

M e m o r a n d u m

To: CHAIR AND COMMISSIONERS

CTC Meeting: February 22-23, 2012

Reference No.: 4.1
Action

From: BIMLA G. RHINEHART
Executive Director

Subject: **STATE AND FEDERAL LEGISLATION**

ISSUE:

At the Commission's January 2012 meeting, staff indicated that they would provide a report at the February meeting on the status of bills pending carryover from the first year of the two-year session, and new bills that may have been introduced.

Attachment A of this book item provides a list of bills that have been signed by the Governor; bills carried forward and newly introduced bills, and bills that did not pass out of their house of origin.

New Legislation

SB 95 – (Committee on Budget and Fiscal Review) – State cash resources

January 30, 2012 - Amended in Assembly

February 2, 2012 - Passed Assembly and ordered to Senate
- Senate concurrence in Assembly amendments
- Enrolled and presented to the Governor

February 3, 2012 - Approved by the Governor
Chaptered by Secretary of State – Chapter 1, Statutes of 2012

A copy of the Legislative Counsel's Digest is provided on Attachment B.

This bill will be discussed under Tab 15 Budget and Allocation Capacity Update.

RECOMMENDATION:

The Commission is requested to accept this staff report and provide direction to staff on legislation of interest to it.

BACKGROUND:

The Commission approved criteria to guide Commission staff in monitoring legislation and selecting bills that should be brought forward for Commission consideration. An over-arching criterion is that a bill must directly affect transportation on a statewide basis. Bills meeting one or more of the criteria, provided below, will be brought forward to the Commission for consideration.

- Funding/Financing - funding or a funding mechanism for transportation (capital and operations)
- Environmental Mitigation - implementation of green house gas emissions reduction and transportation (e.g., AB 32), and/or involve the environmental process and transportation (e.g., CEQA)
- Planning - implementation of transportation and land use and planning (e.g., SB 375)
- Project Delivery - changes to the way transportation projects are delivered

Additional criteria for bringing a bill forward include:

- Direct Impact to Commission - changes in Commission responsibility, policy impact or operations
- Commissioner Request - recommended by a Commissioner for consideration by the Commission at its next regularly scheduled meeting

The Commission adopted policy to consider legislation in relation to its overall policy by topic area, prior to taking a position on legislation addressing that topic; and remain selective in its use of watch, support or opposition on a bill. The rationale for a policy by topic area is it permits the Commission to address a suite of legislative proposals dealing with the same topic by commenting to the author(s) without necessarily taking a position. Rather than taking specific positions on bills in their initial state, the Commission can advise the Legislature on a bill's policy and/or technical aspects, as well as how it helps or hinders transportation. The intent of the Commission's comments is to alert the author of the bill's impact on a policy and/or technical aspect related to transportation planning, programming, financing, mitigation, or project delivery.

Further direction will be provided to staff, by the Chair, on bills that meet the aforementioned criteria.

Attachments

CALIFORNIA TRANSPORTATION COMMISSION
 Status of State Legislation
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Signed by Governor

FUNDING/FINANCING

Bill #	Author	Bill Title	Subject	Status
SB 95	Senate Budget and Fiscal Review Committee	Cash Resources	Requires the Treasurer to receive and duly account for all money in the Condemnation Deposits Fund. Authorizes the Controller to use any money in the fund, in the Highway Users Tax Account, the Transportation Investment Fund, and the Motor Vehicle Fuel Account for cash loans to the General Fund. Authorizes the Director of Finance to designate a percentage of funds in certain funds and accounts for state highway and local road project interim financing.	<i>Signed by Governor February 3, 2012 Chapter 1, Statutes of 2012</i>

