



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

SB-87 Transportation. (2019-2020)

SHARE THIS:  

Date Published: 06/28/2019 09:00 PM

Senate Bill No. 87

CHAPTER 32

An act to amend Sections 8879.52, 14460, 14461, 16321, and 64000 of, to add Sections 14462, 14463, and 64001 to, and to repeal Division 2 (commencing with Section 64000) of Title 6.7 of, the Government Code, to add Section 7105.1 to the Revenue and Taxation Code, and to amend Sections 5066 and 9400.4 of the Vehicle Code, relating to transportation, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor June 27, 2019. Filed with Secretary of State June 27, 2019.]

LEGISLATIVE COUNSEL'S DIGEST

SB 87, Committee on Budget and Fiscal Review. Transportation.

(1) The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B at the November 7, 2006, statewide general election, authorizes the issuance of \$19.925 billion of general obligation bonds for specified purposes, including \$2 billion to be transferred to the Trade Corridors Improvement Fund (TCIF), created by the bond act. The bond act makes the moneys in the TCIF available, upon appropriation in the annual Budget Act by the Legislature and subject to such conditions and criteria as the Legislature may provide by statute, for allocation by the California Transportation Commission for infrastructure improvements along federally designated Trade Corridors of National Significance or along other corridors that have a high volume of freight movement, as determined by the commission. Existing law designates the commission as the administrative agency responsible for programming funds in the TCIF and authorizes the commission to adopt guidelines for the TCIF program.

This bill would require the commission to establish a competitive funding program to provide funds to the Department of Transportation or regional transportation planning agencies, or both, for short-line railroad projects such as railroad reconstruction, maintenance, upgrade, or replacement. The bill would require the commission to adopt guidelines, in consultation with representatives from specified government and industry entities, by July 1, 2020, to be used by the commission to select projects for programming and allocation. The bill would appropriate \$7,200,000, or a lesser amount, as specified, from the Trade Corridors Improvement Fund to the Department of Transportation for purposes of the program.

(2) Existing law creates the Independent Office of Audits and Investigations within the Department of Transportation, headed by a director known as the Inspector General, to ensure, among other things, that the department, and external entities that receive state and federal transportation funds from the department, are spending those funds efficiently, effectively, economically, and in compliance with applicable state and federal requirements. Existing law vests the Inspector General with the full authority for maintaining a full scope, independent, and objective audit and investigation program, as prescribed. Existing law requires the Inspector General to review policies, practices, and procedures and to conduct audits and investigations of activities involving state transportation funds administered by the department in consultation with all affected units and programs of the department and external entities.

This bill would provide the Independent Office of Audits and Investigations with access and authority to examine all records, files, documents, accounts, reports, correspondence, or other property of the department and external entities that receive state and federal transportation funds from the department. The bill would provide that all books, papers, records, and correspondence of the office are public records subject to the California Public Records Act but would prohibit the Inspector General from releasing certain types of records to the public, except under certain circumstances. The bill would also make it a crime to engage in specified activities with regard to an audit, evaluation, investigation, or review conducted pursuant to these provisions, including manipulating, correcting, altering, or changing records, documents, accounts, reports, or correspondence before or during any audit, and distributing, reproducing, releasing, or failing to safeguard confidential draft documents exchanged between the Inspector General and the entity subject to the audit, before the release of the Inspector General's final report, as specified. Because the bill would create a new crime, the bill would impose a state-mandated local program.

(3) Existing law identifies the total amount of specified loans from the General Fund to the Traffic Congestion Relief Fund, and requires those loan amounts to be repaid from the General Fund pursuant to Section 20 of Article XVI of the California Constitution.

This bill would require a specified portion of those loan amounts to be repaid from the General Fund, but not pursuant to that provision of the California Constitution.

(4) Existing law authorizes the California Transportation Commission to allocate federal and state transportation funds to the Department of Transportation to operate and manage the Transportation Finance Bank, pursuant to which loans are made for transportation projects that have a dedicated revenue source and are eligible under a federal program. Existing law creates the Local Transportation Loan Account in the State Highway Account in the State Transportation Fund for the management of funds for loans to local entities under these provisions. Existing law requires specified funds, interest, and penalties to be deposited in the account and continuously appropriates moneys in the account to the department for purposes of making loans to eligible local entities.

This bill would require all assets and liabilities of the Local Transportation Loan Account to become assets and liabilities of the State Highway Account before January 1, 2020. The bill would repeal all of the provisions relating to the account and the Transportation Finance Bank on January 1, 2020.

