529 of the Government Code, but those amounts other than those for the acquisition of rights-of-way and construction shall not be subject to allocation by the commission.

(d) To align the annual budget with the adopted state transportation improvement program, the department may submit to the Department of Finance revised capital outlay support and capital outlay budget estimates as part of its May revision process.

(e) The budget shall not include specific appropriations for specific transportation improvement projects, and the Legislature shall not enact legislation containing specific individual transportation projects.

(f) The basis for defining major and minor capital outlay projects shall be established by the commission.

(g) The Legislative Analyst shall prepare an analysis of the proposed expenditures for each program element as a part of the budget analysis.

Contract Award is Obligation

Added: Statutes of 1977, Chapter 1106 (AB 402)

169. For the purposes of this code, except as provided in Section 170, the date of the award of a contract and of the commencement of a day-labor project shall be deemed the time when the entire obligation thereunder is incurred.

Split Financing of Multiple Year Projects

Amended: Statutes of 2002, Chapter 438 (AB 3026)

170. Where it is estimated by the department that the work involved in a project to be constructed under the State Contract Act (Chapter 1 (commencing with Section 10100) of Part 2 of Division 2 of the Public Contract Code) will not be completed within a given fiscal year, the department, in the contract specifications, may provide a limitation upon the amounts that will be paid to the contractor during the first or second fiscal years of the construction period. Subject to this limitation, the contracts shall provide for the completion of the work and full payment therefor.

For the purposes of complying with Section 169, the department may include in any proposed budget, and the commission may allocate, at least the amounts with reference to those construction projects as would be payable during the fiscal year, together with all necessary engineering and other charges.

Financing Contract on Cash Basis

Added: Statutes of 1988, Chapter 24 (SB 140)

170.5. Notwithstanding Section 13302 of the Government Code, the department may, with respect to any project which will not be completed within a fiscal year, finance the project on a cash basis if the department has sufficient unused bonding authority not earmarked for any other project.

Early Advertising

Added: Statutes of 1977, Chapter 1106 (AB 402)

171. Prior to the commencement of each fiscal year, the department may advertise for bids for capital outlay projects anticipated to be budgeted during the fiscal year. However, the department shall not award any contract for any capital outlay project until (1) sufficient funds

have been appropriated for such project and (2) the commission has allocated sufficient funds for the project.

Article 4.8. Local Bridge Seismic Safety Retrofit

Local Bridge Seismic Safety Retrofit Obligation
Amended: Statutes of 2002, Chapter 805 (AB 2996)

179. Effective June 30, 2002, all funds in the Seismic Safety Retrofit Account in the State Transportation Fund are transferred to the State Highway Account in the State Transportation Fund. Any outstanding encumbrances as of June 30, 2002, in the Seismic Safety Retrofit Account shall be paid from the State Highway Account.

Projects
Amended: Statutes of 2002, Chapter 805 (AB 2996)

179.1. The department may administer projects for local bridge seismic safety retrofits consistent with the requirements of Chapter 9 (commencing with Section 2400) of Division 3.

State Highway Account Funds as local match
Amended: Statutes of 2002, Chapter 805 (AB 2996)

179.2. The department may allocate State Highway Account funds in lieu of the local matching requirements of subdivision (b) of Section 2413 to the extent funding for this purpose is included in the annual Budget Act.

Definition
Amended: Statutes of 2002, Chapter 805 (AB 2996)

179.3. For purposes of this article: (a) "Bridge" includes a publicly owned pedestrian bridge and a publicly owned rail transit bridge. (b) "Retrofit" includes both the structural modification of an existing bridge and the replacement of an existing bridge by a newly constructed bridge meeting seismic safety requirements.

Los Angeles and Santa Clara Counties
Amended: Statutes of 1994, Chapter 1012 (AB 1958)

179.4. (a) The department and the Counties of Los Angeles and Santa Clara shall immediately proceed to implement this article by developing criteria for the assessment and prioritization of bridge retrofit needs and by collecting data that will be evaluated by that criteria. The director shall establish a statewide priority list for seismic retrofit projects based on the bridge assessments performed by the department and the Counties of Los Angeles and Santa Clara, taking into account the assigned risk given to any bridge or structure, the exposure of the public in case of a structural failure, and the probability of the occurrence of an earthquake in any given area.

(b) (1) The department and the Counties of Los Angeles and Santa Clara shall prepare or caused the preparation of retrofit plans, specifications, and estimates for all projects included in the priority list established pursuant to subdivision (a). All affected local agencies, for projects within their respective jurisdictions, and the department, with respect to projects on state highways, shall by December 31, 1991, execute the necessary construction contracts for all

projects on the priority list, except that, upon a local agency's notification of the director, the date for execution of construction contracts for projects on the priority list shall be extended to December 31, 1992.

(2) Notwithstanding paragraph (1), construction contracts for projects involving the retrofitting of multiple-column bents, for which the identification of appropriate structural solutions is dependent upon active research, may be delayed so long as they are executed on or before December 31, 1993.

(3) All deficient bridges and structures shall be retrofitted or replaced by December 31, 1992, or, in the case of a local agency which has notified the director pursuant to paragraph (1), by December 31, 1993, except for bridges and structures involving the retrofitting of multiple-column bents, which shall be completed by December 31, 1994.

(4) Construction contracts for seismic repair, replacement, and retrofit shall be awarded to the lowest responsible bidder through a competitive bid contract, consistent with existing statutes.

Accelerated Research and Development Program

Added: Statutes of 1989, First Extraordinary Session, Chapter 18 (SB 36)

179.5. An accelerated program of research and development shall be undertaken by the department, as necessary, to develop engineering solutions to seismic structural deficiencies.

Annual Report

Amended: Statutes of 1992, Chapter 1243 (AB 3090)

179.6. The department shall report annually to the commission on the implementation of this article. The commission shall monitor the department's progress, review each report prepared by the department, and attach its comments and recommendations prior to submittal of the report to the Legislature on March 1 of each year.

Retrofit Defined

Added: Statutes of 1990, Chapter 1082 (SB 1742)

179.7. For purposes of this article, "retrofit" includes both the structural modification of an existing bridge and the replacement of an existing bridge by a newly constructed bridge meeting seismic safety requirements.

Proposed Budget

Added: Statutes of 1990, Chapter 1082 (SB 1742)

179.8. Each annual proposed budget prepared pursuant to Section 165 shall include an amount recommended to be transferred from the State Highway Account to the Seismic Safety Account. This amount shall be based on the department's estimate of state funds necessary to fund the seismic retrofit program during the year of the proposed budget.

Article 4.9. Seismic Retrofit

Definitions

Added: Statutes of 1994, Chapter 100 (SB 667)

180. (a) For the purposes of this article, "project" means any activity of seismic retrofit work that includes either of the following:

(1) The structural modification of an existing highway structure that does not increase the number of mixed-flow lanes.

(2) The replacement of an existing highway structure by a newly constructed structure meeting seismic safety requirements that does not increase the number of mixed-flow lanes.

(b) For the purpose of this article:

(1) "Permit" includes any permit, authorization, approval, or consent in any form.

(2) "Permitting agency" includes any city, county, city and county, and any state or local public agency.

Not Subject to Public Contract Code

Amended: Statutes of 1995, Chapter 310 (SB 146)

180.1. (a) Projects under this article shall not be subject to the provisions of Chapter 1 (commencing with Section 10100) of Part 2 of Division 2 of the Public Contract Code, except the following:

(1) Article 1.5 (commencing with Section 10115) of Chapter 1 of Part 2 of Division 2 of the Public Contract Code, as to projects not subject to the provisions of Part 23 of Title 49 of the Code of Federal Regulations.

(2) Section 10128 of the Public Contract Code.

(3) Article 9 (commencing with Section 10280) of Chapter 1 of Part 2 of Division 2 of the Public Contract Code.

(4) Article 10 (commencing with Section 10285) of Chapter 1 of Part 2 of Division 2 of the Public Contract Code.

(b) Projects undertaken by a local agency under this article shall not be subject to the Local Agency Public Construction Act (Chapter 1 (commencing with Section 20100) of Part 3 of Division 2 of the Public Contract Code).

(c) Projects under this article shall be performed under contract awarded to the lowest responsible bidder or by contract upon informal bids, or by a combination thereof, in the discretion of the department or local agency.

(d) The Department of Transportation shall report at the end of each calendar quarter to the Joint Legislative Budget Committee and the committees in each house of the Legislature that consider transportation issues regarding the department's progress toward completion of seismic safety retrofit projects.

Exemption from California Environmental Quality Act (CEQA)

Amended: Statutes of 1995, Chapter 310 (SB 146)

180.2. The following projects under this article shall be considered to be activities under paragraph (4) of subdivision (b) of Section 21080 of the Public Resources Code:

(a) The structural modifications of an existing highway structure or toll bridge.

(b) The replacement of a highway structure or toll bridge within or immediately adjacent to an existing right-of-way.

Seismic Retrofit Permit Review Panel

Amended: Statutes of 1995, Chapter 310 (SB 146)

180.3. (a) There is hereby created an ad hoc seismic retrofit permit review panel that shall consist of the Secretary of Business, Transportation and Housing, the Secretary of Trade and Commerce, and the Secretary of Resources.

(b) The panel shall hear and approve or deny appeals for time extensions from permitting agencies requested pursuant to Section 180.4, and shall hear and approve or deny appeals from the department or local agency requested pursuant to Section 180.5.

Timely Issuance of Permits
Added: Statutes of 1994, Chapter 16 (SB 805)

180.4. (a) Notwithstanding any other provision of law, within 15 working days of receiving an application from the department or local agency for a permit for any project subject to this article, a permitting agency shall issue the permit with any conditions the permitting agency deems necessary or shall deny the permit.

(b) If the permitting agency fails to act upon the permit within 15 working days, the permit shall be deemed approved, unless the earthquake emergency and seismic retrofit permit review panel grants a time extension pursuant to Section 180.3. If the permitting agency is unable to issue or deny a permit within 15 working days, it may file an appeal for a time extension with the panel.

(c) Any permitting agency affected by this article may adopt procedures for expedited permits.

Appeal to Permit Review Panel
Added: Statutes of 1994, Chapter 16 (SB 805)

180.5. (a) If the permitting agency denies a permit, or if the department or local agency determines that a permit issued pursuant to Section 180.4 imposes unreasonable conditions that would lead to a significant delay in a seismic retrofit project, the department or local agency may file an appeal with the earthquake emergency and seismic retrofit permit review panel.

(b) Notwithstanding any other provision of law, if, at a duly noticed public meeting, the panel reviews a permit or a denial of a permit for which the department or local agency had filed an appeal pursuant to subdivision (a), and finds that the project is necessary for the preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution, the panel may waive the permit, amend by condition established by the permit, or issue a permit that has been denied by the permitting agency.

Exemption from Contracting and Procurement Statutes
Added: Statutes of 1994, Chapter 16 (SB 805)

180.6. Projects under this article are not subject to Chapter 10 (commencing with Section 4525) of Division 5 of Title 1, or Chapter 6 (commencing with Section 14825) of Part 5.5 of Division 3 of Title 2 of the Government Code, or of Chapter 2 (commencing with section 10290) of Part 2 of Division 2 of the Public Contract Code.

Sunset
Amended: Statutes of 1997, Chapter 327 (SB 60)

180.7. This article shall remain in effect only until the Director of Finance certifies to the Chair of the Joint Legislative Budget Committee that the proceeds of the Seismic Retrofit Bond Act of 1996 have been fully expended or until June 30, 2005, whichever is sooner, and shall have no force or effect on or after the date of that certification or June 30, 2005, whichever is sooner. *[Note: Sections 180-180.6 have been separately enacted and would remain in effect; this sunset provision would apply only to sections following section 180.6.]*

Legislative Finding, Contracting Out
Added: Statutes of 1994, Chapter 1012 (AB 1958)

180.75. The Legislature hereby finds and declares that there is a compelling public interest in authorizing the department to contract out the design services for seismic retrofit projects. The Legislature further finds and declares that contracting out design services associated with seismic retrofit projects is a new state function to assist in project delivery and does not duplicate the existing functions of the department

Contracting Out
Amended: Statutes of 1995, Chapter 310 (SB 146)

180.8. (a) The director may contract out the design services for projects undertaken pursuant to this article in order to enhance or assist seismic retrofit project delivery. Without the ability to contract out the design and engineering portion of the seismic retrofit projects, the Legislature finds that the department will not be able to adequately, competently, or satisfactorily perform and deliver seismic retrofit projects. The director may contract for the services of engineers, architects, surveyors, planners, environmental specialists, and materials testing specialists, in addition to those already employed by the department, in order to provide professional and technical project development services to the department whenever, in the judgment of the director those services are necessary in order to timely deliver seismic retrofit projects.

(b) Routine inspection of work related to the contracts specified in subdivision (a) may be conducted by the contractor. However, the department is ultimately responsible for all inspections.

Minority and Women Business Enterprise Goals for Contracting Out
Amended: Statutes of 1995, Chapter 310 (SB 146)

180.9. The seismic retrofit projects contracted out pursuant to Section 180.8 shall be subject to Article 1.5 (commencing with Section 10115) of Chapter 1 of Part 2 of Division 2 of the Public Contract Code, as to projects not subject to Part 23 of Title 49 of the Code of Federal Regulations.

Progress Reports to Legislature.
Added: Statutes of 1994, Chapter 1012 (AB 1958)

180.10. Pursuant to subdivision (d) of Section 180.1, the department shall make reports at the end of each calendar year to the Joint Legislative Budget Committee and the committees in each house of the Legislature that consider transportation issues regarding the department's progress toward completion of seismic retrofit projects. The department shall include in the reports data concerning the utilization of contracting out for design services for seismic retrofit projects.

Article 5. Funds for Highway and Public Mass Transit Guideway Purposes

Transportation Revolving Account
Added: Statutes of 1977, Chapter 178 (AB 1989)

181. (a) The Transportation Revolving Account in the State Transportation Fund is hereby created. With the approval of the Department of Finance, there shall be transferred to, or

deposited in, the account all money appropriated, contributed, or made available from any source, including sources other than state appropriations, for expenditure on work within the powers and duties of the Department of Transportation, including, but not limited to, services, surveys, reports, major and minor construction, maintenance, improvements, and equipment as authorized by the state agency for which such an appropriation is made or, as to funds from sources other than state appropriations, as may be authorized by written agreement between the contributor of such funds and the Department of Transportation when approved by the Department of Finance.

(b) Money so transferred or deposited is continuously appropriated for expenditures by the Department of Transportation for the purposes for which appropriated, contributed, or made available without regard to fiscal years and Section 16304 of the Government Code. The Department of Transportation may withdraw from the account for use in work for other public agencies, local, state or federal, such sums as may be necessary for such work where the money to be paid by such other agencies is not deposited in the account in advance of the work being done.

(c) The Department of Transportation shall file against the account all claims covering expenditures incurred, including expenditures incurred prior to the effective date of the act enacting this section, in connection with services, surveys, reports, major and minor construction, maintenance, improvements, and equipment, and the State Controller shall draw his warrant therefor against the account.

(d) The Department of Transportation shall keep a record of all expenditures chargeable against each specific portion of the account, and any unused balance in any portion of the account shall, on approval by the Department of Finance, be withdrawn from the account and transferred to the credit of the appropriation from which it was transferred or, as to funds from other than state appropriations, be paid out or refunded as provided in the agreement relating to the contribution.

(e) The Director of Transportation may authorize the refund of money received or collected by the department in payment of fees, licenses, permits, tools, or for rentals, property, or services, wherein the license, permit, rental, property, or service cannot lawfully be issued, furnished, or transferred to the person making the payment, or in cases where the payment, in whole or in part, represents overpayment or payment in duplicate.

(f) The provisions of this section shall only be operative during those fiscal years in which funds in the State Highway Account in the State Transportation Fund are appropriated by the Budget Act for such fiscal years.

State Highway Account

Added: Statutes of 1977, Chapter 1106 (AB 402)

182. The "State Highway Fund" is continued in existence as the State Highway Account in the State Transportation Fund. Any reference in any law or regulation to the State Highway Fund shall be deemed to refer to the State Highway Account in the State Transportation Fund.

There shall be transferred to, or deposited in, the State Highway Account all money appropriated, contributed, or made available from any source, including sources other than state appropriations, for expenditure on work within the powers and duties of the department, including, but not limited to, services, investigations, surveys, experiments, reports, right-of-way acquisitions, major and minor construction, maintenance, improvements, and equipment, as authorized by the state agency for which such an appropriation is made, or as to funds from

sources other than state appropriations, as may be authorized by written agreement between the contributor of such funds and the department.

Money so transferred or deposited is available for expenditure by the department for the purposes for which appropriated, contributed, or made available without regard to fiscal years and Section 16304 of the Government Code. The department may withdraw from the account for use in work for other public agencies local, state, or federal, such sums as may be necessary for such work where the money to be paid by such other agencies is not deposited in the account in advance of the work being done.

Grandfathered Projects, SB 45 Transition to County Shares

Amended: Statutes of 1997, Chapter 622 (SB 45)

182.5. (a) It is the intent of the Legislature that the transition to the new programs and procedures established in the bill enacting this section shall be fair and equitable and minimize disruptions in the delivery of projects. With specific reference to the transition from county minimums to county shares for regional improvement, no project should be counted twice, no project that would be counted under either the old or new procedures should escape being counted in the transition, shares should be sufficient to fund projects programmed in the 1996 State Transportation Improvement Program for the same period, no incentive or reward should be provided for delaying a project, and no incentive or reward should be provided for allocating funds to a project earlier than the year in which the funds are needed for the project.

(b) At the end of the fiscal year ending June 30, 1998, the county minimums and county minimum deficits shall be recalculated under the law as it existed prior to the enactment of the bill adding this section.

(c) Notwithstanding Section 164, there shall be set aside sufficient funding for every project that is included in the 1996 State Transportation Improvement Program. This funding shall be set aside in the fund estimate prior to and in addition to the distribution of funding between programs pursuant to Section 164.

(d) The amount of the cumulative county minimum deficit calculated for any county pursuant to subdivision (b) shall be carried forward as a county share for the 1998 State Transportation Improvement Program, prior to and in addition to the computation of county shares pursuant to subdivision (a) of Section 188.8.

(e) The commission shall not allocate funds for any project unless the commission has programmed the state transportation improvement program in a manner that complies with the requirements of Sections 188, 188.8, and 188.10.

(f) Notwithstanding subdivision (a), for a county within the region defined by Section 66502 of the Government Code where funds were traded in the 1996 State Transportation Improvement Program to another county in that region, the county share for that county for the 1998 State Transportation Improvement Program shall be increased by the amount of the trade in the 1996 State Transportation Improvement Program, as if the share were a county minimum deficit under subdivision (d).

(g) In adopting the 1998 State Transportation Improvement Program, the commission shall, at a minimum, fund all intercity rail projects that are included in the adopted 1996 State Transportation Improvement Program. The amount of funds programmed for each project shall not be less than the amount in the 1996 State Transportation Improvement Program.

(h) The commission, after consulting with the department and the regional planning agencies, shall adopt interim guidelines and procedures relative to fund estimates and project selection in a manner that the first state transportation improvement program, pursuant to the provisions of the act adding this section, is adopted not later than June 1, 1998.

Regional Surface Transportation Program (RSTP)
Amended: Statutes of 2001, Chapter 512 (AB 1705)

182.6. (a) Notwithstanding Sections 182 and 182.5, Sections 188, 188.8, and 825 do not apply to the expenditure of an amount of federal funds equal to the amount of federal funds apportioned to the state pursuant to that portion of subsection (b)(3) of Section 104, subsections (a) and (c) of Section 157, and subsection (d) of Section 160 of Title 23 of the United States Code that is allocated within the state subject to subsection (d)(3) of Section 133 of that code. These funds shall be known as the regional surface transportation program funds. The department, the transportation planning agencies, the county transportation commissions, and the metropolitan planning organizations may do all things necessary in their jurisdictions to secure and expend those federal funds in accordance with the intent of federal law and this chapter.

(b) The regional surface transportation program funds shall be apportioned by the department to the metropolitan planning organizations designated pursuant to Section 134 of Title 23 of the United States Code and, in areas where none has been designated, to the transportation planning agency designated pursuant to Section 29532 of the Government Code. The funds shall be apportioned in the manner and in accordance with the formula set forth in subsection (d) (3) of Section 133 of Title 23 of the United States Code, except that the apportionment shall be among all areas of the state. Funds apportioned under this subdivision shall remain available for three federal fiscal years, including the federal fiscal year apportioned.

(c) Where county transportation commissions have been created by Division 12 (commencing with Section 130000) of the Public Utilities Code, all regional surface transportation program funds shall be further apportioned by the metropolitan planning organization to the county transportation commission on the basis of relative population.

In the Monterey Bay region, all regional surface transportation program funds shall be further apportioned, on the basis of relative population, by the metropolitan planning organization to the regional transportation planning agencies designated under subdivision (b) of Section 29532 of the Government Code.

(d) The applicable metropolitan planning organization, county transportation commission, or transportation planning agency shall annually apportion the regional surface transportation program funds for projects in each county, as follows:

(1) An amount equal to the amount apportioned under the federal-aid urban program in federal fiscal year 1990-91 adjusted for population. The adjustment for population shall be based on the population determined in the 1990 federal census except that no county shall be apportioned less than 110 percent of the apportionment received in the 1990-91 fiscal year. These funds shall be apportioned for projects implemented by cities, counties, and other transportation agencies on a fair and equitable basis based upon an annually updated five-year average of allocations. Projects shall be nominated by cities, counties, transit operators, and other public transportation agencies through a process that directly involves local government representatives.

(2) An amount not less than 110 percent of the amount that the county was apportioned under the federal-aid secondary program in federal fiscal year 1990-91, for use by that county.

(e) The department shall notify each metropolitan planning organization, county transportation commission, and transportation planning agency receiving an apportionment under this section, as soon as possible each year, of the amount of obligation authority estimated to be available for program purposes. The metropolitan planning organization and transportation planning agency, in cooperation with the department, congestion management agencies, cities, counties, and affected transit operators, shall select and program projects in conformance with federal law. The metropolitan planning organization and transportation planning agency shall submit its transportation improvement program prepared pursuant to Section 134 of Title 23 of the United States Code to the department for incorporation into the state transportation improvement program not later than August 1 of each even-numbered year beginning in 1994.

(f) Not later than July 1 of each year, the metropolitan planning organizations, and the regional transportation planning agencies, receiving obligational authority under this article shall notify the department of the projected amount of obligational authority that each entity intends to use during the remainder of the current federal fiscal year, including, but not limited to, a list of projects that will be obligated by the end of the current federal fiscal year. Any federal obligational authority that will not be used shall be redistributed by the department to other projects in a manner that ensures that the state will continue to compete for and receive increased obligational authority during the federal redistribution of obligational authority. If the department does not have sufficient federal apportionments to fully use excess obligational authority, the metropolitan planning organizations or regional transportation planning agencies relinquishing obligational authority shall make sufficient apportionments available to the department to fund alternate projects, when practical, within the geographical areas relinquishing the obligational authority. Notwithstanding this subdivision, the department shall comply with subsections (d)(3) and (f) of Section 133 of Title 23 of the United States Code.

(g) A regional transportation planning agency that is not designated as, nor represented by, a metropolitan planning organization with an urbanized area population greater than 200,000 pursuant to the 1990 federal census may exchange its annual apportionment received pursuant to this section on a dollar-for-dollar basis for nonfederal State Highway Account funds, which shall be apportioned in accordance with subdivision (d).

(h) (1) If a regional transportation planning agency described in subdivision (g) does not elect to exchange its annual apportionment, a county located within the boundaries of that regional transportation planning agency may elect to exchange its annual apportionment received pursuant to paragraph (2) of subdivision (d) for nonfederal State Highway Account funds.

(2) A county not included in a regional transportation planning agency described in subdivision (g), whose apportionment pursuant to paragraph (2) of subdivision (d) was less than 1 percent of the total amount apportioned to all counties in the state, may exchange its apportionment for nonfederal State Highway Account funds. If the apportionment to the county was more than 31/2 percent of the total apportioned to all counties in the state, it may exchange that portion of its apportionment in excess of 31/2 percent for nonfederal State Highway Account funds. Exchange funds received by a county pursuant to this section may be used for any transportation purpose.