Legislation Carried Forward and Newly Introduced

FUNDING/FINANCING

Bill #	Author	Bill Title	Subject	Status
AB 1229	Feuer	California Transportation Financing Authority Fund: subsidies: local agency revenue bonds	Provides the term eligible transportation project in existing law may include projects programmed by a regional transportation planning agency using specified federal funds. Authorizes a minimum percentage of bonding capacity of GARVEE bonds from being made available for these projects. Requires such agency to commit to repaying the state for debt service if that agency's share of federal regional surface transportation program funds or federal congestion mitigation and air quality funds is insufficient.	<i>Last Action</i> In Senate Committee on Appropriations Held in Committee August 25, 2011 <i>Current Location</i> Senate Committee on Appropriations
SB 475	Wright & Emmerson	Infrastructure Financing	Authorizes a local governmental agency to enter into an agreement with a private entity for financing (public private partnership) for specified types of revenue-generating infrastructure projects (including commuter and light rail and highways or bridges). Requires an agreement entered into under these provisions to include adequate financial resources to perform the agreement, and would permit the agreements to lease or license to, or provide other permitted uses by the private entity.	<i>Last Action</i> In Assembly Committee on Local Government Failed Passage Reconsideration granted June 29, 2011 <i>Current Location</i> Assembly Committee on Local Government
SB 633	Huff	Bond: Fine for Unauthorized Use	Amends the State General Obligation Bond Law. Provides that if the Department of Finance determines that funds from a bond act are expended for a purpose not authorized by the bond act, and the entity responsible for the funds does not take the corrective action prescribed by the department within a time to be determined by the department, then the Department of Finance may prohibit the entity that was responsible for the unauthorized use from allocating any additional funds from the bond act.	<i>Last Action</i> In Assembly Read first time Held at desk January 23, 2012 <i>Current Location</i> Assembly

CALIFORNIA TRANSPORTATION COMMISSION
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FUNDING/FINANCING (Continued)

Bill #	Author	Bill Title	Subject	Status
SB 907	Evans	Master Plan for Infrastructure Financing and Development Commission	Would create the Master Plan for Infrastructure Financing and Development Commission, consisting of specified members, and would require the commission to prepare and submit a strategy and plan for infrastructure development in California that meets certain criteria to the Legislature and the Governor by December 1, 2013. This bill would provide that the commission would dissolve 30 days after submission of its final report. This bill would repeal these provisions upon the dissolution of the commission. Would provide that these provisions become operative only if the funds required to support the commission are appropriated and made available in the annual Budget Act.	<p>Last Action In Senate Read third time Do Pass to Assembly June 1, 2011</p> <p>Current Location Assembly Committee on Jobs, Economic Development and the Economy</p>

PROJECT DELIVERY

Bill #	Author	Bill Title	Subject	Status
AB 294	Portantino	Transportation Projects: Procurement	Requires the Department of Transportation to use specified persons for highway projects. Authorizes the department to let contracts for the design and construction of not more than 5 transportation projects utilizing the design-sequencing method, and to use department employees or consultants under contract for these design services. Requires the department to compile data on the transportation projects awarded under these provisions and to include that information in a report to the Legislature.	<p>Last Action In Senate Ordered to third reading To inactive file September 2, 2011</p> <p>Current Location Senate</p>

DIRECT IMPACT TO COMMISSION

Bill #	Author	Bill Title	Subject	Status
AB 441	Monning	State Planning	Requires the California Transportation Commission to include health issues in the guidelines promulgated by the commission for the preparation of regional transportation plans. Requires the Office of Planning and Research to develop guidelines that contain advice on how local and regional agencies can incorporate health issues into local or regional general plans.	<p>Last Action In Senate Read first time To Senate Committee on Rules for assignment January 26, 2012</p> <p>Current Location Senate Committee on Rules</p>
AB 845	Ma	Transportation: Bond Funds	Requires the guidelines adopted by the Transportation Commission to determine the funding share for each eligible commuter and urban rail recipient to use the distribution factors gathered from the 2007 Data Tables in the National Transit Database of the Federal Transit Administration. Requires the commission to accept from each eligible recipient a priority list of projects up to the target amount expected to be available for the recipient and would require matching funds for bond fund allocation purposes.	<p>Last Action In Senate Ordered to third reading To inactive file August 22, 2011</p> <p>Current Location Senate</p>

CALIFORNIA TRANSPORTATION COMMISSION
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DIRECT IMPACT TO COMMISSION (Continued)