(5) Article XIX B of the California Constitution, as amended by Proposition 1A, approved by the voters at the November 7, 2006, statewide general election, requires full payment by June 30, 2016, of the amount that would have been transferred to the Transportation Investment Fund in the absence of a suspension of transfer of revenues that occurred in the 2003–04 and 2004–05 fiscal years, and until that has occurred, requires the amount of transfer payments in each fiscal year to be at least 1/10 of the outstanding amount. Existing statutory law requires the minimum amount required by the California Constitution, plus interest, to be transferred by the Controller in each fiscal year until June 30, 2016, to the Transportation Deferred Investment Fund for allocation to transportation purposes that would have been funded in the absence of a suspension. Under existing law, the Transportation Deferred Investment Fund is considered part of the Transportation Investment Fund, except as specified.

This bill would require all assets and liabilities of the Transportation Deferred Investment Fund to become assets and liabilities of the State Highway Account before January 1, 2020.

(6) Existing law authorizes the Department of Motor Vehicles, in conjunction with the Department of the California Highway Patrol, to design and make available for issuance the California memorial license plate. Existing law requires 85% of the revenue from specified fees imposed in connection with the issuance, renewal, transfer, and substitution of California memorial license plates to be deposited in the Antiterrorism Fund within the General Fund, and requires the money in the fund, upon appropriation by the Legislature, to be allocated solely for antiterrorism activities, as provided. Existing law requires 15% of the revenue from those fees to be deposited in the California Memorial Scholarship Fund within the General Fund, and requires the money in that fund, upon appropriation by the Legislature, to be available for scholarships for surviving dependents of California residents killed as a result of injuries sustained during the terrorist attacks of September 11, 2001.

This bill would instead require that all of the revenue from those fees be deposited in the Antiterrorism Fund.

(7) Existing law imposes weight fees on the registration of commercial motor vehicles. Existing law requires revenues from weight fees, after administrative expenses, to be deposited into the State Highway Account. Existing law transfers weight fee revenues from the State Highway Account to the Transportation Debt Service Fund for the purpose of servicing specified transportation bond debt. Existing law requires weight fee revenue in excess of the amount necessary to offset current fiscal year transportation bond debt service to be loaned to the General Fund. Existing law authorizes the Director of Finance to repay any portion of the balance of the loan in any year in which the director determines that the funds are needed to reimburse the General Fund for current year transportation bond debt service, as specified.

This bill would authorize the director to also repay any portion of the balance of the loan in any year in which the director determines that the funds are needed to reimburse the General Fund for future year transportation bond debt service.

(8) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

(9) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

Vote: majority Appropriation: yes Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. (a) Section 2 of this act shall be known, and may be cited, as the Short-Line Infrastructure Improvement Act of 2019.

(b) The Legislature finds and declares both of the following:

(1) The primary objective of Section 2 of this act is to promote the recommendations made in the 2018 California State Rail Plan with regard to enabling short-line railroads to meet critical volume thresholds.

(2) Section 2 of this act seeks to accomplish this objective by providing financial assistance through funding for infrastructure improvements necessary to facilitate short-line railroads becoming more compatible in supporting modern rail freight traffic and with the communities and industries they serve throughout California.

SEC. 2. Section 8879.52 of the Government Code is amended to read:

8879.52. (a) The commission shall evaluate, consistent with the commission's Trade Corridors Improvement Fund (TCIF) Guidelines, adopted November 27, 2007, as part of the 2010 TCIF review, the total potential costs and total potential economic and noneconomic benefits of the program to California's economy, environment, and public health. The commission shall consult with the State Air Resources Board in order to use the appropriate models, techniques, and methods to develop the evaluation required by this subdivision.

(b) With respect to the two billion dollars (\$2,000,000,000) appropriated from the TCIF, as described in paragraph (1) of subdivision (c) of Section 8879.23, and the five hundred million dollars (\$500,000,000) to be made available from the State Highway Account, the following programming schedule shall apply:

(1) The Los Angeles/Inland Empire Corridor shall receive a minimum of one billion five hundred million dollars (\$1,500,000,000).

(2) The San Diego/International Border Corridor shall receive a minimum of two hundred fifty million dollars (\$250,000,000).

(3) The San Francisco Bay/Central Valley Corridor shall receive a minimum of six hundred forty million dollars (\$640,000,000).

(4) Other corridors, as determined by the commission, shall receive a minimum of sixty million dollars (\$60,000,000).

(c) The corridors referenced in subdivision (b) shall receive the minimum amount of funding programmed for that corridor notwithstanding the deprogramming of any project or projects in that corridor by the commission. If a project is, or projects are, deprogrammed, the commission shall collaborate with the local transportation agencies in that corridor to select another project or projects for programming of those funds within the minimum amount provided to each corridor pursuant to subdivision (b).

