MEETING DATE: **July 21, 2008**

AGENDA ITEM: **Consideration of a Support Position on AB 2321 (Feuer): Transportation Funding: County of Los Angeles.**

ATTACHMENTS

		Pages
1.	AB 2321 (Feuer): Transportation Funding: County of Los Angeles.	1-6

AMENDED IN SENATE JULY 2, 2008

AMENDED IN ASSEMBLY MAY 28, 2008

AMENDED IN ASSEMBLY MAY 23, 2008

AMENDED IN ASSEMBLY APRIL 21, 2008

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL No. 2321

Introduced by Assembly Members Feuer, Levine, and Davis

February 21, 2008

An act to amend Section 130350.5 of the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2321, as amended, Feuer. Transportation funding: County of Los Angeles.

Existing law authorizes the Los Angeles County Metropolitan Transportation Authority (MTA) to impose, in addition to any other tax that it is authorized to impose, a transactions and use tax at the rate of 0.5% for 6½ years or less, for the funding of specified transportation-related purposes designated as capital projects or capital programs. Existing law conditions the imposition of a tax under this authority upon voter approval as otherwise required by law. It also prohibits the MTA from incurring bonded indebtedness payable from the tax proceeds to fund those projects or programs or from substituting revenue from the tax proceeds for current funding commitments to the projects or programs. Existing law requires the MTA to prepare an expenditure plan prior to submitting the tax ordinance to voters, describing the projects and programs and their cost and funding sources.

Existing law also creates the Capital Project Development Fund, into which the tax revenue is to be deposited, and makes those moneys available for expenditure by the MTA to fund the designated projects and programs.

This bill would modify these provisions to require the MTA tax ordinance to specify that the tax is to be imposed for a period not to exceed 30 years, and to require the MTA to include specified projects and programs in its Long Range Transportation Plan. This bill would also authorize the MTA to incur bonded indebtedness, as specified, and would make other related changes.

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

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

SECTION 1. Section 130350.5 of the Public Utilities Code is amended to read:

130350.5. (a) In addition to any other tax that it is authorized by law to impose, the Los Angeles County Metropolitan Transportation Authority (MTA) may impose, in compliance with subdivision (b), a transactions and use tax at a rate of 0.5 percent that is applicable in the incorporated and unincorporated areas of the county.

(b) For purposes of the taxing authority set forth in subdivision (a), all of the following apply:

(1) The tax shall be proposed in a transactions and use tax ordinance, that conforms with Chapter 2 (commencing with Section 7261) to Chapter 4 (commencing with Section 7275), inclusive, of the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code), and that is approved by a majority of the entire membership of the authority.

(2) The tax may be imposed only if the proposing ordinance is approved by two-thirds of the voters in the manner as otherwise required by law and, if so approved, shall become operative as provided in Section 130352.

(3) The proposing ordinance shall specify, in addition to the rate of tax and other matters as required by the Transactions and Use Tax Law, that the tax is to be imposed for a period not to exceed 30 years and that the revenues derived from the tax, net of

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refunds and costs of administration, are to be administered by the MTA as provided in this section. The MTA shall, during the period the ordinance is operative, allocate 20 percent of all revenues derived from the tax for bus ~~operations,~~ *operations to all eligible and included municipal transit operators in the County of Los Angeles and to the MTA, in accordance with Section 99285,* and shall allocate 5 percent of all revenues derived from the tax for rail operations. The MTA shall include the projects and programs described in subparagraphs (A) and (B) in its Long Range Transportation Plan (LRTP). The funding amounts specified in subparagraphs (A) and (B) are minimum amounts that shall be allocated by the MTA from the revenues derived from a tax imposed pursuant to this section. Nothing in this section prohibits the MTA from allocating additional revenues derived from the tax to these projects. The projects and programs described in subparagraphs (A) and (B) shall be given the highest priority in the LRTP for funding from the revenues derived from a tax imposed pursuant to this section.

(A) Capital Projects.

(i) Exposition Boulevard Light Rail Transit Project from downtown Los Angeles to Santa Monica. The sum of nine hundred twenty-five million dollars ($925,000,000).

(ii) Crenshaw Transit Corridor from Wilshire Boulevard to Los Angeles International Airport along Crenshaw Boulevard. The sum of two hundred thirty-five million five hundred thousand dollars ($235,500,000).

(iii) San Fernando Valley North-South Rapidways. The sum of one hundred million five hundred thousand dollars ($100,500,000).

(iv) Metro Gold Line (Pasadena to ~~Duarte)~~ *Azusa)* Light Rail Transit Extension. The sum of three hundred twenty-eight million dollars ($328,000,000).

(v) Metro Regional Connector. The sum of one hundred sixty million dollars ($160,000,000).

(vi) Metro Westside Subway Extension. The sum of nine hundred million dollars ($900,000,000).

(vii) State Highway Route 5 Carmenita Road Interchange Improvement. The sum of one hundred thirty-eight million dollars ($138,000,000).

(viii) State Highway Route 5 Capacity Enhancement (State Highway Route 134 to State Highway Route 170, including access improvement for Empire Avenue). The sum of two hundred seventy-one million five hundred thousand dollars ($271,500,000).