Bill #	Author	Bill Title	Subject	Status
SB 103	Liu	State government: meetings	Authorizes a state body, to the extent practicable, to conduct teleconferencing meetings. Requires a state body to provide a supplemental live audio broadcast on the Internet Web site of its board meetings that are open to the public unless it is determined to be too costly. Prohibits teleconference meetings as a matter of convenience. Requires a body that operates an Internet Web site to provide a supplemental live audio or video broadcast on the Web site of board meetings open to the public.	Last Action In Assembly Committee on Appropriations Held in Committee August 25, 2011 Current Location Assembly Committee on Appropriations
SB 749	Steinberg	California Transportation Commission: guidelines	Establishes specified procedures that the State Transportation Commission will be required to utilize when it adopts guidelines regarding transportation capital improvement projects. Provides exceptions. Exempts the adoption of those guidelines from the requirements of the Administrative Procedure Act. Similar Bills: SB 1348 (Steinberg, 2010) – Vetoed by Governor on September 30, 2010 SB 126 (Steinberg, 2011) – Amended to relate to agriculture labor relations	Last Action In Assembly Read first time Head at desk January 23, 2012 Current Location Assembly

OTHER

Bill #	Author	Bill Title	Subject	Status
AB 286	Berryhill	State Highways: Route 108 and 120	Requires the proceeds from the sale of excess properties acquired for improvements to State Highway Route 120, less any reimbursements due to the federal government and all costs include in the sale of those properties, to be used for improvements to State Highway Route 108 in Stanislaus County, the North County Corridor. Authorizes the California Transportation Commission to allocate funds to the Stanislaus Council of Governments or any agency designated by that entity to deliver the North County Corridor project.	Last Action In Senate Order to third reading To inactive file September 6, 2011 Current Location Senate

RELATED TO RAIL

Bill #	Author	Bill Title	Subject	Status
AB 16	Perea (D)	High-Speed Rail Authority	Amends existing law that creates the High-Speed Rail Authority. Requires the authority to make every effort to purchase high-speed train rolling stock and related equipment that are manufactured in California, consistent with federal and state laws.	Last Action In Senate Order to third reading To inactive file September 9, 2011 Current Location Senate
AB 41	Hill	Conflicts of interest: disqualification	Amends existing provisions of the Political Reform Act of 1974. Adds members of the High-Speed Rail Authority to those specified offices who must publicly identify a financial interest giving rise to a conflict of interest, and recuse themselves accordingly. Prohibits a board member and any defined interested person from conducting an ex parte communication. Requires the member to report such communication. Requires the Business, Transportation, and Housing Agency to enforce these provisions.	Last Action In Senate Held at desk January 13, 2012 Current Location Senate

CALIFORNIA TRANSPORTATION COMMISSION
 Status of State Legislation
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RELATED TO RAIL (Continued)

Bill #	Author	Bill Title	Subject	Status
AB 145	Galgiani and Lowenthal	High-Speed Rail	Repeals all of the State High-Speed Train Act and enacts a new act. Continues the High-Speed Rail Authority with limited responsibilities within the Business, Transportation, and Housing Agency. Requires specified personnel matters. Requires the authority to adopt policies directing the development and implementation of high-speed rail, prepare and adopt a business plan and high-speed train capital program, and select alignments for the routes of the trains system, award franchises, and provide for fares.	<p><i>Last Action</i> In Senate Committee on Appropriations Held in Committee August 25, 2011</p> <p><i>Current Location</i> Senate Committee on Appropriations</p>
AB 292	Galgiani	High Speed Rail: Agricultural Lands	Requires the High-Speed Rail Authority to appoint an agricultural advisory committee with a specified number of members recommended by the Secretary of Food and Agriculture. Requires the Authority to consult with the committee and to reflect the committee's comments on policies and related matters in any action item brought before the Board of the Authority.	<p><i>Last Action</i> In Senate Ordered to third reading To inactive file August 30, 2011</p> <p><i>Current Location</i> Senate</p>
AB 492	Galgiani	High-Speed Rail Authority	Requires the High-Speed Rail Authority to consider, to the extent permitted by federal and state law, the creation of jobs and participation by small business enterprises in the state when awarding major contracts or purchasing high-speed trains. Requires the authority to appoint a small business enterprise advisory committee.	<p><i>Last Action</i> In Senate Read second time and amended Referred to Committee on Rules June 27, 2011</p> <p><i>Current Location</i> Senate Committee on Rules</p>
AB 1092	Lowenthal	High-Speed Rail	Requires the High-Speed Rail authority to report biannually to the Legislature beginning on a specified date on the status of the project, including overall progress, th0065 project budget, expenditures to date, a comparison of the current and project work schedule and the baseline schedule.	<p><i>Last Action</i> In Senate Read first time To Senate Committee on Rules for assignment June 2, 2011</p> <p><i>Current Location</i> Senate Committee on Rules</p>
SB 517	Lowenthal	High-Speed Rail Authority	Places the High-Speed Rail Authority within the Business, Transportation and Housing Agency. Requires the Secretary to propose an annual budget for the authority. Requires the members of the authority appointed by the Governor to be appointed with the advice and consent of the Senate. Vacates the membership of the authority. Provides for the appointment or reappointment of members on a specified date. Provides that the executive director is subject to appointment with the advice and consent of the Senate.	<p><i>Last Action</i> In Assembly Committee on Appropriations Held in Committee August 25, 2011</p> <p><i>Current Location</i> Assembly Committee on Appropriations</p>