(d) If the Colton Crossing project programmed in the commission's TCIF Program as of April 10, 2008, does not meet the requirements or delivery schedule contained in its project baseline agreement when reviewed by the commission no later than March 2010, the project shall be ineligible to receive an allocation from the TCIF. The ninety-seven million dollars (\$97,000,000) associated with the project shall then be available for programming in the Los Angeles/Inland Empire Corridor. In that event, the commission shall collaborate with the local transportation agencies in that corridor to select another project or projects for programming of those funds, and, in making that selection, shall take into consideration the Los Angeles/Inland Empire Corridor

Tier One or Tier Two Project Lists and any other project identified by the local agencies. Projects currently receiving TCIF funding shall not be considered for selection.

(e) (1) The commission shall report to the Assembly Committee on Transportation, the Senate Committee on Transportation and Housing, the Senate Committee on Budget and Fiscal Review, the Assembly Committee on Budget, the Senate Committee on Appropriations, and the Assembly Committee on Appropriations a summary of any memorandum of understanding, along with a copy of the memorandum, or any agreement executed between a railroad company and any state or local transportation agency as it relates to any project funded with moneys allocated from the TCIF within 30 days of the commission's receipt of those documents.

(2) Commencing January 1, 2012, the commission shall provide semiannual reports to the Assembly Committee on Transportation, the Senate Committee on Transportation and Housing, the Senate Committee on Budget and Fiscal Review, the Assembly Committee on Budget, the Senate Committee on Appropriations, and the Assembly Committee on Appropriations on the status of all railroad projects programmed in the TCIF program.

(3) This subdivision shall become inoperative on January 1, 2015, pursuant to Section 10231.5.

(f) (1) The commission shall establish a competitive funding program to provide funds to the department or regional transportation planning agencies, or both, for short-line railroad projects such as railroad reconstruction, maintenance, upgrade, or replacement. The commission shall establish the program in accordance with all of the following:

(A) (i) The commission shall adopt guidelines for the program in consultation with the Transportation Agency, one representative from a regional transportation planning agency, and one representative from the Class III railroad industry.

(ii) The guidelines shall be used by the commission to select projects for programming and allocation and shall be consistent with the goals and objectives of the 2018 California State Rail Plan with regard to short-line railroad infrastructure investment.

(iii) The guidelines shall include performance metrics and shall require an applicant to demonstrate its ability to achieve those performance metrics in its application. The performance metrics shall include, but are not limited to, requiring an applicant to demonstrate that its project will improve the ability to move freight and will have a useful life of no less than 15 years.

(iv) The guidelines shall specify that allocated funds shall not be used to support the operations of any rail system.

(v) The commission shall adopt the guidelines by July 1, 2020, and shall provide a 90-day public comment period before adopting the guidelines.

(B) The commission shall determine the amount of project funding subject to the following requirements:

(i) The amount of funding allocated shall not exceed 50 percent of the total project cost.

(ii) In order to receive program funding, at least 30 percent of the total project cost shall be provided from nongovernmental sources.

(iii) Funding allocated to an individual project shall not exceed 25 percent of the total funding available in a fiscal year.

(2) For purposes of this subdivision, "railroad reconstruction, maintenance, upgrading, or replacement" means the reconstruction, maintenance, or replacement of railroad right-of-way infrastructure, including, but not limited to, track, roadbed, bridges, industrial leads, and track-related structures on Class III railroads, as defined by the federal Surface Transportation Board as of January 1, 2020. "Railroad reconstruction, maintenance, upgrading, or replacement" shall also include new construction of industrial leads, switches, spurs and sidings, and extensions of existing sidings.

SEC. 3. Section 14460 of the Government Code is amended to read:

14460. (a) There is hereby created in the department the Independent Office of Audits and Investigations to ensure all of the following:

(1) The department, and external entities that receive state and federal transportation funds from the department, are spending those funds efficiently, effectively, economically, and in compliance with applicable state and federal requirements. Those external entities include, but are not limited to, private for profit and nonprofit organizations, local transportation agencies, and other local agencies that receive transportation funds either through a contract with the department or through an agreement or grant administered by the department.

(2) The department's programs are functioning consistent with applicable accounting standards and practices and are administered effectively, efficiently, and economically.

(3) The department's management is accomplishing departmental priorities, developing an annual audit plan, administering an effective enterprise risk management program, and is making efficient, effective, and financially responsible transportation decisions.

(4) The Secretary of Transportation, the Legislature, the California Transportation Commission, and the director and chief deputy director of the department are fully informed concerning fraud, improper activities, or other serious abuses or deficiencies relating to the expenditure of transportation funds or administration of department programs and operations.

(b) The Governor shall appoint the director of the Audits and Investigations Office, who shall serve a six-year term, have the title of Inspector General, and be subject to Senate confirmation. The Inspector General may not be removed from office during that term, except for good cause. The reasons for removal of the Inspector General shall be stated in writing and shall include the basis for removal. The writing shall be sent to the Secretary of the Senate and the Chief Clerk of the Assembly at the time of the removal and shall be deemed to be a public document.

