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NEIGHBORHOOD SERVICES DEPARTMENT

**CITY OF SACRAMENTO**  
CALIFORNIA

1231 I Street, Suite 400  
SACRAMENTO, CA

95814-2977

Max B. Fernandez  
Area 1 Director

May 15, 2001

PH 916-264-7940  
FAX 916-264-8937

Law and Legislation Committee  
Sacramento, California

Honorable Members in Session:

**SUBJECT: State Vehicle Service Authority  
Senate Bill 106 Support Letter (SAVSA)**

**LOCATION AND COUNCIL DISTRICT:** City-wide.

**RECOMMENDATION:**

It is recommended that the Law and Legislation Committee review and approve the attached letter of support for State Senate Bill 106 relating to vehicles, and the appropriation for the Service Authority (SAVSA). (See Exhibit A.)

**CONTACT PERSONS:**

Max B. Fernandez, Director Area 1, 264-7940

Robert L. Rose, Chief of Code Enforcement, 264-5947

**FOR COMMITTEE MEETING OF:** May 15, 2001

**SUMMARY:**

The City of Sacramento currently receives about \$350,000 annually from the Sacramento Abandoned Vehicle Service Authority (SAVSA) for reimbursement of vehicle abatement costs. This funding is due to expire in 2002. If this bill is passed and approved by the Governor, the State Service Authority will continue to provide funding to its members for ten additional years. With the current number of members and rate of revenue generated through the \$1 vehicle registration surcharge, it is expected that SAVSA will continue to generate almost \$1 million annually for disbursement to local jurisdictions.

**BACKGROUND:**

In 1990, the State Legislature amended existing legislation to allow counties and cities to establish Abandoned Vehicle Service Authorities to impose a one dollar vehicle registration surcharge for deposit in an Abandoned Vehicle Abatement Trust Fund.

This fund reimburses counties and cities for the costs incurred for abatement of abandoned vehicles. The State Controller allocates the money in the Abandoned Vehicle Abatement Trust Fund to each participating service authority in proportion to the revenues received from the fee imposed by that service authority, the population of the jurisdiction, and the performance of the jurisdiction's abandoned vehicle abatement program. The following records reflect the City of Sacramento Code Enforcement Division's consistent high performance efforts:

- ▶ 5,325 abandoned vehicles towed in FY 1999.
- ▶ 7,248 abandoned vehicles towed in FY 2000.
- ▶ 4,773 abandoned vehicles towed through the third quarter of FY 2001.

According to SB 106 which would amend Section 9250.7 of the Vehicle Code, "In addition to the one dollar (\$1) service fee, and upon implementation of the permanent trailer identification plate program, and as part of the Commercial Vehicle Registration Act of 2001, all commercial motor vehicles registered to an owner with an address in the county that established a service authority under this section, shall pay an additional service fee of two dollars (\$2)." (See Exhibit B.)

Senate Bill 106 would also amend Section 22710 of the Vehicle Code to continue the one (\$1) registration surcharge for an additional ten years and also change the quarterly reports to annual reports to the service authority. SB 106 would continue to make available reimbursement for the City of Sacramento's Abandoned Vehicle Abatement Program as per the guidelines and policies in California Vehicle Code Sections 9250.7 and 22710. (See Exhibit B.)

#### **FINANCIAL CONSIDERATIONS:**

Since fiscal year 1996, the City of Sacramento has received a total of \$2,289,940 from the SAVSA program. On an annual basis, the City has received from approximately \$350,000 to \$500,000. In fiscal year 1999, the City of Sacramento was reimbursed \$356,234. In fiscal year 2000, the reimbursement amount was \$384,163. As other cities and counties have continued to join the service authority, it was expected that the City of Sacramento's reimbursements would decrease. However, due primarily to maintaining a high level of performance by the City's Code Enforcement Officers, the reimbursement has been approximately \$350,000 annually. Without this outside funding source, the City's general fund will need to substantially increase its level of support which was approximately \$165,000 in Fiscal Year 2000.

#### **ENVIRONMENTAL CONSIDERATIONS:**

Code Enforcement's abandoned vehicle abatement program is consistent with working towards a safe, healthy, clean environment in the communities of the City of Sacramento.

May 15, 2001

**POLICY CONSIDERATIONS:**

Support of this legislation is consistent with the City's efforts to identify and obtain alternative funding for City services and programs.

**E/SBD:**

Not applicable.