CALIFORNIA TRANSPORTATION COMMISSION
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Failed Passage in House of Origin

FUNDING/FINANCING

Bill #	Author	Bill Title	Subject
AB 676	Torres	Transportation Funds	Provides that the remaining state and federal funds available to the state for transportation purposes are available for the study of, and development and implementation of, capital improvement projects.
AB 1308	Miller	Highway Users Tax Account: appropriation of funds	Provides that in any year in which the Budget Act has not been enacted by a certain date, would provide that all moneys in the Highway Users Tax Account in the Transportation Tax Fund are continuously appropriated and may be encumbered for certain purposes until the Budget Act is enacted.
SB 693	Dutton	Public-Private Partnerships: cities and counties	Amends existing law authorizing the Department of Transportation to delegate to any city or county any part of its powers and jurisdiction, except the power of approval, with respect to any portion of any State highway within the city or county, and to withdraw the delegation. Specifies that the delegation authority includes the authority to utilize private-public partnership agreements for transportation projects.
SB 867	Padilla	Build California Bonds	Provides for the California Transportation Financing Authority to issue Build California Bonds, the proceeds of which would be used for specified transportation capital improvements. Bondholders would be entitled to nonrefundable tax credits against their personal income tax or corporate tax liability. The bonds would not be a debt or liability of the state or a political subdivision of the state, except for the authority. Provides for the authority to enter into financing agreements with participating local transportation authorities for the purpose of financing or refinancing transportation projects. Each series of bonds issued by the authority would be secured by a financing agreement between the authority and the local transportation authority. Limits the principal amount of bonds to be issued by the authority under these provisions to \$5 billion over a 5-year period commencing January 1, 2012.

ENVIRONMENTAL MITIGATION

Bill #	Author	Bill Title	Subject
AB 605	Dickinson	California Environmental Quality Act: Transportation	Requires the Office of Planning and Research, in consultation with the California Transportation Commission, the State Energy Resources Conservation and Development Commission, local governments, and other appropriate entities, to prepare and adopt guidelines that would, among other things, establish the percentage reduction in the projected trip generation and vehicle miles traveled for a project as compared to the average for trip generation and vehicle miles traveled for that project type that would assist a region in meeting the greenhouse gas emission reduction targets established by the State Air Resources Board for the automobile and light truck sector for that region, and develop a list of mitigation measures that a project may incorporate to reduce the project's projected trip generation and vehicle miles traveled. Provides that a project meeting or exceeding the percentage reduction in trip generation and vehicle miles traveled or a project that incorporates the listed mitigation measures sufficient to allow the project to meet the percentage reduction would not need to consider the transportation-related impact of the project in environmental documents prepared pursuant to CEQA.
SB 241	Cannella	Environment: California Environmental Quality Act	Enacts the California Environmental Quality Act Litigation Protection Pilot Program of 2011. Requires the Business, Transportation and Housing Agency to select projects that meet requirements from specified regions for each calendar year between 2012 and 2016. Exempts from judicial review, pursuant to CEQA, a lead agency's decision to certify the environmental impact report of the selected projects, and the agency's selection of the projects.

PROJECT DELIVERY

Bill #	Author	Bill Title	Subject
AB 356	Hill	Public Works Projects: Local Hiring Policies	Prohibits any local agency from mandating that any portion or percentage of work on a public works project be performed by local residents or persons residing within particular areas if any portion of that project will take place outside the geographical boundaries of the agency. Requires a local agency to fund any public works project cost increase where the project is funded with state funds and the agency implements a local resident hiring policy.

CALIFORNIA TRANSPORTATION COMMISSION
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DIRECT IMPACT TO COMMISSION

Bill #	Author	Bill Title	Subject
AB 567	Valadao	Transportation Funds: Capital Improvement Projects	Makes nonsubstantive changes to existing law requiring funds made available for transportation capital improvement projects to be programmed and expended for interregional and regional improvements.