(c) The Inspector General is vested with the full authority to exercise all responsibility for maintaining a full scope, independent, and objective audit and investigation program, including, but not limited to, those activities described in Section 14461.

(d) In order to achieve independence and objectivity pursuant to this section, the Independent Office of Audits and Investigation shall meet all of the following requirements:

(1) The Inspector General shall report all audit and confidential investigation findings and recommendations made under the Inspector General's jurisdiction to the Secretary of Transportation and the director and chief deputy director of the department on an ongoing and current basis.

(2) The Inspector General shall report at least annually, or upon request, to the Governor, the Legislature, and the California Transportation Commission with a summary of the Inspector General's investigation and audit findings and recommendations. The summary shall be posted on the office's internet website and shall otherwise be made available to the public upon its release to the Governor, commission, and Legislature. The summary shall include, but need not be limited to, significant problems discovered by the Inspector General and whether the Inspector General's recommendations relative to audits and investigations have been implemented by the affected units and programs of the department or affected external entities. The report shall be submitted to the Legislature in compliance with Section 9795.

SEC. 4. Section 14461 of the Government Code is amended to read:

14461. (a) The Inspector General shall review policies, practices, and procedures and conduct audits and investigations of activities involving state transportation funds administered by the department in consultation with all affected units and programs of the department and external entities.

(b) The Independent Office of Audits and Investigations shall have access and authority to examine all records, files, documents, accounts, reports, correspondence, or other property of the department and external entities that receive state and federal transportation funds from the department. The Independent Office of Audits and Investigations may enter any public office or institution in this state and access, examine, and reproduce during regular business hours all records, files, documents, accounts, reports, vouchers, correspondence files, and all other records for any audit or investigation. Any officer or employee of any agency or entity having these records or property in their possession, under their control, or otherwise having access to them, shall permit access to, and examination and reproduction thereof, upon the request of the Inspector General or the Inspector General's authorized representative.

SEC. 5. Section 14462 is added to the Government Code, to read:

14462. (a) The Inspector General may gain access to confidential records or property that are obtained in connection with any audit, evaluation, investigation, or review conducted pursuant to Section 14461 unless a law specifically refers to and precludes the Inspector General from accessing, examining, and reproducing any record or property pursuant to Section 14461. Information or documents obtained in connection with any audit, evaluation, investigation, or review conducted by the Inspector General are subject to any limitations on release of the information or documents as may apply to an employee or officer of the department or external entity subject to this chapter that provided the information or documents. Providing confidential information pursuant to this section, including, but not limited to, confidential information that is subject to a privilege, shall not constitute a waiver of that privilege.

(b) For purposes of this section, "confidential records or property" means records or property that may lawfully be kept confidential as a result of a statutory or common law privilege or any other law.

(c) The Independent Office of Audits and Investigations shall not destroy any papers or memoranda used to support a completed audit sooner than three years after the audit report is released to the public. All books, papers, records, and correspondence of the office pertaining to its work are public records subject to Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 and shall be filed at any of the regularly maintained offices of the Inspector General, except that none of the following items or papers of which these items are a part shall be released to the public by the Inspector General or the employees of the Inspector General:

(1) Personal papers and correspondence of any person providing assistance to the Inspector General when that person has requested in writing that their papers and correspondence be kept private and confidential. Those papers and correspondence shall become public records if the written request is withdrawn, or upon the order of the Inspector General.

(2) Papers, correspondence, memoranda, or any substantive information pertaining to any audit not completed.

(3) Papers, correspondence, or memoranda pertaining to any audit that has been completed, which papers, correspondence, or memoranda are not used in support of any report resulting from the audit.

(4) Any survey of public employees that the Inspector General determines should be kept confidential to deter retaliation if the public employees respond to the survey.

(5) Any record of an investigation, including, but not limited to, all investigative files and work product, except that the Inspector General, whenever the Inspector General determines it necessary to serve the interests of the state, may issue a public report of an investigation that has substantiated an improper governmental activity, as defined in Section 8547.2, keeping confidential the identity of the employee or employees involved. The Inspector General may also release any findings or evidence supporting any findings resulting from an investigation conducted pursuant to this chapter whenever the Inspector General determines it necessary to serve the interests of the state.

SEC. 6. Section 14463 is added to the Government Code, to read:

14463. It is a misdemeanor, punishable by imprisonment in a county jail not exceeding six months, or by a fine not exceeding one thousand dollars (\$1,000), or by both that imprisonment and fine, to do any of the following:

(a) Fail or refuse to permit the examination of, access to, or reproduction of the records, files, documents, accounts, reports, correspondence, cash drawers, or cash of their office by the Inspector General or in any way interfere with such examination conducted pursuant to this chapter.