(i) The department shall be responsible for closely monitoring the use of federal transportation funds, including regional surface transportation program funds to assure full and timely use. The department shall prepare a quarterly report for submission to the commission regarding the progress in use of all federal transportation funds. The department shall notify the

commission and the appropriate implementation agency whenever there is a failure to use federal funds within the three-year apportionment period established under subdivision (b).

(j) The department shall provide written notice to implementing agencies when there is one year remaining within the three-year apportionment period established under subdivision (b) of this section.

(k) Within six months of the date of notification required under subdivision (j), the implementing agency shall provide to the department a plan to obligate funds that includes, but need not be limited to, a list of projects and milestones.

(l) If the implementing agency has not met the milestones established in the implementation plan required under subdivision (k), prior to the end of the three-year apportionment period established under subdivision (b), the commission shall redirect those funds for use on other transportation projects in the state.

(m) Notwithstanding subdivisions (g) and (h), regional surface transportation program funds available under this section exchanged pursuant to Section 182.8 may be loaned to and expended by the department. The department shall repay from the State Highway Account to the Traffic Congestion Relief Fund all funds received as federal reimbursements for funds exchanged under Section 182.8 as they are received from the Federal Highway Administration, except that those repayments are not required to be made more frequently than on a quarterly basis.

Congestion Mitigation and Air Quality Program (CMAQ)

Amended: Statutes of 2001, Chapter 597 (AB 1706)

182.7. (a) Notwithstanding Sections 182 and 182.5, Sections 188, 188.8, and 825 do not apply to the expenditure of an amount of federal funds equal to the amount of federal funds apportioned to the state pursuant to subsection (b)(2) of Section 104 of Title 23 of the United States Code. These funds shall be known as the congestion mitigation and air quality program funds and shall be expended in accordance with Section 149 of Title 23 of the United States Code. The department, the transportation planning agencies, and the metropolitan planning organizations may do all things necessary in their jurisdictions to secure and expend those federal funds in accordance with the intent of federal law and this chapter.

(b) The congestion mitigation and air quality program funds, including any funds to which subsection (c) of Section 110 of Title 23 of the United States Code, as added by subdivision (a) of Section 1310 of Public Law 105-178, applies, shall be apportioned by the department to the metropolitan planning organizations designated pursuant to Section 134 of Title 23 of the United States Code and, in areas where none has been designated, to the transportation planning agency established by Section 29532 of the Government Code. The funds shall be apportioned to metropolitan planning organizations and transportation planning agencies responsible for air quality conformity determinations in federally designated air quality nonattainment and maintenance areas within the state in the manner and in accordance with the formula set forth in subsection (b)(2) of Section 104 of Title 23 of the United States Code. Funds apportioned under this subdivision shall remain available for three federal fiscal years, including the federal fiscal year apportioned.

(c) Notwithstanding subdivision (b), where county transportation commissions have been created by Division 12 (commencing with Section 130000) of the Public Utilities Code, all congestion mitigation and air quality program funds shall be further apportioned by the metropolitan planning organization to the county transportation commission on the basis of relative population within the federally designated air quality nonattainment and maintenance

areas after first apportioning to the nonattainment and maintenance areas in the manner and in accordance with the formula set forth in subsection (b) (2) of Section 104 of Title 23 of the United States Code.

In the Monterey Bay region, all congestion mitigation and air quality improvement program funds shall be further apportioned, on the basis of relative population, by the metropolitan planning organization to the regional transportation planning agencies designated under subdivision (b) of Section 29532 of the Government Code.

(d) The department shall notify each metropolitan planning organization, transportation planning agency, and county transportation commission receiving an apportionment under this section, as soon as possible each year, of the amount of obligational authority estimated to be available for expenditure from the federal apportionment. The metropolitan planning organizations, transportation planning agencies, and county transportation commissions, in cooperation with the department, congestion management agencies, cities and counties, and affected transit operators, shall select and program projects in conformance with federal law. Each metropolitan planning organization and transportation planning agency shall, not later than August 1 of each even-numbered year beginning in 1994, submit its transportation improvement program prepared pursuant to Section 134 of Title 23 of the United States Code to the department for incorporation into the state transportation improvement program.

(e) Not later than July 1 of each year, the metropolitan planning organizations and the regional transportation planning agencies receiving obligational authority under this section, shall notify the department of the projected amount of obligational authority that each entity intends to use during the remainder of the current federal fiscal year, including, but not limited to, a list of projects that will use the obligational authority. Any federal obligational authority that will not be used shall be redistributed by the department to other projects in a manner that ensures that the state will continue to compete for and receive increased obligational authority during the federal redistribution of obligational authority. If the department does not have sufficient federal apportionments to fully use excess obligational authority, the metropolitan planning organization or transportation planning agency relinquishing obligational authority shall make sufficient apportionments available to the department to fund alternate projects, when practical, within the geographical areas relinquishing the obligational authority. Notwithstanding this subdivision, the department shall comply with subsection (f) of Section 133 of Title 23 of the United States Code.

(f) The department shall be responsible for closely monitoring the use of federal transportation funds, including congestion management and air quality funds to assure full and timely use. The department shall prepare a quarterly report for submission to the commission regarding the progress in use of all federal transportation funds. The department shall notify the commission and the appropriate implementation agency whenever there is a failure to use federal funds within the three-year apportionment period established under subdivision (b).

(g) The department shall provide written notice to implementing agencies when there is one year remaining within the three-year apportionment period established under subdivision (b).

(h) Within six months of the date of notification required under subdivision (g), the implementing agency shall provide to the department a plan to obligate funds that includes, but need not be limited to, a list of projects and milestones.

(i) If the implementing agency has not met the milestones established in the implementation plan required under subdivision (h), prior to the end of the three-year

apportionment period established under subdivision (b), the commission shall redirect those funds for use on other transportation projects in the state.

(j) Congestion mitigation and air quality program funds available under this section exchanged pursuant to Section 182.8 may be loaned to and expended by the department. The department shall repay from the State Highway Account to the Traffic Congestion Relief Fund all funds received as federal reimbursements for funds exchanged under Section 182.8 as they are received from the Federal Highway Administration, except that those repayments are not required to be made more frequently than on a quarterly basis.

TCR Fund/RSTP/CMAQ Exchange Program

Amended: Statutes of 2001, Chapter 597 (AB 1706)

182.8. (a) It is the intent of the Legislature that this program help increase flexibility in the use of state and federal funding to complete transportation improvements. The ability to exchange certain federal funds for state funds may enhance that flexibility. However, it is the intent of the Legislature that the commission make these exchanges only if the exchanges do not compromise other state funded projects or activities.

(b) The commission shall propose guidelines and procedures to implement this section, hold a public hearing on the guidelines, and adopt the guidelines on or before February 1, 2001. The commission shall begin the exchange program on or before February 1, 2001, if it determines that funding is available for that purpose. The commission may amend its guidelines after holding a public hearing, but may not amend the guidelines between the time it notifies regional transportation planning agencies of the amount of state funds available for exchange and its approval of projects for exchange in any given year.

(c) On or before January 5 of each year, the department shall report to the commission the amounts apportioned as federal local assistance in the regional surface transportation and congestion mitigation and air quality programs for the year, the Federal Obligation Authority for the year, and the amount of federal funds it expects to be able to obligate for work on projects in all programs on or before September 30 of that year, and the commission, in cooperation with the department, shall determine the amount of state funds from the Traffic Congestion Relief Fund that can be made available for exchange under this section. If the release of federal apportionments and obligational authority is delayed beyond November 1 in any year, all the dates specified in this section shall be extended by an equivalent time, however, all federal funds exchanged shall be obligated on or before September 30 of the current federal fiscal year.

(d) The commission may exchange funds under this section if it determines all of the following:

(1) Adequate state funds are available to accomplish the exchange without putting at risk other transportation activities or projects needing state funds.

(2) Any exchange will be consistent with full implementation of the Traffic Congestion Relief Act of 2000.

(3) Federal funds received in exchange can be readily and effectively used on other projects or activities by the state during the federal fiscal year.

(e) After making the determinations set forth in subdivision (d) the commission may offer to exchange state funds from the Traffic Congestion Relief Fund for federal local assistance funds, subject to the limits imposed under this section. For the purpose of this section, "federal local assistance" funds means regional surface transportation program or congestion mitigation and air quality program apportionments received that federal fiscal year and apportioned as local assistance pursuant to Sections 182.6 and 182.7.

(f) Not later than February 1 of each year, the commission shall notify the regional transportation planning agencies of the amount of state funds available for exchange for federal local assistance funds for that year. The maximum amount of state funds to be exchanged may not exceed 50 percent of the total amount of federal regional surface transportation program and congestion mitigation and air quality program funds apportioned for the current fiscal year as local assistance pursuant to subdivision (b) of Section 182.6 and subdivision (b) of Section 182.7, exclusive of state funds that may be exchanged pursuant to subdivision (g) of Section 182.6, paragraphs (1) and (2) of subdivision (h) of Section 182.6, or Section 182.7. Federal funds exchanged under this program shall be available for projects identified by the commission as ready to obligate during determination of the amount available for exchange. The amount of exchange may not exceed the department's ability to obligate all federal funds during the current federal fiscal year. The commission may not exchange state funds for regional surface transportation program funds required to be spent for transportation enhancements. This section does not affect the amount of exchange under subdivision (g) of Sections 182.6, or paragraphs (1) and (2) of subdivision (h) of Section 182.6.

(g) Regional transportation planning agencies may submit applications for exchange of funds to the commission not later than March 15 of each year. Applications shall identify the proposed use for the exchange funds, including project descriptions, cost estimates, scopes of work, schedules for construction, schedules for expenditures, and any other information required by the commission. The commission may require a region to identify priorities among applications it submits.

(h) If the commission receives applications for more exchange funds than the amount of state funds available, the commission shall select projects for exchange up to the amount of state funds available. The commission shall explain the criteria it uses to select projects, which shall include, but are not limited to, all of the following:

(1) Removal of all federal funds from projects.

(2) Assessment of projects that would benefit most from removal of federal funding because of size, type, location, agency capability, features, or federal requirements.

(3) Approximate relative equity within the program among regions in receiving state exchange funds over a multiyear period.

(i) The commission may exchange state funds for federal local assistance funds with agencies requesting exchanges. Agencies wishing to exchange their federal funds shall provide apportionments and obligation authority at the same rate the Federal Highway Administration distributes obligation authority. Agencies exchanging federal funds shall receive funds equal to 90 percent of the obligation authority exchanged. The commission shall approve exchanges of funds not later than its second regularly scheduled meeting following March 15 each year.

(j) The commission shall determine an exchange payment schedule based on expenditure plans. The commission may suspend exchange payment schedules if it determines projects are not proceeding.

(k) For financial display and reporting purposes, obligational authority received pursuant to this section shall be reported as a revenue accrual in the Traffic Congestion Relief Fund in the year in which the exchange is approved under subdivision (i). Funds approved for exchange shall be accrued as expenditures in the year in which the exchange is approved. Notwithstanding Section 16362 of the Government Code, the department shall repay from the State Highway Account to the Traffic Congestion Relief Fund all funds received as federal reimbursements for funds exchanged under this section as they are received from the Federal Highway Administration, except that those repayments are not required to be made more frequently than on a quarterly basis.

(l) State funds provided through an exchange under this section shall be encumbered within one year and expended within three years.

(m) Upon adoption of its implementing guidelines, the commission may consider requests for exchanges under this section.

(n) Regional and local agencies shall use state exchange funds only for projects or purposes for which the federal local assistance funds being exchanged were originally intended, and may not supplant local funds on projects in order that those local funds can subsequently be used for nontransportation purposes. The commission may require agencies to certify that they are meeting this requirement. Agencies not meeting this maintenance of effort requirement may not be allowed to participate in the next exchange cycle.

(o) The commission shall include a summary of exchanges made pursuant to this section in its annual report to the Governor and Legislature pursuant to Section 14556.36, including an assessment of progress in implementing projects funded by exchanges, and discussion of issues and recommendations related to implementation of the exchange program.

(p) Not later than the effective date of the reauthorization of the federal surface transportation act, the commission shall submit a report to the Governor and the Legislature recommending any changes in the exchange program necessitated by that reauthorization.

RSTP State Match Funds

Amended: Statutes of 1993, Chapter 376 (SB 233)

182.9. There shall be appropriated from nonfederal funds in the State Highway Account, and the commission shall allocate to each county, an amount, not to exceed one hundred thousand dollars ($100,000) each fiscal year, equal to 50 percent of the amount allocated to the county pursuant to paragraph (2) of subdivision (d) of Section 182.6. The amount shall not be reduced by any exchange of funds made pursuant to subdivision (g) of Section 182. Funds allocated pursuant to this section shall be used to match the federal funds allocated pursuant to paragraph (2) subdivision (d) of Section 182.6 or, if excess, may be used for any transportation purpose.

State Highway Account Continuously Appropriated

Amended: Statutes of 2002, Chapter 445 (SB 1834)

183. (a) All money in the State Highway Account in the State Transportation Fund derived from federal sources or from appropriations to other state agencies, or deposited in the account by local agencies or by others, is continuously appropriated to, and shall be available for expenditure by, the department for the purposes for which the money was made available.

Unless otherwise expressly provided for by law, none of the balance of the money in the State Highway Account shall be expended until it has been specifically appropriated by the Legislature or made available pursuant to Section 13322 of the Government Code.

The Budget Act appropriations shall be made on a program basis only and shall not identify the specific capital outlay projects to be funded. The commission shall be responsible for allocating the funds to specific projects within the budget program categories, except that all funds described in Chapter 5 (commencing with Section 2200) of Division 3 shall be allocated on a program basis to the department for allocation pursuant to that chapter.

(b) Notwithstanding subdivision (a), commencing with the 1985-86 Budget, the department shall submit with its budget requests a detailed description of the acquisition, improvement, and construction of office building projects to the Legislature for review. The total amount appropriated for those projects shall be identified as a separate line item in the Budget Act. Funds appropriated for those projects shall be allocated by the commission only for projects which have been approved by the Legislature. Minor projects are to be defined consistent with Section 167. The commission may substitute for approved minor projects, if the total sum of minor projects is within the amount approved by the Legislature.

(c) Notwithstanding any other provision of law, the Department of Finance may establish the accounting and reporting system used to determine the expenditures, cash needs, and balance of the State Highway Account.

Non-Article XIX State Highway Account Deposits to Public Transportation Account

Added: Statutes of 2000, Chapter 91 (AB 2928)

183.1. (a) Notwithstanding subdivision (a) of Section 182 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, condemnation deposits fund investments, rental of state property, or any other miscellaneous uses of property or money, 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 November 1 of each year, based on prior year financial statements, the State Controller shall transfer the funds identified in subdivision (a) for the prior fiscal year to the Public Transportation Account in the State Transportation Fund.

State Highway Account loan to General Fund

Added: Statutes of 2002, Chapter 445 (SB 1834)

183.3. (a) Upon the order of the Director of Finance, the Controller shall transfer the sum of one hundred seventy-three million dollars ($173,000,000) from the State Highway Account in the State Transportation Fund to the General Fund. This transfer of money constitutes a loan under paragraph (2) of subdivision (b) of Section 6 of Article XIX of the California Constitution.

(b) The General Fund shall pay interest to the State Highway Account on the loan authorized by subdivision (a) at the rate earned by the Surplus Money Investment Fund. The interest shall be calculated annually and the loan shall be repaid no later than June 30, 2005.

Advance of Funds To Local Agency for Proposition 116 Project

Added: Statutes of 1992, Chapter 25 (AB 680)

183.4. (a) The department may advance funds in the State Highway Account in the State Transportation Fund to a local agency for all or a portion of the cost of a project approved for bond funding pursuant to Part 11.5 (commencing with Section 99600) of Division 10 of the Public Utilities Code. The director shall first make a finding that there are adequate funds for the advancement without delaying or adversely affecting any other project. The total amount

advanced shall not exceed the amount of the unsold bonds which the committee created by Section 99692 of the Public Utilities Code has, by resolution, authorized to be sold.

(b) All advances shall be subject to the terms and conditions of an agreement between the department and a local agency. The agreement shall contain provisions for reimbursement of the State Highway Account from the proceeds of the next bond sale for funds advanced pursuant to this section. Any amounts advanced pursuant to this section shall be repaid with interest at the rate being earned by the Pooled Money Investment Account at the time of the advance. Interest payments shall be made from funds of the local agency other than from the proceeds of bonds authorized by Part 11.5 (commencing with Section 99600) of Division 10 of the Public Utilities Code.

AMTRAK Station Approval

Amended: Statutes of 1984, Chapter 579 (SB 1406)

183.5. No funds from the State Highway Account shall be budgeted, allocated, or expended for any project which calls for any change in passenger train stations or loading platforms used by the National Railroad Passenger Corporation unless the change has been submitted to the National Railroad Passenger Corporation for review and comment which may include a recommendation for a modification in the change. If the agency submitting the change elects not to accept the recommendation of the National Railroad Passenger Corporation, it shall submit the matter to the director who shall determine whether the disputed recommendation for a modification in the change shall be followed by the agency.

Caltrans Accounting for State Highway Account

Amended: Statutes of 1980, Chapter 777 (SB 1419)

184. The department shall set up and keep the accounts necessary to show all expenditures from the State Highway Account for the several purposes authorized or required by this article, and shall make and keep on file in the office of the department an annual statement showing all expenditures from the account.

State Highway Account Administration

Amended: Statutes of 1977, Chapter 1106 (AB 402)

185. All money withdrawn from the State Highway Account in the State Transportation Fund shall be withdrawn in the manner provided by law upon demands made by the department.

The department may establish a revolving fund to be administered pursuant to Section 16400 of the Government Code and to serve as a revolving fund from which relocation assistance payments may be made pursuant to Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code.

Caltrans Administrative Expenses

Amended: Statutes of 1974, Chapter 807 (SB 2335)

185.5. The director shall pay from the State Highway Account in the State Transportation Fund that portion of the administrative expenses of the department that he determines, in consultation with the commission, to have resulted from the functions of the department for purposes specified in Section 2101.

Local Subventions: Eligible Expenditures
Amended: Statutes of 1977, Chapter 865 (AB 1502)

186.3. Funds apportioned pursuant to Section 2106 may be expended for highway-oriented transportation studies requested by a state or federal agency. Any expenditure of funds apportioned pursuant to Section 2106 or 2107 by a county or city for the acquisition of rights-of-way or construction upon a state highway, or upon a county road or city street not under the jurisdiction of the county or city that complements the system of roads or streets of the county or city, shall be deemed an expenditure upon the system of roads or streets of the county or city, as the case may be, making such expenditure.

Number and Width of Traffic Lanes
Amended: Statutes of 1979, Chapter 102 (SB 212)

186.5. Whenever local entities are unable to agree upon the number and width of traffic lanes for a street or road proposed to be constructed by any such entity where such specifications will affect the uniform flow of traffic on a road or street from one such local entity to another, the matter may be submitted to the department. The department shall thereupon endeavor to establish such specifications for such street or road proposed to be constructed, and, if established, such specifications shall be binding upon the local entity constructing such road or street.

Caltrans Assistance to State Controller
Added: Statutes of 1969, Chapter 1498 (SB 677)

186.6. There is hereby appropriated to the commission from the Motor Vehicle Fuel Fund an amount not to exceed fifty thousand dollars ($50,000) annually for work done by the department in assisting the Controller in carrying out duties imposed upon his office in reviewing, approving or modifying the expenditure of highway user funds by local agencies.

County Groups
Added: Statutes of 1935, Chapter 29 (SB 147)

187. For the purpose of allocating State funds available for highway purposes the counties of the State are placed in these two groups:

Group No. 1. All those counties not included in Group No. 2.

Group No. 2. The counties of San Luis Obispo, Kern, Mono, Tulare, Inyo, Santa Barbara, Ventura, Los Angeles, San Bernardino, Orange, Riverside, San Diego and Imperial.

North/South Split
Amended: Statutes of 1997, Chapter 622 (SB 45)

188. (a) All federal and state funds to be allocated by the commission, or expended by the department, for transportation improvements under Section 164, except for purposes of subdivisions (b) and (c) of that section, shall be programmed during the period commencing on July 1, 1997, and ending on June 30, 2004, and for each four-year period thereafter, 40 percent in County Group No. 1 and 60 percent in County Group No. 2.

(b) This section shall be known and may be cited as the Barnes-Mills-Walsh formula.

Exemption for Disaster Replacement
Amended: Statutes of 1980, Chapter 777 (SB 1419)

188.1. None of the provisions of this article or of Section 825 shall apply to the expenditure of either state or federal funds necessary to replace or reconstruct any state highway damaged or destroyed as the result of disaster over a wide area, such as by enemy action, sabotage, floods, hurricanes, tidal waves, earthquakes, severe storms, or other catastrophes where, at the time of the catastrophe, the Governor declared an emergency, and where such expenditure is authorized pursuant to this section by the commission by resolution, and such resolution is approved by the Governor. In the event the funds expended for replacing or reconstructing the damaged or destroyed state highway exceeds the cost of providing a facility of equal utility with that damaged or destroyed as determined by the director, he shall report the amount of such excess to the commission, and any expenditure in excess of the cost of providing a facility of equal utility shall be subject to all the provisions of this article and Section 825.

Toll Bridge Maintenance Costs
Amended: Statutes of 1981, Chapter 1182 (AB 50)

188.3. The cost of maintenance of all toll bridges under the jurisdiction of the commission shall be paid out of money in the State Highway Account, except that the commission shall fund the maintenance costs of each toll bridge from the same source used to fund that maintenance cost during the 1980-81 fiscal year.

Toll Bridge Maintenance Costs
Added: Statutes of 1988, Chapter 1364 (SB 2049)

188.4. (a) Maintenance expenditures on all toll facilities owned by the state shall, for accounting purposes, be classified as Category A or Category B expenditures. Notwithstanding any other provision of law, the cost of maintenance of toll facilities shall be paid in accordance with the following:

(1) Category A maintenance shall be paid from the State Highway Account and shall include all normal highway maintenance which would be performed by the state according to state procedures as if the facility was a toll-free state facility.

(2) Category B maintenance shall be paid from toll revenues and shall include all maintenance and reconstruction work of those facilities such as toll facility administration buildings and toll booths which are constructed primarily for the purpose of collecting tolls.

(b) This section does not prevent the commission from complying with the provisions of any bond resolution in effect on July 1, 1988.

(c) In no event shall the maintenance of toll bridges be funded at a lower percentage than was established in accordance with procedures for funding maintenance of the southern bridge unit during the 1986-87 fiscal year, which includes the Dumbarton, the San Mateo-Hayward, and the San Francisco-Oakland Bay Bridges.

Toll Bridge Seismic Funding; RSTP/CMAQ match funds
Amended: Statutes of 2001, Chapter 907 (AB 1171)

188.5. (a) The Legislature finds and declares all of the following:

(1) The department has determined that in order to provide maximum safety for the traveling public and to ensure continuous and unimpeded operation of the state's transportation network, six state-owned toll bridges are in need of a seismic safety retrofit, and one state-owned toll bridge is in need of a partial retrofit and a partial replacement.

(2) The bridges identified by the department as needing seismic retrofit are the Benicia-Martinez Bridge, the Carquinez Bridge, the Richmond-San Rafael Bridge, the San Mateo-Hayward Bridge, the San Pedro-Terminal Island Bridge (also known as the Vincent Thomas Bridge), the San Diego-Coronado Bridge, and the west span of the San Francisco-Oakland Bay Bridge. The department has also identified the east span of the San Francisco-Oakland Bay Bridge as needing to be replaced. That replacement span will be safer, stronger, longer lasting, and more cost efficient to maintain than completing a seismic retrofit for the current east span.

(3) The south span of the Carquinez Bridge is to be replaced pursuant to Regional Measure 1, as described in subdivision (b) of Section 30917.

(4) The cost estimate to retrofit the state-owned toll bridges and to replace the east span of the San Francisco-Oakland Bay Bridge is four billion six hundred thirty-seven million dollars ($4,637,000,000), as follows:

(A) The Benicia-Martinez Bridge retrofit is one hundred ninety million dollars ($190,000,000).

(B) The north span of the Carquinez retrofit is one hundred twenty-five million dollars ($125,000,000).

(C) The Richmond-San Rafael Bridge retrofit is six hundred sixty-five million dollars ($665,000,000).

