

**ASSEMBLY BILL**

**No. 1**

---

---

**Introduced by Assembly Member Alejo**

June 23, 2015

---

---

An act to amend Sections 16773, 16965.1, and 63048.67 of, to add Section 16321 to, and to repeal Section 16965 of, the Government Code, to amend Sections 183.1 and 2103 of the Streets and Highways Code, and to amend Sections 9400.1 and 42205 of, and to repeal Section 9400.4 of, the Vehicle Code, relating to transportation, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1, as introduced, Alejo. Transportation funding.

(1) Existing law provides for loans of revenues from various transportation funds and accounts to the General Fund, with various repayment dates specified.

This bill, with respect to any loans made to the General Fund from specified transportation funds and accounts with a repayment date of January 1, 2019, or later, would require the loans to be repaid by December 31, 2018.

(2) Existing law imposes weight fees on the registration of commercial motor vehicles and provides for the deposit of net weight fee revenues into the State Highway Account. Existing law provides for the transfer of certain weight fee revenues from the State Highway Account to the Transportation Debt Service Fund to reimburse the General Fund for payment of debt service on general obligation bonds issued for transportation purposes. Existing law also provides for the transfer of certain weight fee revenues to the transportation Bond Direct Payment Account for direct payment of debt service on designated

bonds, which are defined to be certain transportation general obligation bonds issued pursuant to Proposition 1B of 2006. Existing law also provides for loans of weight fee revenues to the General Fund to the extent the revenues are not needed for bond debt service purposes, with the loans to be repaid when the revenues are later needed for those purposes, as specified.

This bill would repeal these provisions, thereby retaining the weight fee revenues in the State Highway Account. The bill would make other conforming changes in that regard.

(3) Existing law provides for the deposit of fuel excise tax revenues imposed by the state on fuels used in motor vehicles upon public streets and highways in the Highway Users Tax Account, and appropriates those revenues to various purposes. Existing law, with respect to the portion of these revenues that is derived from increases in the motor vehicle fuel excise tax in 2010, requires an allocation of revenues to reimburse the State Highway Account for the amount of weight fee revenues that the State Highway Account is not receiving due to use of weight fee revenues to pay debt service on transportation general obligation bonds and to make certain loans to the General Fund, with the remaining amount of this portion of revenues allocated 44% to the State Transportation Improvement Program, 12% to the State Highway Operation and Protection Program, and 44% to city and county streets and roads.

This bill would delete the provisions relating to the reimbursement of the State Highway Account for weight fee revenues and relating to the making of loans to the General Fund, thereby providing for the portion of fuel excise tax revenues that is derived from increases in the motor vehicle fuel excise tax in 2010 to be allocated 44% to the State Transportation Improvement Program, 12% to the State Highway Operation and Protection Program, and 44% to city and county streets and roads. The bill would thereby make an appropriation.

(4) Existing law requires certain revenues deposited in the State Highway Account that are not restricted as to expenditure by Article XIX of the California Constitution to be transferred to the Transportation Debt Service Fund in the State Transportation Fund, as specified, and continuously appropriates these funds for payment of current year debt service on certain mass transportation bonds.

This bill would delete the requirement to transfer these revenues to the Transportation Debt Service Fund, thereby providing for these

revenues to be used for any transportation purpose authorized by statute, upon appropriation by the Legislature.

Vote: majority. Appropriation: yes. Fiscal committee: yes.

State-mandated local program: no.

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

1 SECTION 1. Section 16321 is added to the Government Code,  
2 to read:

3 16321. Notwithstanding any other provision of law, loans of  
4 revenues to the General Fund from the State Highway Account,  
5 the Public Transportation Account, the Bicycle Transportation  
6 Account, the Motor Vehicle Fuel Account, the Highway Users  
7 Tax Account, the Pedestrian Safety Account, the Transportation  
8 Investment Fund, the Traffic Congestion Relief Fund, the Motor  
9 Vehicle Account, and the Local Airport Loan Account shall be  
10 repaid, on or before December 31, 2018, to the account or fund  
11 from which the loan was made. This section shall apply to all loans  
12 that otherwise have a repayment date of January 1, 2019, or later.

13 SEC. 2. Section 16773 of the Government Code is amended  
14 to read:

15 16773. (a) Whenever any payment of principal of any bonds  
16 shall become due, either upon the maturity of any of the bonds or  
17 upon the redemption thereof prior to maturity, and whenever any  
18 interest on any of the bonds shall fall due, warrants shall be drawn  
19 against the appropriation made by the bond act from the General  
20 Fund by the Controller in favor of the Treasurer, or state fiscal  
21 agents, or other duly authorized agents, pursuant to claims filed  
22 with the Controller by the Treasurer, in the amounts so falling due.

23 (b) For any payments of debt service, as defined in subdivision  
24 (c) of Section 998.404 of the Military and Veterans Code, with  
25 respect to any bonds issued pursuant to a veterans' farm and home  
26 purchase bond act adopted pursuant to Chapter 6 (commencing  
27 with Section 980) of Division 4 of the Military and Veterans Code,  
28 the Controller shall first draw warrants against the appropriation  
29 from the Veterans' Bonds Payment Fund in Section 988.6 of the  
30 Military and Veterans Code, and, to the extent moneys in that fund  
31 are insufficient to pay the amount of debt service then due, shall  
32 draw warrants against the appropriation made by the bond act from  
33 the General Fund for payment of any remaining amount then due.

1     ~~(e) (1) For any payments of debt service, as defined in~~  
 2 ~~paragraph (4) of subdivision (a) of Section 16965, with respect to~~  
 3 ~~any designated bonds issued pursuant to Proposition 1B, the~~  
 4 ~~Controller shall first draw warrants against the appropriation from~~  
 5 ~~the Transportation Bond Direct Payment Account of the~~  
 6 ~~Transportation Debt Service Fund created by subdivision (a) of~~  
 7 ~~Section 16965, and, to the extent moneys in that account are~~  
 8 ~~insufficient to pay the amount of debt service then due, shall draw~~  
 9 ~~warrants from the General Fund for payment of any remaining~~  
 10 ~~amount then due against such appropriation as may be available~~  
 11 ~~therefor, including the appropriation made by Proposition 1B.~~

12     ~~(2) (A) For purposes of this subdivision and Section 16965,~~  
 13 ~~“Proposition 1B” means the Highway Safety, Traffic Reduction,~~  
 14 ~~Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49~~  
 15 ~~(commencing with Section 8879.20) of Division 1).~~

