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Passenger Rail and Clean Air Bond Act of 1990

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## Text of Proposed Law

This law proposed by Assembly Bill 973 (Statutes of 1989, Ch. 108) is submitted to the people in accordance with the provisions of Article XVI of the Constitution.

This proposed law adds sections to the Streets and Highways Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

### PROPOSED LAW

SEC. 2. Chapter 17 (commencing with Section 2701) is added to Division 3 of the Streets and Highways Code, to read:

#### CHAPTER 17. PASSENGER RAIL AND CLEAN AIR BOND ACT OF 1990

##### Article 1. General Provisions

2701. This chapter shall be known and may be cited as the Passenger Rail and Clean Air Bond Act of 1990.

2701.01. As used in this chapter, the following terms have the following meanings:

(a) "Committee" means the Passenger Rail Finance Committee created pursuant to Section 2701.12.

(b) "Department" means the Department of Transportation.

(c) "Fund" means the Passenger Rail Bond Fund created pursuant to Section 2701.05.

2701.02. The Legislature has provided that, in addition to the one billion dollars (\$1,000,000,000) authorized pursuant to this chapter, the Passenger Rail and Clean Air Bond Act of 1992 will be submitted for voter approval for the issuance of additional bonds of one billion dollars (\$1,000,000,000) in 1992 and the Passenger Rail and Clean Air Bond Act of 1994 will be submitted for voter approval for the issuance of additional bonds of one billion dollars (\$1,000,000,000) in 1994, for a total of three billion dollars (\$3,000,000,000).

##### Article 2. Transportation Improvement Program

2701.05. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the Passenger Rail Bond Fund, which is hereby created.

2701.06. The money in the fund, upon appropriation by the Legislature, shall be available, without regard to fiscal years, for acquisition of rights-of-way, capital expenditures, and acquisition of rolling stock for intercity rail, commuter rail, and urban rail transit and for capital improvements which directly support rail transportation, including exclusive busways which are converted within 10 years after completion of construction into rail lines, grade separations to enhance rail passenger service, and multimodal terminals.

2701.07. The appropriations for capital improvements and acquisition of rolling stock for intercity rail, commuter rail, and urban rail transit shall be used only on the following routes and corridors and those specified by statutes enacted by the Legislature:

(a) Intercity Rail.

(1) Los Angeles-San Diego.

(2) Santa Barbara County-Los Angeles.

(3) Los Angeles-Fresno-San Francisco Bay area and Sacramento.

(4) San Francisco Bay area-Sacramento-Auburn.

(5) San Francisco-Eureka.

(b) Commuter Rail.

(1) San Francisco-San Jose.

(2) San Jose-Gilroy.

(3) Gilroy-Monterey.

(4) Stockton-Livermore.

(5) Orange County-Los Angeles.

(6) Riverside County-Orange County.

(7) San Bernardino County-Los Angeles.

(8) Ventura County-San Fernando Valley-Los Angeles.

(9) Saugus-Los Angeles.

(10) Oceanside-San Diego.

(11) Escondido-Oceanside.

(c) Urban Rail Transit.

(1) Sacramento.

(A) Roseville extension.

(B) Hazel extension.

(C) Meadowview extension.

(D) Arena extension.

(2) San Francisco Bay Area Rapid Transit District.

(A) Bayfair-East Livermore.

(B) Concord-East Antioch.

(C) Fremont-Warm Springs.

(D) Daily City-San Francisco International Airport.

(E) Coliseum-Oakland International Airport.

(F) Richmond-Crockett.

(G) Warm Springs-San Jose.

(3) Alameda and Contra Costa Counties.

(A) Pleasanton-Concord.

(4) Santa Clara County.

(A) Sunnyvale-Santa Clara.

(B) San Jose-Vasona.

(C) State Highway Route 237.

(5) San Francisco City and County.

(A) Extensions, improvements, and additions to the San Francisco Municipal Railway.