(D) The San Mateo-Hayward Bridge retrofit is one hundred ninety million dollars ($190,000,000).

(E) The San Pedro-Terminal Island Bridge retrofit is sixty-two million dollars ($62,000,000).

(F) The San Diego-Coronado Bridge retrofit is one hundred five million dollars ($105,000,000).

(G) The west span of the San Francisco-Oakland Bay Bridge retrofit, as a lifeline bridge, is seven hundred million dollars ($700,000,000).

(H) Replacement of the east span of the San Francisco-Oakland Bay Bridge is two billion six hundred million dollars ($2,600,000,000).

(b) It is the intent of the Legislature that the following amounts from the following funds shall be allocated until expended, for the seismic retrofit or replacement of state-owned toll bridges:

(1) Six hundred fifty million dollars ($650,000,000) from the 1996 Seismic Retrofit Account in the Seismic Retrofit Bond Fund of 1996 for the seven state-owned toll bridges identified by the department as requiring seismic safety retrofit or replacement.

(2) One hundred forty million dollars ($140,000,000) in surplus revenues generated under the Seismic Retrofit Bond Act of 1996 that are in excess of the amount actually necessary to complete Phase Two of the state's seismic retrofit program. These excess funds shall be reallocated to assist in financing seismic retrofit of the state-owned toll bridges.

(3) Fifteen million dollars ($15,000,000) from the Vincent Thomas Toll Bridge Revenue Account.

(4) The funds necessary to meet both of the following:

(A) A principal obligation of two billion two hundred eighty-two million dollars ($2,282,000,000) from the seismic retrofit surcharge, including any interest therefrom, imposed pursuant to Section 31010, subject to the limitation set forth in subdivision (c) and subdivision (b) of Section 31010.

(B) All costs of financing, including capitalized interest, reserves, costs of issuance, costs of credit enhancements and any other financial products necessary or desirable in connection therewith, and any other costs related to financing.

(5) Thirty-three million dollars ($33,000,000) from the San Diego-Coronado Toll Bridge Revenue Fund.

(6) Not less than seven hundred forty-five million dollars ($745,000,000) from the State Highway Account to be used toward the eight hundred seventy-five million dollars ($875,000,000) state contribution, to be achieved as follows:

(A) (i) Two hundred million dollars ($200,000,000) to be appropriated for the state-local transportation partnership program described in paragraph (7) of subdivision (d) of Section 164 for the 1998-99 fiscal year.

(ii) The remaining funds intended for that program and any program savings to be made available for toll bridge seismic retrofit.

(B) A reduction of not more than seventy-five million dollars ($75,000,000) in the funding level specified in paragraph (4) of subdivision (d) of Section 164 for traffic system management.

(C) Three hundred million dollars ($300,000,000) in accumulated savings by the department achieved from better efficiency and lower costs.

(7) Not more than one hundred thirty million dollars ($130,000,000) from the Transit Capital Improvement Program funded by the Transportation Planning and Development Account in the State Transportation Fund to be used toward the eight hundred seventy-five million dollars ($875,000,000) state contribution. If the contribution in subparagraph (A) of paragraph (6) exceeds three hundred seventy million dollars ($370,000,000), it is the intent that the amount from the Transit Capital Improvement Program shall be reduced by an amount that is equal to that excess.

(8) (A) The funds necessary to meet principal obligations of not less than six hundred forty-two million dollars ($642,000,000) from the state's share of the federal Highway Bridge Replacement and Rehabilitation (HBRR) Program.

(B) If the project costs exceed four billion six hundred thirty-seven million dollars ($4,637,000,000), the department may program not more than four hundred forty-eight million dollars ($448,000,000) in project savings or other available resources from the Interregional Transportation Improvement Plan, the State Highway Operation Protection Plan, or federal bridge funds for that purpose.

(C) None of the funds identified in subparagraph (B) may be expended for any purpose other than the conditions and design features described in paragraph (9).

(9) The estimated cost of replacing the San Francisco-Oakland Bay Bridge listed in subparagraph (H) of paragraph (4) of subdivision (a) is based on the following conditions:

(A) The new bridge shall be located north adjacent to the existing bridge and shall be the Replacement Alternative N-6 (preferred) Suspension Structure Variation, as specified in the Final Environmental Impact Statement, dated May 1, 2001, submitted by the department to the Federal Highway Administration.

(B) The main span of the bridge shall be in the form of a single tower cable suspension design and shall be the Replacement Alternative N-6 (preferred) Suspension Structure Variation, as specified in the Final Environmental Impact Statement, dated May 1, 2001, submitted by the department to the Federal Highway Administration.

(C) The roadway in each direction shall consist of five lanes, each lane will be 12 feet wide, and there shall be 10-foot shoulders as an emergency lane for public safety purposes on each side of the main-traveled way.

(c) If the actual cost of retrofit or replacement, or both retrofit and replacement, of toll bridges is less than the cost estimate of four billion six hundred thirty-seven million dollars ($4,637,000,000), there shall be a reduction in the amount provided in paragraph (4) of subdivision (b) equal to the proportion of total funds committed to complete the projects funded

from funds generated from paragraph (4) of subdivision (b) as compared to the total funds from paragraphs (6), (7), and (8) of subdivision (b), and there shall be a proportional reduction in the amount specified in paragraph (8) of subdivision (b).

(d) (1) The department shall report annually to the Legislature and the Governor as to the amount of funds used for that purpose from each source specified in subdivision (b) and submit an updated cost estimate. Upon substantial completion of the seismic retrofit work of the state-owned toll bridges, the department shall submit a final report, prepared by an independent accounting firm, identifying the sources and uses of the funds. That report shall serve as the basis for any proportional reduction in funding as specified in subdivision (c).

(2) If the department determines that the actual costs exceed the amounts identified in subparagraph (B) of paragraph (8) of subdivision (b), the department shall report to the Legislature within 90 days from the date of that determination as to the difference and the reason for the increase in costs.

(e) Notwithstanding any other provision of law, the commission shall adopt fund estimates consistent with subdivision (b) and provide flexibility so that state funds can be made available to match federal funds made available to regional transportation planning agencies.

(f) For the purposes of this section, "principal obligations" are the amount of funds generated, either in cash, obligation authority, or the proceeds of a bond or other indebtedness.

GARVEE bonds – County Shares

Added: Statutes of 2001, Chapter 907 (AB 1171)

188.51. (a) If the department utilizes its authority under Chapter 4 (commencing with Section 14550) of Part 5.3 of Division 3 of the Government Code to issue federal highway grant anticipation notes (GARVEE Bonds) from the state share of federal obligation authority to fund the projects identified in subdivision (a) of Section 188.5, Section 14553.6 of the Government Code shall not apply.

(b) State expenditures for the purposes of subdivision (a) shall not exceed 5 percent of the annual amount of federal obligation authority received by the state for a period determined by the department.

Cost of Convict Labor

Amended: Statutes of 1980, Chapter 777 (SB 1419)

188.7. Any expenses incurred in connection with any state highway under Article 4 (commencing with Section 2760) and Article 5 (commencing with Section 2780) of Chapter 5 of Title 1 of Part 3 of the Penal Code shall be paid from money in the State Highway Account available for the construction of state highways, but such expenditures shall not be subject to Sections 188 and 188.8.

County Shares

Amended: Statutes of 2001, Chapter 815 (AB 608)

188.8. (a) From the funds programmed pursuant to Section 188 for regional improvement projects, the commission shall approve programs and program amendments, so that funding is distributed to each county of County Group No. 1 and in each county of County Group No. 2 during the county share periods commencing July 1, 1997, and ending June 30, 2004, and each period of four years thereafter. The amount shall be computed as follows:

(1) The commission shall compute, for the county share periods all of the money to be expended for regional improvement projects in County Groups Nos. 1 and 2, respectively, as provided in Section 188.

(2) From the amount computed for County Group No. 1 in paragraph (1) for the county share periods the commission shall determine the amount of programming for each county in the group based on a formula which is based 75 percent on the population of the county to the total population of County Group No. 1 and 25 percent on state highway miles in the county to the total state highway miles in County Group No. 1.

(3) From the amount computed for County Group No. 2 in paragraph (1) for the county share periods the commission shall determine the amount of programming for each county in the group based on a formula which is based 75 percent on the population of the county to the total population of County Group No. 2 and 25 percent on state highway miles in the county to the total state highway miles in County Group No. 2.

(b) Notwithstanding subdivision (a), that portion of the county population and state highway mileage in El Dorado and Placer Counties that is included within the jurisdiction of the Tahoe Regional Planning Agency shall be counted separately toward the area under the jurisdiction of the Tahoe Regional Transportation Agency and shall not be included in El Dorado and Placer Counties. The commission shall approve programs, program amendments, and fund reservations for the area under the jurisdiction of the Tahoe Regional Transportation Agency which shall be calculated using the formula described in paragraph (2) of subdivision (a).

(c) A transportation planning agency designated pursuant to Section 29532 of the Government Code, or a county transportation commission created by Division 12 (commencing with Section 130000) of the Public Utilities Code, may adopt a resolution to pool its county share programming with any county or counties adopting similar resolutions to consolidate its county shares for two consecutive county share periods into a single share covering both periods. A multicounty transportation planning agency with a population of less than three million may also adopt a resolution to pool the share of any county or counties within its region. The resolution shall provide for pooling the county share programming in any of the pooling counties for the new single share period and shall be submitted to the commission not later than May 1 immediately preceding the commencement of the county share period.

(d) For the purposes of this section, funds programmed shall include the following costs pursuant to subdivision (b) of Section 14529 of the Government Code:

(1) The amounts programmed or budgeted for both components of project development in the original programmed year.

(2) The amount programmed for right-of-way in the year programmed in the most recent state transportation improvement program. If the final estimate is greater than 120 percent or less than 80 percent of the amount originally programmed, the amount shall be adjusted for final expenditure estimates at the time of right-of-way certification.

(3) The engineer's final estimate of project costs, including construction engineering, presented to the commission for approval pursuant to Section 14533 of the Government Code in the year programmed in the most recent state transportation improvement program. If the construction contract award amount is less than 80 percent of the engineer's final estimate, excluding construction engineering, the department shall notify the commission and the commission may adjust its project allocation accordingly.

(4) Project costs shown in the program, as amended, where project allocations have not yet been approved by the commission, escalated to the date of scheduled project delivery.

(e) Project costs shall not be changed to reflect any of the following:

(1) Differences that are within 20 percent of the amount programmed for actual project development cost.

(2) Actual right-of-way purchase costs.

(3) Construction contract award amounts, except when those amounts are less than 80 percent of the engineer's final estimate, excluding construction engineering, and the commission has adjusted the project construction allocation.

(4) Changes in construction expenditures, except for supplemental project allocations made by the commission.

(f) For the purposes of this section, the population in each county is that determined by the last preceding federal census, or a subsequent census validated by the Population Research Unit of the Department of Finance, at the beginning of each county share period. .

(g) For the purposes of this section, "state highway miles" means the miles of state highways open to vehicular traffic at the beginning of each county share period.

(h) It is the intent of the Legislature that there is to be flexibility in programming under this section and Section 188 so that, while ensuring that each county will receive an equitable share of state transportation improvement program funding, the types of projects selected and the programs from which they are funded may vary from county to county.

(i) Commencing with the four-year period commencing on July 1, 2004, individual county share shortfalls and surpluses at the end of each four-year period, if any, shall be carried forward and credited or debited to the following four years.

(j) The commission, with the consent of the department, may consider programming projects in the state transportation improvement program in a region with a population of not more than 1,000,000 at a level higher or lower than a county share, when the regional agency either asks to reserve part or all of its share until a future programming year, to build up a larger share for a higher cost project, or asks to advance an amount of the share, in an amount not to exceed 200 percent of its current share, for a larger project, to be deducted from shares for future programming years. After consulting with the department, the commission may adjust the level of programming in the regional program in the affected region against the level of interregional programming in the improvement program to accomplish the reservation or advancement, for the current state transportation improvement program. The commission shall keep track of any resulting shortfalls or surpluses in county shares.

(k) Notwithstanding subdivision (a), in a region defined by Section 66502 of the Government Code, the transportation planning agency may adopt a resolution to pool the county share of any county or counties within the region, provided that each county shall receive no less than 85 percent and not more than 115 percent of its county share for a single county share period and 100 percent of its county share over two consecutive county share periods. The resolution shall be submitted to the commission not later than May 1, immediately preceding the commencement of the county share period.

(l) Federal funds used for federal demonstration projects that use federal obligational authority otherwise available for other projects shall be subtracted from the county share of the county where the project is located.

Toll Bridges – Seismic Retrofit Account
Amended: Statutes of 2002, Chapter 805 (AB 2996)

188.10. (a) The Toll Bridge Seismic Retrofit Account is hereby created in the State Transportation Fund. The money in the account is hereby appropriated, without regard to fiscal years, to the department for the purpose of funding seismic retrofit or replacement of the bridges listed in Section 188.5. Notwithstanding Section 11012 of the Government Code, the department, in consultation with the Department of Finance and the Office of the State Treasurer, may authorize the investment of bond proceeds or commercial paper proceeds deposited into the account in obligations permitted by the Treasurer. Those invested amounts may be held by a trustee who is either the Treasurer or who is selected by the Treasurer. Authorized investments made pursuant to this section shall be included as cash balance for purposes of reporting the condition of the account in the Governor's proposed budget or pursuant to the reporting requirement contained in subdivision (b) of Section 14556.9 of the Government Code.

(b) The Department of Finance shall provide notification to the Joint Legislative Budget Committee and to the transportation policy committee in each house in the form of a financing plan or pro forma at least 60 days prior to the initial issuance of any commercial paper or the issuance of any bonds for purposes of the toll bridge seismic retrofit program. The financing plan or pro forma shall include all of the following components:

(1) The amount and form of the debt issuance or issuances, the term of the issuance or issuances, repayment and security provisions, the amount and structure of any reserve funds, and all other details of the proposed financing.

(2) All necessary information with respect to the sources and uses of funds to construct the projects identified in the toll bridge seismic retrofit program and the timing of expenditures by each fund source by fiscal year.

(3) An assessment of funding available for the Bay Area Toll Authority for authorized projects as a result of the financing.

(c) No interest income earned as a result of investments made pursuant to subdivision (a), or from reserve funds created to support the financing, shall be used to pay project costs that are in excess of four billion six hundred thirty-seven million dollars ($4,637,000,000). No reserve funds, other than a required debt service reserve fund, shall be in place subsequent to the completion of the seismic retrofit projects.

(d) Notwithstanding any other provision of law, the Department of Finance may establish the accounting and reporting system used to determine the expenditures, cash needs, and balance of the account.

Commission to Maintain County Share Balances
Amended: Statutes of 1998, Chapter 596 (AB 2035)

188.10. (a) The commission, with assistance from the department and regional agencies, shall maintain a long-term balance of shares, shortfalls, and surpluses for regional improvement programs.

(b) The balance shall include all of the following:

(1) Shares from the fund estimate for each state transportation improvement program pursuant to Section 14525 of the Government Code.

(2) Amounts programmed in each state transportation improvement program pursuant to Section 14529 of the Government Code.

(3) Surpluses or shortfalls due to reservations or advancements pursuant to subdivision (j) of Section 188.8.

(4) Amounts deducted or added because of changes in project development costs or a cost increase or savings in the final engineering estimate or the final right-of-way certification estimate at the time of allocation for construction, pursuant to subdivisions (d) and (e) of Section 188.8.

(5) Any supplemental project allocations during or following construction.

(6) Amounts deducted or added because of amendments to the state transportation improvement program that add, delete, or change the scope and cost of regional improvement projects, pursuant to Section 14531 of the Government Code.

(c) The balance through the preceding fiscal year shall be made available for review by all regional agencies at the time of each fund estimate, and by not later than August 15 of each year.

(d) The commission, through the fund estimate, shall restore for the next state transportation improvement program the interregional improvement program level specified in subdivision (a) of Section 164.

No State Highway Account Funding for Bay Bridge Amenities

Amended: Statutes of 1997, Chapter 328 (SB 226)

188.14. The department may transfer or loan, or both, funds between the Toll Bridge Seismic Retrofit Account in the State Transportation Fund and the State Highway Account for cash flow purposes to accomplish individual toll bridge seismic requirements. No funds may be transferred or loaned from the State Highway Account to fund any amenity, as defined by Section 31000, or to fund shortages that result from the expenditure of funds from the Toll Bridge Seismic Retrofit Account for amenities.

Federal Match Credit for Tolls on Routes 91 (Orange) and 125 (San Diego)

Added: Statutes of 1999, Chapter 628 (AB 1318)

188.15. (a) Except as authorized under subdivision (b), toll funds used as a credit toward the nonfederal share of any federal-aid highway project, as authorized under Section 120(j) of Title 23 of the United States Code, or private entity expenditures used for that purpose, as authorized under Section 1217(i) of the Transportation Equity Act for the 21st Century (P.L. 105-178), may not be used as a credit for any project that is not within the county or counties in which the toll facility is located.

(b) The toll funds and private expenditures described in subdivision (a) may be used as a credit toward a project located outside the county or counties in which the toll facility is located if the department determines that there is no project in the current state transportation improvement program cycle within that county or counties for which the credit may be used.

(c) The department shall do both of the following:

(1) Obtain specific project proposals for use of the credit described in subdivision (a) from the regional transportation planning agencies and county transportation commissions of the county or counties in which the toll facility is located.

(2) Obtain contingency project proposals for use of the credit outside the county or counties in which the toll facility is located, in preparation for the occurrence of the condition described in subdivision (b).

(d) The county share allocations, as computed under Section 188 or 188.8, may not be increased or reduced as a consequence of any toll revenues or private agency expenditures that are utilized under this section as a credit toward the nonfederal share of any federally funded project.

District 12-Orange County

Amended: Statutes of 1987, Chapter 1050 (AB 696)

189.1. Notwithstanding any other provision of law, State Transportation District 12, consisting of the County of Orange, is hereby created. The district shall have a separate district organization, staff and facilities in the county.

Grade Separation Program, Public Utilities Commission List

Amended: Statutes of 1994, Chapter 1220 (AB 3132)

190. Each annual proposed budget prepared pursuant to Section 165 shall include the sum of fifteen million dollars ($15,000,000), which sum may include federal funds available for grade separation projects, for allocations to grade separation projects, in accordance with Chapter 10 (commencing with Section 2450) of Division 3. The funds included for such purposes pursuant to this section each fiscal year, or by any other provision of law, shall be available for allocation and expenditure without regard to fiscal years.

Deduction from Subventions for Grade Separation Program

Amended: Statutes of 1992, Chapter 1243 (AB 3090)

191. Prior to each July 15, the department shall prepare and forward to the Controller a report identifying the amounts to be deducted from the allocations under Sections 2104 and 2107 as provided in Sections 2104.1 and 2107.6. The amounts shall be a proration of five million dollars ($5,000,000), less the federal subventions for grade separation projects included in allocations made pursuant to Chapter 10 (commencing with Section 2450) of Division 3 in the preceding fiscal year in excess of three million dollars ($3,000,000). The proration shall be based on the ratio that grade separation allocations to cities, and grade separation allocations to counties, bears to the total allocations in the preceding fiscal year.

Grade Crossings as Eligible Expense

Amended: Statutes of 1980, Chapter 777 (SB 1419)

191.5. Any city, city and county, or county may use funds allocated from the State Highway Account or the Highway Users Tax Account in the Transportation Tax Fund to finance the local

governmental entity's share of the cost of constructing protective facilities on all mainline grade crossings.

Contributions Excluded from Apportionment Computations
Amended: Statutes of 1980, Chapter 777 (SB 1419)

192. In apportioning the State Highway Account money as required by this article, there shall be excluded, from the computations of moneys expended, any sums contributed by any person or governmental unit to pay any portion of the cost of constructing, improving, or maintaining any state highway.

Except as otherwise permitted in this article, any annual or biennial balances remaining unexpended to the credit of any particular county group shall remain credited to such county group.

State Highway Account for State Highways and State Park Roads
Amended: Statutes of 1980, Chapter 777 (SB 1419)

193. The State Highway Account money allocated and available each year for state highways shall be expended by the department:

(a) On the locations determined by the commission, to acquire the necessary real property or interest therein for, and to construct or improve to standards justified by traffic requirements, the state highways in the state highway system.

(b) To construct or improve highways in state parks in the manner provided by law.

State Highway Account Transfer to Public Transportation Account for Planning
Amended: Statutes of 1980, Chapter 777 (SB 1419)

194. Each annual proposed budget prepared pursuant to Section 165 shall include an amount recommended to be appropriated to the Transportation Planning and Development Account in the State Transportation Fund. The amount shall, to the extent possible, equal the pro rata share of the comprehensive transportation planning duties attributable to highway and to exclusive public mass transit guideway planning and development.

State Highway Account Budget for Transportation Research and Innovation Program
Added: Statutes of 1992, Chapter 352 (AB 3096)

203. It is the intent of the Legislature that each annual proposed budget prepared pursuant to Section 165 include state funds from the State Highway Account for the California Transportation Research and Innovation Program, in accordance with Chapter 4 (commencing with Section 14450) of Part 5 of Division 3 of Title 2 of the Government Code. These funds shall be identified as a distinct line-item in each proposed budget and shall be in addition to existing research and development conducted by the department.

State Highways Within Cities
Added: Statutes of 1935, Chapter 642 (SB 561)

204. The department shall exercise the same powers and duties with respect to State highways within cities as with respect to other State highways.

State Highway Account Investment
Amended: Statutes of 1980, Chapter 777 (SB 1419)

207. The commission may, by resolution, provide a plan under which the department may invest presently unneeded money in the State Highway Account in bonds or interest-bearing notes or obligations of the United States for which the faith and credit of the United States are pledged for the payment of principal and interest, in time bank deposits in eligible banks described in Section 16500 of the Government Code, in deposits in eligible savings and loan associations described in Section 16600 of the Government Code, or in any securities of federal agencies described in Section 16430 of the Government Code. The department may, with the approval of the State Treasurer, invest such excess funds in accordance with the resolution. All such bonds, notes, or obligation purchased under the provisions of this section shall be delivered to the State Treasurer, who shall keep them as a portion of the State Highway Account, and all interest thereon when collected shall be paid into and become a part of the State Highway Account.

All investments made under this section shall be liquidated as soon as the funds invested are required for state highway purposes.

Availability of DMV Funds for Advance Right-Of-Way Acquisition
Amended: Statutes of 1982, Chapter 681 (AB 1168)

208. The Controller shall, from time to time, determine whether any portion of the money or investment in the Department of Motor Vehicles Uncleared Collections Account in the Special Deposit Fund is not necessary for immediate use and, if so, the amount thereof shall thereupon be designated as "available money." On demand of the Department of Transportation from time to time, the amounts demanded, not exceeding ten million dollars ($10,000,000) in the aggregate, shall, on order of the Controller, be transferred to the State Highway Account from the "available money" and shall be available for the acquisition of properties to constitute rights-of-way for state highway purposes. On demand of the Controller, the money shall be retransferred to the Department of Motor Vehicles Uncleared Collections Account.

Article 6. Freeway Noise Attenuation

Caltrans Soundwall Priority List
Amended: Statutes of 1991, Chapter 1107 (SB 511)

215.5. (a) The department shall develop and implement a system of priorities for ranking the need for installation of noise attenuation barriers along freeways in the California freeway and expressway system. In establishing a priority system, the department shall give the highest consideration to residential areas which were developed prior to the opening of the freeway. If alterations have been made to the freeway since its original opening which result in a significant and measurable increase in ambient noise levels, the opening date for that segment of the freeway, for the purposes of determining priorities under this section, is the completion date of that alteration project. Other criteria for determining priorities shall include the existing and future intensity of sound generated by the freeway, the increase in traffic flow since the original construction of the freeway, the cost of building the soundwall in relation to the expected noise reduction, the number of persons living in close proximity to the freeway, and whether a majority of the occupants in close proximity to the freeway resided there prior to the time of the freeway routing was adopted by the commission. The city or county in which the residential

area is located shall be responsible for providing documentation to the department on the percentage of original occupants still residing along the freeway.

The actual cost of construction shall be used in determining the relative priority ranking of projects funded and constructed pursuant to subdivision (d).