16     ~~(B) For purposes of this subdivision, Section 16965, and Section~~  
 17 ~~9400.4 of the Vehicle Code, the term “designated bond” means~~  
 18 ~~any designated bond under Proposition 1B, and the term~~  
 19 ~~“nondesignated bond” means any bond issued under Proposition~~  
 20 ~~1B, whether issued before or after the enactment of the act adding~~  
 21 ~~this subdivision, that is not a designated bond. For purposes of this~~  
 22 ~~subdivision, a “designated bond” is an issue of bonds (including~~  
 23 ~~refunding bonds) under Proposition 1B that has been designated~~  
 24 ~~by the Treasurer upon or prior to its issuance, with the approval~~  
 25 ~~of the related finance committee, to be paid pursuant to paragraph~~  
 26 ~~(1).~~

27     ~~SEC. 3. Section 16965 of the Government Code is repealed.~~

28     ~~16965. (a) (1) The Transportation Debt Service Fund is hereby~~  
 29 ~~created in the State Treasury. Moneys in the fund shall be dedicated~~  
 30 ~~to all of the following purposes:~~

31     ~~(A) Payment of debt service with respect to designated bonds,~~  
 32 ~~as defined in subdivision (e) of Section 16773, and as further~~  
 33 ~~provided in paragraph (3) and subdivision (b).~~

34     ~~(B) To reimburse the General Fund for debt service with respect~~  
 35 ~~to bonds.~~

36     ~~(C) To redeem or retire bonds, pursuant to Section 16774,~~  
 37 ~~maturing in a subsequent fiscal year.~~

38     ~~(2) The bonds eligible under subparagraph (B) or (C) of~~  
 39 ~~paragraph (1) include bonds issued pursuant to the Clean Air and~~  
 40 ~~Transportation Improvement Act of 1990 (Part 11.5 (commencing~~

1 with Section 99600) of Division 10 of the Public Utilities Code);  
2 the Passenger Rail and Clean Air Bond Act of 1990 (Chapter 17  
3 (commencing with Section 2701) of Division 3 of the Streets and  
4 Highways Code), the Seismic Retrofit Bond Act of 1996 (Chapter  
5 12.48 (commencing with Section 8879) of Division 1 of Title 2),  
6 and the Safe, Reliable High-Speed Passenger Train Bond Act for  
7 the 21st Century (Chapter 20 (commencing with Section 2704) of  
8 Division 3 of the Streets and Highways Code), and nondesignated  
9 bonds under Proposition 1B, as defined in subdivision (c) of  
10 Section 16773.

11 (3) (A) ~~The Transportation Bond Direct Payment Account is~~  
12 ~~hereby created in the State Treasury, as a subaccount within the~~  
13 ~~Transportation Debt Service Fund, for the purpose of directly~~  
14 ~~paying the debt service, as defined in paragraph (4), of designated~~  
15 ~~bonds of Proposition 1B, as defined in subdivision (c) of Section~~  
16 ~~16773. Notwithstanding Section 13340, moneys in the~~  
17 ~~Transportation Bond Direct Payment Account are continuously~~  
18 ~~appropriated for payment of debt service with respect to designated~~  
19 ~~bonds as provided in subdivision (c) of Section 16773. So long as~~  
20 ~~any designated bonds remain outstanding, the moneys in the~~  
21 ~~Transportation Bond Direct Payment Account may not be used~~  
22 ~~for any other purpose, and may not be borrowed by or available~~  
23 ~~for transfer to the General Fund pursuant to Section 16310 or any~~  
24 ~~similar law, or to the General Cash Revolving Fund pursuant to~~  
25 ~~Section 16381 or any similar law.~~

26 (B) ~~Once the Treasurer makes a certification that payment of~~  
27 ~~debt service with respect to all designated bonds has been paid or~~  
28 ~~provided for, any remaining moneys in the Transportation Bond~~  
29 ~~Direct Payment Account shall be transferred back to the~~  
30 ~~Transportation Debt Service Fund.~~

31 (C) ~~The moneys in the Transportation Bond Direct Payment~~  
32 ~~Account shall be invested in the Surplus Money Investment Fund,~~  
33 ~~and all investment earnings shall accrue to the account.~~

34 (D) ~~The Controller may establish subaccounts within the~~  
35 ~~Transportation Bond Direct Payment Account as may be required~~  
36 ~~by the resolution, indenture, or other documents governing any~~  
37 ~~designated bonds.~~

38 (4) ~~For purposes of this subdivision and subdivision (b), and~~  
39 ~~subdivision (c) of Section 16773, “debt service” means payment~~

1 of all of the following costs and expenses with respect to any  
 2 designated bond:  
 3 (A) The principal of and interest on the bonds.  
 4 (B) Amounts payable as the result of tender on any bonds, as  
 5 described in clause (iv) of subparagraph (B) of paragraph (1) of  
 6 subdivision (d) of Section 16731.  
 7 (C) Amounts payable under any contractual obligation of the  
 8 state to repay advances and pay interest thereon under a credit  
 9 enhancement or liquidity agreement as described in clause (iv) of  
 10 subparagraph (B) of paragraph (1) of subdivision (d) of Section  
 11 16731.  
 12 (D) Any amount owed by the state to a counterparty after any  
 13 offset for payments owed to the state on any hedging contract as  
 14 described in subparagraph (A) of paragraph (2) of subdivision (d)  
 15 of Section 16731.  
 16 (b) From the moneys transferred to the fund pursuant to  
 17 paragraph (2) or (3) of subdivision (e) of Section 9400.4 of the  
 18 Vehicle Code, there shall first be deposited into the Transportation  
 19 Bond Direct Payment Account in each month sufficient funds to  
 20 equal the amount designated in a certificate submitted by the  
 21 Treasurer to the Controller and the Director of Finance at the start  
 22 of each fiscal year, and as may be modified by the Treasurer  
 23 thereafter upon issuance of any new issue of designated bonds or  
 24 upon change in circumstances that requires such a modification.  
 25 This certificate shall be calculated by the Treasurer to identify, for  
 26 each month, the amount necessary to fund all of the debt service  
 27 with respect to all designated bonds. This calculation shall be done  
 28 in a manner provided in the resolution, indenture, or other  
 29 documents governing the designated bonds. In the event that  
 30 transfers to the Transportation Bond Direct Payment Account in  
 31 any month are less than the amounts required in the Treasurer's  
 32 certificate, the shortfall shall carry over to be part of the required  
 33 payment in the succeeding month or months.  
 34 (e) The state hereby covenants with the holders from time to  
 35 time of any designated bonds that it will not alter, amend, or restrict  
 36 the provisions of subdivision (e) of Section 16773 of the  
 37 Government Code, or Sections 9400, 9400.1, 9400.4, and 42205  
 38 of the Vehicle Code, which provide directly or indirectly for the  
 39 transfer of weight fees to the Transportation Debt Service Fund  
 40 or the Transportation Bond Direct Payment Account, or

1 subdivisions (a) and (b) of this section, or reduce the rate of  
2 imposition of vehicle weight fees under Sections 9400 and 9400.1  
3 of the Vehicle Code as they existed on the date of the first issuance  
4 of any designated bonds, if that alteration, amendment, restriction,  
5 or reduction would result in projected weight fees for the next  
6 fiscal year determined by the Director of Finance being less than  
7 two times the maximum annual debt service with respect to all  
8 outstanding designated bonds, as such calculation is determined  
9 pursuant to the resolution, indenture, or other documents governing  
10 the designated bonds. The state may include this covenant in the  
11 resolution, indenture, or other documents governing the designated  
12 bonds.