Respectfully submitted,

*Marge Innocenti for*

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MAX B. FERNANDEZ  
Director, Area 1  
Neighborhood Services Department

*Patricia Masadeh*

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RICHARD RAMIREZ  
Deputy City Manager

**RECOMMENDATION APPROVED:**

*Robert P. Thomas*

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ROBERT P. THOMAS  
City Manager

Attachments  
Draft letter of support  
SB 106

**EXHIBIT A**

May 15, 2001

The Honorable Byron Sher  
California State Senate  
California Capitol Building  
Sacramento, Ca. 95814

Subject: SB106 **-SUPPORT**

Dear Senator Sher:

The City of Sacramento as a member of the Sacramento Abandoned Vehicle Service Authority (SAVSA), enthusiastically supports SB 106. This bill will permit counties to extend for a period of ten years the annual \$1 vehicle registration surcharge imposed by service authorities to fund specific vehicle abatement programs. The existing program in Sacramento County and most other participating counties is set to expire in 2002.

The SAVSA surcharge generates almost \$1 million annually to reimburse local jurisdictions in Sacramento County for the costs of abating abandoned vehicles. Last year, the City of Sacramento abated 7,248 abandoned vehicles. Without the SAVSA contribution, our efforts will have to rely on a limited general fund budget.

Any action you can take to promote the prospects of SB106 will be greatly appreciated. If you have any questions regarding the City of Sacramento's interest in this matter, please contact me. Thank you for your consideration.

Sincerely,

STEVE COHN, Chair  
Law & Legislation Committee  
Sacramento City Council

cc: Sen. Kevin Murray, Chair - Senate Transportation Committee  
Sen. Tom McClintock, Vice Chair - Senate Transportation Committee  
Sen. Michael Machado (5)  
Sen. Debra Ortiz (6)  
Steven Schnaidt - Staff Director, Senate Transportation Committee

## SB 106 Senate Bill - AMENDED

BILL NUMBER: SB 106      AMENDED  
BILL TEXT

AMENDED IN SENATE    MARCH 27, 2001

INTRODUCED BY    Senator Sher  
(Coauthor:    Assembly Member Harman)

JANUARY 22, 2001

An act to amend ~~Section 9250.7~~ Sections  
9250.7 and 22710 of the Vehicle Code, relating to vehicles, and  
making an appropriation therefor.

## LEGISLATIVE COUNSEL'S DIGEST

SB 106, as amended, Sher. Service authority.

Existing law authorizes the establishment of a service authority and the ~~importance~~ imposition of a \$1 service fee in a county if the county board of supervisors, by a 2/3 vote, and a majority of the cities having a majority of the incorporated population within the county, adopt a resolution establishing the authority and the imposition of a service fee on vehicles, as specified. Existing law requires the Department of Motor Vehicles to collect the fee at the time of vehicle registration, renewal of registration, or when renewal becomes delinquent. The net amount of fees collected for these fees is required to be deposited in the Abandoned Vehicle Trust Fund, which is continuously appropriated to the Controller for allocation to participating service authorities, as specified. Under existing law, if any funds received by a service authority are not expended to abate abandoned vehicles within 90 days of the close of the fiscal year in which the funds were received and the amount of those funds exceeds the amount expended by the service authority for the abatement of abandoned vehicles in the previous fiscal year, the fee for that authority is suspended for one year, commencing the following January 1. These provisions are currently required to terminate not later than 10 years from the date the actual collection commenced.

This bill would limit the authority to suspend the service fee to abatement programs that have been in existence for at least 2 full fiscal years and would require every service authority that imposes a service fee to issue a fiscal yearend report, as specified, to the Controller on or before October 31 of each year. The bill would require each service authority that fails to submit the annual report by November 30 of each year to have its fee suspended for one year.

The bill would require the Controller, on or before January 1, 2003, and on or before January 1 annually thereafter, to submit a report to the Legislature providing specified information and to review the fiscal yearend reports submitted by each service authority. The bill would require the Controller to determine whether a service authority fee is to be suspended for one year. The bill would require the Controller to instruct the Department of Motor Vehicles on or before January 1, 2003, and on or before January 1 annually thereafter, as to the suspension of the service authority's fee. The bill would authorize the extension of the fee collection in increments of up to 10 years each, and would thereby extend the fee and the continuous appropriation, thereby making an

## SB 106 Senate Bill - AMENDED

appropriation.