(b) When all freeways have been ranked in priority order, the department shall, consistent with available funding, include in its proposed state transportation improvement program, a program of construction of noise attenuation barriers beginning with the highest priority.

In preparing the annual priority list, the department shall not add any new project to the list ahead of a project that has been funded by a city or county, or by any other public agency using public funds, and is awaiting state reimbursement pursuant to subdivision (d).

(c) The commission shall include in the estimate adopted pursuant to Section 14525 of the Government Code an annual and five-year estimate of funds estimated to be available for noise attenuation barriers along freeways. If any city or county constructs a noise attenuation barrier along a freeway pursuant to subdivision (d), the commission shall allocate funds for the project in the fiscal year the project would have been eligible for funding based on the department's priority list and the commission's fund estimate at the time of approval of the project pursuant to subdivision (d).

(d) If any city, county, or public agency constructs a noise attenuation barrier along a freeway using public funds prior to the time that the barrier reaches a high enough priority for state funding, then, when the funding priority is reached, the department shall reimburse the city, county, or public agency without interest for the cost of construction, but the reimbursement may not exceed the cost of the department to construct the barriers. Reimbursement shall be made only if the city, county, or public agency constructs the noise attenuation barrier to the standards approved by department, follows bidding and contracting procedures approved by the department, and the project is approved by the commission.

Accelerated Priority Projects

Added: Statutes of 1991, Chapter 1107 (SB 511)

215.6. If any city or county contributes at least 33 percent of the estimated cost of any soundwall project included for the first time in the state transportation improvement program in 1992 or in subsequent years, that project shall be given priority over all other soundwall projects to be included for the first time in that state transportation improvement program. If, due to the accelerated priority given a project by this section, two or more projects each qualify for the highest priority, the relative ranking between the two projects shall be determined on the basis of their relative ranking prior to being accelerated.

Natural Disaster Mitigation, Noise Attenuation

Added: Statutes of 1992, Chapter 1241 (SB 1615)

215.7. (a) In the event of the destruction of any segment of a state highway due to a natural disaster, when that segment remains out of service for five years or more, the department may, for purposes of mitigating the effects of increased traffic and noise on alternate state highways, use funds from the State Highway Account in the State Transportation Fund sufficient in amount to meet the state's required matching share of the costs of construction of noise attenuation barriers on any alternate state highway where traffic has increased due to the destruction of that segment if the construction of those barriers is eligible for at least 25 percent funding from federal emergency relief funds and otherwise meets the requirements of Section 215.5. That

amount is hereby appropriated to the department from that account, as a loan, that shall be repaid from funds made available under subdivision (d) of Section 215.5 for that construction.

(b) For purposes of this section, "natural disaster" has the meaning as defined in Section 8680.3 of the Government Code.

School Noise Abatement Program

Amended: Statutes of 2002, Chapter 438 (AB 3026)

216. (a) The noise level produced by the traffic on, or by the construction of, a state freeway shall be measured in the classrooms, libraries, multipurpose rooms, and spaces used for pupil personnel services of a public or private elementary or secondary school if the rooms or spaces are being used for the purpose for which they were constructed and they were constructed under any of the following circumstances:

(1) Prior to the award of the initial construction contract for the freeway route and prior to January 1, 1974.

(2) After December 31, 1973, and prior to the issuance of a statement of present and projected noise levels of the freeway route by the department pursuant to subdivision (f) of Section 65302 of the Government Code.

(3) Subsequent to the construction of the freeway but prior to any alteration or expansion of the freeway that results in a significant and perceptible increase in ambient noise levels in the rooms or spaces.

(b) The measurements shall be made at appropriate times during regular school hours and shall not include noise from sources that exceed the maximum permitted by law.

(c) If the noise level produced from the freeway traffic, or the construction of the freeway, exceeds 55dBA, L10, or 52dBA, Leq., the department shall undertake a noise abatement program in any classroom, library, multipurpose room, or space used for pupil personnel services to reduce the freeway traffic noise level therein to 55dBA, L10, or 52dBA, Leq., or less, by, measures including, but not limited to, installing acoustical materials, eliminating windows, installing air-conditioning, or constructing sound baffle structures.

(d) If the department determines that the construction of the freeway will result in a noise level exceeding 55dBA, L10, or 52dBA, Leq., the department shall complete the temporary or permanent noise abatement program prior to commencing that construction, or as soon as practicable thereafter.

(e) If it becomes necessary to convert the classrooms, libraries, multipurpose rooms, or spaces used for pupil personnel services to other school-related purposes because the freeway traffic noise level therein exceeds 55dBA, L10, or 52dBA, Leq., the department shall pay the cost of the conversions.

(f) If the noise level generated from sources within and without the classrooms, libraries, multipurpose rooms, or spaces used for pupil personnel services exceeds 55dBA, L10, or 52dBA, Leq. prior to construction of the freeway or completion of the alteration or expansion of the freeway, as the case may be, and the noise from the freeway, or its construction, alteration, or expansion, also exceeds 55dBA, L10, or 52dBA, Leq., the department shall undertake a noise abatement program that will reduce the noise to its preconstruction, prealteration, or preexpansion level.

(g) Priority for noise abatement programs shall be given to those public and private elementary and secondary classrooms, libraries, multipurpose rooms, and spaces used for pupil personnel services constructed in conformance with Article 3 (commencing with Section 17280)

of Chapter 3 of Part 10.5 of Division 1 of Title 1 of the Education Code or subject to paragraph (3) of subdivision (a).

(h) As used in this section, dBA means decibels measured by the "A" weighting described in Section 3.1 of the American National Standard specification for sound level meters, S1.4-1971, approved April 27, 1971, and published by the American National Standards Institute. L10 is the sound level that is exceeded 10 percent of the time for the period under consideration and is a value which is an indicator of both the magnitude and frequency of occurrence of the loudest noise events. Leq. is the equivalent steady state sound which in a stated period of time would contain the same acoustic energy as the time-varying sound level during the same time period.

Rice Straw Demonstration

Added: Statutes of 2002, Chapter 656 (AB 2751)

216.5. (a) The department shall construct at least one demonstration noise attenuation barrier fabricated from rice straw upon meeting the conditions and requirements of this section.

(b) Prior to construction of the barrier specified in subdivision (a) the department shall identify an appropriate location, and shall develop separate cost estimates for constructing a barrier at that location using a standard noise attenuation barrier design and constructing the barrier using the rice straw design.

(c) If a noise barrier system fabricated from rice straw appears on the department's list of approved noise barrier systems, the department shall, within one year, identify a suitable regularly programmed transportation project that includes a noise barrier element for construction of the demonstration noise barrier system. In making its project selection, the department shall consider projected completion schedules for potential candidate projects with the intent of completing the demonstration project expeditiously.

(d) The department shall not be required to construct the rice straw barrier specified in subdivision (a) until all the following have occurred:

(1) A noise barrier system fabricated from rice straw is approved by the department and appears on the department's list of approved noise barrier systems.

(2) Funding has been secured and made available by the manufacturer of the selected rice straw system to offset any additional costs incurred by the department in using the rice straw barrier design based on the cost estimates prepared pursuant to subdivision (b).

(3) A location has been identified for construction of the rice straw barrier system that meets safety, environmental, and related project requirements, and sufficient funding has been programmed and is available for construction of the barrier based on the cost estimate for the standard noise barrier design.

(f) The department may select any approved rice straw barrier system for use in the demonstration project as long as the manufacturer of the selected system secures and provides the required funding specified in paragraph (2) of subdivision (d). In the event that no manufacturer of an approved rice straw barrier system provides the required funding, the department shall not be required to complete the demonstration project.

(g) The department shall, on or before January 1, 2005, transmit to the Legislature a report regarding the implementation of this bill.

Definition, School Noise Abatement
Added: Statutes of 1975, Chapter 969 (AB 883)

216.1. As used in Section 216, "spaces used for pupil personnel services" means rooms that are used primarily for counseling, testing, or similar type services involving the presence of pupils.

Article 6.5. Design-Sequencing Demonstration and Evaluation Program

Definitions
Amended: Statutes of 2000, Chapter 340 (AB 2607)

217. For purposes of this article, the following terms have the following meanings:

(a) "Design-sequencing" is a method of contracting that enables the sequencing of design activities to permit each construction phase to commence when design for that phase is complete, instead of requiring design for the entire project to be completed before commencing construction.

(b) A "design-sequencing contract" is a contract between the department and a contractor that requires the department to prepare a design and permits construction of a project to commence upon completion of design for a construction phase.

(c) "Design" is a plan completed to a level of 30 percent.

(d) This section shall remain in effect only until January 1, 2005, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2005, deletes or extends that date.

Design-Sequencing Pilot Program
Amended: Statutes of 2000, Chapter 340 (AB 2607)

217.2. (a) Notwithstanding Chapter 1 (commencing with Section 10100) of Part 2 of Division 2 of the Public Contract Code, except Section 10128 of that code, and Chapter 10 (commencing with Section 4525) of Division 5 of Title 1 of the Government Code, the department may conduct a pilot program to let design-sequencing contracts for the design and construction of no more than 12 transportation projects, to be selected by the director. For the purpose of this article, these projects shall be deemed public works.

(b) In selecting projects for the pilot program authorized under subdivision (a), the director shall attempt to balance geographical areas among test projects as well as pursue diversity in the types of projects undertaken.

(c) To the extent available, the department shall seek to incorporate existing knowledge and experience on design-sequencing contracts in carrying out its responsibilities under subdivision (a).

(d) This section shall remain in effect only until January 1, 2005, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2005, deletes or extends that date.

Status and Evaluation Reports
Amended: Statutes of 2000, Chapter 340 (AB 2607)

217.4. (a) Not later than July 1 of each year for which the design-sequencing contracts are underway, the department shall prepare a status report on its contracting methods, procedures, costs, and delivery schedules. Upon completion of all design-sequencing contracts,

notwithstanding Section 7550.5 of the Government Code, the department shall establish a peer review committee to prepare a report for submittal to the Legislature that describes and evaluates the outcome of the contracts provided for in this article, stating the positive and negative aspects of using design-sequencing as a contracting method.

(b) This section shall remain in effect only until January 1, 2005, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2005, deletes or extends that date.

Procedures

Amended: Statutes of 2000, Chapter 340 (AB 2607)

217.6. Design-sequencing contracts shall be awarded in accordance with all of the following:

(a) The department shall advertise design-sequencing projects by special public notice to contractors.

(b) Contractors shall be required to provide prequalification information establishing appropriate licensure and successful past experience with the proposed work.

(c) This section shall remain in effect only until January 1, 2005, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2005, deletes or extends that date.

CHAPTER 4. COOPERATION BY AND WITH THE STATE

Article 4. State and Federal Highway Work

Advancements for Federal Obligations

Amended: Statutes of 1980, Chapter 777 (SB 1419)

824. Expenditures made from the State Highway Account, to the extent to which the United States is obligated by a project agreement to reimburse the state, shall be considered as advancements made by this state for performance on behalf of the United States and shall not be considered as expenditures of state funds.

Such advancements are not subject to any provisions of law relative to allocation of State Highway Account moneys. Such advancements shall be excluded in making the computations required by Section 11274 of the Government Code and the amount of such advancements made, and to be equal to the amount received from the Government of the United States as reimbursement for street or highway projects and deposited in the State Treasury during that period of time.

Federal Funds Included in North/South Split and County Share

Added: Statutes of 1955, Chapter 76 (AB 485)

825. The total of the funds available from the Federal Government and the State for construction or improvement of state highways by the State shall be apportioned between the two county groups in accordance with the provisions of Section 188. Where more projects are available which are eligible for expenditure of federal funds in one county group than in the other, state funds shall be allocated to the county group receiving the lesser expenditure of federal funds to so balance such total expenditures.

* * * * * * *

CHAPTER 8. NONMOTORIZED TRANSPORTATION

Article 1. General Provisions

Provision for Multimodal Transportation System
Added: Statutes of 1993, Chapter 517 (SB 1095)

885. The Legislature hereby finds and declares that traffic congestion, air pollution, noise pollution, public health, energy shortages, consumer costs, and land-use considerations resulting from a primary reliance on the automobile for transportation are each sufficient reasons to provide for multimodal transportation systems.

Legislative Findings and Declarations
Added: Statutes of 1993, Chapter 517 (SB 1095)

885.2. The Legislature finds and declares all of the following:

(a) California's bicycle programs have not been fully developed or funded.

(b) The Legislature and Congress have enacted laws to reduce traffic congestion and improve air quality.

(c) The components of a successful bicycle program include engineering and design of safe facilities, education of bicyclists, and the motoring public on lawful use of the highways, and enforcement of traffic laws.

(d) Efforts to improve safety and convenience for nonmotorized transportation users are a proper use of transportation funds.

(e) The design and maintenance of many of our bridges and highways present physical obstacles to use by bicycles.

(f) The bicycle is a legitimate transportation mode on public roads and highways.

(g) Bicycle transportation can be an important, low-cost strategy to reduce reliance on the single-passenger automobile and can contribute to a reduction in air pollution and traffic congestion.

Bicycle Facilities Coordinator
Added: Statutes of 1993, Chapter 517 (SB 1095)

886. There is in the department a bicycle facilities coordinator who is responsible for the administration of bicycle-related activities of the department.

Article 2. Nonmotorized Transportation Facilities

Nonmotorized Transportation Facility Defined
Added: Statutes of 1993, Chapter 517 (SB 1095)

887. As used in this chapter, "nonmotorized transportation facility" means a facility designed primarily for the use of pedestrians, bicyclists, or equestrians. It may be designed primarily for one or more of those uses.

Statewide Map
Added: Statutes of 1993, Chapter 517 (SB 1095)

887.2. The department, in cooperation with local agencies, shall publish a statewide map illustrating state highway routes available for the use of bicyclists and, where bicyclists are

prohibited from using a state highway, illustrating, in such a case, safe, alternate routes available to the bicyclists.

Annual Report

Amended: Statutes of 1998, Chapter 877 (AB 2132)

887.4. Prior to December 31 of each year, the department shall prepare and submit an annual report to the Legislature summarizing programs it has undertaken for the development of nonmotorized transportation facilities, including a summary of major and minor projects. The report shall document all state funding for bicycle programs, including funds from the Bicycle Transportation Account, the Transportation Planning and Development Account, and the Clean Air Transportation Improvement Act. The report shall also summarize the existing directives received by the department from the Federal Highway Administration concerning the availability of federal funds for the programs, together with an estimate of the fiscal impact of the federal participation in the programs.

Facilities on State Highways

Added: Statutes of 1993, Chapter 517 (SB 1095)

887.6. Upon the request of the public agency, as defined by Section 6500 of the Government Code, the department may enter into an agreement with the agency for the construction and maintenance of nonmotorized transportation facilities which generally follow a state highway right-of-way where the department has determined that the facility will improve safety and convenience for bicyclists.

The department's contribution, if any, to the cost of constructing the nonmotorized facilities shall be based upon a finding that the traffic safety or capacity of the highway will be increased. The agreements may provide for the handling and accounting of funds, the acquisition or conveyance of right-of-way, maintenance, and any other phase of the project.

Facilities Paralleling State Highways

Added: Statutes of 1993, Chapter 517 (SB 1095)

887.8. (a) After consulting with the law enforcement agency having primary traffic law enforcement responsibility with respect to the state highway, the department may construct and maintain nonmotorized transportation facilities approximately paralleling that highway.

(b) Where the traffic safety or capacity of the highway would be increased, the department shall pay for the construction and maintenance of nonmotorized transportation facilities approximately paralleling the highway.

(c) The Legislature finds and declares that the construction and maintenance of nonmotorized transportation facilities constitute a highway purpose under Article XIX of the California Constitution, and justify the expenditure of highway funds and the exercise of the power of eminent domain therefor.

State Highway Not to Sever Existing Route for Nonmotorized Transportation

Added: Statutes of 1993, Chapter 517 (SB 1095)

888. The department shall not construct a state highway as a freeway that will result in the severance or destruction of an existing major route for nonmotorized transportation traffic and light motorcycles, unless it provides a reasonable, safe, and convenient alternate route or such a route exists.

Facilities Incorporated in Design of Freeways
Added: Statutes of 1993, Chapter 517 (SB 1095)

888.2. The department shall also incorporate nonmotorized transportation facilities in the design of freeways on the state highway system along corridors where nonmotorized facilities do not exist, upon a finding that the facilities would conform to the California Recreational Trails System Plan specified in Section 5070.7 of the Public Resources Code or upon a finding, following a public hearing, that the facilities would conform to the master plans of local agencies for the development of nonmotorized facilities and would not duplicate existing or proposed routes, and that community interests would be enhanced by the construction of the facilities.

The department shall establish an annual priority list of projects to be funded pursuant to this section, which shall primarily benefit bicyclists rather than other highway users.

Minimum State Highway Account Funding
Added: Statutes of 1993, Chapter 517 (SB 1095)

888.4. Each annual budget prepared pursuant to Section 165 shall include an amount of not less than three hundred sixty thousand dollars ($360,000) for the construction of nonmotorized transportation facilities to be used in conjunction with the state highway system.

Receive And Expend Funds
Added: Statutes of 1993, Chapter 517 (SB 1095)

888.8. The department may enter into any agreements, execute any documents, establish and manage any accounts or deposits, or take any other action that may be appropriate to receive and expend funds from the federal government in connection with state or local agency bicycle programs and nonmotorized transportation projects for which federal funds are available. The department may undertake demonstration projects and perform technical studies.

Article 3. California Bicycle Transportation Act

Legislative Intent
Added: Statutes of 1993, Chapter 517 (SB 1095)

890. It is the intent of the Legislature, in enacting this article, to establish a bicycle transportation system. It is the further intent of the Legislature that this transportation system shall be designed and developed to achieve the functional commuting needs of the employee, student, business person, and shopper as the foremost consideration in route selection, to have the physical safety of the bicyclist and bicyclist's property as a major planning component, and to have the capacity to accommodate bicyclists of all ages and skills.

Bicycle Defined
Added: Statutes of 1993, Chapter 517 (SB 1095)

890.2. As used in this chapter, "bicycle" means a device upon which any person may ride, propelled exclusively by human power through a belt, chain, or gears, and having either two or three wheels in a tandem or tricycle arrangement.

Bicycle Commuter Defined
Added: Statutes of 1993, Chapter 517 (SB 1095)

890.3. As used in this article, "bicycle commuter" means a person making a trip by bicycle primarily for transportation purposes, including, but not limited to, travel to work, school,

shopping, or other destination that is a center of activity, and does not include a trip by bicycle primarily for physical exercise or recreation without such a destination.

Bikeway Defined

Added: Statutes of 1993, Chapter 517 (SB 1095)

890.4. As used in this article, "bikeway" means all facilities that provide primarily for bicycle travel. For purposes of this article, bikeways shall be categorized as follows:

(a) Class I bikeways, such as a "bike path," which provide a completely separated right-of-way designated for the exclusive use of bicycles and pedestrians with crossflows by motorists minimized.

(b) Class II bikeways, such as a "bike lane," which provide a restricted right-of-way designated for the exclusive or semiexclusive use of bicycles with through travel by motor vehicles or pedestrians prohibited, but with vehicle parking and crossflows by pedestrians and motorists permitted.

(c) Class III bikeways, such as an onstreet or offstreet "bike route," which provide a right-of-way designated by signs or permanent markings and shared with pedestrians or motorists.

Bikeway Design Criteria

Added: Statutes of 1993, Chapter 517 (SB 1095)

890.6. The department, in cooperation with county and city governments, shall establish minimum safety design criteria for the planning, and construction of bikeways and roadways where bicycle travel is permitted. The criteria shall include, but not limited to, the design speed of the facility, minimum widths and clearances, grade, radius of curvature, pavement surface, actuation of automatic traffic control devices, drainage, and general safety. The criteria shall be updated biennially, or more often, as needed.

Uniform Specifications and Symbols

Added: Statutes of 1993, Chapter 517 (SB 1095)

890.8. The department shall establish uniform specifications and symbols for signs, markers, and traffic control devices to designate bikeways, regulate traffic, improve safety and convenience for bicyclists, and to alert pedestrians and motorists of the presence of bicyclists on bikeways and on roadways where bicycle travel is permitted.

Compliance with Criteria

Added: Statutes of 1993, Chapter 517 (SB 1095)

891. All city, county, regional, and other local agencies responsible for the development or operation of bikeways or roadways where bicycle travel is permitted shall utilize all minimum safety design criteria and uniform specifications and symbols for signs, markers, and traffic control devices established pursuant to Sections 890.6 and 890.8.

Local Bicycle Transportation Plan

Added: Statutes of 1993, Chapter 517 (SB 1095)

891.2. A city or county may prepare a bicycle transportation plan, which shall include, but not be limited to, the following elements:

(a) The estimated number of existing bicycle commuters in the plan area and the estimated increase in the number of bicycle commuters resulting from implementation of the plan.

(b) A map and description of existing and proposed land use and settlement patterns which shall include, but not be limited to, locations of residential neighborhoods, schools, shopping centers, public buildings, and major employment centers.

(c) A map and description of existing and proposed bikeways.

(d) A map and description of existing and proposed end-of-trip bicycle parking facilities. These shall include, but not be limited to, parking at schools, shopping centers, public buildings, and major employment centers.

(e) A map and description of existing and proposed bicycle transport and parking facilities for connections with and use of other transportation modes. These shall include, but not be limited to, parking facilities at transit stops, rail and transit terminals, ferry docks and landings, park and ride lots, and provisions for transporting bicyclists and bicycles on transit or rail vehicles or ferry vessels.

(f) A map and description of existing and proposed facilities for changing and storing clothes and equipment. These shall include, but not be limited to, locker, restroom, and shower facilities near bicycle parking facilities.

(g) A description of bicycle safety and education programs conducted in the area included within the plan, efforts by the law enforcement agency having primary traffic law enforcement responsibility in the area to enforce provisions of the Vehicle Code pertaining to bicycle operation, and the resulting effect on accidents involving bicyclists.

(h) A description of the extent of citizen and community involvement in development of the plan, including, but not limited to, letters of support.

(i) A description of how the bicycle transportation plan has been coordinated and is consistent with other local or regional transportation, air quality, or energy conservation plans, including, but not limited, programs that provide incentives for bicycle commuting.

(j) A description of the projects proposed in the plan and a listing of their priorities for implementation.

(k) A description of past expenditures for bicycle facilities and future financial needs for projects that improve safety and convenience for bicycle commuters in the plan area.

Grant Application, Match

Added: Statutes of 1993, Chapter 517 (SB 1095)

891.4. (a) A city or county that has prepared a bicycle transportation plan pursuant to Section 891.2 may submit the plan to the county transportation commission or transportation planning agency for approval. The city or county may submit an approved plan to the department in connection with an application for funds for bikeways and related facilities which will implement the plan. If the bicycle transportation plan is prepared, and the facilities are proposed to be constructed, by a local agency other than a city or county, the city or county may submit the plan for approval and apply for funds on behalf of that local agency.

(b) The department may grant funds applied for pursuant to subdivision (a) on a matching basis which provides for the applicant's furnishing of funding for 10 percent of the total cost of constructing the proposed bikeways and related facilities. The funds may be used, where feasible, to apply for and match federal grants or loans.

SACOG Bikeway Callboxes

Added: Statutes of 1999, Chapter 262 (AB 1018)

891.5 The Sacramento Area Council ofGovernments, pursuant to subdivision (d) of Section 2551, may purchase, operate, and maintain callboxes on class 1 bikeways.

Local Agency Bikeway Authority
Added: Statutes of 1993, Chapter 517 (SB 1095)

891.8. The governing body of a city, county, or local agency may do all of the following:

(a) Establish bikeways.

(b) Acquire, by gift, purchase, or condemnation, land, real property, easements, or rights-of-way to establish bikeways.

(c) Establish bikeways pursuant to Section 21207 of the Vehicle Code.

Abandonment of Rights-Of-Way
Added: Statutes of 1993, Chapter 517 (SB 1095)

892. (a) Rights-of-way established for other purposes by cities, counties, or local agencies shall not be abandoned unless the governing body determines that the rights-of-way or parts thereof are not useful as a nonmotorized transportation facility.

(b) No state highway right-of-way shall be abandoned until the department first consults with the local agencies having jurisdiction over the areas concerned to determine whether the right-of-way or part thereof could be developed as a nonmotorized transportation facility. If an affirmative determination is made, before abandoning the right-of-way, the department shall first make the property available to local agencies for development as nonmotorized transportation facilities in accordance with Sections 104.15 and 887.6 of this code and Section 14012 of the Government Code.