13 (d) Once the required monthly deposit, including makeup of  
14 any shortfalls from any prior month, has been made pursuant to  
15 subdivision (b), from moneys transferred to the fund pursuant to  
16 paragraph (2) or (3) of subdivision (c) of Section 9400.4 of the  
17 Vehicle Code, or pursuant to Section 16965.1 or 63048.67, the  
18 Controller shall transfer as an expenditure reduction to the General  
19 Fund any amount necessary to offset the cost of current year debt  
20 service payments made from the General Fund with respect to any  
21 bonds issued pursuant to Proposition 192 (1996) and three-quarters  
22 of the amount of current year debt service payments made from  
23 the General Fund with respect to any nondesignated bonds, as  
24 defined in subdivision (c) of Section 16773, issued pursuant to  
25 Proposition 1B (2006). In the alternative, these funds may also be  
26 used to redeem or retire the applicable bonds, pursuant to Section  
27 16774, maturing in a subsequent fiscal year as directed by the  
28 Director of Finance.

29 (e) From moneys transferred to the fund pursuant to Section  
30 183.1 of the Streets and Highways Code, the Controller shall  
31 transfer as an expenditure reduction to the General Fund any  
32 amount necessary to offset the cost of current year debt service  
33 payments made from the General Fund with respect to any bonds  
34 issued pursuant to Proposition 116 (1990). In the alternative, these  
35 funds may also be used to redeem or retire the applicable bonds,  
36 pursuant to Section 16774, maturing in a subsequent fiscal year  
37 as directed by the Director of Finance.

38 (f) Once the required monthly deposit, including makeup of any  
39 shortfalls from any prior month, has been made pursuant to  
40 subdivision (b), from moneys transferred to the fund pursuant to

1 paragraph (2) or (3) of subdivision (c) of Section 9400.4 of the  
2 Vehicle Code, or pursuant to Section 16965.1 or 63048.67, the  
3 Controller shall transfer as an expenditure reduction to the General  
4 Fund any amount necessary to offset the eligible cost of current  
5 year debt service payments made from the General Fund with  
6 respect to any bonds issued pursuant to Proposition 108 (1990)  
7 and Proposition 1A (2008), and one-quarter of the amount of  
8 current year debt service payments made from the General Fund  
9 with respect to any nondesignated bonds, as defined in subdivision  
10 (e) of Section 16773, issued pursuant to Proposition 1B (2006).  
11 The Department of Finance shall notify the Controller by July 30  
12 of every year of the percentage of debt service that is expected to  
13 be paid in that fiscal year with respect to bond-funded projects that  
14 qualify as eligible guideway projects consistent with the  
15 requirements applicable to the expenditure of revenues under  
16 Article XIX of the California Constitution, and the Controller shall  
17 make payments only for those eligible projects. In the alternative,  
18 these funds may also be used to redeem or retire the applicable  
19 bonds, pursuant to Section 16774, maturing in a subsequent fiscal  
20 year as directed by the Director of Finance.

21 (g) On or before the second business day following the date on  
22 which transfers are made to the Transportation Debt Service Fund,  
23 and after the required monthly deposits for that month, including  
24 makeup of any shortfalls from any prior month, have been made  
25 to the Transportation Bond Direct Payment Account, the Controller  
26 shall transfer the funds designated for reimbursement of bond debt  
27 service with respect to nondesignated bonds, as defined in  
28 subdivision (c) of Section 16773, and other bonds identified in  
29 subdivisions (d), (e), and (f) in that month from the fund to the  
30 General Fund pursuant to this section.

31 SEC. 4. Section 16965.1 of the Government Code is amended  
32 to read:

33 16965.1. (a) (1) The loan repayment dates relative to State  
34 Highway Account loans to the General Fund that are specified in  
35 the provisional language of the following Budget Act items are  
36 hereby eliminated, and the Director of Finance may repay any  
37 remaining portion of the outstanding balance of these loans in any  
38 year in which the director determines the funds are needed to  
39 reimburse the General Fund for debt service or to redeem or defease



1 bonds maturing in a subsequent fiscal year, provided that the loans  
2 shall be repaid no later than ~~June 30, 2021~~: *December 31, 2018*:

3 (A) Item 2660-011-0042 of Section 2.00 of the Budget Act of  
4 2010 (SB 870, Chapter 712 of the Statutes of 2010).

5 (B) Item 2660-013-0042 of Section 2.00 of the Budget Act of  
6 2010, as added by Section 6 of SB 84 (Chapter 13 of the Statutes  
7 of 2011).

8 (C) Item 2660-013-0042 of Section 2.00 of the Budget Act of  
9 2011, as contained in SB 69 of the 2011–12 Regular Session, if  
10 that provision is enacted.

11 (2) All funds loaned pursuant to the provisions referenced in  
12 subparagraphs (A), (B), and (C) of paragraph (1) are hereby  
13 determined to have been from weight fee revenues in the State  
14 Highway Account fund balance. ~~Upon repayment of those loans  
15 to the State Highway Account, those funds shall be immediately  
16 transferred by the Controller to the Transportation Debt Service  
17 Fund for use pursuant to Section 16965.~~

18 (b) The loan repayment date relative to the Public Transportation  
19 Account that is specified in the provisional language in Item  
20 2660-011-0046 of Section 2.00 of the Budget Act of 2010 (SB  
21 870, Chapter 712 of the Statutes of 2010), is hereby eliminated,  
22 and the loan pursuant to this item shall instead be repaid by ~~June  
23 30, 2021~~: *December 31, 2018*.

