

Official Title and Summary

RAIL TRANSPORTATION. BOND ACT. INITIATIVE STATUTE. Authorizes general obligation bond issue of \$1,990,000,000 to provide funds principally for passenger and commuter rail systems, with limited funds available for public mass transit guideways, paratransit vehicles, bicycle and ferry facilities, and railroad technology museum. Allocates certain amounts to specified state and local entities through a grant program administered by the California Transportation Commission. Program will require some matching funds from local entities. Appropriates money from state General Fund to pay off bonds. Summary of Legislative Analyst's estimate of net state and local government fiscal impact: If all authorized bonds are sold at 7.5 percent interest and paid over the typical 20-year period, the General Fund will incur about \$3.6 billion in costs to pay off bond principal (\$2 billion) and interest (\$1.6 billion). The estimated annual cost of bond principal and interest is \$180 million.

Text of Proposed Law

This initiative measure is submitted to the people in accordance with the provisions of Article II, Section 8 of the Constitution.

This initiative measure amends and adds sections to the Public Utilities Code, and amends a section of the Revenue and Taxation Code; therefore, existing provisions proposed to be deleted are printed in ~~strikeout type~~ and new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SEC. 1. Part 11.5 (commencing with Section 99600) is added to Division 10 of the Public Utilities Code, to read:

PART 11.5. CLEAN AIR AND TRANSPORTATION IMPROVEMENT ACT OF 1990

CHAPTER 1. GENERAL PROVISIONS

99600. *This part shall be known as the Clean Air and Transportation Improvement Act of 1990.*

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.*

99602. *For purposes of this part, the following terms have the following meanings, unless expressly stated 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 vehicle 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.*

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.*

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(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.

99604. If bonds sufficient to fund the total aggregate of the amounts specified in Chapter 3 (commencing with Section 99620) cannot be sold pursuant to Chapter 6 (commencing with Section 99690), the allocation for each project shall be reduced proportionately.

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

99610. The Clean Air and Transportation Improvement Fund is hereby created.

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.

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).

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.

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

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.

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.

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) shall be for commuter 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.

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.

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.

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.

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.

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.

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 transit 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-ways for passenger and freight rail projects, or for other rail projects.

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).

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.

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:

In Riverside County, forty seven million dollars (\$47,000,000).

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.

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 as follows:

(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.

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 rail starts and extensions plan of the Metropolitan Transportation Commission.

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.

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.

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).

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.

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.

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.

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.

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.

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.

99643. One hundred million dollars (\$100,000,000) shall be allocated to the Sacramento Regional Transit District for rail transit projects.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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

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.

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.

99662. Two or more applicant agencies may join in applying for a grant for a project in which each of the agencies will participate.

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.

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.

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.

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.

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.

99668. 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.

99669. An application for rail transit extension shall include a plan for integrating bus service with the 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

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 vada.

(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.

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 Section 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.

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.

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.

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, 2000, 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.

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 99684, 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.

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

99690. This chapter shall be known and may be cited as the Clean Air and Transportation Improvement Bond Act of 1990.

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.

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.

99691.5. The bonds authorized by this chapter shall be prepared, extended, 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 the 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.

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."

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 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.

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.

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.

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.

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.

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.

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.

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.

SEC. 2. Section 99310.5 of the Public Utilities Code is amended to read:

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.

SEC. 3. Section 99317 of the Public Utilities Code is amended to read:

99317. (a) Funds made available pursuant to subdivision (b) (c) of Section 99315 shall be appropriated to the department for allocation, as directed by the commission, to fund the following types of transit and intercity rail capital improvement projects:

(1) Railroad Abandoned railroad rights-of-way acquisition.

(2) Bus rehabilitation.

(3) Exclusive public mass transit guideways and rolling stock.

(4) *Grade separations.*

~~(5)~~ (5) Intermodal transfer stations serving various transportation modes.

~~(6)~~ (6) *Passenger ferries Ferry vessels and terminals.*

(b) Funds made available pursuant to Sections 199 and 199.1 of the Streets and Highways Code shall be appropriated to the department for allocation, as directed by the commission, solely to fund exclusive public mass transit guideways.

~~(c)~~ 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 for allocation, as directed by the commission, solely for capital outlay improvements and rolling stock on intercity rail passenger routes.

~~(d)~~ The amount of funds allocated for a transit capital improvement project, except an intercity rail transit capital improvement project, pursuant to this section shall not exceed 50 percent of the amount of the nonfederal share of project cost. This requirement shall not apply to projects for intercity rail as defined in Section 163.55 of the Streets and Highways Code.

(c) With respect to the sum of money available each fiscal year from the State Highway Account and the Transportation Planning and Development Account for transit capital improvements, the commission shall include, in the state transportation improvement program, one-half of the sum for expenditure in those counties which have adopted a proposition pursuant to Section 4 of Article XIX of the California Constitution. The portion of the amount to be included in the state transportation improvement program for each of those counties shall be in the proportion that its population bears to the total population of all those counties. Allocations pursuant to this subdivision shall be subject to the requirements for guideway financial plans and the ability of an agency to encumber funds on a timely basis, as specified in Sections 199.1, 199.2 and 199.3 of the Streets and Highways Code.

(d) 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.

SEC. 4. Section 7102 of the Revenue and Taxation Code is amended to read:

7102. The money in the fund shall, upon order of the Controller, be drawn therefrom for refunds under this part, and 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 $\frac{3}{4}$ -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 during each fiscal year quarterly to the Transportation Planning and Development Account, a trust fund in the State Transportation Fund for appropriation pursuant to Section 99312 of the Public Utilities Code.

(2) All revenues, less refunds, due to derived under this part 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)); at the 4 $\frac{3}{4}$ -percent rate shall be transferred during each fiscal year to the Transportation Planning and Development Account for appropriation pursuant to Section 99312 of the Public Utilities Code.

~~(b)~~ All revenues, less refunds, derived under this part at the 4 $\frac{3}{4}$ -percent rate, resulting from increasing, after December 31, 1989, the rate of the 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 during each fiscal year to the Transportation Planning and Development Account for appropriation pursuant to Section 99312 of the Public Utilities Code.

~~(c)~~ All revenues, less refunds, derived under this part from a rate of more than 4 $\frac{3}{4}$ percent pursuant to Sections 6051.1 and 6201.1 shall be transferred to the Disaster Relief Fund created by Section 16319 of the Government Code, shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and shall be transferred quarterly to the Transportation Planning and Development Account, a trust fund in the State Transportation Fund.

~~(d)~~ (b) The balance shall be transferred to the General Fund.

~~(e)~~ (c) The estimate estimates required by subdivisions subdivision (a) and ~~(b)~~ 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) and (2) of subdivisions ~~(a)~~ and ~~(b)~~ shall be made quarterly.

(d) 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.

SEC. 5. If any provision of this act or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and to this extent the provisions of this act are severable.