Bicycle Transportation Account
Amended: Statutes of 1998, Chapter 877 (AB 2132)

892.2. The Bicycle Transportation Account is continued in existence in the State Transportation Fund, and, notwithstanding Section 13340 of the Government Code, the money in the account is continuously appropriated to the department for expenditure for the purposes specified in Section 892.4. Unexpended moneys shall be retained in the account for use in subsequent fiscal years.

Allocation Priorities
Amended: Statutes of 1998, Chapter 877 (AB 2132)

892.4. The department shall allocate and disburse moneys from the Bicycle Transportation Account according to the following priorities:

(a) To the department, the amounts necessary to administer this article, not to exceed 1 percent of the funds expended per year.

(b) To counties and cities, for bikeways and related facilities, planning, safety and education, in accordance with Section 891.4.

Bikeway Account
Added: Statutes of 1993, Chapter 517 (SB 1095)

892.5. The Bikeway Account, created in the State Transportation Fund by Chapter 1235 of the Statutes of 1975, is continued in effect, and, notwithstanding Section 13340 of the Government Code, money in the account is hereby continuously appropriated to the department for expenditure for the purposes specified in this chapter. Unexpended money shall be retained in the account for use in subsequent fiscal years.

Bikeways as a Highway Purpose under Article XIX
Added: Statutes of 1993, Chapter 517 (SB 1095)

892.6. The Legislature finds and declares that the construction of bikeways pursuant to this article constitutes a highway purpose under Article XIX of the California Constitution and justifies the expenditure of highway funds therefor.

Bicycle Lane Account Purposes
Amended: Statutes of 1998, Chapter 877 (AB 2132)

893. The department shall disburse money from the Bicycle Transportation Account pursuant to Section 891.4 for projects that improve the safety and convenience of bicycle commuters, including, but not limited to, any of the following:

(a) New bikeways serving major transportation corridors.
(b) New bikeways removing travel barriers to potential bicycle commuters.
(c) Secure bicycle parking at employment centers, park-and-ride lots, rail and transit terminals, and ferry docks and landings.
(d) Bicycle-carrying facilities on public transit vehicles.
(e) Installation of traffic control devices to improve the safety and efficiency of bicycle travel.
(f) Elimination of hazardous conditions on existing bikeways.
(g) Planning.
(h) Improvement and maintenance of bikeways.

In recommending projects to be funded, due consideration shall be given to the relative cost effectiveness of proposed projects.

Funding Not to Supplant Other Sources
Added: Statutes of 1993, Chapter 517 (SB 1095)

893.2. The department shall not finance projects with money in accounts continued in existence pursuant to this article which could be financed appropriately pursuant to Article 2 (commencing with Section 887), or fully financed with federal financial assistance.

Priority Status
Added: Statutes of 1993, Chapter 517 (SB 1095)

893.4. If available funds are insufficient to finance completely any project whose eligibility is established pursuant to Section 893, the project shall retain its priority for allocations in subsequent fiscal years.

Maximum Funding
Amended: Statutes of 1998, Chapter 877 (AB 2132)

893.6. The department shall make a reasonable effort to disburse funds in general proportion to population. However, no applicant shall receive more than 25 percent of the total amounts transferred to the Bicycle Transportation Account in a single fiscal year.

Funding Agreements
Added: Statutes of 1993, Chapter 517 (SB 1095)

894. The department may enter into an agreement with any city or county concerning the handling and accounting of money disbursed pursuant to this article, including, but not limited to, procedures to permit prompt payment for the work accomplished.

Bicycle Transportation Act Guidelines
Added: Statutes of 1993, Chapter 517 (SB 1095)

894.2. The department, in cooperation with county and city governments, shall adopt the necessary guidelines for implementing this article.

Article 4. California Pedestrian Safety Account

Account Created
Added: Statutes of 2000, Chapter 833 (AB 2522)

894.6. The Pedestrian Safety Account is hereby established in the State Transportation Fund for expenditure by the department, upon appropriation, for the purposes of funding grants awarded pursuant to Section 894.7.

Pedestrian Safety Grants
Added: Statutes of 2000, Chapter 833 (AB 2522)

849.7. (a) The department shall make grants available to local governmental agencies based on the results of a statewide competition that requires submission of proposals for funding and rates those proposals on all of the following factors:

(1) Needs of the applicant as demonstrated by a high rate of pedestrian injuries or fatalities.
(2) Potential of the proposal for reducing pedestrian injuries and fatalities.
(3) Potential of the proposal for encouraging increased walking.

(b) Priority for grants shall be given to applicants with the highest pedestrian injury and fatality rates.

(c) Eligible projects may include, but are not limited to, traffic calming measures, intersection safety improvements, traffic signal timing, crosswalk construction or improvements, and any traffic safety or enforcement program authorized by law.

(d) A grant recipient shall engage in public education efforts to encourage pedestrian safety and awareness that may include a pedestrian safety program.

(i) The department shall award the grants as expeditiously as possible.

Pedestrian Safety Account Guidelines
Added: Statutes of 2000, Chapter 833 (AB 2522)

894.8. The department, in cooperation with county and city governments, the Department of the California Highway Patrol, and relevant stakeholders, shall adopt the necessary guidelines for implementing this article.

DIVISION 3. APPORTIONMENT AND EXPENDITURE OF HIGHWAY FUNDS
CHAPTER 3. HIGHWAY USERS TAX ACCOUNT

Highway Users Tax Account Continued
Amended: Statutes of 1971, Chapter 1243 (AB 522)

2100. The Highway Users Tax Fund is continued in existence as the Highway Users Tax Account in the Transportation Tax Fund.

Any reference in any law or regulation to the Highway Users Tax Fund shall be deemed to refer to the Highway Users Tax Account in the Transportation Tax Fund.

Highway Users Tax Account: Eligible Purposes
Amended: Statutes of 1980, Chapter 777 (SB 1419)

2101. All moneys in the Highway Users Tax Account in the Transportation Tax Fund and hereafter received in the account are appropriated for all of the following:

(a) The research, planning, construction, improvement, maintenance, and operation of public streets and highways (and their related public facilities for nonmotorized traffic), including the mitigation of their environmental effects, the payment for property taken or damaged for such purposes, and the administrative costs necessarily incurred in the foregoing purposes.

(b) The research and planning for exclusive public mass transit guideways (and their related fixed facilities), the payment for property taken or damaged for such purposes, and the administrative costs necessarily incurred in the foregoing purposes.

(c) The construction and improvement of exclusive public mass transit guideways (and their related fixed facilities), including the mitigation of their environmental effects, the payment for property taken or damaged for such purposes, the administrative costs necessarily incurred in the foregoing purposes, and the maintenance of the structures and the immediate right-of-way for the public mass transit guideways, but excluding the maintenance and operating costs for mass transit power systems and mass transit passenger facilities, vehicles, equipment, and services, in any area where the voters thereof have approved a proposition pursuant to Section 4 of Article XIX of the California Constitution.

(d) The payment of principal and interest on voter-approved bonds issued for the purposes specified in subdivision (c).

"Net Revenue Derived from a Tax"
Amended: Statutes of 1973, Chapter 1153 (SB 456)

2102. Net revenue derived from a tax means the amount of revenue derived from a tax that is deposited into the Highway Users Tax Account in the Transportation Tax Fund.

Apportionment By Controller
Amended: Statutes of 1983, Chapter 1102 (AB 399)

2103. At least 90 percent of the balance deposited to the credit of the Highway Users Tax Account in the Transportation Tax Fund by the 28th day of each month shall be apportioned by the State Controller by the second working day thereafter, except for June, in which case the apportionment shall be made the same day. These apportionments shall be made as provided for in Sections 2104 to 2122, inclusive. If information is not available to make the apportionment as required, the apportionment shall be made on the basis of the information of the previous month. Amounts not apportioned shall be included in the apportionment of the subsequent month.

Base Subvention to Counties
Amended: Statutes of 1999, Chapter 724 (AB 1650)

2104. A sum equal to the net revenue derived from a per gallon tax of 2.035 cents ($0.02035) under the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301) of Division 2), 1.80 cents ($0.0180) under the Use Fuel Tax Law (Part 3 (commencing with Section 8601) of Division 2), and 1.80 cents ($0.0180) under the Diesel Fuel Tax Law (Part

31 (commencing with Section 60001) of Division 2) of the Revenue and Taxation Code, shall be apportioned among the counties, as follows:

(a) Each county shall be paid one thousand six hundred sixty-seven dollars ($1,667) during each calendar month, which amount shall be expended exclusively for engineering costs and administrative expenses with respect to county roads.

(b) A sum equal to the total of all reimbursable snow removal or snow grooming, or both, costs filed pursuant to subdivision (d) of Section 2152, or seven million dollars ($7,000,000), whichever is less, shall be apportioned in 12 approximately equal monthly apportionments for snow removal or snow grooming, or both, on county roads, as provided in Section 2110.

(c) A sum equal to five hundred thousand dollars ($500,000) shall be apportioned in 12 approximately equal monthly apportionments, as provided in Section 2110.5.

(d) Seventy-five percent of the funds payable under this section shall be apportioned among the counties monthly in the respective proportions that the number of fee-paid and exempt vehicles which are registered in each county bears to the total number of fee-paid and exempt vehicles registered in the state.

For purposes of apportionment under this subdivision, the Department of Motor Vehicles shall, as soon as possible after the last day of each calendar month, furnish to the Controller a verified statement showing the number of fee-paid and exempt vehicles which are registered in each county and in the state as of the last day of each calendar month as reflected by the records of the Department of Motor Vehicles.

(e) Of the remaining money payable, there shall be paid to each eligible county an amount that is computed monthly as follows: The number of miles of maintained county roads in each county shall be multiplied by sixty dollars ($60); from the resultant amount, there shall be deducted the amount received by each county under subdivision (d) and the remainder, if any, shall be paid to each county.

(f) The remaining money payable, after the foregoing apportionments, shall be apportioned among the counties in the same proportion as the money referred to in subdivision (d).

Deduction from Subvention to Counties for PUC Grade Separation Program

Amended: Statutes of 1982, Chapter 681 (AB 1168)

2104.1. The Controller shall deduct annually, from the amount apportioned pursuant to Section 2104, the amount identified as applicable to counties in the report submitted in the preceding fiscal year pursuant to Section 191, and shall transfer the amount to the State Highway Account.

Added Subvention from New Revenues

Amended: Statutes of 1997, Chapter 620 (SB 1102)

2105. In addition to the apportionments prescribed by Sections 2104, 2106, and 2107, from the revenues derived from a per gallon tax imposed pursuant to Section 7351 of the Revenue and Taxation Code, and a per gallon tax imposed pursuant to Section 8651 of the Revenue and Taxation Code, and 11.5 percent of any per gallon tax in excess of nine cents ($0.09) per gallon under Sections 60050 and 60115 of the Revenue and Taxation Code, the following apportionments shall be made:

(a) A sum equal to the net revenue from a tax of 11.5 percent of any per gallon tax in excess of nine cents ($0.09) per gallon under Section 7351 of the Revenue and Taxation Code, and 11.5 percent of any per gallon tax in excess of nine cents ($0.09) per gallon under Section 8651 of the Revenue and Taxation Code, and 11.5 percent of any per gallon tax in excess of nine

cents ($0.09) per gallon under Sections 60050 and 60115 of the Revenue and Taxation Code, shall be apportioned among the counties, including a city and county.

The amount of apportionment to each county, including a city and county, during a fiscal year shall be calculated as follows:

(1) One million dollars ($1,000,000) for apportionment to all counties, including a city and county, in proportion to each county's receipts during the prior fiscal year under Sections 2104 and 2106.

(2) One million dollars ($1,000,000) for apportionment to all counties, including a city and county, as follows:

(A) Seventy-five percent in the proportion that the number of fee-paid and exempt vehicles which are registered in the county bears to the number of fee-paid and exempt vehicles registered in the state.

(B) Twenty-five percent in the proportion that the number of miles of maintained county roads in the county bears to the miles of maintained county roads in the state.

(3) For each county, determine its factor which is the higher amount calculated pursuant to paragraph (l) or (2) divided by the sum of the higher amounts for all of the counties.

(4) The amount to be apportioned to each county is equal to its factor multiplied by the amount available for apportionment.

(b) A sum equal to the net revenue from a tax of 11.5 percent of any per gallon tax in excess of nine cents ($0.09) per gallon under Section 7351 of the Revenue and Taxation Code, and 11.5 percent of any per gallon tax in excess of nine cents ($0.09) per gallon under Section 8651 of the Revenue and Taxation Code, and 11.5 percent of any per gallon tax in excess of nine cents ($0.09) per gallon under Sections 60050 and 60115 of the Revenue and Taxation Code, shall be apportioned to cities, including a city and county, in the proportion that the total population of the city bears to the total population of all the cities in the state.

Base Subvention to Cities and Counties

Amended: Statutes of 2000, Chapter 834 (AB 1772)

2106. A sum equal to the net revenue derived from one and four one-hundredths cent ($0.0104) per gallon tax under the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301) of Division 2 of the Revenue and Taxation Code) shall be apportioned monthly from the Highway Users Tax Account in the Transportation Tax Fund among the counties and cities as follows:

(a) Four hundred dollars ($400) per month shall be apportioned to each city and city and county and eight hundred dollars ($800) per month shall be apportioned to each county and city and county.

(b) (1) Commencing on July 31, 2001, and on the last day of each month after that date, to and including June 30, 2006, the sum of six hundred thousand dollars ($600,000) per month shall be transferred to the Bicycle Transportation Account in the State Transportation Fund.

(2) After June 30, 2006, the sum of four hundred sixteen thousand six hundred sixty-seven dollars ($416,667) shall be transferred on the last day of each month after that date to the Bicycle Transportation Account in the State Transportation Fund.

(c) The balance shall be apportioned, as follows:

(1) A base sum shall be computed for each county by using the same proportions of fee-paid and exempt vehicles as are established for purposes of apportionment of funds under subdivision (d) of Section 2104.

(2) For each county, the percentage of the total assessed valuation of tangible property subject to local tax levies within the county which is represented by the assessed valuation of tangible property outside the incorporated cities of the county shall be applied to its base sum, and the resulting amount shall be apportioned to the county. The assessed valuation of taxable tangible property, for purposes of this computation, shall be that most recently used for countywide tax levies as reported to the Controller by the State Board of Equalization. If an incorporation or annexation is legally completed following the base sum computation, the new city's assessed valuation shall be deducted from the county's assessed valuation, the estimate of which may be provided by the State Board of Equalization.

(3) The difference between the base sum for each county and the amount apportioned to the county shall be apportioned to the cities of that county in the proportion that the population of each city bears to the total population of all the cities in the county. Populations used for determining apportionment of money under Section 2107 are to be used for purposes of this section.

Suballocation of Subventions in Los Angeles County
Added: Statutes of 1981, Chapter 575 (AB 1709)

2106.3. If Los Angeles County elects to allocate any portion of the revenues it receives pursuant to Section 2104 or 2106 to the cities within the county under any program in which those revenues are allocated to at least 70 percent of the cities, it shall make allocations to each city within the county based on the two following equally weighted factors:

(1) The population of the city to the total population of all the cities in the county.

(2) The city street mileage to the total street mileage of all the cities in the county, as determined from the county master plan.

Los Angeles County Bailout - Apportionment
Added: Statutes of 1995, Chapter 518 (SB 727)

2106.4. From funds apportioned to the County of Los Angeles pursuant to Sections 2104, 2105, and 2106, or from other transportation funds available to the county, or from any combination of those funds, as determined by the county, the county shall, beginning in the 1996-97 fiscal year, commence the annual transfer to the Los Angeles County Metropolitan Transportation Authority of funds in an amount calculated to amortize, in equal annual installments over a 5-year period, the amount by which fiscal realignment revenues deposited in the county general fund exceed fifty million dollars ($50,000,000). The highest priority for the use of the remaining funds apportioned to the county pursuant to this chapter shall be for safety and for maintenance of county facilities in urban areas with the highest backlog of maintenance and rehabilitation needs.

Base Sum Agreements
Amended: Statutes of 1977, Chapter 865 (AB 1502)

2106.5. (a) Each county and any of its incorporated cities may enter into an agreement regarding the base sum established by paragraph (l) of subdivision (c) of Section 2106, providing for expenditure of the amounts apportioned to the county and apportioned for expenditure within the cities participating in the agreement upon roads and streets within the county and the cities participating in the agreement.

(b) Any of the incorporated cities within a county may enter into an agreement among themselves regarding the amount apportioned to them pursuant to paragraph (3) of subdivision

(c) of Section 2106 for expenditure upon city streets within the cities participating in the agreement.

(c) Any such agreement shall be filed with the State Controller. After verification of the agreement by the State Controller, the State Controller shall make disposition of the apportionments to the parties participating in the agreement in accordance with terms of the agreement.

Base Subvention to Cities

Amended: Statutes of 1997, Chapter 620 (SB 1102)

2107. A sum equal to the net revenues derived from a per gallon tax of 1.315 cents ($0.01315) under the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301) of Division 2), 2.59 cents ($0.0259) under the Use Fuel Tax Law (Part 3 (commencing with Section 8601) of Division 2), and 1.80 cents ($0.0180) under the Diesel Fuel Tax Law (Part 31 (commencing with Section 60001) of Division 2) of the Revenue and Taxation Code, shall be apportioned monthly to the cities and cities and counties of this state from the Highway Users Tax Account in the Transportation Tax Fund as provided in this section.

From that sum, the Controller shall allocate annually to each city which has filed a report containing the information prescribed by subdivision (c) of Section 2152, and which had expenditures in excess of five thousand dollars ($5,000) during the preceding fiscal year for snow removal, an amount equal to one-half of the amount of its expenditures for snow removal in excess of five thousand dollars ($5,000) during that fiscal year.

The balance of that sum from the Highway Users Tax Account shall be allocated to each city, including city and county, in the proportion that the total population of the city bears to the total population of all the cities in this state.

For the purpose of this section, except as otherwise provided in this paragraph, the population in each city is that determined in the manner specified in Sections 11005 and 11005.3 of the Revenue and Taxation Code. Commencing with the ninth fiscal year of a city described in subdivision (a) of Section 11005.3 of the Revenue and Taxation Code, and the sixth fiscal year of a city described in subdivision (b) of that same section, the population in each city is the population determined for that city in the manner specified in Section 11005 of the Revenue and Taxation Code.

Application with Bureau of Census for Population Determination

Amended: Statutes of 1975, Chapter 1186 (SB 692)

2107.1. Any city or city and county may apply to the United States Bureau of Census to determine its population. Upon receipt from the bureau of its determination of population, the city or city and county may, at its option, file a certified copy of the determination with the Controller.

All apportionments made under Section 2107 and all payments under Section 11005 of the Revenue and Taxation Code for any apportionment made beginning with the month following the filing of the determination shall be based upon the population so determined until such time as a subsequent determination is made by the bureau and a certified copy is filed by the city or city and county with the Controller or a certified copy of a subsequent estimate or census result validated by the Department of Finance is filed with the Controller as provided in Section 2107.2. For the purposes of this section, a written or telegraphic certification from the Director of the Census to the Controller of the determination of population may be accepted by the

Controller in lieu of the filing by the city or city and county of the certified copy of the determination.

The cost of any determination by the United States Bureau of Census or by the Department of Finance is a proper charge against the city or city and county applying therefor and shall be paid by it to the bureau or to the department.

This section does not apply to counties.

Application with Department of Finance for Population Estimate

Amended: Statutes of 1988, Chapter 154 (AB 2849)

2107.2. Any city or city and county may apply to the population research unit of the Department of Finance to estimate its population or the population of any inhabited territory annexed to the city subsequent to the last federal or state census validated by the population research unit of the Department of Finance. The department may make the estimate if in the opinion of the department there is available adequate information upon which to base the estimate. The department may develop or contract for the development of additional information if, in the opinion of the department, additional information may make an estimate feasible. Not less than 25 days nor more than 30 days after the completion of the estimate, the Department of Finance shall file a certified copy thereof with the Controller if the estimate is greater than the current certified population.

All apportionments under Section 2107 and all payments under Section 11005 of the Revenue and Taxation Code for any apportionment made beginning with the month following the filing of the estimate shall be based upon the population so estimated until a subsequent estimate is made by the department and a certified copy is filed with the Controller or a subsequent determination is made by the United States Bureau of the Census and a certified copy is filed by the city or city and county with the Controller as provided in Section 2107.1.

The Department of Finance may assess a reasonable charge, not to exceed the actual cost thereof, for the preparation of population estimates pursuant to this section, which is a proper charge against the city or city and county applying therefor. The amount received shall be deposited in the State Treasury as a reimbursement to be credited to the appropriation from which the expenditure is made.

No more than one estimate of its total population shall be filed each fiscal year for each city or city and county.

As of May 1, 1988, any population estimate prepared by the Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code may be used for all purposes of this section unless a written request not to certify is received by the department from the city or city and county within 25 days of completion of the estimate.

Revenues Apportioned

Amended: Statutes of 1967, Chapter 1621 (AB 2454)

2107.3. The incorporation of a new city, or any annexation or exclusion of territory to or from an existing city, shall be considered for the purpose of apportionment of funds pursuant to Section 2107. The revenue shall be apportioned among the cities monthly as revenues are received in the Highway Users Tax Fund. Any newly incorporated city or any increase in population due to annexation shall be included in the monthly apportionment following such incorporation or annexation.

In the event of the disincorporation of a city, or in the event the incorporation of a city is adjudged invalid, any funds apportioned pursuant to Section 2107 to such city, but which are

unexpended, shall revert to the Highway Users Tax Fund and shall be reapportioned to all other cities and cities and counties pursuant to Section 2107.

The Controller shall not be required to reapportion funds previously apportioned for expenditure in the different cities of the state by reason of any subsequent incorporation, invalidation of incorporation, annexation or exclusion of territory.

Use of Subventions for Bond Debt Service

Amended: Statutes of 1980, Chapter 777 (SB 1419)

2107.4. Not more than one-quarter of the funds allocated to a city or county from the Highway Users Tax Account in the Transportation Tax Fund for the construction of streets therein may be used to make principal and interest payments on bonds issued for such construction, if the issuance of such bonds is authorized by a proposition approved by a majority of the votes cast thereon. The term of any such bonds shall not exceed 25 years.

Subvention to Cities for Engineering and Administrative Costs

Amended: Statutes of 1979, Chapter 102 (SB 212)

2107.5. In addition to the amounts apportioned to cities from the Highway Users Tax Fund under Sections 2106 and 2107, the following amounts shall be allocated annually during the month of July of each fiscal year for expenditure exclusively for engineering costs and administrative expenses in respect to city streets:

(a)	For each city with a population of over 500,000 inhabitants	$20,000
(b)	For each city with a population of 100,000 to 500,000 inhabitants	10,000
(c)	For each city with a population of 50,000 to 99,999 inhabitants	7,500
(d)	For each city with a population of 25,000 to 49,999 inhabitants	6,000
(e)	For each city with a population of 20,000 to 24,999 inhabitants	5,000
(f)	For each city with a population of 15,000 to 19,999 inhabitants	4,000
(g)	For each city with a population of 10,000 to 14,999 inhabitants	3,000
(h)	For each city with a population of 5,000 to 9,999 inhabitants	2,000
(i)	For each city with a population of less than 5,000 inhabitants	1,000

For the purpose of this section the population in each city shall be determined in accordance with Sections 2107, 2107.1, and 2107.2 at the time of allocation. Any city incorporated after the first day of July of any year shall receive the full annual allocation prescribed in this section, such allocation to be made during the month succeeding the filing or certification of the incorporation by the Secretary of State.

Any city under subdivision (h) or (i) above may expend the moneys allocated to it hereunder for acquisition of rights-of-way for and construction of its street system.

Deduction from Subvention to Cities for PUC Grade Separation

Amended: Statutes of 1982, Chapter 681 (AB 1168)

2107.6. The Controller shall deduct annually, from the amount apportioned pursuant to Section 2107, the amount identified as applicable to cities in the report submitted in the preceding fiscal year pursuant to Section 191, and shall transfer the amount to the State Highway Account.