24 SEC. 5. Section 63048.67 of the Government Code is amended  
25 to read:

26 63048.67. The loans made from the State Highway Account  
27 through the Traffic Congestion Relief Fund to the General Fund  
28 that are referenced in clause (i) of subparagraph (A) of paragraph  
29 (1) of subdivision (c) of Section 63048.65 are hereby determined  
30 to have been from weight fee revenues in the State Highway  
31 Account fund balance. ~~Any repayments made to the State Highway  
32 Account pursuant to subdivision (c) of Section 63048.65, upon  
33 transfer of those funds to the State Highway Account, shall be  
34 immediately transferred by the Controller from the State Highway  
35 Account to the Transportation Debt Service Fund for use pursuant  
36 to Section 16965.~~

37 SEC. 6. Section 183.1 of the Streets and Highways Code is  
38 amended to read:

39 183.1. ~~(a)~~ Notwithstanding subdivision (a) of Section 182 or  
40 any other provision of law, money deposited into the account that

1 is not subject to Article XIX of the California Constitution,  
2 including, but not limited to, money that is derived from the sale  
3 of documents, charges for miscellaneous services to the public,  
4 condemnation deposits fund investments, rental of state property,  
5 or any other miscellaneous uses of property or money, may be  
6 used for any transportation purpose authorized by statute, upon  
7 appropriation by the Legislature or, after transfer to another fund,  
8 upon appropriation by the Legislature from that fund.

9 ~~(b) Commencing with the 2013-14 fiscal year, and not later~~  
10 ~~than November 1 of each fiscal year thereafter, based on prior year~~  
11 ~~financial statements, the Controller shall transfer the funds~~  
12 ~~identified in subdivision (a) for the prior fiscal year from the State~~  
13 ~~Highway Account to the Transportation Debt Service Fund in the~~  
14 ~~State Transportation Fund, and those funds are continuously~~  
15 ~~appropriated for the purposes specified for the Transportation Debt~~  
16 ~~Service Fund.~~

17 SEC. 7. Section 2103 of the Streets and Highways Code is  
18 amended to read:

19 2103. (a) Notwithstanding Section 13340 of the Government  
20 Code, of the net revenues deposited to the credit of the Highway  
21 Users Tax Account that are derived from the increases in the rates  
22 of taxes that are imposed pursuant to subdivision (b) of Section  
23 7360 and Section 7361.1 of the Revenue and Taxation Code, all  
24 of the following shall occur on a monthly basis:

25 (1) ~~(A) By the 15th day of every month, the Treasurer's office,~~  
26 ~~in consultation with the Department of Finance, shall notify the~~  
27 ~~Controller of the amount of debt service that will be paid on each~~  
28 ~~transportation bond during that month.~~

29 ~~(B) Within two business days following the 28th day of each~~  
30 ~~month, the Controller shall transfer to the Transportation Debt~~  
31 ~~Service Fund an amount equal to the amount of monthly debt~~  
32 ~~service paid by the General Fund on any bonds issued pursuant to~~  
33 ~~the Seismic Retrofit Bond Act of 1996 (Chapter 12.48~~  
34 ~~(commencing with Section 8879) of Division 1 of Title 2 of the~~  
35 ~~Government Code) or any other bonds issued for highway or~~  
36 ~~eligible guideway projects consistent with the requirements~~  
37 ~~applicable to the expenditure of revenues under Article XIX of the~~  
38 ~~California Constitution as identified by the Department of Finance~~  
39 ~~pursuant to Section 16965 of the Government Code, and~~  
40 ~~three-quarters of the amount of monthly debt service paid on any~~

1 bonds issued pursuant to the Highway Safety, Traffic Reduction,  
2 Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49  
3 (commencing with Section 8879.20) of Division 1 of Title 2) for  
4 reimbursement of the General Fund for these costs. If revenues  
5 available pursuant to this subdivision in any given month are  
6 insufficient to fully reimburse the General Fund for the debt service  
7 payments made, the first revenues available pursuant to this  
8 subdivision in the following month or months shall be transferred  
9 to the Transportation Debt Service Fund so that all debt service  
10 payments made on these bonds from the General Fund in a given  
11 fiscal year are fully reimbursed. However, no further transfers  
12 shall be made pursuant to this subparagraph once the transfers for  
13 the months of July to October, inclusive, in 2010 have been made.  
14 Any transfers made from the net revenues identified in this  
15 paragraph for highway and eligible guideway bond debt service  
16 for months after October 2010 shall be reversed and shall instead  
17 be made from weight fee revenues in the State Highway Account,  
18 as described in subparagraph (F).

19 (C) Beginning November 2, 2010, the Controller shall transfer  
20 to the State Highway Account within two business days following  
21 the 28th day of each month all of the monthly net revenues  
22 identified in subparagraph (B) that were designated for highway  
23 and eligible guideway bond debt service reimbursement but that  
24 have not been transferred, or that were transferred by means of a  
25 transfer that was reversed, pursuant to that subparagraph. To the  
26 extent the Controller has distributed any of those net revenues to  
27 cities and counties pursuant to subparagraph (C) of paragraph (3)  
28 between November 2, 2010, and March 24, 2011, the Controller  
29 shall subsequently reduce the amount transferred to cities and  
30 counties on a monthly basis pursuant to subparagraph (C) of  
31 paragraph (3) and shall instead transfer these funds to the State  
32 Highway Account until all of the revenues that would otherwise  
33 have been transferred to the State Highway Account on and after  
34 November 2, 2010, pursuant to this subparagraph have been so  
35 transferred. For the 2011-12 fiscal year, the Controller shall  
36 transfer to the State Highway Account within two business days  
37 following the 28th day of each month an amount equal to the  
38 weight fee revenues transferred to the Transportation Debt Service  
39 Fund pursuant to subdivision (b) of Section 9400.4 of the Vehicle  
40 Code, including forty-three million seven hundred thousand dollars

1 ~~(\$43,700,000) authorized pursuant to Item 2660-013-0042 of~~  
2 ~~Section 2.00 of the Budget Act of 2011 and an amount equal to~~  
3 ~~weight fee revenues transferred to the General Fund as a loan~~  
4 ~~pursuant to subdivision (b) of Section 9400.4 of the Vehicle Code.~~  
5 ~~To the extent the Controller has distributed any of those revenues~~  
6 ~~to cities and counties pursuant to subparagraph (C) of paragraph~~  
7 ~~(3), the Controller shall subsequently reduce the amount transferred~~  
8 ~~to cities and counties on a monthly basis pursuant to subparagraph~~  
9 ~~(C) of paragraph (3) and instead transfer these funds to the State~~  
10 ~~Highway Account until all of the revenues that would otherwise~~  
11 ~~have been transferred to the State Highway Account in the 2011–12~~  
12 ~~fiscal year pursuant to this subparagraph have been so transferred.~~