(b) Interfere, intend to deceive or defraud, or obstruct the Inspector General in the performance of an audit, evaluation, investigation or review pursuant to this chapter.

(c) Manipulate, correct, alter, or change records, documents, accounts, reports, or correspondence before or during any audit, evaluation, investigation, or review conducted pursuant to this chapter.

(d) Distribute, reproduce, release, or fail to safeguard confidential draft documents exchanged between the Inspector General and the entity subject to the audit, evaluation, investigation, or review conducted pursuant to this chapter before the release of the final report and without the Inspector General's express permission.

SEC. 7. Section 16321 of the Government Code is amended to read:

16321. The amount of outstanding loans made pursuant to Section 14556.8 is seven hundred six million dollars (\$706,000,000). Four hundred seventy million dollars (\$470,000,000) of this amount shall be repaid from the General Fund pursuant to subdivision (c) of Section 20 of Article XVI of the California Constitution. Two hundred thirty-six million dollars (\$236,000,000) shall be repaid from the General Fund. The total amount of the loans shall be repaid no later than June 30, 2020, and upon repayment of this amount all loans authorized pursuant to Section 14556.8 and any associated interest shall be deemed repaid. The loans shall be repaid proportionately and in equal installments over three years. The Department of Finance shall prepare a loan repayment schedule, pursuant to which the outstanding loans shall be repaid by June 30, 2020, as follows:

(a) Two hundred fifty-six million dollars (\$256,000,000) for transfer to the Public Transportation Account, to be allocated as follows:

(1) Up to twenty million dollars (\$20,000,000) to local and regional agencies for climate change adaptation planning.

(2) The remainder to the Transit and Intercity Rail Capital Program as authorized in Part 2 (commencing with Section 75220) of Division 44 of the Public Resources Code.

(b) Two hundred twenty-five million dollars (\$225,000,000) for transfer to the State Highway Account, for the State Highway Operation and Protection Program.

(c) Two hundred twenty-five million dollars (\$225,000,000) is hereby continuously appropriated without regard to fiscal year to the Controller for apportionment to cities and counties for local streets and roads pursuant to the formula in clauses (i) and (ii) of subparagraph (C) of paragraph (3) of subdivision (a) of Section 2103 of the Streets and Highways Code.

SEC. 8. Section 64000 of the Government Code is amended to read:

64000. (a) The California Transportation Commission may allocate available federal and state transportation funds to the Department of Transportation, consistent with all applicable state and federal laws governing the use of those funds, to implement the purposes of, and to operate and manage, the Transportation Finance Bank as provided in accordance with Section 350 of Public Law 104-59 and Section 1511 of Public Law 105-178 using only funds made available to the department through the annual budget act.

(b) The department shall act as a lender in administering the Transportation Finance Bank and in entering into enforceable commitments to implement, operate, and manage the program created by this section to achieve the purposes of the Transportation Finance Bank.

(c) The department shall develop, and may amend as necessary, the guidelines and loan documents for the program, which shall be presented to the commission for adoption.

(d) An allocation of funds by the commission to meet capital and interest obligations created by the Transportation Finance Bank as those obligations become due shall be construed as an expenditure of those funds in the county or counties where the project is located. In the event of default on the loan, an amount equivalent to the remaining loan balance plus all accrued interest and penalties shall be deducted from the state transportation improvement program county share of the affected county or counties pursuant to Sections 14524 and 14525 and an amount equivalent to the remaining loan balance plus all accrued interest and penalties shall be transferred from the State Highway Account to the Transportation Finance Bank. Interest shall continue to accrue up to the date that the fund transfer is actually made.

(e) An eligible entity requesting loan funds under this section shall first receive approval of the project from the applicable regional transportation planning agency or county transportation commission where the project is located before the execution of a loan agreement with the department and the receipt of any funding.

(f) Only projects that have a dedicated revenue source and are eligible for assistance under Section 1511 of Public Law 105-178 are entitled to funding under this section.

(g) The Local Transportation Loan Account is hereby created in the State Highway Account in the State Transportation Fund for the management of funds for loans to local entities pursuant to this section. All funds for transportation loans in the Federal Trust Fund are hereby transferred to the Local Transportation Loan Account. The department shall deposit in the Local Transportation Loan Account all money received by the department from repayments of, and interest and penalties on, existing and future transportation loans from the Transportation Finance Bank. Interest on money in the Local Transportation Loan Account shall be credited to that account as it accrues.

(h) Notwithstanding Section 13340, the money in the Local Transportation Loan Account is continuously appropriated to the department without regard to fiscal years for purposes of loans to eligible projects as defined by Section 1511 of Public Law 105-178.