OTHER

Bill #	Author	Bill Title	Subject
AB 1134	Bonilla	Department of Transportation: project study reports	Authorizes Caltrans to prepare project study reports for any project on the state highway system. Requires those reports to include specified project-related factors including, cost factors, schedule, and other information deemed necessary to form a sound basis for commitment of future funding and project delivery. Requires an entity performing a study report to reimburse Caltrans for report review and approval and a voter-approved county sales tax measure expenditure plan.
SB 862	Lowenthal	Southern California Goods Movement Authority	Establishes the Southern California Goods Movement Authority to establish a priority list of infrastructure and air quality improvement projects related to the movement of port-related cargo and port operations in southern California. Requires the Alameda Corridor East Construction Authority to provide staff and meeting space. Authorizes the authority to enter into a memorandum of understanding with PierPASS or a similar entity for funding the list of infrastructure and air quality projects.

RELATED TO RAIL

Bill #	Author	Bill Title	Subject
AB 31	Beall	Land Use: High-Speed Rail: Local Master Plan	Amends the High-Speed Rail Act. Establishes the High-Speed Rail Local Master Plan Pilot Program. Authorizes specified cities and counties to adopt, by ordinance, a master plan for development surrounding the high-speed rail system. Authorizes the plan to include specified incentives while reducing greenhouse gas emissions. Relates to sustainable communities. Authorizes infrastructure financing districts. Relates to transit village development districts. Requires an environmental impact report.
AB 58	Galgiani	High-Speed Rail	Amends the High Speed Rail Act which creates the High-Speed Rail Authority. Authorizes the Governor to appoint additional authority officers, exempt from civil service, who would serve in specified positions at the pleasure of the Executive Director. Requires the initial designations to the authority's peer group to be made by a specified date. Requires the group to designate a chairperson. Requires the authority to designate a member of its staff to serve as liaison to the group. Requires a report. (Urgency)
AB 133	Galgiani	High-Speed Rail	Requires federal funds made available to the state for high-speed rail purposes to be available, upon appropriation, for certain work on one or more specified rail corridors approved by the Federal Railroad Administration, in a manner consistent with certain provisions of, and subject to certain conditions of, the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century.
AB 365	Galgiani	High-speed rail: contracts: small businesses	Enacts penalties relative to the certification of businesses as small business enterprises by the High-Speed Rail Authority and for other unlawful actions.
AB 471	Lowenthal	High-Speed Rail: Inspector General	Would create an independent inspector general, who would serve at the pleasure of the authority, and would prepare specified reports and audits relating to high-speed rail to oversee the activities of the authority, and conduct investigations and audits in that regard. The inspector general would be appointed for a 6-year term by the Governor, subject to confirmation by the Senate. The bill would require the inspector general to report quarterly to the authority and annually to the Governor and the Legislature.
AB 953	Jones	High-Speed Rail	Provides that no funds from Proposition 1A shall be available to the High-Speed Rail Authority for construction of the high-speed train system until adequate environmental studies are completed based on a new ridership study that uses an acceptable ridership evaluation methodology. Requires the authority to contract with the Institute of Transportation Studies at the University of California of Berkeley to complete a revised ridership study.

CALIFORNIA TRANSPORTATION COMMISSION
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RELATED TO RAIL (continued)

Bill #	Author	Bill Title	Subject
AB 1206	Galgiani	High-Speed Rail: contracts: small business	Requires the High Speed Rail authority to identify essential components of, and adopt, a small business enterprise program as part of contracts to be awarded, and to adopt an oversight and accountability program for the program. Requires the authority to report annually to the Department of General Services and Legislature in that regard and to post the report on its Internet Web site.
AB 1254	Davis	High-Speed Rail: Contracts	Requires the High-Speed Rail Authority, in awarding contracts for the construction of the system, to require that a minimum percentage of the workforce used at each worksite be for the local workforce, and that a minimum percentage of the aggregate dollar amount of the contracts be subject to labor agreements. Requires the authority to post on its Internet Web site, the percentages it achieved in compliance with these requirements.
SB 22	La Malfa	High-Speed Rail	Reduces the amount of general obligation debt authorized pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century to the amount contracted as of a specified date.
SB 733	Price	High-Speed Rail: business plan: contracts: small business participation	Requires the High-Speed Rail Authority to include in a specified business plan, or an addendum, a strategy for ensuring the participation of state-certified small businesses in contracts awarded by the authority with state or federal funds during all phases of the high speed rail project. Requires the authority, in awarding construction contracts, to develop a strategy to ensure that at least 25% of the workforce used at each worksite is from the local workforce.