13 ~~(D) Notwithstanding subparagraph (C), commencing with the~~  
14 ~~2012–13 fiscal year and every fiscal year thereafter, the Controller~~  
15 ~~shall transfer to the State Highway Account within two business~~  
16 ~~days following the 28th day of each month an amount equal to the~~  
17 ~~amount of weight fee revenues transferred to the Transportation~~  
18 ~~Debt Service Fund for highway and eligible guideway bond debt~~  
19 ~~service and to the General Fund as a loan pursuant to subdivision~~  
20 ~~(e) of Section 9400.4 of the Vehicle Code.~~

21 ~~(E) Beginning July 1, 2011, transfers made under subparagraphs~~  
22 ~~(C) and (D) during a fiscal year shall not exceed the annual revenue~~  
23 ~~generated from weight fees, as determined by Sections 9400.4 and~~  
24 ~~42205 of the Vehicle Code, at the rates in effect as of March 24,~~  
25 ~~2011, as determined by the Department of Finance.~~

26 ~~(F) Any remaining amount of the highway or eligible guideway~~  
27 ~~bond debt service reimbursement authorized by this paragraph that~~  
28 ~~has not been made pursuant to subparagraph (B) on and after~~  
29 ~~November 2, 2010, shall instead be made pursuant to subdivisions~~  
30 ~~(a), (b), and (e) of Section 9400.4 of the Vehicle Code from~~  
31 ~~revenues in the State Highway Account derived from weight fees~~  
32 ~~deposited in the account pursuant to subdivision (e) of Section~~  
33 ~~9400.1 and Section 42205 of the Vehicle Code.~~

34 ~~(2) (A) In the 2010–11 fiscal year, after the monthly transfer~~  
35 ~~made pursuant to paragraph (1), the sum of fifty-four million one~~  
36 ~~hundred sixty-seven thousand dollars (\$54,167,000) per month~~  
37 ~~shall be held in the account for future appropriation by the~~  
38 ~~Legislature.~~

39 ~~(B) Notwithstanding any other provision of law, with respect~~  
40 ~~to the monthly net revenues described in subparagraph (A), no~~

1 further transfers of these revenues for the purpose of loans to the  
2 General Fund shall be made pursuant to Item 2660-011-0062 of  
3 Section 2.00 of the Budget Act of 2010 once the loan transfers for  
4 the months of July to October, inclusive, in 2010 have been made.  
5 Notwithstanding the loan repayment date specified in the  
6 provisional language for that item, the funds loaned shall be repaid  
7 by June 30, 2021. Any transfers made from the monthly net  
8 revenues in subparagraph (A) for months after October 2010 shall  
9 be reversed and shall instead be made from weight fee revenues  
10 in the State Highway Account, as described in subparagraph (D).  
11 The revenues from loan repayments shall be held in the Highway  
12 Users Tax Account for future appropriation by the Legislature.

13 ~~(C) Beginning November 2, 2010, all of the monthly net~~  
14 ~~revenues described in subparagraph (A) shall instead be transferred~~  
15 ~~by the Controller to the State Highway Account within two~~  
16 ~~business days following the 28th day of each month. To the extent~~  
17 ~~that the Controller has distributed any of the revenues identified~~  
18 ~~in this paragraph to cities and counties pursuant to subparagraph~~  
19 ~~(C) of paragraph (3) between October 14, 2010, and March 24,~~  
20 ~~2011, the Controller shall subsequently reduce the amount~~  
21 ~~transferred to cities and counties on a monthly basis pursuant to~~  
22 ~~subparagraph (C) of paragraph (3) and shall instead transfer these~~  
23 ~~funds to the State Highway Account until all of the revenues that~~  
24 ~~would have been transferred to the General Fund as a loan pursuant~~  
25 ~~to Item 2660-011-0062 of Section 2.00 of the Budget Act of 2010~~  
26 ~~on and after November 2, 2010, have instead been transferred to~~  
27 ~~the State Highway Account.~~

28 ~~(D) Any remaining amount of the loans to the General Fund~~  
29 ~~authorized pursuant to Item 2660-011-0062 of Section 2.00 of the~~  
30 ~~Budget Act of 2010 that has not been made pursuant to~~  
31 ~~subparagraph (B) on and after November 2, 2010, shall instead be~~  
32 ~~made pursuant to subdivisions (a), (b), and (c) of Section 9400.4~~  
33 ~~of the Vehicle Code from revenues in the State Highway Account~~  
34 ~~derived from weight fees deposited in the account pursuant to~~  
35 ~~subdivision (e) of Section 9400.1 and Section 42205 of the Vehicle~~  
36 ~~Code.~~

37 ~~(3) The Controller shall transfer any remaining net revenues~~  
38 ~~subject to this subdivision as follows:~~

39 ~~(A)~~

1 (1) Forty-four percent shall be transferred by the Controller to  
 2 the State Highway Account to fund projects in the State  
 3 Transportation Improvement Program that are consistent with  
 4 Section 2 of Article XIX of the California Constitution, except  
 5 in the 2010–11 fiscal year, 50 percent shall be transferred for  
 6 purposes of this subparagraph. *Constitution.*

7 ~~(B)~~

8 (2) Twelve percent shall be transferred to the State Highway  
 9 Account to fund projects in the State Highway Operation and  
 10 Protection Program, except in the 2010–11 fiscal year, no revenues  
 11 shall be transferred for purposes of this subparagraph. *Program.*

12 ~~(C)~~

13 (3) Forty-four percent shall be apportioned by the Controller  
 14 for local street and road purposes, except in the 2010–11 fiscal  
 15 year, 50 percent shall be transferred for purposes of this  
 16 subparagraph as follows:

17 ~~(i)~~

18 (A) Fifty percent shall be apportioned by the Controller to cities,  
 19 including a city and county, in the proportion that the total  
 20 population of the city bears to the total population of all the cities  
 21 in the state.

22 ~~(ii)~~

23 (B) Fifty percent shall be apportioned by the Controller to  
 24 counties, including a city and county, in accordance with the  
 25 following formulas:

26 ~~(i)~~

27 (i) Seventy-five percent shall be apportioned among the counties  
 28 in the proportion that the number of fee-paid and exempt vehicles  
 29 that are registered in the county bear to the number of fee-paid and  
 30 exempt vehicles registered in the state.

31 ~~(ii)~~

32 (ii) Twenty-five percent shall be apportioned among the counties  
 33 in the proportion that the number of miles of maintained county  
 34 roads in each county bear to the total number of miles of  
 35 maintained county roads in the state. For the purposes of  
 36 apportioning funds under this subparagraph, any roads within the  
 37 boundaries of a city and county that are not state highways shall  
 38 be deemed to be county roads.