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

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

SECTION 1. Section 9250.7 of the Vehicle Code is amended to read:

9250.7. (a) (1) A service authority established under Section 22710 may impose a service fee of one dollar (\$1) on all vehicles, except trailers and semitrailers described in subdivision (a) of Section 5014.1, registered to an owner with an address in the county that established the service authority. The fee shall be paid to the department at the time of registration, or renewal of registration, or when renewal becomes delinquent, except on vehicles that are expressly exempted under this code from the payment of registration fees.

(2) In addition to the one dollar (\$1) service fee, and upon the implementation of the permanent trailer identification plate program, and as part of the Commercial Vehicle Registration Act of 2001, all commercial motor vehicles registered to an owner with an address in the county that established a service authority under this section, shall pay an additional service fee of two dollars (\$2).

(b) The department, after deducting its administrative costs, shall transmit, at least quarterly, the net amount collected pursuant to subdivision (a) to the Treasurer for deposit in the Abandoned Vehicle Trust Fund, which is hereby created. All money in the fund is continuously appropriated to the Controller for allocation to a service authority that has an approved abandoned vehicle abatement program pursuant to Section 22710, and for payment of the administrative costs of the Controller. After deduction of its administrative costs, the Controller shall allocate the money in the Abandoned Vehicle Trust Fund to each service authority in proportion to the revenues received from the fee imposed by that authority pursuant to subdivision (a). If any funds received by a service authority pursuant to this section are not expended to abate abandoned vehicles pursuant to an approved abandoned vehicle abatement program that has been in existence for at least two full fiscal years within 90 days of the close of the fiscal year in which the funds were received and the amount of those funds exceeds the amount expended by the service authority for the abatement of abandoned vehicles in the previous fiscal year, a fee imposed pursuant to subdivision (a) shall be suspended for one year, commencing on the January 1 following the Controller's determination pursuant to subdivision (e).

(c) Every service authority that imposes a fee authorized by subdivision (a) shall issue a fiscal yearend report to the Controller on or before October 31 of each year summarizing all of the following:

- (1) The total revenues received by the service authority for the previous fiscal year.
- (2) The total expenditures by the service authority for the previous fiscal year.
- (3) The total number of vehicles abated during the previous fiscal year.
- (4) The average cost per abatement during the previous fiscal year.
- (5) Any additional, unexpended fee revenues for the service authority for the previous fiscal year.

(d) Each service authority that fails to submit the report required pursuant to subdivision (c) by November 30 of each year shall have the fee suspended for one year pursuant to subdivision

## SB 106 Senate Bill - AMENDED

(b).

(e) On or before January 1, 2003, and on or before January 1 annually thereafter, the Controller shall review the fiscal yearend reports submitted by each service authority pursuant to subdivision (c) to determine if fee revenues are being utilized in a manner consistent with the service authority's program. If the Controller determines that the use of the fee revenues is not consistent with the service authority's program, or that an excess of fee revenues exists, as specified in subdivision (b), the authority to collect the fee shall be suspended for one year pursuant to subdivision (b).

*If the Controller determines that a service authority has not submitted a fiscal yearend report as required in subdivision (c), the authorization to collect the service fee shall be suspended for one year pursuant to subdivision (d). The Controller shall inform the Department of Motor Vehicles on or before January 1, 2003, and on or before January 1 annually thereafter, that the authority to collect the fee is suspended. A suspension shall only occur if the service authority has been in existence for at least two full fiscal years and the revenue fee surpluses are in excess of those allowed under this section or the fiscal yearend report has not been submitted .*

(f) On or before January 1, 2003, and on or before January 1 annually thereafter, the Controller shall prepare and submit to the Legislature a revenue and expenditure summary for each service authority established under Section 22710 that includes, but is not limited to, all of the following:

- (1) The total revenues received by each service authority.
- (2) The total expenditures by each service authority.
- (3) The unexpended revenues for each service authority.
- (4) The total number of vehicle abatements for each service authority.
- (5) The average cost per abatement as provided by each service authority to the Controller pursuant to subdivision (c).

(g) The fee imposed by a service authority shall remain in effect only for a period of 10 years from the date that the actual collection of the fee commenced unless the fee is extended pursuant to this subdivision. The fee may be extended in increments of up to 10 years each if the board of supervisors of the county, by a two-thirds vote, and a majority of the cities having a majority of the incorporated population within the county adopt resolutions providing for the extension of the fee.

SEC. 2. Section 22710 of the Vehicle Code is amended to read:

22710. (a) A service authority for the abatement of abandoned vehicles may be established, and a one dollar (\$1) vehicle registration fee imposed, in any county if the board of supervisors of the county, by a two-thirds vote, and a majority of the cities having a majority of the incorporated population within the county have adopted resolutions providing for the establishment of the authority and imposition of the fee. The membership of the authority shall be determined by concurrence of the board of supervisors and a majority vote of the majority of the cities within the county having a majority of the incorporated population.