Senate Bill No. 95

CHAPTER 1

An act to amend Sections 16310 and 16429 of, and to add Section 16312.1 to, the Government Code, to amend Sections 7104.2 and 8351 of the Revenue and Taxation Code, and to amend Sections 181, 182, 2100, 2101, 2103, 2104, 2104.1, 2105, 2106, 2107, 2107.5, 2107.6, 2108, 2110, and 2110.5 of the Streets and Highways Code, relating to state cash resources, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor February 3, 2012. Filed with
Secretary of State February 3, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

SB 95, Committee on Budget and Fiscal Review. State cash resources.

(1) Existing law establishes the Condemnation Deposits Fund in the State Treasury, consisting of all money deposited in the State Treasury pursuant to the Eminent Domain Law, including interest derived from its investment. Existing law requires the Treasurer to receive all money intended for the fund and to duly receipt for, and safe keep all money in the fund.

This bill would instead require the Treasurer to receive and duly account for all money in the fund, and would authorize the Controller to use any money in the fund for cashflow loans to the General Fund, as specified.

(2) Existing law requires the Controller to notify the Governor and the Pooled Money Investment Board when the General Fund in the Treasury is, or will be, exhausted, and authorizes the Governor to transfer all or part of the moneys not needed in other funds or accounts to the General Fund, as determined by the Pooled Money Investment Board. Existing law provides that all moneys in the State Treasury may be loaned for these purposes except, among others, money that the Controller is prohibited from transferring pursuant to the Constitution, bond indenture, or statutory or case law.

This bill would instead authorize all moneys in the State Treasury to be loaned for these purposes except, among others, money that the Controller is prohibited from transferring pursuant to the Constitution, bond indenture, or case law. The bill would also make a technical, nonsubstantive change to these provisions.

(3) Existing law creates the Highway Users Tax Account, in which are deposited motor vehicle fuel tax and diesel fuel tax revenues available for allocation to transportation purposes. Existing law creates the Transportation Investment Fund, in which are deposited a portion of gasoline sales tax revenues to the extent a gasoline sales tax is imposed.

This bill would authorize the Controller to use the funds in the Highway Users Tax Account and the Transportation Investment Fund for cashflow loans to the General Fund, as specified. The bill would also authorize similar cashflow loans to the General Fund from the Motor Vehicle Fuel Account, the Transportation Revolving Account, and the State Highway Account.

(4) Existing law authorizes the Pooled Money Investment Board to make loans from the Pooled Money Investment Account to fund projects financed by general obligation bond acts or other indebtedness until the bonds are issued and sold, at which time existing law requires the loans to be repaid, as specified.

This bill would authorize the Director of Finance to designate up to 15% of the cash balances of the Highway Users Tax Account, the Transportation Investment Fund, the Motor Vehicle Fuel Account, the Transportation Revolving Account, and the State Highway Account to be available to provide contingency interim financing for critical state highway and local road projects that would otherwise be financed by general obligation bonds.

The bill would authorize state agencies to request these funds and would require the loans to be recommended by the Department of Finance. The loan program would be administered by the Pooled Money Investment Board, with loans to be repaid consistent with existing law.

(5) Existing law appropriates moneys in the Highway Users Tax Account for specified transportation purposes and provides for apportionment by the Controller of certain moneys to cities and counties. The remaining moneys in the account, after various other transfers, are transferred to the State Highway Account and are subject to appropriation for state transportation purposes. Existing law generally provides that moneys in a continuously appropriated fund may not be encumbered unless the Legislature, by statute, specifies that the moneys in the fund are appropriated for encumbrance.

This bill, with respect to moneys that are appropriated from the Highway Users Tax Account and moneys to be apportioned or transferred from that account, would exempt that appropriation and those apportionments from the prohibition against encumbrance without statutory authorization described above, thereby allowing those moneys to be encumbered in the absence of statutory authorization.

(6) This bill would appropriate \$1,000 from the General Fund to the Controller for administrative costs associated with this bill.

(7) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.