39 (b) After the transfers or other actions pursuant to subdivision  
 40 (a), at least 90 percent of the balance deposited to the credit of the

1 Highway Users Tax Account in the Transportation Tax Fund by  
2 the 28th day of each month shall be apportioned or transferred, as  
3 applicable, by the Controller by the second working day thereafter,  
4 except for June, in which case the apportionment or transfer shall  
5 be made the same day. These apportionments or transfers shall be  
6 made as provided for in Sections 2104 to 2122, inclusive. If  
7 information is not available to make the apportionment or transfer  
8 as required, the apportionment or transfer shall be made on the  
9 basis of the information of the previous month. Amounts not  
10 apportioned or transferred shall be included in the apportionment  
11 or transfer of the subsequent month.

12 (c) Notwithstanding any other law, the funds apportioned by  
13 the Controller to cities and counties pursuant to ~~subparagraph (C)~~  
14 ~~of paragraph (3) of subdivision (a)~~ are not subject to Section 7104  
15 or 7104.2 of the Revenue and Taxation Code. These funds may  
16 be expended for any street and road purpose consistent with the  
17 requirements of this chapter.

18 SEC. 8. Section 9400.1 of the Vehicle Code is amended to  
19 read:

20 9400.1. (a) (1) In addition to any other required fee, there  
21 shall be paid the fees set forth in this section for the registration  
22 of commercial motor vehicles operated either singly or in  
23 combination with a declared gross vehicle weight of 10,001 pounds  
24 or more. Pickup truck and electric vehicle weight fees are not  
25 calculated under this section.

26 (2) The weight of a vehicle issued an identification plate  
27 pursuant to an application under Section 5014, and the weight of  
28 an implement of husbandry as defined in Section 36000, shall not  
29 be considered when calculating, pursuant to this section, the  
30 declared gross vehicle weight of a towing commercial motor  
31 vehicle that is owned and operated exclusively by a farmer or an  
32 employee of a farmer in the conduct of agricultural operations.

33 (3) Tow trucks that are utilized to render assistance to the  
34 motoring public or to tow or carry impounded vehicles shall pay  
35 fees in accordance with this section, except that the fee calculation  
36 shall be based only on the gross vehicle weight rating of the towing  
37 or carrying vehicle. Upon each initial or transfer application for  
38 registration of a tow truck described in this paragraph, the  
39 registered owner or lessee or that owner's or lessee's designee,

1 shall certify to the department the gross vehicle weight rating of  
2 the tow truck:

3	4 Gross Vehicle Weight Range	Fee
5	10,001–15,000 .....	\$ 257
6	15,001–20,000 .....	353
7	20,001–26,000 .....	435
8	26,001–30,000 .....	552
9	30,001–35,000 .....	648
10	35,001–40,000 .....	761
11	40,001–45,000 .....	837
12	45,001–50,000 .....	948
13	50,001–54,999 .....	1,039
14	55,000–60,000 .....	1,173
15	60,001–65,000 .....	1,282
16	65,001–70,000 .....	1,398
17	70,001–75,000 .....	1,650
18	75,001–80,000 .....	1,700

19  
20 (b) The fees specified in subdivision (a) apply to both of the  
21 following:

22 (1) An initial or original registration occurring on or after  
23 December 31, 2001, to December 30, 2003, inclusive, of a  
24 commercial motor vehicle operated either singly or in combination  
25 with a declared gross vehicle weight of 10,001 pounds or more.

26 (2) The renewal of registration of a commercial motor vehicle  
27 operated either singly or in combination, with a declared gross  
28 vehicle weight of 10,001 pounds or more for which registration  
29 expires on or after December 31, 2001, to December 30, 2003,  
30 inclusive.

31 (c) (1) For both an initial or original registration occurring on  
32 or after December 31, 2003, of a commercial motor vehicle  
33 operated either singly or in combination with a declared gross  
34 vehicle weight of 10,001 pounds or more, and the renewal of  
35 registration of a commercial motor vehicle operated either singly  
36 or in combination, with a declared gross vehicle weight of 10,001  
37 pounds or more for which registration expires on or after December  
38 31, 2003, there shall be paid fees as follows:

39	40 Gross Vehicle Weight Range	Weight Code	Fee
----	-------------------------------	-------------	-----



1	10,001–15,000	A	\$ 332
2	15,001–20,000	B	447
3	20,001–26,000	C	546
4	26,001–30,000	D	586
5	30,001–35,000	E	801
6	35,001–40,000	F	937
7	40,001–45,000	G	1,028
8	45,001–50,000	H	1,161
9	50,001–54,999	I	1,270
10	55,000–60,000	J	1,431
11	60,001–65,000	K	1,562
12	65,001–70,000	L	1,701
13	70,001–75,000	M	2,004
14	75,001–80,000	N	2,064

15

16 (2) For the purpose of obtaining “revenue neutrality” as  
 17 described in Sections 1 and 59 of Senate Bill 2084 of the  
 18 1999–2000 Regular Session (Chapter 861 of the Statutes of 2000),  
 19 the Director of Finance shall review the final 2003–04 Statement  
 20 of Transactions of the State Highway Account. If that review  
 21 indicates that the actual truck weight fee revenues deposited in the  
 22 State Highway Account do not total at least seven hundred  
 23 eighty-nine million dollars (\$789,000,000), the Director of Finance  
 24 shall instruct the department to adjust the schedule set forth in  
 25 paragraph (1), but not to exceed the following fee amounts:

26

27	Gross Vehicle Weight Range	Weight Code	Fee
28	10,001–15,000	A	\$ 354
29	15,001–20,000	B	482
30	20,001–26,000	C	591
31	26,001–30,000	D	746
32	30,001–35,000	E	874
33	35,001–40,000	F	1,024
34	40,001–45,000	G	1,125
35	45,001–50,000	H	1,272
36	50,001–54,999	I	1,393
37	55,000–60,000	J	1,571
38	60,001–65,000	K	1,716
39	65,001–70,000	L	1,870
40	70,001–75,000	M	2,204

1 75,001–80,000 N 2,271

2

3 (d) (1) In addition to the fees set forth in subdivision (a), a  
4 Cargo Theft Interdiction Program fee of three dollars (\$3) shall  
5 be paid at the time of initial or original registration or renewal of  
6 registration of each motor vehicle subject to weight fees under this  
7 section.

8 (2) This subdivision does not apply to vehicles used or  
9 maintained for the transportation of persons for hire, compensation  
10 or profit, and tow trucks.

11 (3) For vehicles registered under Article 4 (commencing with  
12 Section 8050) of Chapter 4, the fee imposed under this subdivision  
13 shall be apportioned as required for registration fees under that  
14 article.

15 (4) Funds collected pursuant to the Cargo Theft Interdiction  
16 Program shall not be proportionately reduced for each month and  
17 shall be transferred to the Motor Carriers Safety Improvement  
18 Fund.

