

AMENDED IN ASSEMBLY MARCH 19, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 338

Introduced by Assembly Member Roger Hernández

February 13, 2015

An act to amend ~~add~~ Section 130001 of 130350.7 to, the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 338, as amended, Roger Hernández. ~~County transportation commissions: Los Angeles County. Los Angeles County Metropolitan Transportation Authority: transactions and use tax.~~

Existing law authorizes the Los Angeles County Metropolitan Transportation Authority (MTA) to impose, in addition to any other tax that it is authorized to impose, a transactions and use tax at a rate of 0.5% for the funding of specified transportation-related projects and programs, subject to various requirements, including the adoption of an expenditure plan and voter approval. Existing law authorizes the MTA to seek voter approval to extend the transactions and use tax pursuant to an amended ordinance, subject to various requirements, including adoption of an amended expenditure plan that, among other things, updates certain cost estimates and identifies expected completion dates for projects and programs under the previous expenditure plan, and also requires the amended expenditure plan to be included in an updated long range transportation plan, as specified.

This bill would authorize the MTA to impose an additional transportation transactions and use tax at a rate of 0.5%, for a period not to exceed 30 years, subject to various requirements, including the adoption of an expenditure plan and voter approval.

The Transactions and Use Tax Law limits to 2% the combined rate of all transactions and use taxes imposed in any county, with certain exceptions.

This bill would exempt the transactions and use tax authorized by the bill from this limitation.

~~The County Transportation Commissions Act provides for the creation of county transportation commissions with specified powers and duties in the southern California region, including Los Angeles County. The act makes various legislative findings regarding the transportation needs of the region.~~

~~The bill would make an additional legislative finding that transportation resources should be equitably distributed within Los Angeles County.~~

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

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

1 *SECTION 1. The Legislature finds and declares all of the
2 following:*

3 *(a) Various economic studies have shown that the biggest burden
4 on family incomes is the cost of housing and transportation. These
5 two variables greatly affect the quality of life for Californians.*

6 *(b) Los Angeles County voters have recognized the importance
7 of investing in a transportation network that is responsive to the
8 needs of commuters and transit users and that facilitates the
9 movement of goods in the region. Los Angeles County has three
10 existing voter-approved sales tax measures for transportation
11 projects administered by Los Angeles County Metropolitan
12 Transportation Authority (MTA).*

13 *(c) In 1980, voters in Los Angeles County approved Proposition
14 A, a sales tax of one-half of 1 percent on most retail sales in Los
15 Angeles County. The MTA returns 25 percent of Proposition A
16 proceeds to the cities in Los Angeles County for transportation
17 purposes. Thirty-five percent of Proposition A proceeds is required
18 to be used for rail development while the remaining 40 percent is
19 for discretionary purposes. Almost all of the discretionary portion
20 is used to fund bus service provided by the MTA and 16 other
21 municipal bus operators within Los Angeles County. The collection
22 of the sales tax is ongoing.*

1 (d) In 1990, voters in Los Angeles County approved Proposition
2 C, an additional sales tax of one-half of 1 percent on retail sales
3 in Los Angeles County. The MTA returns 20 percent of Proposition
4 C proceeds to the cities in Los Angeles County for transportation
5 purposes. Forty percent of the Proposition C proceeds is required
6 to be used for construction and operation of the bus transit and
7 rail system, 5 percent to expand rail and bus security, 10 percent
8 for commuter rail, and construction of transit centers, park and
9 ride lots, and freeway bus stops, and 25 percent for transit-related
10 improvements to freeways and state highways. The collection of
11 the sales tax is ongoing.

12 (e) Most recently, voters in Los Angeles County approved
13 Measure R in 2008. Measure R is an ordinance authorizing an
14 additional sales tax of one-half of 1 percent to fund traffic relief
15 and rail expansion according to an expenditure plan contained in
16 the ordinance. Measure R became effective July 1, 2009, and will
17 remain in effect for 30 years.

18 (f) MTA has been entrusted with the responsibility and has the
19 voters' confidence that it will protect and use the sales tax funding
20 responsibly and according to the rules approved by the voters.

21 SEC. 2. Section 130350.7 is added to the Public Utilities Code,
22 to read:

23 130350.7. (a) The Los Angeles County Metropolitan
24 Transportation Authority (MTA), in addition to any other tax it is
25 authorized to impose or has imposed, may impose a transactions
26 and use tax at the rate of 0.5 percent, for a period not to exceed
27 30 years, that is applicable in the incorporated and unincorporated
28 areas of the County of Los Angeles.

29 (b) The ordinance imposing the tax shall contain all of the
30 following:

31 (1) An expenditure plan that lists the transportation projects
32 and programs to be funded from net revenues from the tax. The
33 expenditure plan shall appear in the ordinance as an exhibit. The
34 expenditure plan shall include measures that ensure net revenues
35 are shared equitably between regions of the county.

36 (2) Provisions conforming to the Transactions and Use Tax
37 Law (Part 1.6 (commencing with Section 7251) of Division 2 of
38 the Revenue and Taxation Code), except as otherwise provided in
39 subdivision (f).