State Park System Roads

Amended: Statutes of 1992, Chapter 1121 (AB 3669)

2107.7. (a) For each fiscal year, there shall be included in the annual Budget Bill submitted by the Governor an amount not to exceed three million four hundred thousand dollars ($3,400,000) to be appropriated by the Legislature from the Highway Users Tax Account in the Transportation Tax Fund to the State Parks and Recreation Fund.

(b) These funds shall be appropriated to the Department of Parks and Recreation for the maintenance and repair of highways in units of the state park system.

(c) In addition, the money may be used by the Department of Parks and Recreation for construction and improvement on the highways when appropriated for such purposes by the Legislature.

(d) The highway construction and improvement shall be designed in accordance with the standards established by the Department of Parks and Recreation for state park roads, and may be carried out through service agreements with the Department of Transportation.

(e) Any increase in the amount of this appropriation shall be considered in the course of the annual budget process, which shall include review and comment by the Department of Transportation.

(j) For purposes of this section, highways in units of the state park system shall include those routes of motor vehicle travel generally open to public travel and service roads, parking areas, and roads within campgrounds. Nothing in this section shall constitute the highway as a state highway or add it to the state highway system.

Maintain Local Commitment
Added: Statutes of 1981, Chapter 2180 (SB 215)

2107.9. The Legislature finds and declares that it intends counties and cities to use the additional funds provided them by the act enacting this section during the 1980-81 Regular Session of the Legislature to supplement existing local revenues being used for transportation purposes. Counties and cities are further encouraged to maintain their existing commitment of local funds for transportation purposes.

Allocation to Cities in Los Angeles County
Added: Statutes of 1981, Chapter 2180 (SB 215)

2107.10. If the board of supervisors of a county with a population of more than 6,000,000 did not adopt and submit a resolution pursuant to Section 41 of the act enacting this section during the 1981-82 Regular Session of the Legislature, the increase in allocation for the county as a result of Section 2104, as amended and added by that act, shall instead be allocated to those cities in that county that adopted and submitted resolutions pursuant to Section 41. The allocation shall be on the basis of the population used for purposes of Section 2107.

Balance Transferred to State Highway Account
Amended: Statutes of 2001, Chapter 597 (AB 1706)

2108. The balance of the money in the Highway Users Tax Account in the Transportation Tax Fund, after making the apportionments or appropriations, as the case may be, pursuant to Sections 2104 to 2107.7, inclusive, shall be transferred to the State Highway Account in the State Transportation Fund for expenditure in accordance with Section 163.

Pavement Management Program
Added: Statutes of 1989, Chapter 106 (AB 471)

2108.1. By July 1, 1990, the City, County, State Cooperation Committee in the department shall develop and adopt a pavement management program to be utilized on local streets or highways that receive funding under the state transportation improvement program.

The pavement management program shall be transmitted to every county and city for possible adoption or incorporation into an existing pavement management program.

The City, County, State Cooperation Committee shall solicit recommendations from transportation planning agencies and any other entity the committee deems appropriate.

State Highway Maintenance
Amended: Statutes of 1980, Chapter 777 (SB 1419)

2109. State highways shall be maintained, constructed, and improved out of the moneys received in the State Highway Account under Section 2108. Notwithstanding Section 81, the department is not required to maintain any route or portion of a route, added after January 1, 1947, until it has been laid out and constructed as a state highway.

Subvention Allocation for Snow Removal or Snow Grooming on County Roads
Amended: Statutes of 2001, Chapter 176 (SB 210)

2110. (a) The moneys payable to the counties under subdivision (b) of Section 2104 shall be apportioned monthly among the several counties as follows:

(1) A sum equal to the total of all reimbursable snow removal costs filed pursuant to subdivision (d) of Section 2152, or seven million dollars ($7,000,000), whichever is less, shall be

apportioned in 12 approximately equal monthly apportionments for snow removal or snow grooming, or both, on county roads as follows:

(2) If the total is less than seven million dollars ($7,000,000), the full amount of reimbursable snow removal or snow grooming, or both, costs shall be apportioned to the several counties in an amount equal to that computed pursuant to the report filed by each county pursuant to subdivision (d) of Section 2152.

(3) If the total is seven million dollars ($7,000,000) or more for the fiscal year, the Controller shall compute percentages for the apportionment of seven million dollars ($7,000,000) to the several counties in the state for snow removal or snow grooming, or both, on county roads, including the purchase of snow removal equipment therefor, and shall apportion the amount to the counties in the computed percentages. The percentage each county is to be apportioned during the fiscal year shall be derived by adding its reimbursable snow removal or snow grooming, or both, expenditures for the three preceding fiscal years as to which the Controller has received snow removal or snow grooming, or both, expenditure reports pursuant to Section 2152, and dividing the sum by the total amount of reimbursable snow removal or snow grooming, or both, expenditures by all counties in the state during those fiscal years.

(b) On or before the first day of March of each year, the Controller shall notify each county of the amount apportioned to it pursuant to this section for expenditure for snow removal or snow grooming, or both, on county roads during the following fiscal year.

Subvention Allocation for Rainfall and Storm Damage on County Roads

Added: Statutes of 1968, Chapter 930

2110.5. The money payable to the counties under subdivision (c) of Section 2104 shall be apportioned monthly for heavy rainfall and storm damage on county roads to the following counties in the named percentages:

Alameda	2.629
Amador	.135
Butte	.161
Colusa	.339
Contra Costa	10.575
Del Norte	.251
Fresno	.639
Humboldt	4.935
Los Angeles	9.913
Marin	3.781
Mendocino	2.084
Monterey	3.701
Napa	1.950
Nevada	.718
Orange	.051
Placer	.085
Plumas	.897
Riverside	1.185
San Benito	1.070
San Bernardino	2.609
San Francisco	1.016

San Diego	2.760
San Luis Obispo	5.782
Santa Barbara	7.661
Santa Cruz	12.162
Sierra	.333
Siskiyou	.814
Sonoma	10.238
Trinity	2.137
Ventura	8.543
Yuba	.846

No Subventions for Cities Without Public Streets
Amended: Statutes of 1968, Chapter 1060 (AB 1406)

2111. Apportionments from the Highway Users Tax Fund shall not be made to any incorporated city the streets of which are not public streets or which has not held an election of municipal officers within a period of 10 years preceding the date of such apportionment. Apportionments heretofore accumulated for expenditure within any such city shall be reapportioned to all other cities and cities and counties in the manner provided by Sections 2106 and 2107, respectively.

Local Subventions: Use of Patented Paving Material
Amended: Statutes of 1967, Chapter 1621 (AB 2454)

2112. No money apportioned from the Highway Users Tax Fund as provided in Section 2106 or 2107 shall be used for the construction or improvement of any highway or street if the contract for such construction or improvement specifies the use of any patented or proprietary paving material, unless the contract has been awarded to the lowest responsible bidder therefor after alternate bids have been called for and opportunity afforded for bids to be submitted for nonpatented or nonproprietary paving material in competition with an equal thickness and like design of such patented or proprietary paving material. This section shall not be deemed nor construed to prohibit the use of any patented or proprietary paving material in the maintenance of any highway or street when such highway or street was constructed of such material and, in the opinion of the body, board or officer ordering such maintenance, it would be impractical to use a different paving material for such maintenance.

City Special Gas Tax Street Improvement Fund
Amended: Statutes of 1969, Chapter 344 (SB 553)

2113. No apportionment of money from the Highway Users Tax Fund as provided in Section 2106 or 2107 shall be made to a city unless the city has set up by ordinance a "special gas tax street improvement fund."

All apportionments of such moneys shall be deposited in the "special gas tax street improvement fund."

In making any expenditure a city shall follow the law governing it in regard to the doing of the particular type of work in cases which are not exclusively municipal affairs.

No state officer or employee shall be liable for anything done, or omitted to be done, by any city in the performance of any work.

Interest received by a city from the investment of money in its special gas tax street improvement fund shall be deposited in the fund and shall be used for street purposes.

City Enginering and Administrative Work by Contracting
Amended: Statutes of 1967, Chapter 1621 (AB 2454)

2113.5. Any city may have any or all of its engineering and administrative work with respect to city streets done by contract. If authorized by their legislative bodies, two or more cities, by agreement, may jointly exercise the power granted by this section pursuant to the provisions of Sections 6500-6513, inclusive, of the Government Code.

Early Award for City Construction Contracts
Amended: Statutes of 1967, Chapter 1621 (AB 2454)

2114. Contracts for any construction and improvement projects on city streets for which funds apportioned from the Highway Users Tax Fund as provided in Section 2106 or 2107 may be expended during any fiscal year may be awarded on and after the first day of January preceding the beginning of the fiscal year.

Subvention Reductions in Case of General Fund Borrowing
Amended: Statutes of 1967, Chapter 1621 (AB 2454)

2114.5. In the event that any sums are taken or borrowed from the Highway Users Tax Fund, to augment the General Fund, or to pay any appropriations made from the General Fund, the Controller is authorized to reduce the amounts paid from such reduced fund proportionately to the reduction in such fund, such reductions to be made up when and if such reduced fund is reimbursed from the General Fund.

Accumulation of Subvention Funds for City or County
Amended: Statutes of 1967, Chapter 1621 (AB 2454)

2115. To permit the accomplishment of major cooperative street or highway projects in their entirety, the legislative body of a county or city may authorize the Controller to accumulate moneys accruing to the county or city over a period of time from the Highway Users Tax Fund pursuant to Section 2106 or 2107.

City Street Work by Contract with Caltrans
Amended: Statutes of 1967, Chapter 1621 (AB 2454)

2116. Any city may contract with the department for the performance by the department of any or all street work in such city and for such purpose may transfer to the department, for deposit in the State Treasury, any moneys available for expenditure by such city for street purposes.

Streets and Roads Required in Connection with State-Aided School Construction
Amended: Statutes of 1967, Chapter 1621 (AB 2454)

2117. Whenever a school district constructs a school building for which any apportionment is made pursuant to Chapter 6 (commencing with Section 15700) or Chapter 8 (commencing with Section 16000) of Part 10 of the Education Code, and the city or county in which the school building is situated requires the construction of any street or road connected with the school premises on which the school building is constructed, the State Allocation Board shall review the requirement and recommend to the governing body of the city or county a plan of construction

adequate to meet the needs of the school district and the safety of the public. If a different plan of improvement or improvement to higher standards than that recommended by the State Allocation Board is required by the governing body of the city or county, the additional cost thereof shall be borne by the city or county in which the school building is situated. Notwithstanding any other provision of this code or any other law limiting the purposes for which money apportioned to cities or counties from the Highway Users Tax Account in the Transportation Tax Fund may be expended, any of the money so apportioned may be expended for the construction of the streets or roads referred to in this section.

Nothing in this section requires each cost item included in any charge made pursuant to this section to be separately stated.

Separate Bank Account

Added: Statutes of 1968, Chapter 1060 (AB 1406)

2118. When the State Controller determines it to be necessary, he may require a county or city to deposit money received from the Highway Users Tax Fund in a separate bank account.

Crossing Guards as Eligible Expense

Amended: Statutes of 1982, Chapter 681 (AB 1168)

2118.5. All or a portion of the cost of furnishing warranted traffic control personnel whose function is to assist students in crossing streets and highways and avoiding traffic hazards may be charged against money apportioned to cities, cities and counties, or counties from the Highway Users Tax Account in the Transportation Tax Fund. The amount charged shall not exceed the portion of money derived from the tax under the Motor Vehicle Account in the State Transportation Fund. The department may assist local agencies in establishing warrants for crossing guard protection.

State Controller Authority and Responsibility for Subvention Funds

Amended: Statutes of 1968, Chapter 1060 (AB 1406)

2119. The State Controller shall not draw his warrant upon the Highway Users Tax Fund in favor of any county or city which has failed to establish any road or street fund as required by law, which has failed to deposit money received from the Highway Users Tax Fund in a separate bank account when required under Section 2118, which has failed, neglected or refused to file any report required by law, showing the amount of money received by such county or city from the Highway Users Tax Fund and the disposition thereof, or which has failed, neglected, or refused to restore any such moneys not expended in conformance with any law or constitutional provision. On satisfactory proof by such county or city to the State Controller of the establishment of such road or street fund, the depositing of money in a separate bank account, the filing of such report, or the restoration of the improperly expended moneys, such warrant shall be issued.

A county or city shall have a reasonable time, after notification from the State Controller, to comply with the provisions of this section.

Deductions Requested by County

Added: Statutes of 1947, Chapter 11 (AB 94)

2120. Upon the request of the board of supervisors of any county, the Controller may deduct from the apportionment to such county any amount specified in such request and pay the amount to any state department for services to be furnished in accordance with the request.

Certification of County Mileage Figures
Amended: Statutes of 2001, Chapter 597 (AB 1706)

2121. (a) In May of each year each county shall submit to the department any additions or exclusions from its mileage of maintained county highways, specifying the termini and mileage of each route added or excluded from its county maintained roads. The department shall either approve or disapprove each inclusion or exclusion. A county may appeal any disapproval as provided in Section 74. The department shall certify county mileage figures to the Controller, as required. No appeal shall affect any apportionment made by the Controller pending the determination of the appeal. If, on appeal, additional mileage is allowed the county, the department shall immediately certify the corrected figure to the Controller, and the same shall be used for subsequent apportionments.

(b) Upon relinquishing any state highway or portion thereof to a county, the department shall immediately certify to the Controller the mileage so relinquished and the same shall immediately be added to the county's maintained mileage of county roads for purposes of subsequent apportionments.

Early Award for County Construction Contracts
Added: Statutes of 1957, Chapter 204 (SB 337)

2122. Contracts for any construction and improvement projects on county highways for which it is anticipated funds from the Highway Users Tax Fund will be available during any fiscal year may be awarded on and after the first day of March preceding the beginning of the fiscal year.

[Sections 2126 and 2127 pertain to the allocation and maintenance of effort requirements for subventions to cities and counties appropriated pursuant to Item 9675-101-890 of the Budget Act of 1985 (Chapter 111 of the Statututes of 1985) and Section 7 of Chapter 1600 of the Statutes of 1985.]

Orange County Bankruptcy Adjustment
Amended: Statutes of 1995, Chapter 748 (AB 200)

2128. (a) Notwithstanding any other provision of this chapter, the apportionments that would be made to the County of Orange under this chapter shall be apportioned as follows:

(1) The Orange County Transportation Authority shall be paid one million nine hundred sixteen thousand six hundred sixty-seven dollars ($1,916,667) during each calendar month commencing July 1997, and ending June 2013.

(2) All remaining apportionments shall be paid to the county at the time each apportionment would have been made to the county.

(b) Subject to subdivision (c), this section shall become operative July 1, 1997, and shall become inoperative on June 30, 2013, and as of January 1, 2014, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2014, deletes or extends the dates on which it becomes inoperative and is repealed.

(c) This section shall not take effect unless and until (1) a plan of adjustment is confirmed in Case No. SA-94-22272-JR in the United States Bankruptcy Court for Central District of California or (2) a trustee is appointed pursuant to Chapter 10 (commencing with Section 30400) of Division 3 of Title 3 of the Government Code.

Orange County Bankruptcy Adjustment Alternative
Added: Statutes of 1998, Chapter 724 (AB 2699)

2128.1. (a) Notwithstanding any other provision of this chapter, the apportionments that would be made to a county of the second class under this chapter shall be apportioned as follows:

(1) The Orange County Transportation Authority shall be paid one million nine hundred sixteen thousand six hundred sixty-seven dollars ($1,916,667) during each calendar month commencing with the month following the operative month, and ending June 2013.

(2) All remaining apportionments shall be paid to the county of the second class at the time each apportionment would have otherwise been made to the county.

(b) From its general fund, a county of the second class shall make to the Orange County Transportation Authority those payments equal to amounts required to be repaid pursuant to or as a consequence of a final determination rendered by a court of appellate jurisdiction that Section 2128 is invalid.

(c) This section shall become operative on the date of the final determination that Section 2128 is invalid, and shall become inoperative on June 30, 2013, and as of January 1, 2014, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2014, deletes or extends the dates on which it becomes inoperative and is repealed.

* * * * * * *

Traffic Congestion Relief Fund Subvention Program, FY 2000-01
Amended: Statutes of 2002, Chapter 445 (SB 1834)

2182. (a) The funds appropriated from the Traffic Congestion Relief Fund pursuant to paragraph (2) of subdivision (a) of Section 14556.5 of the Government Code shall be allocated by the Controller to cities and counties for street and road maintenance, rehabilitation, and reconstruction. Four hundred million dollars ($400,000,000) shall be allocated to the counties, including a city and county, and cities, including a city and county, as follows:

(1) Fifty percent to the counties, including a city and county, in accordance with the following formulas:

(A) Seventy-five percent of the funds payable under this paragraph shall be apportioned among the counties in the proportion that the number of fee-paid and exempt vehicles that are registered in the county bears to the number of fee-paid and exempt vehicles registered in the state.

(B) Twenty-five percent of the funds payable under this paragraph shall be apportioned among the counties in the proportion that the number of miles of maintained county roads in each county bears to the total number of miles of maintained county roads in the state. For the purposes of apportioning funds under this subparagraph, any roads within the boundaries of a city and county that are not state highways shall be deemed to be county roads.

(2) Fifty percent to cities, including a city and county, apportioned among the cities in the proportion that the total population of the city bears to the total population of all the cities in the state.

(b) Funds received under this section shall be deposited as follows in order to avoid the commingling of those funds with other local funds:

(1) In the case of a city, into the city account that is designated for the receipt of state funds allocated for transportation purposes.

(2) In the case of a county, into the county road fund.

(3) In the case of a city and county, into a local account that is designated for the receipt of state funds allocated for transportation purposes.

(c) Funds apportioned to a city or county under this section shall be used only for street and highway pavement maintenance, rehabilitation, and reconstruction of necessary associated facilities such as drainage and traffic control devices. Rehabilitation or reconstruction may include widening necessary to bring the roadway width to the desirable minimum pavement width consistent with accepted design standards for local streets and roads, but does not include widening or increasing the traffic capacity of a street or road.

(d) For the purpose of allocating funds under this section to cities, counties, and a city and county, the Controller shall use the most recent population estimates prepared by the Demographic Research Unit of the Department of Finance. For a city that incorporated after January 1, 1998, that does not appear on the most recent population estimates prepared by the Demographic Research Unit, the Controller shall use the population determined for that city under Section 11005.3 of the Revenue and Taxation Code.

Local Maintenance of Effort, FY 2000-01

Amended: Statutes of 2002, Chapter 445 (SB 1834)

2182.1. (a) The Legislature finds and declares that it intends cities and counties to use the funds made available under paragraph (2) of subdivision (a) of Section 14556.5 of the Government Code to supplement existing local revenues being used for maintenance and rehabilitation of local streets and roads. Cities and counties shall maintain their existing commitment of local funds for maintenance and rehabilitation of local streets and roads in order to remain eligible for allocation and expenditure of the additional four hundred million dollars ($400,000,000) made available by Section 21 of the act that added this section.

(b) In order to receive any allocation pursuant to Section 2182, the city or county shall annually expend from its general fund for street, road, and highway purposes an amount not less than the annual average of its expenditures from its general fund during the 1996-97, 1997-98, and 1998-99 fiscal years, as reported to the Controller pursuant to Section 2151. For purposes of this subdivision, in calculating a city's or county's annual general fund expenditures and its average general fund expenditures for the 1996-97, 1997-98, and 1998-99 fiscal years, any unrestricted funds that the city or county may expend at its discretion, including vehicle in-lieu tax revenues and revenues from fines and forfeitures, expended for street and highway purposes shall be considered expenditures from the general fund. One-time allocations that have been expended for street and highway purposes, but which may not be available on an ongoing basis, including revenue provided under the Teeter Plan Bond Law of 1994 (Chapter 6.6 (commencing with Section 54773) of Part 1 of Division 2 of Title 5 of the Government Code), may not be considered when calculating a city's or county's annual general fund expenditures.

(c) For any city incorporated after July 1, 1996, the Controller shall calculate an annual average of expenditure for the period between July 1, 1996, and December 31, 2000, that the city was incorporated.

(d) For purposes of subdivision (b), the Controller may request fiscal data from cities and counties in addition to data provided pursuant to Section 2151, for the 1996-97, 1997-98, and 1998-99 fiscal years. Each city and county shall furnish the data to the Controller not later than 120 days after receiving the request. The Controller may withhold payment to cities and counties that do not comply with the request for information or that provide incomplete data.

(e) The Controller may perform audits to ensure compliance with subdivision (b) when deemed necessary. Any city or county that has not complied with subdivision (b) shall reimburse the state for the funds it received during that fiscal year. Any funds withheld or returned as a result of a failure to comply with subdivision (b) shall be reallocated to the other counties and cities whose expenditures are in compliance.

(f) If a city or county fails to comply with the requirements of subdivision (b) in a particular fiscal year, the city or county may expend during that fiscal year and the following fiscal year a total amount that is not less than the total amount required to be expended for those fiscal years for purposes of complying with subdivision (b).

(g) The allocation made under Section 2182 shall be expended not later than the end of the fiscal year following the fiscal year in which the allocation was made, and any funds not expended within that period shall be returned to the Controller and shall be reallocated to the other cities and counties pursuant to the allocation formulas set forth in Section 2182.

* * * * * * *

CHAPTER 5.5. FEDERAL AID FOR METROPOLITAN TRANSPORTATION PLANNING

Citation

Added: Statutes of 1974, Chapter 1470 (AB 3941)

2230. This chapter may be cited as the Federal Aid for Metropolitan Transportation Planning Act.

Purpose

Amended: Statutes of 1980, Chapter 777 (SB 1419)

2231. The Federal Aid Highway Act of 1973 has authorized appropriations for expenditure within urbanized areas for comprehensive transportation planning purposes. The purpose of this chapter is to implement such program in this state. The commission, the department, appropriate regional and local planning agencies, boards of supervisors, and city councils are authorized to do all things necessary in their respective jurisdictions to secure such federal funds in accordance with the intent of the federal act and of this chapter.

Transportation Planning And Development Account Defined

Amended: Statutes of 1980, Chapter 777 (SB 1419)

2232. As used in this chapter, "Transportation Planning and Development Account" means the Transportation Planning and Development Account created in the State Transportation Fund pursuant to Section 99310 of the Public Utilities Code.

Apportioned Amounts

Amended: Statutes of 1980, Chapter 777 (SB 1419)

2233. Amounts apportioned to the state pursuant to subsection (f) of Section 104 of Title 23 of the United States Code shall be identified in the budget of the Transportation Planning and Development Account in the State Transportation Fund. Amounts reimbursed to the state pursuant to subsection (f) of Section 104 of Title 23 of the United States Code shall be deposited in the State Highway Account and credited to the Transportation Planning and Development Account as an expense and reimbursement. All such funds apportioned to the state are

continuously appropriated for allocation by the commission from the Transportation Planning and Development Account to metropolitan transportation planning organizations, as defined by federal law and regulations, to perform the metropolitan transportation planning authorized by subsection (f) of Section 104 of Title 23.

Operating Procedures
Added: Statutes of 1974, Chapter 1470 (AB 3941)

2234. The department shall establish operating procedures and take such other action as is appropriate to comply with the provisions of this chapter and with all applicable laws, rules, and regulations.

* * * * * * *

CHAPTER 6.5. FEDERAL AID FOR HIGHWAY SAFETY IMPROVEMENTS

Citation
Added: Statutes of 1974, Chapter 1470 (AB 3941)

2330. This chapter may be cited as the Federal Aid for Highway Safety Improvements Act.

Purpose (Until January 1, 2005)
Amended: Statutes of 2001, Chapter 600 (SB 10)

2331. (a) The Highway Safety Act of 1973 (Title II of P.L. 93-87, 87 Stat. 250) has authorized appropriations for a number of programs relating to projects for the improvement of highway safety and the reduction of traffic congestion. These programs consist of the rail-highway crossings program (Section 203 of the Highway Safety Act of 1973), the pavement marking demonstration program (23 U.S.C. Sec. 151); projects for high-hazard locations, including, but not limited to, projects for bicycle and pedestrian safety and traffic calming measures in those locations (23 U.S.C. Sec. 152); program for the elimination of roadside obstacles (23 U.S.C. Sec. 153); and the federal-aid safer roads demonstration program (23 U.S.C. Sec. 405). The purpose of this chapter is to implement these programs in this state. The commission, the department, boards of supervisors, and city councils are authorized to do all things necessary in their respective jurisdictions to secure and expend federal funds in accordance with the intent of the federal act and of this chapter.