19 (e) Notwithstanding Section 42270 or any other provision of  
20 law, of the moneys collected by the department under this section,  
21 one hundred twenty-two dollars (\$122) for each initial, original,  
22 and renewal registration shall be reported monthly to the Controller,  
23 and at the same time, deposited in the State Treasury to the credit  
24 of the Motor Vehicle Account in the State Transportation Fund.  
25 All other moneys collected by the department under this section  
26 shall be deposited to the credit of the State Highway Account in  
27 the State Transportation Fund, ~~or directly to the credit of the~~  
28 ~~Transportation Debt Service Fund as provided in paragraph (2) of~~  
29 ~~subdivision (e) of Section 9400.4, as applicable~~ Fund. One hundred  
30 twenty-two dollars (\$122) of the fee imposed under this section  
31 shall not be proportionately reduced for each month. For vehicles  
32 registered under Article 4 (commencing with Section 8050) of  
33 Chapter 4, the fee shall be apportioned as required for registration  
34 under that article.

35 (f) (1) The department, in consultation with the Department of  
36 the California Highway Patrol, shall design and make available a  
37 set of distinctive weight decals that reflect the declared gross  
38 combined weight or gross operating weight reported to the  
39 department at the time of initial registration, registration renewal,  
40 or when a weight change is reported to the department pursuant

1 to Section 9406.1. A new decal shall be issued on each renewal  
2 or when the weight is changed pursuant to Section 9406.1. The  
3 decal for a tow truck that is subject to this section shall reflect the  
4 gross vehicle weight rating or weight code.

5 (2) The department may charge a fee, not to exceed ten dollars  
6 (\$10), for the department's actual cost of producing and issuing  
7 each set of decals issued under paragraph (1).

8 (3) The weight decal shall be in sharp contrast to the background  
9 and shall be of a size, shape, and color that is readily legible during  
10 daylight hours from a distance of 50 feet.

11 (4) Each vehicle subject to this section shall display the weight  
12 decal on both the right and left sides of the vehicle.

13 (5) A person may not display upon a vehicle a decal issued  
14 pursuant to this subdivision that does not reflect the declared weight  
15 reported to the department.

16 (6) Notwithstanding subdivision (e) or any other provision of  
17 law, the moneys collected by the department under this subdivision  
18 shall be deposited in the State Treasury to the credit of the Motor  
19 Vehicle Account in the State Transportation Fund.

20 (7) This subdivision shall apply to vehicles subject to this section  
21 at the time of an initial registration, registration renewal, or reported  
22 weight change that occurs on or after July 1, 2004.

23 (8) The following shall apply to vehicles registered under the  
24 permanent fleet registration program pursuant to Article 9.5  
25 (commencing with Section 5301) of Chapter 1:

26 (A) The department, in consultation with the Department of the  
27 California Highway Patrol, shall distinguish the weight decals  
28 issued to permanent fleet registration vehicles from those issued  
29 to other vehicles.

30 (B) The department shall issue the distinguishable weight decals  
31 only to the following:

32 (i) A permanent fleet registration vehicle that is registered with  
33 the department on January 1, 2005.

34 (ii) On and after January 1, 2005, a vehicle for which the  
35 department has an application for initial registration as a permanent  
36 fleet registration vehicle.

37 (iii) On and after January 1, 2005, a permanent fleet registration  
38 vehicle that has a weight change pursuant to Section 9406.1.

39 (C) The weight decal issued under this paragraph shall comply  
40 with the applicable provisions of paragraphs (1) to (6), inclusive.

1 SEC. 9. Section 9400.4 of the Vehicle Code is repealed.  
 2 ~~9400.4. Weight fee revenue deposited into the State Highway~~  
 3 ~~Account pursuant to subdivision (c) of Section 9400.1 and~~  
 4 ~~subdivision (a) of Section 42205 net of amounts appropriated for~~  
 5 ~~other purposes pursuant to subdivision (b) of Section 42205, and~~  
 6 ~~weight fee revenues deposited directly into the Transportation~~  
 7 ~~Debt Service Fund pursuant to subdivision (c) of Section 9400.1~~  
 8 ~~and subdivision (a) of Section 42205, as applicable, shall be used~~  
 9 ~~as follows:~~

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

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

22 ~~(2) After the Director of Finance has notified the Controller that~~  
 23 ~~all debt service costs for the 2010–11 fiscal year have been~~  
 24 ~~reimbursed, the Controller shall transfer any remaining monthly~~  
 25 ~~weight fee revenues in the State Highway Account to the General~~  
 26 ~~Fund as a loan until the full amount appropriated in this subdivision~~  
 27 ~~has been transferred to the General Fund. The Director of Finance~~  
 28 ~~may repay any remaining portion of the outstanding balance of~~  
 29 ~~this loan in any year in which the Director of Finance determines~~  
 30 ~~the funds are needed to reimburse the General Fund for current~~  
 31 ~~year transportation bond debt service or to redeem or retire those~~  
 32 ~~bonds, pursuant to Section 16774 of the Government Code,~~  
 33 ~~maturing in a subsequent fiscal year, provided that the loans shall~~  
 34 ~~be repaid no later than June 30, 2021. All funds loaned pursuant~~  
 35 ~~to this section, upon repayment to the State Highway Account,~~  
 36 ~~shall be immediately transferred by the Controller to the~~  
 37 ~~Transportation Debt Service Fund for use pursuant to Section~~  
 38 ~~16965 of the Government Code.~~

39 ~~(3) By June 15, 2011, the Director of Finance in consultation~~  
 40 ~~with the Treasurer shall notify the Controller regarding the final~~

1 amount of debt service paid from the General Fund during the  
2 2010-11 fiscal year pursuant to Section 16965 of the Government  
3 Code and shall direct the Controller to reverse and adjust any  
4 transfers made as debt service reimbursements or loans so that a  
5 maximum amount of transfers are made for debt service  
6 reimbursements and with any loan amounts limited to the  
7 difference between this amount and the total amount appropriated  
8 in this subdivision. The total amount of weight fee revenues  
9 transferred from the State Highway Account for the 2010-11 fiscal  
10 year shall not be greater than the total amount of weight fee  
11 revenues deposited into the State Highway Account for that year.