(i) All assets and liabilities of the Local Transportation Loan Account shall become assets and liabilities of the State Highway Account before January 1, 2020.

SEC. 9. Section 64001 is added to the Government Code, to read:

64001. This division shall remain in effect only until January 1, 2020, and as of that date is repealed.

SEC. 10. Section 7105.1 is added to the Revenue and Taxation Code, to read:

7105.1. (a) The State Highway Account in the State Transportation Fund is the successor account to the Transportation Deferred Investment Fund.

(b) All assets and liabilities of the Transportation Deferred Investment Fund shall become assets and liabilities of the State Highway Account on or before January 1, 2020.

SEC. 11. Section 5066 of the Vehicle Code is amended to read:

5066. (a) The department, in conjunction with the Department of the California Highway Patrol, shall design and make available for issuance pursuant to this article the California memorial license plate. Notwithstanding Section 5060, the California memorial license plate may be issued in a combination of numbers or letters, or both, as requested by the applicant for the plates. A person described in Section 5101, upon payment of the additional fees set forth in subdivision (b), may apply for and be issued a set of California memorial license plates.

(b) In addition to the regular fees for an original registration or renewal of registration, the following additional fees shall be paid for the issuance, renewal, retention, or transfer of the California memorial license plates authorized pursuant to this section:

(1) For the original issuance of the plates, fifty dollars (\$50).

(2) For a renewal of registration of the plates or retention of the plates, if renewal is not required, forty dollars (\$40).

(3) For transfer of the plates to another vehicle, fifteen dollars (\$15).

(4) For each substitute replacement plate, thirty-five dollars (\$35).

(5) In addition, for the issuance of an environmental license plate, as defined in Section 5103, the additional fees required pursuant to Sections 5106 and 5108 shall be deposited proportionately in the funds described in subdivision (c).

(c) The department shall deposit the additional revenue derived from the issuance, renewal, transfer, and substitution of California memorial license plates in the Antiterrorism Fund, which is hereby created in the General Fund.

(1) Upon appropriation by the Legislature, one-half of the money in the fund shall be allocated by the Controller to the Office of Emergency Services to be used solely for antiterrorism activities. The office shall not use more than 5 percent of the money appropriated for local antiterrorism efforts for administrative purposes.

(2) Upon appropriation by the Legislature in the annual Budget Act or in another statute, one-half of the money in the fund shall be used solely for antiterrorism activities.

(d) The department shall deduct its costs to administer, but not to develop, the California memorial license plate program. The department may use an amount of money, not to exceed fifty thousand dollars (\$50,000) annually, derived from the issuance, renewal, transfer, and substitution of California memorial license plates for the continued promotion of the California memorial license plate program of this section.

(e) For the purposes of this section, "antiterrorism activities" means activities related to the prevention, detection, and emergency response to terrorism that are undertaken by state and local law enforcement, fire protection, and public health agencies. The funds provided for these activities, to the extent that funds are available, shall be used exclusively for purposes directly related to fighting terrorism. Eligible activities include, but are not limited to, hiring support staff to perform administrative tasks, hiring and training additional law enforcement, fire protection, and public health personnel, response training for existing and additional law enforcement, fire protection, and public health personnel, and hazardous materials and other equipment expenditures.

(f) Beginning January 1, 2007, and each January 1 thereafter, the department shall determine the number of currently outstanding and valid California memorial license plates. If that number is less than 7,500 in any year, then the department shall no longer issue or replace those plates.

SEC. 12. Section 9400.4 of the Vehicle Code is amended to read:

9400.4. Weight fee revenue deposited into the State Highway Account pursuant to subdivision (e) of Section 9400.1 and subdivision (a) of Section 42205 net of amounts appropriated for other purposes pursuant to subdivision (b) of Section 42205, and weight fee revenues deposited directly into the Transportation Debt Service Fund pursuant to subdivision (e) of Section 9400.1 and subdivision (a) of Section 42205, as applicable, shall be used as follows:

(a) For the 2010–11 fiscal year, seven hundred fifty-six million three hundred ninety-six thousand dollars (\$756,396,000) is hereby appropriated from weight fee revenues in the State Highway Account for transfer to the General Fund as transportation bond debt service reimbursement and loans as follows:

(1) The Controller shall transfer all weight fee revenues deposited into the State Highway Account in any month to the Transportation Debt Service Fund for transfer to the General Fund as reimbursement for debt service costs until all of the debt service paid on transportation bonds for projects that the Director of Finance indicates qualify for reimbursement as provided for in Section 16965 of the Government Code have been reimbursed.