(b) The authority may contract and may undertake any act convenient or necessary to carry out any law relating to the authority. The authority shall be staffed by existing personnel of the city, county, or county transportation commission.

(c) (1) Notwithstanding any other provision of law, a service authority may adopt an ordinance establishing procedures for the abatement, removal, and disposal, as public nuisances, of any abandoned, wrecked, dismantled, or inoperative vehicles or parts thereof from private or public property; and for the recovery, pursuant to Section 25845 or 38773.5 of the Government Code, or assumption by the service authority, of costs of administration and

SB 106 Senate Bill - AMENDED

that removal and disposal. The actual removal and disposal of vehicles shall be undertaken by an entity that may be a county or city or the department, pursuant to contract with the service authority as provided in this section.

(2) The money received by an authority pursuant to Section 9250.7 and this section shall be used only for the abatement, removal, and disposal as public nuisances of any abandoned, wrecked, dismantled, or inoperative vehicles or parts thereof from private or public property.

(d) (1) An abandoned vehicle abatement program and plan of a service authority shall be implemented only with the approval of the county and a majority of the cities having a majority of the incorporated population.

(2) The department shall provide guidelines for abandoned vehicle abatement programs. An authority's abandoned vehicle abatement plan and program shall be consistent with those guidelines, and shall provide for, but not be limited to, an estimate of the number of abandoned vehicles, a disposal and enforcement strategy including contractual agreements, and appropriate fiscal controls.

The department's guidelines provided pursuant to this paragraph shall include, but not be limited to, requiring each service authority receiving funds from the Abandoned Vehicle Trust Fund to report to the Controller ~~on a quarterly~~ *an*

*annual basis pursuant to subdivision (c) of Section 9250.7*, in a manner prescribed by the department, ~~the manner that the funds were disbursed, and the number of vehicles abated,~~ pursuant to an approved abandoned vehicle abatement program. The report shall be submitted to the Controller not later than 90 calendar days following the end of the previous quarter.

(3) After a plan has been approved pursuant to paragraph (1), the service authority shall, not later than August 1 of the year in which the plan was approved, submit it to the department for review, and the department shall, not later than October 1 of that same year, either approve the plan as submitted or make recommendations for revision. After the plan has received the department's approval as being consistent with the department's guidelines, the service authority shall, not later than January 1 of the following year, submit it to the Controller.

(4) Except as provided in subdivision (e), the Controller shall make no allocations for a calendar year to a service authority for which an approved plan was not received on or before January 1 of that year, or when a county has failed to provide its ~~quarterly~~ *annual* report as required in paragraph (2).

(5) No governmental agency shall receive any funds from a service authority for the abatement of abandoned vehicles pursuant to an approved abandoned vehicle abatement program unless the governmental agency has submitted ~~a quarterly~~ *an annual* report to the service authority stating the manner in which the funds were expended, and the number of vehicles abated. The governmental agency shall receive that percentage of the total funds collected by the service authority that is equal to its share of the formula calculated pursuant to paragraph (6).

(6) Each service authority shall calculate a formula for apportioning funds to each governmental agency that receives funds from the service authority and submit that formula to the Controller with the ~~quarterly~~ report required pursuant to paragraph (2). The formula shall apportion 50 percent of the funds received by the service authority to a governmental agency based on the percentage of vehicles abated by that governmental agency of the total number of abandoned vehicles abated by all member agencies, and 50 percent based on population and geographic area, as determined by the service authority. When the formula is first submitted to the Controller, and each time the formula is revised thereafter, the



## SB 106 Senate Bill - AMENDED

service authority shall include a detailed explanation of how the service authority determined the apportionment between per capita abatements and service area.

(e) Any plan that has been submitted to the Controller pursuant to subdivision (d) may be revised pursuant to the procedure prescribed in that subdivision, including compliance with any dates described therein for submission to the department and the Controller, respectively, in the year in which the revisions are proposed. Compliance with that procedure shall only be required if the revisions are substantial. A service authority that is newly formed and has not complied with subdivision (d) may so comply after the dates specified in subdivision (d) by submitting an approved plan on or before those dates in the year in which the plan is submitted.

(f) For purposes of this section, "abandoned vehicle abatement" means the removal of a vehicle from public or private property by towing or any other means after the vehicle has been marked as abandoned by an official of a governmental agency that is a member of the service authority.