1 (3) A provision limiting the MTA's costs of administering the
2 ordinance and the net revenues from the tax to 1.5 percent of the
3 total tax revenues.

4 (4) A requirement that the net revenues from the tax, defined to
5 mean the total tax revenues less any refunds, costs of
6 administration by the State Board of Equalization, and the MTA's
7 administration costs, shall be used by the MTA to fund
8 transportation projects and programs identified in the expenditure
9 plan.

10 (5) A requirement that the MTA, during the period that the
11 ordinance is operative, allocate ____ percent of all net revenues
12 derived from the tax for bus operations. These revenues shall be
13 allocated to all eligible and included municipal transit operators
14 in the County of Los Angeles and to the MTA, in accordance with
15 Section 99285. However, the allocations to the MTA and eligible
16 and included municipal operators shall be made solely from
17 revenues derived from a tax imposed pursuant to this section, and
18 not from local discretionary sources. Funds allocated by MTA to
19 itself pursuant to this section shall be used for transit operations
20 and shall not supplant funds from any other source allocated by
21 MTA to itself for public transit operations. Funds allocated by
22 MTA to the eligible and included municipal operators pursuant
23 to this section shall be used for transit operations and shall not
24 supplant any funds authorized by other provisions of law and
25 allocated by MTA to the eligible and included municipal operators
26 for public transit. In addition to this amount, the MTA shall
27 allocate ____ percent of all net revenues derived from the tax for
28 rail operations.

29 (c) The MTA shall notify the Legislature prior to the adoption
30 of amendments to the adopted expenditure plan.

31 (d) The ordinance shall be adopted by the MTA board, which
32 shall also adopt a resolution that submits the ordinance to the
33 voters.

34 (e) The ordinance shall become operative pursuant to Section
35 130352 if approved by two-thirds of the voters voting on the
36 measure, pursuant to subdivision (d) of Section 2 of Article XIII
37 C of the California Constitution.

38 (f) The MTA may incur bonded indebtedness payable from the
39 net revenues of the tax pursuant to the bond issuance provisions
40 of this chapter and any successor act.

1 (g) *The tax authorized by this section shall be imposed pursuant*
2 *to the Transactions and Use Tax Law (Part 1.6 (commencing with*
3 *Section 7251) of Division 2 of the Revenue and Taxation Code),*
4 *notwithstanding the combined rate limitation in Section 7251.1 of*
5 *the Revenue and Taxation Code.*

6 SECTION 1. ~~Seetion 130001 of the Public Utilities Code is~~
7 amended to read:

8 130001. The Legislature hereby finds and declares that:

9 (a) ~~Public demand for an efficient public transportation system~~
10 ~~in the southern California region resulting from population sprawl,~~
11 ~~the concentration of many transit dependent citizens in the large~~
12 ~~urban areas, and increasing mobility requirements indicates a need~~
13 ~~for improved, as well as more innovative, policy and~~
14 ~~decisionmaking institutions to resolve these problems.~~

15 (b) ~~A basic purpose of transportation policy within the region~~
16 ~~should be to avoid undesirable duplication of transportation~~
17 ~~services, achieve the operation of a coordinated and integrated~~
18 ~~transportation system which will reduce automobile usage and~~
19 ~~dependency, reduce the consumption of scarce and expensive~~
20 ~~energy fuels, and reduce the levels of automobile-related air~~
21 ~~pollution.~~

22 (c) ~~Recognizing the scarcity of resources available for all~~
23 ~~transportation development, the commissions shall give priority~~
24 ~~to low-cost highway and transit improvements, and shall work~~
25 ~~toward maximizing the effectiveness of existing resources available~~
26 ~~to the commissions.~~

27 (d) ~~Recognizing the importance of the state highway system in~~
28 ~~the Los Angeles metropolitan area to bus, automobile, and freight~~
29 ~~transportation, it is necessary to maintain this highway system at~~
30 ~~least at its present operating standards and to increase the~~
31 ~~person-moving capability of this system by such methods as~~
32 ~~carpooling, improved traffic operations, exclusive busways, and~~
33 ~~fringe parking facilities.~~

34 (e) ~~Recognizing the geographic diversity and transportation~~
35 ~~needs in Los Angeles County, transportation resources should be~~
36 ~~equitably distributed within the county.~~

37 (f) ~~The transportation system should offer adequate public~~
38 ~~transportation to all citizens, including those immobilized by~~
39 ~~poverty, age, physical handicaps, or other reasons.~~

1 (g) The cities and local communities acting singly or jointly
2 should be given more responsibilities for designing and providing
3 local transit services to improve the responsiveness of public transit
4 to public needs.

5 (h) The transportation decisionmaking process should be
6 responsive to public values, and provide for the continuing
7 involvement of the public in the preparation, revision, and
8 discussion of transportation plans and services.

9 (i) Transportation planning should recognize that transportation
10 systems have significant effect on the physical and socioeconomic
11 characteristics of the areas served, and emphasis should be given
12 to the protection and enhancement of the environment and the
13 restoration of blighted neighborhoods near community centers.
14 Los Angeles County, in particular, is a multicentered area with
15 diverse socioeconomic levels and travel patterns, and a majority
16 of the trips in the county are four miles or less.