(2) After the Director of Finance has notified the Controller that all debt service costs for the 2010–11 fiscal year have been reimbursed, the Controller shall transfer any remaining monthly weight fee revenues in the State Highway Account to the General Fund as a loan until the full amount appropriated in this subdivision has been transferred to the General Fund. The Director of Finance may repay any remaining portion of the outstanding balance of this loan in any year in which the Director of Finance determines the funds are needed to reimburse the General Fund for current year transportation bond debt service or to redeem or retire those bonds, pursuant to Section 16774 of the Government Code, maturing in a subsequent fiscal year, provided that the loans shall be repaid no later than June 30, 2021. All funds loaned pursuant to this section, upon repayment to the State Highway Account, shall be immediately transferred by the Controller to the Transportation Debt Service Fund for use pursuant to Section 16965 of the Government Code.

(3) By June 15, 2011, the Director of Finance in consultation with the Treasurer shall notify the Controller regarding the final amount of debt service paid from the General Fund during the 2010–11 fiscal year pursuant to Section 16965 of the Government Code and shall direct the Controller to reverse and adjust any transfers made as debt service reimbursements or loans so that a maximum amount of transfers are made for debt service reimbursements and with any loan amounts limited to the difference between this amount and the total amount appropriated in this subdivision. The total amount of weight fee revenues transferred from the State Highway Account for the 2010–11 fiscal year shall not be greater than the total amount of weight fee revenues deposited into the State Highway Account for that year.

(4) With respect to transfers or portions of transfers that cannot be made in any given month if weight fee revenues are insufficient, the first weight fee revenues available in the following month or months shall be used to complete the transfers for the previous month or months before making additional transfers for later months.

(b) For the 2011–12 fiscal year, all revenue generated from weight fees in the State Highway Account, as determined by Sections 9400.1 and 42205, excluding an amount equal to the loan of forty-three million seven hundred thousand dollars (\$43,700,000) authorized pursuant to Item 2660-013-0042 of Section 2.00 of the Budget Act of 2011, is hereby appropriated for transfer to the General Fund as debt service reimbursement and loans as follows:

(1) The Controller shall transfer all weight fee revenues deposited into the State Highway Account in any month to the Transportation Debt Service Fund for transfer to the General Fund as reimbursement for debt service costs until all of the debt service paid on transportation bonds for projects that the Director of Finance indicates qualify for reimbursement as provided for in Section 16965 of the Government Code have been reimbursed.

(2) After the Director of Finance has notified the Controller that all debt service costs for the 2011–12 fiscal year have been reimbursed, the Controller shall transfer any remaining weight fee revenues for that fiscal year in the State Highway Account to the General Fund as a loan until all weight fee revenues for that fiscal year appropriated in this subdivision have been transferred to the General Fund, excluding forty-two million dollars (\$42,000,000), which shall be transferred to the General Fund as a loan on July 1, 2012. The Director of Finance may repay any portion of the balance of this loan in any year in which the Director of Finance determines the funds are needed to reimburse the General Fund for current year transportation bond debt service or to redeem or retire those bonds, pursuant to Section 16774 of the Government Code, maturing in a subsequent year, provided that the loans shall be repaid no later than June 30, 2021. All funds loaned pursuant to this section, upon repayment to the State Highway Account, shall be immediately transferred by the Controller to the Transportation Debt Service Fund for use pursuant to Section 16965 of the Government Code.

(3) By June 15, 2012, the Director of Finance in consultation with the Treasurer shall notify the Controller regarding the final amount of debt service paid from the General Fund during the 2011–12 fiscal year pursuant to Section 16965 of the Government Code and shall direct the Controller to reverse and adjust any transfers made as debt service reimbursements or loans so that a maximum amount of transfers are made for debt service reimbursements and with any loan amounts limited to the difference between this amount and the total amount appropriated in this subdivision. The total amount of weight fee revenues transferred from the State Highway Account for the 2011–12 fiscal year shall not be greater than the total amount of weight fee revenues deposited into the State Highway Account in that year.

(4) With respect to transfers or portions of transfers that cannot be made in any given month if weight fee revenues are insufficient, the first weight fee revenues available in the following month or months shall be used to complete the transfers for the previous month or months before making additional transfers for later months.

(c) (1) (A) Until the month of first issuance of designated bonds, as defined in subdivision (c) of Section 16773 of the Government Code, and at any time thereafter that a Treasurer's certification pursuant to subparagraph (B) of paragraph (3) of subdivision (a) of Section 16965 of the Government Code applies, all weight fee revenues subject to this section in any month shall be transferred from the State Highway Account to the Transportation Debt Service Fund.

(B) Except as provided in paragraph (3), or when subparagraph (A) applies pursuant to a Treasurer's certification, upon the first issuance of designated bonds, as defined in subdivision (c) of Section 16773 of the Government Code, starting in the

month following that first issuance, all weight fee revenues received by the Controller from the first day through the 14th day of every month shall be transferred from the State Highway Account to the Transportation Debt Service Fund.

