

Senate Bill No. 314

CHAPTER 785

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

[Approved by Governor October 10, 2003. Filed with Secretary of State October 11, 2003.]

LEGISLATIVE COUNSEL'S DIGEST

SB 314, Murray. Transportation funding: County of Los Angeles.

Existing law provides for the establishment of various local transportation authorities, and empowers those authorities, under certain conditions, to impose local transactions and use taxes for the funding of local transportation purposes.

This bill would authorize 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 6¹/₂ years or less, for the funding of specified transportation-related purposes designated as capital projects or capital programs. The bill would condition the imposition of a tax under this authority upon voter approval as otherwise required by law and would prohibit 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. The bill would require the MTA to prepare an expenditure plan prior to submitting the ordinance to voters, describing the projects and programs, their cost, and funding sources. The bill would create the Capital Project Development Fund, into which the tax revenue would be deposited, and would make those moneys available for expenditure by the MTA to fund projects and programs. The bill would enact other related provisions.

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

SECTION 1. Section 130350.5 is added to the Public Utilities Code, 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 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 of six and one-half years or less and that the revenues derived from the tax, net of refunds and costs of administration, are to be administered by the MTA exclusively for the purposes of the “Capital Projects,” as described and in the amounts set forth in subparagraph (A), and for the purposes of the “Capital Programs,” as described and in the amounts set forth in subparagraph (B).

(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). This project shall be completed by 2011, and shall be the first priority for federal funding received for the capital projects in this subparagraph.

(ii) Crenshaw Metro Rapidway 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). This project shall be completed by 2008.

(iii) San Fernando Valley North-South Rapidways. The sum of one hundred million five hundred thousand dollars (\$100,500,000). This project shall be completed by 2009.

(iv) Metro Gold Line (Pasadena to Irwindale) Light Rail Transit Extension. The sum of three hundred twenty-eight million dollars (\$328,000,000). This project shall be completed by 2012, and shall be the second priority for federal funding received for the capital projects in this subparagraph.

(v) Metro Center Connector. The sum of one hundred sixty million dollars (\$160,000,000). This project shall be completed by 2012.

(vi) Metro Red Line Extension to Fairfax Avenue. The sum of nine hundred million dollars (\$900,000,000). This project shall be completed by 2012.



(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). The first priority for the expenditure of these funds shall be satisfaction by the MTA of the requirements of the Consent Decree between the MTA and the Labor Community and Strategy Center, et al., including the purchase of the entire number of buses required to comply with the decree.

(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 not 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, or 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. The MTA shall maintain the current amount of any funding for the projects and programs specified in this section received from its 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. To be eligible for proceeds 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 the 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 only to meet expenditure and cash flow needs of the capital projects and capital programs described in subparagraphs (A) and (B) of paragraph (3) of subdivision (b), including the replacement of federal or state funds if the amount of federal or state funds received by the MTA is less than anticipated in the expenditure plan. If the sales tax revenue from this section is less than that needed to meet these expenditure and cash flow needs, the MTA shall supplement the sales tax revenue with money from other sources available to the MTA. Any funds remaining in the fund shall be allocated in equal amounts of 25 percent each to the MTA and



to the Municipal Clean Fuel Bus Capital, local return, and Countywide Soundwall programs as described in subparagraph (B) of paragraph (3) of subdivision (b).

(h) If the total amount of revenue received from the tax exceeds the amount in the MTA's expenditures plan or if other funds, including, but not limited to, funds under the Traffic Congestion Relief Act of 2000 (Chapter 4.5 (commencing with Section 14556) of Part 5.3 of Division 3 of Title 2 of the Government Code), 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.

SEC. 2. The Legislature finds and declares that the tax ordinance authorized in Section 130350.5 of the Public Utilities Code is intended to provide funds necessary to complete the capital projects and capital programs described in that section and that the expenditure plan required by that section shall be structured to provide appropriate funding guarantees for the completion of each project and program.