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

18 (b) For the 2011-12 fiscal year, all revenue generated from  
19 weight fees in the State Highway Account, as determined by  
20 Sections 9400.1 and 42205, excluding an amount equal to the loan  
21 of forty-three million seven hundred thousand dollars  
22 (\$43,700,000) authorized pursuant to Item 2660-013-0042 of  
23 Section 2.00 of the Budget Act of 2011, is hereby appropriated for  
24 transfer to the General Fund as debt service reimbursement and  
25 loans as follows:

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

33 (2) After the Director of Finance has notified the Controller that  
34 all debt service costs for the 2011-12 fiscal year have been  
35 reimbursed, the Controller shall transfer any remaining weight fee  
36 revenues for that fiscal year in the State Highway Account to the  
37 General Fund as a loan until all weight fee revenues for that fiscal  
38 year appropriated in this subdivision have been transferred to the  
39 General Fund, excluding forty-two million dollars (\$42,000,000),  
40 which shall be transferred to the General Fund as a loan on July

1 1, 2012. The Director of Finance may repay any portion of the  
2 balance of this loan in any year in which the Director of Finance  
3 determines the funds are needed to reimburse the General Fund  
4 for current year transportation bond debt service or to redeem or  
5 retire those bonds, pursuant to Section 16774 of the Government  
6 Code, maturing in a subsequent year, provided that the loans shall  
7 be repaid no later than June 30, 2021. All funds loaned pursuant  
8 to this section, upon repayment to the State Highway Account,  
9 shall be immediately transferred by the Controller to the  
10 Transportation Debt Service Fund for use pursuant to Section  
11 16965 of the Government Code.

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

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

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

39 (B) Except as provided in paragraph (3), or when subparagraph  
40 (A) applies pursuant to a Treasurer's certification, upon the first

1 issuance of designated bonds, as defined in subdivision (e) of  
2 Section 16773 of the Government Code, starting in the month  
3 following that first issuance, all weight fee revenues received by  
4 the Controller from the first day through the 14th day of every  
5 month shall be transferred from the State Highway Account to the  
6 Transportation Debt Service Fund.

7 (C) All funds transferred pursuant to subparagraphs (A) and (B)  
8 are hereby appropriated for transfer to the General Fund by the  
9 Controller as reimbursement for debt service costs paid with respect  
10 to eligible bonds described in subparagraph (A) of paragraph (2)  
11 of subdivision (a) of Section 16965 of the Government Code, until  
12 all debt service that the Director of Finance indicates qualifies for  
13 reimbursement as provided for in subdivision (d), (e), or (f) of  
14 Section 16965 of the Government Code has been reimbursed, or  
15 to redeem or retire bonds, pursuant to Section 16774 of the  
16 Government Code, as referenced in subdivision (d), (e), or (f) of  
17 Section 16965 of the Government Code, that are maturing in a  
18 subsequent year. After the Director of Finance has notified the  
19 Controller that all debt service costs for the fiscal year have been  
20 reimbursed, the Controller shall transfer any remaining revenue  
21 generated from weight fees subject to this section for that fiscal  
22 year in the State Highway Account to the General Fund as a loan.  
23 The Director of Finance may repay any portion of the balance of  
24 this loan in any year in which the Director of Finance determines  
25 that the funds are needed to reimburse the General Fund for current  
26 year transportation bond debt service or to redeem or retire those  
27 bonds pursuant to Section 16774 of the Government Code,  
28 maturing in a future fiscal year, provided that the loans shall be  
29 repaid no later than June 30, 2021. All funds loaned pursuant to  
30 this section, upon repayment to the State Highway Account, shall  
31 be immediately transferred by the Controller to the Transportation  
32 Debt Service Fund for use pursuant to Section 16965 of the  
33 Government Code. By June 15 of each year, the Director of  
34 Finance, in consultation with the Treasurer, shall notify the  
35 Controller regarding the final amount of debt service paid from  
36 the General Fund during that fiscal year pursuant to subdivision  
37 (d), (e), or (f) of Section 16965 of the Government Code and shall  
38 direct the Controller to reverse or adjust any transfers made as debt  
39 service reimbursements or loans so that a maximum amount of  
40 transfers are made for debt service reimbursements and with any

1 loan amounts limited to the difference between this amount and  
 2 the total amount of revenue for that fiscal year generated from  
 3 weight fees, as determined by Sections 9400.1 and 42205. The  
 4 total amount of weight fee revenues transferred from the State  
 5 Highway Account in any fiscal year shall not be greater than the  
 6 total amount of weight fee revenues deposited into the State  
 7 Highway Account in that year.

8 (2) Starting in the month following the first issuance of any  
 9 designated bonds, unless a Treasurer's certification pursuant to  
 10 subparagraph (B) of paragraph (3) of subdivision (a) of Section  
 11 16965 of the Government Code applies, all weight fee revenues  
 12 subject to this section that are received by the Controller from the  
 13 15th day of every month, or the first business day thereafter if not  
 14 a business day, through the last day of the month shall be deposited  
 15 directly in the Transportation Debt Service Fund and are hereby  
 16 appropriated for transfer as follows:

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

21 (B) Thereafter, as provided in subparagraph (C) of paragraph  
 22 (1):

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

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

39 SEC. 10. Section 42205 of the Vehicle Code is amended to  
 40 read:



1 42205. (a) Notwithstanding Chapter 3 (commencing with  
2 Section 42270), the department shall file, at least monthly with  
3 the Controller, a report of money received by the department  
4 pursuant to Section 9400 for the previous month and shall, at the  
5 same time, remit all money so reported to the Treasurer. On order  
6 of the Controller, the Treasurer shall deposit all money so remitted  
7 into the State Highway Account in the State Transportation Fund,  
8 or directly into the Transportation Debt Service Fund as provided  
9 in paragraph (2) of subdivision (c) of Section 9400.4, as applicable  
10 *Fund*.

11 (b) The Legislature shall appropriate from the State Highway  
12 Account in the State Transportation Fund to the department and  
13 the Franchise Tax Board amounts equal to the costs incurred by  
14 each in performing their duties pursuant to Article 3 (commencing  
15 with Section 9400) of Chapter 6 of Division 3. The applicable  
16 amounts shall be determined so that the appropriate costs for  
17 registration and weight fee collection activities are appropriated  
18 between the recipients of revenues in proportion to the revenues  
19 that would have been received individually by those recipients if  
20 the total fee imposed under the Vehicle License Fee Law (Part 5  
21 (commencing with Section 10701) of Division 2 of the Revenue  
22 and Taxation Code) was 2 percent of the market value of a vehicle.  
23 The remainder of the funds collected under Section 9400 and  
24 deposited in the account, ~~other than the direct deposits to the~~  
25 ~~Transportation Debt Service Fund referenced in subdivision (a),~~  
26 may be appropriated to the Department of Transportation, the  
27 Department of the California Highway Patrol, and the Department  
28 of Motor Vehicles for the purposes authorized under Section 3 of  
29 Article XIX of the California Constitution.

O