(C) All funds transferred pursuant to subparagraphs (A) and (B) are hereby appropriated for transfer to the General Fund by the Controller as reimbursement for debt service costs paid with respect to eligible bonds described in paragraph (2) of subdivision (a) of Section 16965 of the Government Code, until all debt service that the Director of Finance indicates qualifies for reimbursement as provided for in subdivision (d), (e), or (f) of Section 16965 of the Government Code has been reimbursed, or to redeem or retire bonds, pursuant to Section 16774 of the Government Code, as referenced in subdivision (d), (e), or (f) of Section 16965 of the Government Code, that are maturing in a subsequent year. After the Director of Finance has notified the Controller that all debt service costs for the fiscal year have been reimbursed, the Controller shall transfer any remaining revenue generated from weight fees subject to this section for that fiscal year in the State Highway Account to the General Fund as a loan. The Director of Finance may repay any portion of the balance of this loan in any year in which the Director of Finance determines that the funds are needed to reimburse the General Fund for current or future year transportation bond debt service or to redeem or retire those bonds pursuant to Section 16774 of the Government Code, maturing in a future fiscal year, provided that the loans shall be repaid no later than June 30, 2021. All funds loaned pursuant to this section, upon repayment to the State Highway Account, shall be immediately transferred by the Controller to the Transportation Debt Service Fund for use pursuant to Section 16965 of the Government Code. By June 15 of each year, the Director of Finance, in consultation with the Treasurer, shall notify the Controller regarding the final amount of debt service paid from the General Fund during that fiscal year pursuant to subdivision (d), (e), or (f) of Section 16965 of the Government Code and shall direct the Controller to reverse or adjust any transfers made as debt service reimbursements or loans so that a maximum amount of transfers are made for debt service reimbursements and with any loan amounts limited to the difference between this amount and the total amount of revenue for that fiscal year generated from weight fees, as determined by Sections 9400.1 and 42205. The total amount of weight fee revenues transferred from the State Highway Account in any fiscal year shall not be greater than the total amount of weight fee revenues deposited into the State Highway Account in that year.

(2) Starting in the month following the first issuance of any designated bonds, unless a Treasurer's certification pursuant to subparagraph (B) of paragraph (3) of subdivision (a) of Section 16965 of the Government Code applies, all weight fee revenues subject to this section that are received by the Controller from the 15th day of every month, or the first business day thereafter if not a business day, through the last day of the month shall be deposited directly in the Transportation Debt Service Fund and are hereby appropriated for transfer as follows:

(A) First, to the Transportation Bond Direct Payment Account as set forth in subdivision (b) of Section 16965 of the Government Code, to provide for payment of debt service with respect to designated bonds.

(B) Thereafter, as provided in subparagraph (C) of paragraph (1).

(3) Notwithstanding paragraphs (1) and (2), if by the last day of a month the transfer for that month relating to designated bonds required by the Treasurer's certificate described in subdivision (b) of Section 16965 of the Government Code has not been made due to insufficient weight fee revenue, weight fee revenue shall continue to be transferred pursuant to paragraph (2) beginning with the first day of the subsequent month and continuing every day until such time as sufficient revenue for full compliance with the certificate has been transferred.

(4) Except as otherwise provided in paragraph (1), (2), or (3), with respect to any transfers or portions of transfers that cannot be made in any given month if weight fee revenues are insufficient, the first weight fee revenues available in the following month or months shall be used to complete the transfers for the previous month or months before making additional transfers for later months.

SEC. 13. The Legislature finds and declares that Section 5 of this act, which adds Section 14462 to the Government Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

The need for the Independent Office of Audits and Investigations to fully examine and evaluate records, files, documents, accounts, reports, correspondence, and all other property of the Department of Transportation and external entities that receive state and federal transportation funds from the department outweighs the interest in public disclosure of information obtained by the Independent Office of Audits and Investigations in connection with its activities.

SEC. 14. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 15. For purposes of subdivision (f) of Section 8879.52 of the Government Code, the sum of seven million two hundred thousand dollars (\$7,200,000) is hereby appropriated to the Department of Transportation from the balance of unprogrammed funds in the Trade Corridors Improvement Fund (TCIF) resulting from program savings, as accounted for by the California Transportation Commission on May 1, 2020. If the balance of unprogrammed funds in the TCIF is less than seven million two hundred thousand dollars (\$7,200,000) on May 1, 2020, the entire balance of the unprogrammed funds in the TCIF shall be appropriated to the Department of Transportation for purposes of subdivision (f) of Section 8879.52 of the Government Code.

SEC. 16. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.