(b) This section shall remain in effect only until January 1, 2005, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2005, deletes or extends that date.

Purpose (After January 1, 2005)
Amended: Statutes of 2001, Chapter 600 (SB 10)

2331. (a) The Highway Safety Act of 1973 (Title II of P.L. 93-87, 87 Stat. 250) has authorized appropriations for a number of programs relating to projects for the improvement of highway safety and the reduction of traffic congestion. These programs consist of the rail-highway crossings program (Section 203 of the Highway Safety Act of 1973), the pavement marking demonstration program (23 U.S.C. Sec. 151), projects for high-hazard locations (23 U.S.C. Sec. 152); program for the elimination of roadside obstacles (23 U.S.C. Sec. 153); and the federal-aid safer roads demonstration program (23 U.S.C. Sec. 405). The purpose of this chapter

is to implement these programs in this state. The commission, the department, boards of supervisors, and city councils are authorized to do all things necessary in their respective jurisdictions to secure and expend such federal funds in accordance with the intent of the federal act and of this chapter.

(b) This section shall become operative on January 1, 2005.

Funds

Amended: Statutes of 1977, Chapter 1106 (AB 402)

2332. All funds received pursuant to these federal programs shall be deposited in the State Highway Account in the State Transportation Fund. All funds apportioned to the state for such programs are appropriated for allocation by the commission in accordance with the provisions of this chapter.

Split Between State Highways, Local Roads, Safe Routes to Schools (Until Jan 1, 2005)

Amended: Statutes of 2001, Chapter 600 (SB 10)

2333. (a) In each annual proposed budget prepared pursuant to Section 165, there shall be included an amount equal to the estimated apportionment available from the federal government for the programs described in Sections 2331 and 2333.5. The commission may allocate a portion of those funds each year for use on city streets and county roads. For projects authorized under Section 2333.5 and receiving funding under this section, the department may substitute State Highway Account funds in accordance with the department's policy for state funding in place at the time of the project fund allocation, if those federal funds are directed to projects on state highways that are eligible for funding under Section 152 of Title 23 of the United States Code. It is the intent of the Legislature that the commission allocate the total amount received from the federal government for all of the programs described in Sections 2331 and 2333.5 in a manner that, over a period of five years, makes not less than one million dollars ($1,000,000) of those funds available for use pursuant to Section 2333.5 and the remaining funds available for use in approximately equal amounts on state highways, local roads, and the program established under Section 2333.5. In addition, it is the intent of the Legislature that the commission shall apportion for use, in financing the railroad grade separation program described in Section 190, a substantial portion of the funds received pursuant to the federal rail-highway crossings program. Notwithstanding any other provision of law, the share of any railroad of the cost of maintaining railroad crossing protection facilities funded, in whole or in part, by funds described in Section 2331 shall be the same share it would be if no federal funds were involved and the crossing protection facilities were funded pursuant to an order of the Public Utilities Commission pursuant to Section 1202 of the Public Utilities Code; and in case of dispute, the Public Utilities Commission shall determine that share pursuant to this section.

(b) This section shall remain in effect only until January 1, 2005, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2005, deletes or extends that date.

Split Between State Highways, Local Roads; Grade Separations (After January 1, 2005)

Amended: Statutes of 2001, Chapter 660 (SB 10)

2333. (a) In each annual proposed budget prepared pursuant to Section 165, there shall be included an amount equal to the estimated apportionment available from the federal government for the programs described in Section 2331. The commission may allocate a portion of such funds each year for use on city streets and county roads. It is the intent of the Legislature that

the commission allocate the total amount received from the federal government for all of the programs described in Section 2331 in such a manner that, over a period of five years, such funds are made available for use in approximately equal amounts on state highways and on local roads. In addition, it is the intent of the Legislature that the commission shall apportion for use, in financing the railroad grade separation program described in Section 190, a substantial portion of the funds received pursuant to the federal rail-highway crossings program. Notwithstanding any other provision of law, the share of any railroad of the cost of maintaining railroad crossing protection facilities funded, in whole or in part, by funds described in Section 2331 shall be the same share it would be if no federal funds were involved and the crossing protection facilities were funded pursuant to an order of the Public Utilities Commission pursuant to Section 1202 of the Public Utilities Code, and in case of dispute, the Public Utilities Commission shall determine such share pursuant to this section.

(b) This section shall become operative on January 1, 2005.

Safe Routes to School Program

Amended: Statutes of 2001, Chapter 600 (SB 10)

2333.5. (a) The department, in consultation with the Department of the California Highway Patrol, shall establish and administer a "Safe Routes to School" construction program pursuant to the authority granted under Section 152 of Title 23 of the United States Code and shall use federal transportation funds for construction of bicycle and pedestrian safety and traffic calming projects.

(b) The department shall make grants available to local governmental agencies under the program based on the results of a statewide competition that requires submission of proposals for funding and rates those proposals on all of the following factors:

(1) Demonstrated needs of the applicant.

(2) Potential of the proposal for reducing child injuries and fatalities.

(3) Potential of the proposal for encouraging increased walking and bicycling among students.

(4) Identification of safety hazards.

(5) Identification of current and potential walking and bicycling routes to school.

(6) Consultation and support for projects by school-based associations, local traffic engineers, local elected officials, law enforcement agencies, and school officials.

(c) With respect to the use of funds provided in subdivision (a), prior to the award of any construction grant or the department's use of those funds for a "Safe Routes to School" construction project encompassing a freeway, state highway or county road, the department shall consult with, and obtain approval from, the Department of the California Highway Patrol, ensuring that the "Safe Routes to School" proposal compliments the California Highway Patrol's Pedestrian Corridor Safety Program and is consistent with its statewide pedestrian safety statistical analysis.

(d) (1) The department shall study the effectiveness of the program established under this section with particular emphasis on the program's effectiveness in reducing traffic accidents and its contribution to improving safety and reducing the number of child injuries and fatalities in the vicinity of the project.

(2) The department shall submit a report to the Legislature on or before December 31, 2003, regarding the results of the study described in paragraph (1).

(3) On March 30, 2002, and each March 30th thereafter, the department shall submit an annual report to the Legislature listing and describing those projects funded under this section.

(e) This section shall remain in effect only until January 1, 2005, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2005, deletes or extends that date.

Expenditure on Local Roads Exempt from County Shares
Amended: Statutes of 1980, Chapter 777 (SB 1419)

2334. Expenditure of such funds on local streets and roads shall be exempt from the provisions of Sections 188 and 188.8.

* * * * * * *

CHAPTER 9. FEDERAL AID FOR BRIDGE RECONSTRUCTION AND REPLACEMENT

Article 1. General Provisions

Citation
Added: Statutes of 1973, Chapter 587 (SB 583)

2400. This chapter may be cited as the Bridge Reconstruction and Replacement Act.

Legislative Findings
Amended: Statutes of 2002, Chapter 805 (AB 2996)

2401. By the Federal-Aid Highway Act of 1970, Congress has enacted Section 144 of Title 23 of the United States Code, and has authorized appropriations thereby for expenditures under the Special Bridge Replacement Program to replace or reconstruct bridges when the state and the federal government determine that the bridge is of significant importance and is unsafe because of structural deficiencies, including seismic deficiencies, or physical deterioration, or functional obsolescence. The purpose of this chapter is to implement this program in this state. The boards of supervisors, city councils, the department, and the commission may do all things necessary and proper in their respective jurisdictions to secure the federal funds under the program for county highways, city streets, and state highways in accordance with the intent of the federal act and this chapter.

Article 2. Administration

Bridge Inventory
Added: Statutes of 1973, Chapter 587 (SB 583)

2410. The department, cities, and counties are authorized to cooperate with the federal government in any inventory of classification of bridges requested by the federal government.

State And Local Projects Recommended
Added: Statutes of 1973, Chapter 587 (SB 583)

2411. The department, after conferring with the cities and the counties, shall recommend state and local projects and take such other action within the powers conferred on it by law as to comply with this chapter as fully as applicable federal laws, rules, or regulations permit.

Cooperative Agreements
Added: Statutes of 1973, Chapter 587 (SB 583)

2412. The boards of supervisors, city councils, and the department are authorized to enter into cooperative agreements, and to do all other things necessary and proper in their respective jurisdictions, to secure federal aid under the Special Bridge Replacement Program in accordance with the intent of this chapter.

Allocations to Counties and Cities
Amended: Statutes of 1993, Chapter 377 (SB 233)

2413. (a) The department may allocate to the counties and the cities federal funds received for approved bridge reconstruction or replacement projects on county roads or city streets in accordance with procedures promulgated by the director in cooperation with the counties and the cities and approved by the commission.

(b) The cities and counties may use any funds available to them to match funds made available to them under this chapter, if the use of funds for such matching purposes is not prohibited by federal law. "Match," as used in this chapter, means to provide for the payment of the cost of any project to the extent that such cost is not to be reimbursed from federal funds.

Bridge Replacement Standards
Added: Statutes of 1982, Chapter 1240 (AB 2468)

2414. (a) The Legislature finds and declares that it is in the state's vital interest to participate fully in the federal highway bridge replacement program.

(b) The department shall, with its available resources, expedite bridge replacement projects in order that federal funds be used to full advantage as soon as they become available.

(c) The commission, in allocating funds, and the department, in expending funds, for bridge replacement projects, shall follow federal design standards so that the projects will be eligible for federal funds, except that this subdivision shall not apply to a project if the commission finds by resolution, after a public hearing, that application of the federal design standards would adversely affect public health or safety or would significantly increase the cost of the project to the state.

(d) Nothing in this section shall affect the authority of the department to negotiate with the appropriate federal agency for the purpose of gaining approval of a project.

* * * * * * *

CHAPTER 15. FREEWAY SERVICE PATROLS

Citation
Added: Statutes of 1991, Chapter 488 (AB 123)

2560. This chapter shall be known and may be cited as the Freeway Service Patrol Act.

Purpose
Amended: Statutes of 2002, Chapter 578 (AB 2360)

2560.5. (a) The purpose of this chapter is to provide for permanent implementation of a freeway service patrol system using a formula-based allocation on traffic-congested urban freeways throughout the state, involving a cooperative effort between state and local agencies.

(b) In addition to the formula-based allocation program established, subject to funds being appropriated in the annual Budget Act, in subdivision (a), there is hereby established a Competitive Freeway Service Patrol Grant Program to provide funding of a freeway service patrol system to reduce traffic congestion.

Definitions

Added: Statutes of 1991, Chapter 488 (AB 123)

2561. As used in this chapter, each of the following terms has the following meaning:

(a) "Emergency roadside assistance" has the same meaning as defined in Section 2436 of the Vehicle Code.

(b) "Employer" has the same meaning as defined in Section 2430.1 of the Vehicle Code.

(c) "Freeway service patrol" means a program managed by the Department of the California Highway Patrol, the department, and a regional or local entity which provides emergency roadside assistance on a freeway in an urban area.

(d) "Regional or local entity" has the same meaning as defined in Section 2430.1 of the Vehicle Code.

(e) "Tow truck driver" has the same meaning as defined in Section 2430.1 of the Vehicle Code.

Memorandum of Understanding

Amended: Statutes of 2002, Chapter 578 (AB 2360)

2561.3. The freeway service patrol in any particular area shall be operated pursuant to an agreement between the Department of the California Highway Patrol, the department, and the appropriate regional or local entity.

Annual Funding

Amended: Statutes of 2002, Chapter 578 (AB 2360)

2561.5. (a) Funding for the freeway service patrols established pursuant to this chapter shall be provided, upon appropriation in the annual Budget Act, from the State Highway Account in the State Transportation Fund. In addition, the appropriate regional or local entity shall ensure that local resources are expended on freeway service patrols in an amount not less than 25 percent of the amount provided from the State Highway Account.

(b) In locations where there already is a freeway service patrol, the department shall coordinate and integrate the funds appropriated pursuant to this section into the existing program. In the allocation of these funds, no local entity may be penalized for having an existing freeway service patrol program.

(c) No state funding may be released prior to the execution of the agreement developed under Section 2561.3.

(d) No program funded under this chapter may supplant emergency response towing services provided by the department as of January 1, 1992.

(e) It is the intent of the Legislature that funding provided under subdivision (a) of Section 2560.5 be consistent from year to year in order to facilitate the awarding of multiyear contracts between participating regional and local entities and providers of freeway patrol services.

Funding Distribution Formula
Amended: Statutes of 2002, Chapter 578 (AB 2360)

2562.1. Funding for the program established in subdivision (a) of Section 2560.5 in a participating area shall be based 25 percent on the number of urban freeway lane miles in the participating area to the total number of freeway lane miles in all the participating areas, 50 percent on the basis of the ratio of the population of the participating area to the total population of all the participating areas, and 25 percent on the basis of traffic congestion as ascertained by the department pursuant to the most recent Statewide Highway Traffic Congestion Monitoring Program.

Competitive Freeway Service Patrol Grant Program
Added: Statutes of 2002, Chapter 578 (AB 2360)

2562.2. (a) Not later than 90 days after the effective date of this section, the department shall prepare guidelines for the implementation of a Competitive Freeway Service Patrol Grant Program and shall submit those guidelines to each regional or local agency operating a freeway service patrol. Not later than 30 days after receipt of the guidelines, the regional or local agency shall submit its written comments to the department.

(b) Not later than 150 days after the effective date of this section, the department shall publish the final guidelines for the Competitive Freeway Service Patrol Grant Program and commence implementation of the program. The guidelines shall not constitute a regulation for the purposes of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(c) The guidelines prepared pursuant to this section shall comply with the following requirements:

(1) Grants to be awarded to a regional or local agency applicant on a competitive basis for contracting with an employer for the provision of a new or expanded freeway service patrol service and for contracting with the Department of the California Highway Patrol for the provision of only direct supervisory services warranted by workload standards to reduce traffic congestion.

(2) The grant to require a matching share by the regional or local agency equaling not less than 25 percent of the amount provided from the State Highway Account.

(3) The grant to be awarded on the basis of project need and effectiveness calculated on a cost benefit analysis.

(4) The amount of a grant to be made to a regional or local agency shall not exceed 35 percent of the total amount of the available grant funds.

(5) The regional or local agency demonstrates that the services it proposes to fund with the grant are new freeway service patrol services that were not previously provided in its jurisdiction.

(6) The regional or local agency demonstrates its ability to support and supervise the new or expanded services provided by the Department of the California Highway Patrol. (d) This section shall be operative only if funds are appropriated for its purposes in the annual Budget Act.

Application for Funding
Amended: Statutes of 2000, Chapter 513 (SB 1428)

2562.3. In determining the annual funding allocation, regional or local entities shall apply to the department in accordance with program guidelines.

Identifying
Amended: Statutes of 2000, Chapter 513 (SB 1428)

2562.5. Each tow truck participating in a freeway service patrol shall bear a logo comprised of, at a minimum, a circle, a triangle, and a tow truck silhouette, with the words "Freeway Service Patrol," which identifies the Department of the California Highway Patrol and the department, and, at the option of the entity, the participating regional or local entity. Participating regional or local entities may place an approved logo on participating tow trucks.

Standards and Qualifications
Amended: Statutes of 2000, Chapter 513 (SB 1428)

2563. Tow truck drivers and employers participating in a freeway service patrol pursuant to this chapter are subject to the standards and qualifications established under Article 3.3 (commencing with Section 2430) of Chapter 2 of Division 2 of the Vehicle Code.

Administrative Overhead
Amended: Statutes of 2000, Chapter 513 (SB 1428)

2564. Not more than 2 percent of the state funds appropriated for purposes of this chapter shall be used for administrative overhead expenses or purposes by state agencies. No state funds shall be used for administrative purposes by the participating local and regional entities.

Program Guidelines
Added: Statutes of 2000, Chapter 513 (SB 1428)

2565. The department, the Department of the California Highway Patrol, and participating regional and local entities shall develop and periodically update guidelines for program operations, as those guidelines and updates may be required.

VEHICLE CODE

DIVISION 3. REGISTRATION OF VEHICLES AND CERTIFICATES OF TITLE
CHAPTER 6. REGISTRATION AND WEIGHT FEES
Article 3. Weight Fees

Weight Fees, 10,000 Pounds or Less
Amended: Statutes of 2001, Chapter 826 (AB 1472)

9400. Except as provided in Section 9400.1, and in addition to any other registration fee, there shall be paid the fees set forth in this section for the registration of any commercial motor vehicle that operates with unladen weight. Weight fees for pickup trucks are calculated under this section. Whenever a camper is temporarily attached to a motor vehicle designed to transport property, the motor vehicle shall be subject to the fees imposed by this section. The camper shall be deemed to be a load, and fees imposed by this section upon the motor vehicle shall be based upon the unladen weight of the motor vehicle, exclusive of the camper.

(a) For any electric vehicle designed, used, or maintained as described in this section, fees shall be paid according to the following schedule:

Unladen Weight	Fee
Less than 6,000 lbs	$ 87
6,000 lbs. or more but less than 10,000 lbs.	266
10,000 lbs. or more	358

(b) For any motor vehicle having not more than two axles and designed, used, or maintained as described in this section, other than an electric vehicle, fees shall be paid according to the following schedule:

Unladen Weight	Fee
Less than 3,000 lbs.	$ 8
3,000 lbs. to and including 4,000 lbs.	24
4,001 lbs. to and including 5,000 lbs.	80
5,001 lbs. to and including 6,000 lbs.	154
6,001 lbs. to and including 7,000 lbs.	204
7,001 lbs. to and including 8,000 lbs.	257
8,001 lbs. to and including 9,000 lbs.	308
9,001 lbs. to and including 10,000 lbs.	360

(c) For any motor vehicle having three or more axles designed, used, or maintained as described in this section, other than an electric vehicle, fees shall be paid according to the following schedule:

Unladen Weight	Fee
2,000 lbs. to and including 3,000 lbs.	$ 43
3,001 lbs. to and including 4,000 lbs.	77
4,001 lbs. to and including 5,000 lbs.	154

5,001 lbs. to and including 6,000 lbs.	231
6,001 lbs. to and including 7,000 lbs.	308
7,001 lbs. to and including 8,000 lbs.	385
8,001 lbs. to and including 9,000 lbs.	462
9,001 lbs. to and including 10,000 lbs.	539

(d) This section is not applicable to any vehicle that is operated or moved over the highway exclusively for the purpose of historical exhibition or other similar noncommercial purpose.

(e) The fee changes effected by this section apply to (1) initial or original registration on or after January 1, 1995, and prior to December 31, 2001, of any commercial vehicle never before registered in this state and (2) to renewal of registration of any commercial vehicle whose registration expires on or after January 1, 1995, and prior to December 31, 2001.

(f) Commercial vehicles, other than those specified in Section 9400.1, with an initial registration or renewal of registration that is due on or after December 31, 2001, are subject to the payment of fees specified in this section.

Weight Fees, Over 10,000 Pounds

Amended: Statutes of 2001, Chapter 826 (AB 1472), Section 26.5

9400.1. (a) (1) In addition to any other registration fee, there shall be paid the fees set forth in this section for the registration of commercial motor vehicles operated either singly or in combination with a declared gross vehicle weight of 10,001 pounds or more. Pickup truck and electric vehicle weight fees are not calculated under this section.

(2) The weight of a vehicle issued an identification plate pursuant to an application under Section 5014, and the weight of an implement of husbandry as defined in Section 36000, shall not be considered when calculating, pursuant to this section, the declared gross vehicle weight of a towing commercial motor vehicle that is owned and operated exclusively by a farmer or an employee of a farmer in the conduct of agricultural operations.

(3) Tow trucks that are utilized to render assistance to the motoring public or to tow or carry impounded vehicles shall pay fees in accordance with this section, except that the fee calculation shall be based only on the gross vehicle weight rating of the towing or carrying vehicle. Upon each initial or transfer application for registration of a tow truck described in this paragraph, the registered owner or lessee or that owner's or lessee's designee, shall certify to the department the gross vehicle weight rating of the tow truck.

Gross Vehicle Weight Range	Fee
10,001-15,000	$ 257
15,001-20,000	353
20,001-26,000	435
26,001-30,000	552
30,001-35,000	648
35,001-40,000	761
40,001-45,000	837
45,001-50,000	948
50,001-54,999	1,039
55,000-60,000	1,173
60,001-65,000	1,282

65,001-70,000	1,398
70,001-75,000	1,650
75,001-80,000	1,700

(b) The fee changes effected by this section apply to (1) initial or original registration on and after December 31, 2001, of any commercial motor vehicle operated either singly or in combination with a declared gross vehicle weight of 10,001 pounds or more and (2) to renewal of registration of any commercial motor vehicle operated either singly or in combination, with a declared gross vehicle weight of 10,001 pounds or more for which registration expires on or after December 31, 2001.

(c) (1) In addition to the fees set forth in subdivision (a), a Cargo Theft Interdiction Program Fee of three dollars ($3) shall be paid at the time of initial or original registration or renewal of registration of each motor vehicle subject to weight fees under this section.

(2) This subdivision does not apply to vehicles used or maintained for the transportation of persons for hire, compensation or profit, pickup trucks, and tow trucks.

(3) For vehicles registered under Article 4 (commencing with Section 8050) of Chapter 4, the fee imposed under this subdivision shall be apportioned as required for registration fees under that article.

(4) Funds collected pursuant to the Cargo Theft Interdiction Program shall not be proportionately reduced for each month and shall be transferred to the Motor Carriers Safety Improvement Fund.

(d) Notwithstanding Section 42270 or any other provision of law, of the moneys collected by the department under this section, eighty-two dollars ($82) for each initial, original, and renewal registration shall be reported monthly to the Controller, and at the same time, deposited in the State Treasury to the credit of the Motor Vehicle Account in the State Transportation Fund. All other moneys collected by the department under this section shall be deposited to the credit of the State Highway Account in the State Transportation Fund. Eighty-two dollars ($82) of the fee imposed under this section shall not be proportionately reduced for each month. For vehicles registered under Article 4 (commencing with Section 8050) of Chapter 4, the fee shall be apportioned as required for registration under that article.

Cargo Theft Interdiction Program fee

Added: Statutes of 2001, Chapter 826 (AB 1472), Section 27

9400.3. (a) In order to ensure that Chapter 973 of the Statutes of 2000 is implemented as originally intended by the Legislature, the department may not asses the Cargo Theft Interdiction Program fee upon any commercial motor vehicle that has a declared gross vehicle weight of less than 10,001 pounds.

(b) The department shall issue refunds of, or credits for, any Cargo Theft Interdiction Program fee that is assessed upon a vehicle that does not meet the minimum weights described in Section 9400.1 or is a pickup truck or an electric vehicle.

Restriction of Truck Operating Hours

Added: Statutes of 1989, Chapter 1337 (SB 286)

9400.7. Notwithstanding any other provision of law, except for restriction in existence on June 1, 1989, and except as provided in subdivision (d), so long as any increases in the weight fees required by Section 9400, as enacted by Assembly Bill 471 of the 1989-90 Regular Session, remain in effect, no local agency located within an urbanized area within a county which is

required to prepare a congestion management plan pursuant to Section 65089 of the Government Code may restrict the hours of operation on any street or highway which is otherwise open to truck use unless the local agency determines that the restriction is consistent with the adopted congestion management plan and is coordinated with adjacent local agencies so as to not unreasonably interfere with truck operation.

(b) If an inconsistency in access occurs between cities and counties, the inconsistent access provisions of the congestion management plan may be appealed to the California Transportation Commission. The commission shall review the inconsistent access plan and make a finding within 90 days of the appeal being filed. If the commission fails to make a finding within 90 days, the Director of Transportation shall review the issue and make a finding within 30 days.

(c) The access provisions of the congestion management plan shall not go into effect while an appeal is being made. If the commission makes a finding of inconsistency, the access provisions of the congestion management plan shall not become operative.

(d) (1) This section does not apply to Los Angeles County if the City of Los Angeles establishes restrictions on the hours of operation on any street or highway which is otherwise open to truck use.

(2) If the City of Los Angeles establishes restrictions under paragraph (1) and any other city in the County of Los Angeles establishes restrictions on the hours of operation on any street or highway which is otherwise open to truck use, the restrictions in that other city shall conform to the restrictions imposed by the City of Los Angeles, except that the other city may appeal nonconforming restrictions to the commission pursuant to subdivision (b) for a determination as to whether a variance from this paragraph should be granted.