(ix) State Highway Route 5 Capacity Enhancement (State Highway Route 605 to the Orange County line, including improvements to the Valley View Interchange). The sum of two hundred sixty-four million eight hundred thousand dollars ($264,800,000).

(x) State Highway Route 5/State Highway Route 14 Capacity Enhancement. The sum of ninety million eight hundred thousand dollars ($90,800,000).

(xi) Capital Project Contingency Fund. The sum of one hundred seventy-three million dollars ($173,000,000).

(B) Capital Programs.

(i) Alameda Corridor East Grade Separations. The sum of two hundred million dollars ($200,000,000).

(ii) MTA and Municipal Regional Clean Fuel Bus Capital (Facilities and Rolling Stock). The sum of one hundred fifty million dollars ($150,000,000).

(iii) Countywide Soundwall Construction (MTA Regional List and Monterey Park/State Highway Route 60). The sum of two hundred fifty million dollars ($250,000,000).

(iv) Local return for major street resurfacing, rehabilitation, and reconstruction. The sum of two hundred fifty million dollars ($250,000,000).

(v) Metrolink Capital Improvements. The sum of seventy million dollars ($70,000,000).

(vi) Eastside Light Rail Access. The sum of thirty million dollars ($30,000,000).

(vii) Capital Program administration. The sum of ten million dollars (10,000,000). The MTA shall use these funds for the administration of the Capital Program.

(c) The MTA may incur bonded indebtedness payable from the proceeds of the tax provided by this section for the funding of the projects and programs specified in this section. The MTA shall not loan money from the proceeds to other projects or programs in advance of completing the projects and programs in subparagraphs (A) and (B) of paragraph (3) of subdivision (b). The MTA shall complete all projects and programs in subparagraphs (A) and (B) of paragraph (3) of subdivision (b) as a condition of the use and expenditure of the proceeds of the tax.

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The MTA shall maintain the current amount of any funding for the projects and programs specified in this section received from sources other than the proceeds of the tax, and may not reallocate money that is already allocated for those projects and programs to other projects or uses.

(d) Notwithstanding Section 7251.1 of the Revenue and Taxation Code, the tax rate authorized by this section may not be considered for purposes of the combined rate limit established by that section.

(e) A jurisdiction or recipient is eligible to receive funds from the local return program, described in clause (iv) of subparagraph (B) of paragraph (3) of subdivision (b), only if it continues to contribute to that program an amount that is equal to its existing commitment of local funds or other available funds. The MTA may develop guidelines which, at a minimum, specify maintenance of effort requirements for the local return program, matching funds, and administrative requirements for the recipients of revenue derived from the tax.

(f) Prior to submitting the ordinance to the voters, the MTA shall adopt an expenditure plan for the revenues derived from the tax. The expenditure plan shall describe the specified projects and programs listed in paragraph (3) of subdivision (b), the estimated total cost for each project and program, funds other than the tax revenues that the MTA anticipates will be expended on the projects and programs, and the schedule during which the MTA anticipates funds will be available for each project and program. The MTA shall also identify in its expenditure plan the expected completion dates for each project described in subparagraph (A) of paragraph (3) of subdivision (b). To be eligible to receive revenues derived from the tax, an agency sponsoring a capital project or capital program shall submit to the MTA an expenditure plan for its project or program containing the same elements as the expenditure plan that MTA is required by this subdivision to prepare.

(g) The MTA shall establish and administer a Capital Project Development Fund. The revenue derived from the tax shall be deposited into this fund. The moneys in the fund shall be available to the MTA to meet expenditure and cashflow needs of the capital projects and capital programs described in subparagraphs (A) and (B) of paragraph (3) of subdivision (b). In the event that there are tax revenues in excess of the necessary amounts as set forth in the expenditure plan to complete the projects and programs described in subparagraphs (A) and (B) of paragraph (3) of subdivision (b), the excess revenues may simultaneously be used to complete other projects and programs in the LRTP, including the replacement of federal or state funds if the amount of those federal or state funds received by the MTA is less than anticipated in the expenditure plan.

(h) If other funds become available and are allocated to complete capital projects or capital programs, as described in subparagraphs (A) and (B) of paragraph (3) of subdivision (b), the MTA may expend the surplus tax revenue on its next highest priority projects in the LRTP.

(i) (1) Notwithstanding subdivision (h), if a capital project or capital program, as described in subparagraphs (A) and (B) of paragraph (3) of subdivision (b), has been fully funded from other sources on or before December 31, 2008, the funds designated to the project or program in subparagraphs (A) and (B) of paragraph (3) of subdivision (b) shall remain in the subregion in which the project or program is located and shall be allocated to other projects or programs in the subregion.

(2) A capital project or capital program funded with reallocated funds pursuant to paragraph (1) shall be included in the adopted 2008 Long Range Transportation Plan or the successor plan and shall be of regional significance.

SEC. 2. The Legislature finds and declares that the tax authority set forth in Section 130350.5 of the Public Utilities Code, as amended by this act, is intended to provide those funds necessary to complete the capital projects and capital programs described in that section, and that the expenditure plan required by that section is intended to be structured to provide appropriate funding guarantees for the completion of each described project or program.

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