(6) San Francisco-Santa Rosa-Sonoma.

(7) Santa Cruz County.

(A) Boardwalk area-University of California at Santa Cruz.

(8) Los Angeles Metro Rail.

(A) Wilshire/Alvarado-Wilshire/Western.

(B) Wilshire/Alvarado-Lankershim/Chandler.

(C) San Fernando Valley extension.

(D) Union Station-State Highway Routes 5 and 710.

(E) Wilshire/Western-Wilshire/State Highway Route 405.

(9) Los Angeles County Rail Corridors.

(A) San Fernando Valley.

(B) Pasadena-Los Angeles.

(C) Coastal Corridor (Torrance to Santa Monica).

(D) Santa Monica-Los Angeles.

(E) State Highway Route 5.

(F) State Highway Route 110.

(10) San Diego County.

(A) El Cajon-Santee.

(B) Downtown-Old Town.

(C) Airport-Point Loma.

(D) Old Town-Mission Valley.

(E) Mission Valley-La Mesa.

(F) La Jolla-Miramar.

(G) Old Town-Del Mar.

(H) Downtown-Escondido.

(I) Chula Vista-Otay Mesa.

2701.08. At least 15 percent of the money in the fund shall be used for intercity rail purposes and shall be equitably expended on intercity rail corridors based on the relative population served by each corridor.

##### Article 3. Fiscal Provisions

2701.10. Bonds in the total amount of one billion dollars (\$1,000,000,000), exclusive of refunding bonds, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to be used to reimburse the General Obligation Bond Expense Revolving Fund

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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 of, and interest on, the bonds as the principal and interest become due and payable.

2701.11. (a) Except as provided in subdivision (b), 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 of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

(b) Notwithstanding any provision of the State General Obligation Bond Law, each issue of bonds authorized by the committee shall have a final maturity of not more than 20 years.

2701.12. (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 Passenger Rail Finance Committee is hereby created. For purposes of this chapter, the Passenger Rail Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Treasurer, the Director of Finance, the Controller, the Secretary of the Business, Transportation and Housing Agency, and the Director of Transportation, 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 the State General Obligation Bond Law, the department is designated the "board."

2701.13. 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 2701.06 and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be issued and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized be issued and sold at any one time. The committee shall consider program funding needs, revenue projections, financial market conditions, and other necessary factors in determining the shortest feasible term for the bonds to be issued.

2701.14. There shall be collected each year and 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.

2701.15. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount equal to that 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.

2701.16. (a) Money may be transferred from the fund to the State Transportation Fund to reimburse the Transportation Planning and

Development Account and the State Highway Account for expenditures made from those accounts, on and after June 6, 1990, for capital improvements and acquisitions of rolling stock for intercity rail, commuter rail, and urban rail transit in accordance with Chapter 2 (commencing with Section 14520) of Part 5.3 of Division 3 of Title 2 of the Government Code, as specified in Section 2701.06.

(b) The amount that may be transferred pursuant to subdivision (a) shall not exceed the amount expended from those accounts for those capital improvements and acquisitions of rolling stock.

2701.17. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, 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 borrowed pursuant to Section 2701.18. The board shall execute such 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 board in accordance with this chapter.

2701.18. For the purpose of carrying out this chapter, 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 this chapter, less any amount borrowed pursuant to Section 2701.17. Any amount withdrawn shall be deposited in the fund. 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 the sale of bonds for the purpose of carrying out this chapter.

2701.19. All money deposited in the fund which is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

2701.20. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of the State General Obligation Bond Law.

2701.21. 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 XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

2701.22. 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 of Title 2 of the Government Code, 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.

2701.23. Notwithstanding Section 2701.10, bonds may not be issued under this chapter if Senate Constitutional Amendment 1 of the 1989-90 Regular Session is not submitted to, and approved by, the voters at the June 5, 1990, direct primary election.