(3) The Legislature finds and declares that, because of unique and special traffic congestion problems in the County of Los Angeles and in the City of Los Angeles, the general provisions of this section cannot be made applicable to that county.

Local Street Taxes and Fees

Added: Statutes of 1989, Chapter 1337 (SB 286)

9400.8. Notwithstanding any other provision of law, if the voters approve Senate Constitutional Amendment 1 of the 1989-90 Regular Session, no local agency may impose a tax, permit fee, or other charge for the privilege of using its streets or highways, other than a permit fee for extra legal loads, after December 31, 1990, unless the local agency had imposed the fee prior to June 1, 1989.

Pre-1937 Model Vehicles

Added: Statutes of 1980, Chapter 622 (SB 1380)

9401. (a) Motor vehicles manufactured in or prior to 1936, are exempted from the payment of the weight fees provided for in Section 9400.

(b) Notwithstanding subdivision (a), any person who owns and operates a commercial vehicle manufactured in or prior to 1936 which is registered to such person, may pay the appropriate weight fees, and the department shall issue license plates of the same type as are issued to vehicles which are required to pay weight fees for such vehicles.

Station Wagons

Amended: Statutes of 1975, Chapter 531 (AB 1454)

9404. (a) Station wagons, except those used in the transportation of passengers for hire, are exempted from the payment of weight fees provided for in Section 9400.

Any provision of this code notwithstanding, any person, (l) who is bona fide engaged in a business, and who owns and operates a station wagon which is registered in the name of such business, or (2) who is bona fide engaged in a business as an employee and who is required by such employment to own and operate a station wagon, which is registered to such person, may pay the appropriate weight fees, and the department shall issue license plates of the same type as are issued to vehicles which are required to pay weight fees.

(b) For purposes of this section, "engaged in a business" means engaged in a bona fide trade, business, commerce, or in a profession in which the measurement of land, construction quantities, or the dimension of structures, is a function authorized to be performed by the license issued for such profession, but does not include being engaged in any other type of profession.

Agricultural Water-Well Boring Rigs
Added: Statutes of 1959, Chapter 3

9405. Agricultural water-well boring rigs are exempt from the fees provided in Section 9400.

Vehicle Alterations or Additions
Amended: Statutes of 2000, Chapter 861 (SB 2084)

9406. Alterations or additions to registered vehicles for which fees have been paid under Section 9400 or 9400.1 placing the vehicles in weight fee classifications under Section 9400 or 9400.1 greater than the weight fees previously paid shall be reported to the department and at the same time the difference between the weight fee previously paid, reduced as provided in Section 9407, and the greater weight fee, reduced as provided in Section 9407, shall be paid to the department upon the operation of the vehicles in the greater weight fee classification under Section 9400 or 9400.1.

Vehicle Alterations or Additions; Payment of Fees
Added: Statutes of 2000, Chapter 861 (SB 2084)

9406.1. Prior to operation of a vehicle at a declared gross vehicle weight greater than reported to, and registered by, the department, the owner shall make application to the department and pay all appropriate fees.

Partial Year Basis
Amended: Statutes of 2001, Chapter 826 (AB 1472), Section 28

9407. The fee required under Section 9400 and 9400.1 shall be reduced proportionately for each month which has elapsed since the expiration of the last issued registration certificate if either of the following applies:

(a) Application for registration is made after the first month of any registration year and a certification was filed pursuant to subdivision (a) of Section 4604.

(b) Application for registration of a vehicle registered on a partial year basis is made after the first month following expiration and a certification was filed pursuant to subdivision (b) of Section 9706.

Credit For Fees Paid
Amended: Statutes of 2001, Chapter 826 (AB 1472)

9408. (a) Whenever any registered commercial vehicle, including, but not limited to, any commercial vehicle operating in California with apportioned registration, for which fees have

been paid under Section 9400 or 9400.1 is withdrawn from service in this state before the expiration of the registration, the owner may surrender the registration card and license plates previously issued for the vehicle to the department and, within 90 days of the time of withdrawal, make application for the registration of another commercial vehicle which is subject to the fees specified in Section 9400 or 9400.1. If the vehicle that is withdrawn from service is operating in this state under Article 4 (commencing with Section 8050 of Chapter 4, credit for any unused fees paid under Section 9400 or 9400.1 may be applied only to a commercial vehicle concurrently added to the same apportioned fleet.

(b) Under the circumstances described in subdivision (a), and upon a proper showing of the facts, the department upon determining the fees payable under this division shall allow as credit thereon the unexpired portion, as of the month of the application, of the fee paid under Section 9400 or 9400.1 for the previous registration, but, in addition to fees otherwise payable under this division less any credit, shall charge and collect an additional fee of two dollars ($2) for issuance of the new registration.

Forklift Trucks

Added: Statutes of 1963, Chapter 1395 (AB 286)

9409. Any forklift truck which is designed primarily for loading and unloading and for stacking materials and is operated or drawn along a highway unladen is exempt from the provisions of Section 9400.

Disabled Person's Exemption

Amended: Statutes of 2001, Chapter 825 (SB 290)

9410. (a) One commercial vehicle weighing less than 8,001 pounds unladen, which displays the distinguishing license plate designated in, and is registered to a person who qualifies for the exemption provided by, Section 22511.5, or one commercial vehicle weighing less than 8,001 pounds unladen, which is not registered to a disabled person who qualifies for that exemption but which has been assigned and displays a distinguishing license plate and is used primarily for the transportation of the disabled person, is exempt from the weight fees provided for in Section 9400.

(b) A commercial vehicle displaying a distinguishing placard pursuant to Section 22511.5 is not exempt from weight fees.

APPENDIX #1
2002 STATUTE UPDATES BY CODE

California Code	Action	Section(s)	Bill	Chapter	Subject
Government	Amend	14527	SB 1768	472	Regional Transportation Improvement Pgm
Government	Amend	14553.6	AB 3026	438	GARVEE
Government	Amend	14553.8	AB 3026	438	GARVEE
Government	Amend	14554.8	AB 3026	438	GARVEE
Government	Amend	14556.5	SB 1834	445	Traffic Congestion Relief Fund
Government	Add & Repeal	14556.75	SB 1834	445	Traffic Congestion Relief Fund
Government	Amend	14556.8	SB 1834	445	Traffic Congestion Relief Fund
Government	Amend	14556.9	SB 1834	445	Traffic Congestion Relief Fund
Government	Amend	29532.1	SB 1703	743	Transportation Planning Agency
Government	Amend	64000	AB 2996	805	Transportation Finance Bank
Government	Amend	65088	SB 1636	505	Congestion Management Programs
Government	Amend	65088.1	SB 1636	505	Congestion Management Programs
Government	Add	65088.4	SB 1636	505	Congestion Management Programs
Government	Amend	65089	SB 1636	505	Congestion Management Programs
Public Utilities	Amend	21602	AB 3026	438	Aviation: financial assistance
Public Utilities	Amend	21681	AB 3026	438	Aviation: definitions
Public Utilities	Amend	21702	AB 3026	438	California Aviation System Plan
Public Utilities	Add	99310.6	SB 1834	445	Traffic Congestion Relief Fund
Public Utilities	Amend	99314.5	AB 1912	201	State Transit Assistance
Public Utilities	Add	99315.95	AB 2206	736	Monterey County Allocations
S&H Code	Amend	143	AB 1010	688	Toll Road Demonstration Program
S&H Code	Amend	164.16	AB 3026	438	GARVEE
S&H Code	Amend	170	AB 3026	438	GARVEE
S&H Code	Repeal & Add	179	AB 2996	805	Seismic Safety Account
S&H Code	Amend	183	SB 1834	445	Traffic Congestion Relief Fund
S&H Code	Add	183.3	SB 1834	445	Traffic Congestion Relief Fund
S&H Code	Amend	188.10	AB 2996	805	Seismic Safety Account
S&H Code	Amend	216	AB 3026	438	GARVEE
S&H Code	Add	216.5	AB 2751	656	State Highways; soundwalls
S&H Code	Amend	2401	AB 2996	805	Seismic Safety Account
S&H Code	Amend	2560.5	AB 2360	578	Freeway Service Patrol
S&H Code	Amend	2561.3	AB 2360	578	Freeway Service Patrol
S&H Code	Amend	2561.5	AB 2360	578	Freeway Service Patrol
S&H Code	Amend & renumber	2562	AB 2360	578	Freeway Service Patrol
S&H Code	Add	2562.2	AB 2360	578	Freeway Service Patrol

APPENDIX #1
2002 STATUTE UPDATES BY BILL

California Code	Action	Section(s)	Bill	Chapter	Subject
S&H Code	Amend	143	AB 1010	688	Toll Road Demonstration Program
Public Utilities	Amend	99314.5	AB 1912	201	State Transit Assistance
Public Utilities	Add	99315.95	AB 2206	736	Monterey County Allocations
S&H Code	Amend	2560.5	AB 2360	578	Freeway Service Patrol
S&H Code	Amend	2561.3	AB 2360	578	Freeway Service Patrol
S&H Code	Amend	2561.5	AB 2360	578	Freeway Service Patrol
S&H Code	Amend & renumber	2562	AB 2360	578	Freeway Service Patrol
S&H Code	Add	2562.2	AB 2360	578	Freeway Service Patrol
S&H Code	Add	216.5	AB 2751	656	State Highways; soundwalls
S&H Code	repeal & add	179	AB 2996	805	Seismic Safety Account
S&H Code	Amend	188.10	AB 2996	805	Seismic Safety Account
S&H Code	Amend	2401	AB 2996	805	Seismic Safety Account
Government	Amend	64000	AB 2996	805	Transportation Finance Bank
S&H Code	Amend	164.16	AB 3026	438	GARVEE
S&H Code	Amend	170	AB 3026	438	GARVEE
S&H Code	Amend	216	AB 3026	438	GARVEE
Government	Amend	14553.6	AB 3026	438	GARVEE
Government	Amend	14553.8	AB 3026	438	GARVEE
Government	Amend	14554.8	AB 3026	438	GARVEE
Public Utilities	Amend	21602	AB 3026	438	Aviation: financial assistance
Public Utilities	Amend	21681	AB 3026	438	Aviation: definitions
Public Utilities	Amend	21702	AB 3026	438	California Aviation System Plan
Government	Amend	65088	SB 1636	505	Congestion Management Programs
Government	Amend	65088.1	SB 1636	505	Congestion Management Programs
Government	Add	65088.4	SB 1636	505	Congestion Management Programs
Government	Amend	65089	SB 1636	505	Congestion Management Programs
Government	Amend	29532.1	SB 1703	743	Transportation Planning Agency
Government	Amend	14527	SB 1768	472	Regional Transportation Improvement Pgm
S&H Code	Amend	183	SB 1834	445	Traffic Congestion Relief Fund
S&H Code	Add	183.3	SB 1834	445	Traffic Congestion Relief Fund
Government	Amend	14556.5	SB 1834	445	Traffic Congestion Relief Fund
Government	Add & Repeal	14556.75	SB 1834	445	Traffic Congestion Relief Fund
Government	Amend	14556.8	SB 1834	445	Traffic Congestion Relief Fund
Government	Amend	14556.9	SB 1834	445	Traffic Congestion Relief Fund
Public Utilities	Add	99310.6	SB 1834	445	Traffic Congestion Relief Fund

INDEX

A

AB 680 toll road projects 146
AB 1012 advance project development....30
AB 3090 advance with local funds....33
Advance
construction (Federal AC) 35
expenditure prior to allocation....37
funds for guideways 40
of local share (SB 2800) 152
payment, TCR program 57
project development element....30
to local agency, Proposition 116....172
Airport ground access....82
Alameda Corridor East
Traffic Congestion Relief program....71
Allocation
conditions if unprogrammed....40
environmental clearance 29
fund transfer agreement 38
guidelines....31
reimbursement of prior expenditures....37
time limit....35
Traffic Congestion Relief (TCR) program 56
Amendments, STIP 39
Annual report, CTC
AB 3090 impact....34
adoption and content....41
SB 2800 impact 153
TCR program implementation 60
TCR-RSTP/CMAQ exchange program....170
Applications
bicycle program 195
Proposition 116....129
State Highway Account loan 31
TCR program....54
Appropriation, encumbrance of....72
Architectural and Engineering Services 1
Article XIX
transfer of nonrestricted funds....171
Aviation
Aeronautics account balance 101
Aeronautics account-annual grants....99
applications....100
definitions 98
financial assistance 97
grant match 100
local match, special aviation fund 101

B

Bicycle program
annual report....191
Bicycle Transportation Account....196, 201
Bicycle Transportation Act....193
bicycle transportation plan....194
Bikeway Account 196
design criteria 193
grant applications....195
local match....195
minimum annual SHA funding....192
Proposition 116....128
Safe Routes to School Program....218
Bonds
Federal grant anticipation (GARVEE) 43
Proposition 116....132
Proposition 192....4
toll bridge seismic retrofit....175
Bridge funds, Federal 219
Budget programs 155
Bus and passenger rail services 114

C

California Aviation System Plan (CASP)
consistency 103
elements....102
Federal grants 103
mandate....102
public hearings....103
revision schedule 103
submittal 103
California Transportation Commission
adoption of fund estimate 22
adoption of STIP....29
advise and assist....19
allocation of funds 40
allocation of funds, TCR program....56
annual report....41
approval of SHOPP 25
Caltrans budget evaluation 20
report review....19
staff recommendations....31
study areas prescribed....19
California Transportation Plan 77
Caltrans
award of contract 156
contracting out 22, 161
design-sequencing contracts....188
intermodal station inspections 115

management information system 10, 154
preparation of SHOPP 24
proposed fund estimate 20
submittal of ITIP 24
Capitol Corridor..... 17, 121
CASP
see California Aviation System Plan 102
CEQA
exemption for seismic retrofit 159
Proposition 116 132
State Highway Account loan program 32
CMAQ
congestion management program 92
program funding 166
STIP match funds..... 177
TCR Fund exchange program..... 50, 168
Congestion management program
adoption and content..... 88
conformance reviews 92
county election to be exempt 87
deficiency plan..... 93
inclusion in RTIP 83
infill opportunity zone 88
nonconformance..... 94
regional agency review 91
RSTP/CMAQ programs..... 92
SCAG county commissions 88
trip reduction plans, AQMD 91
Congestion mitigation and air quality program(see CMAQ)
Contracting out
excess staffing level 22
seismic retrofit 161
Cooperative Work Agreement..... 73
Corridors, priority acquisition 82
County shares
advances and reserves..... 180
costs included..... 179
CTC maintains balances..... 181
exemption for disaster replacement 174
Federal funds included..... 190
formula..... 178
GARVEE bonds..... 45
grandfathered projects..... 163
MTC pooling..... 180
north/south split 174
pooling 179
supplemental votes..... 181
County transportation commissions..... 75
CTC ..... (see California Transportation Commission)

D

Design-sequencing contracts 188
Diesel, use fuel tax..... 142
District 12-Orange County 182

E

Elderly and disabled
Section 5310 Program..... 12
Electronic fund transfer 38, 58
Encumbrance
liquidation of..... 73
of appropriation..... 72
Environmental enhancement and mitigation program 153
Expenditure
prior to allocation..... 37
time limit..... 35

F

Federal aid
bridge 219
metropolitan transportation planning..... 215
safety..... 216
Federal funds
advance construction authority 35
Federal STIP 78
fund estimate..... 147
included in county share 190
maximize use 155
monitor use of 10
Section 5310 program..... 12
Federal Statewide Transportation Improvement Program (FSTIP)..... 78
Freeway service patrols 221
Grant Program..... 222
Fresno Amtrak station allocations 114
Fund estimate
basis 147
Caltrans, proposed 20
CTC adoption..... 22
inflation rate..... 23
Fund transfer agreement 38

G

GARVEE bonds 43
Gasoline tax 141
Grade crossings..... 183
Grade separations
Alameda corridor 121
PUC priority list..... 182
Grandfathered projects, 1996 STIP 163
Guidelines
AB 3090..... 35
advance construction (Federal)..... 36
allocation..... 31
Bicycle Transportation Act 197
expedited PSR compliance process..... 36
freeway service patrol program 224
GARVEE bonds..... 44
loan program..... 33
Pedestrian Safety Account 198

project study reports 85
Proposition 116....129
STIP development 39
TCR Fund-RSTP/CMAQ exchange program....168
TCR program....54

H

Highway Users Tax Account 198

I

Intercity rail
STIP minimum....148
Intermodal transfer stations
access for prison visitors....116
Caltrans inspections....115
state-funded bus service....116
Interregional 25%....148
Interregional road system 148
eligible interregional routes 149–52
Interregional Transportation Improvement Program
....(see ITIP)
ITIP
Caltrans consultation with regions....37
eligible project types....148
intercity rail minimum 148
interregional program (25%) 148
submission and contents 24

L

Liquefied petroleum gas, use fuel tax....142
Liquidation of encumbrances 73
Loans, State Highway Account 31
Local Bridge Seismic Safety Retrofit....157
SHA as local match 157

M

Management information system
Caltrans budget....154
Caltrans MIS advisory committee 10
Match
bicycle program 195
Federal credit for tolls....182
non-STIP state match for RSTP 170
Proposition 116....130
RSTP/CMAQ from STIP....177
SB 2800 advance expenditure 152
soundwalls 186
Metrolink....15

N

North Coast Railroad....123
North Coast Railroad Authority (NCRA)
availability of prior allocations....114
TCR program....71
North/south split....174

O

Off-highway tax exemption....144
Orange County funding exchange....112

P

Pavement management....207
Pedestrian Safety Account....197
Planning funds
Federal metropolitan....215
Public Transportation Account....105
State Highway Account....104, 183
STIP project planning, monitoring 26
Population
county shares 179
subventions to cities....141, 203
Priorities for State Highway Account....155
Prison access 116
Project delivery
development costs....21
plan 20
report....23
support staffing level 22
Project development element 30
Project study reports
expedited compliance process 36
guidelines....85
required for ITIP....24
required for RTIP 26
required for STIP....31
state highway capacity improvements 85
Proposition 116
advance from State Highway Account 172
applications....129
bicycle access 132
Bicycle program 128
bonds 132
CEQA 132
disabled accessibility 131
guidelines....129
match requirements....130
nonurban program 123
North Coast Railroad Authority....123
rail right-of-way....131
reallocation by Legislature 132
reallocation within corridor 128
water-borne ferry program....128
PSR.... (see project study reports)
Public Transportation Account
bus and passenger rail services....114
created....104
funding split....105
sales tax revenue....136
short-line railroad rehabilitation 115
state programs....112
State Transit Assistance (STA)....105
transfer from State Highway Account 171

transit capital improvement projects 115
Transportation Investment Fund transfer..... 138

R

Rail
AMTRAK station approval..... 172
Capitol Corridor..... 17
intercity rail agreements..... 13
Metrolink 15
passenger development plan 116
platform standards..... 116
Proposition 116, right-of-way..... 131
San Joaquin Corridor 16
state funding..... 7
state rail plan..... 9
Regional 75% 148
Regional surface transportation program.. (see RSTP)
Regional Transportation Improvement Program(see RTIP)
Regional transportation plan
adoption and content..... 78
airport ground access 82
alternative planning scenario 80
corridors for priority acquisition..... 82
guidelines..... 19
Traffic Congestion Relief program projects 55
Regional transportation planning agencies
designation..... 74
planning and programming..... 81
redesignation..... 80
San Diego..... 80
statutorily created..... 74
Rehabilitation, ten-year plan..... 149
Reimbursement..... 37
Reports
Alameda Corridor East (TCR)..... 71
Caltrans bicycle program 191
Caltrans design-sequencing 189
Caltrans project delivery..... 23
Caltrans quarterly seismic report 159, 161
CTC annual report to Legislature 41
project development element impact 31
quarterly, use of RSTP/CMAQ..... 166, 168
SB 45 implementation..... 37
seismic retrofit annual report 6, 158, 177
to Legislature, distribution..... 7
Route 238 local alternative 26
Route rescission
local alternative..... 28
proceeds of sale..... 28
RSTP
congestion management program 92
non-STIP state match funds..... 170
program funding 164
STIP match funds..... 177
TCR Fund exchange program..... 50, 168
RTIP
adoption and contents 25, 83
deviation from..... 39
eligible project types..... 148
regional consultation with Caltrans..... 37

S

Safe Routes to School Program 218
Sales tax, state..... 136
San Joaquin Corridor 16, 121
SB 45 implementation 37
SB 2800, advance of local share..... 152
SCRRA
STA revenue allocation..... 108
SCRRA (Southern California Regional Rail Authority)..... 15
Section 5310 program..... 12
Seismic retrofit
annual report 6, 158, 177
Bay Bridge amenities..... 181
CEQA exemption..... 159
contracting out 161
exemption from contracting and procurement statutes..... 160
permit review panel..... 160
Public Contract Code exemption 159
quarterly seismic report..... 159, 161
toll bridges 175
SHOPP..... 24
SHOPP ten-year plan..... 149
Short-line railroad rehabilitation..... 115
Soundwalls
Caltrans priority list 185
local contribution 186
natural disaster mitigation..... 186
rice straw demonstration..... 187
school noise abatement 186
STIP eligibility..... 148
Staff recommendations 31
State Auditor..... 23
State Highway Account..... 163
administrative expenses 173
continuously appropriated..... 171
convict labor 178
General Fund loan..... 172
loan program..... 31
state highway maintenance 207
transfer of non-Article XIX 171
State Highway Operation and Protection Plan(see SHOPP)
State highways
Caltrans responsibility 19
standards 84
system planning 84
within cities..... 184
State park system roads 205
State Transit Assistance (STA)..... 105, 139

State Transportation Improvement Program(see STIP)
STIP
1998 STIP....37
adoption and contents....29
amendments....39
compliance....41
deviation from RTIP....39
guidelines....39
interregional program....148
regional/interregional split....148
Transportation Investment Fund revenue....139
Subventions
cities....203
cities and counties....201
cities without public streets....209
cities, Transportation Investment Fund....139
city engineering and administrative costs....205
city gas tax street improvement fund....209
counties....199
counties, Transportation Investment Fund....139
county mileage figures....212
crossing guards eligible....211
deduction for grade separation program183, 200, 205
eligible expenditures....173, 198
Los Angeles County....141, 202
maintenance of effort....140, 214
new revenues....200
Orange County....212
patented paving material....209
populations used....141, 203
snow removal on county roads....207
State Controller responsibility....211
storm damage on county roads....208
Traffic Congestion Relief Fund, FY 2001..50, 213
Supplemental votes
county shares....181

T

Taxes
diesel, use fuel tax....142
ethanol, methanol use fuel....143
fuel tax annual flat rate....143
fuel tax relief for transit....144
liquified petroleum gas, use fuel....142
natural gas, use fuel....142
off-highway exemption....144
state gasoline tax....141
state sales tax....136
Timely use of funds
CMAQ....168
STIP....35
TCR program....58
tracking delivery....11
Toll bridges
maintenance costs....174
seismic retrofit....175
Seismic Retrofit Account....180
Toll road demonstration....146
Traffic Congestion Relief (TCR) program
advance payment....57
Alameda Corridor East report....71
allocations....56
annual report....60
application approval....55
applications....54
cooperative agreement....57
cost increases and savings....58
electronic fund transfer....58
eligible projects....61
funds allocated from Traffic Congestion Relief Fund....50
guidelines....54
lead applicant agency....54
letter of no prejudice....59
local maintenance of effort....57
NCRA provisions....71
project time schedules....56
regional transportation plan....55
reimbursement....57
timely use of funds....58
Traffic Congestion Relief Act)....49
Traffic Congestion Relief Fund....166, 168
Annual Report....53
General Fund Short term loans....52
local maintenance of effort....214
local subventions, FY 2000-01....50, 213
RSTP/CMAQ exchange program....50, 168
Short term loans....51
Traffic Congestion Relief (TCR) program....50
transfer from General Fund, FY 2001....51
transfers from Transportation Investment Fund51, 138
Transit capital improvements
PTA funding....115
Transportation Finance Bank....75
Transportation Investment Fund....138
Transportation Research and Innovation Program 184
Transportation Revolving Account....162
Trip reduction plans, AQMD....91

W

Weight fees....225