(g) A service authority shall cease to exist on the date that all revenues received by the authority pursuant to this section and Section 9250.7 have been expended.



2.3

DEPARTMENT OF  
PUBLIC WORKS

CITY OF SACRAMENTO  
CALIFORNIA

927 10TH STREET  
SACRAMENTO, CA  
95814-2702

TECHNICAL SERVICES  
DIVISION

PH 916-264-8300  
FAX 916-264-8281

May 3, 2001

Law and Legislation Committee  
Sacramento, CA

Honorable Members in Session:

**SUBJECT: SUPPORT OF ASSEMBLY BILL (AB) 227 (LONGVILLE) –TRANSPORTATION  
FUNDING**

**LOCATION/COUNCIL DISTRICT:** Citywide

**RECOMMENDATION:**

Staff recommends that the Law & Legislation Committee sign the attached letter of support on behalf of the City of Sacramento.

**CONTACT PERSON:** Fran Lee Halbakken, Principal Engineer, 264-7194

**FOR LAW AND LEGISLATION COMMITTEE MEETING:** May 15, 2001

**SUMMARY:**

The purpose of this report is to provide information on Assembly Bill (AB) 227 (see Attachment A), which extends indefinitely the period during which the State Controller would be required to transfer state funding for street rehabilitation and maintenance to the City of Sacramento.

**COMMITTEE/COMMISSION ACTION:** None.

**BACKGROUND INFORMATION:**

Last year Assembly Bill 2928 was enacted to provide for State of California General Funds to be transferred to cities and counties for the purpose of street rehabilitation and maintenance. Other provisions allowed for increased funding for State Transportation Improvement Program projects and mass transportation. The City of Sacramento received approximately \$2.9 million the first year and will receive lesser amounts through June 2006 under AB 2928.

AB 227 extends these provisions indefinitely by removing the AB 2928 sunset date of June 30, 2006. The current apportionment formula would be modified by AB 227, eliminating an off the top deposit into the State's Traffic Congestion Relief Fund and result in increased street maintenance funding.

Staff recommends that the Law & Legislation Committee sign the attached support letter for AB 227.

**FINANCIAL CONSIDERATIONS:**

The City of Sacramento's annual street maintenance and reconstruction needs a total of \$10.5 million. AB 227 will provide state funding to supplement the City's local transportation fund sources used to meet this need.

**ENVIRONMENTAL CONSIDERATIONS:**

The subject of this report does not involve a project that requires compliance with the California Environmental Quality Act (CEQA), as it does not involve an activity that may cause a direct or indirect change in the environment (Public Resources Code Section 21065).


**POLICY CONSIDERATIONS:**

Support of AB 227 is consistent with the Council's continuing commitment to leverage local funds with increased amounts of state and federal funds. The funds received by the City of Sacramento will be used to increase livability of our communities through neighborhood revitalization and enhancement.

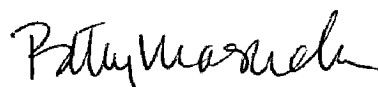
**ESBD CONSIDERATIONS:**

The actions contained in this report are not subject to the City's ESBD requirements.

Respectfully submitted:

  
Fran Lee Halbakken  
Principal Engineer

RECOMMENDATION APPROVED:

  
ROBERT P. THOMAS  
City Manager

Approved:

  
Michael Kashiwagi  
Director of Public Works

## ATTACHMENT A

BILL NUMBER: AB 227      AMENDED  
BILL TEXT

AMENDED IN ASSEMBLY    MARCH 29, 2001

INTRODUCED BY:    Assembly Member Longville  
(Coauthors:    Assembly Members Bates, Dutra, Florez, Havice,  
Kehoe, Nakano, Strom-Martin, and Vargas)

FEBRUARY 13, 2001.

An act to ~~amend Section 7104 of~~ add  
Section 7106 to the Revenue and Taxation Code, relating to  
transportation, and making an appropriation therefor.

## LEGISLATIVE COUNSEL'S DIGEST

AB 227, as amended, Longville.    Transportation:    funding.

Existing law requires the Controller to transfer specified amounts  
on a quarterly basis from the General Fund to the Transportation  
Investment Fund (hereafter the TIF) in the State Treasury. The  
Controller, for each quarter during the period commencing on July 1,  
2001, and ending on June 30, 2006, is required to transfer specified  
amounts from the TIF to the Traffic Congestion Relief Fund in the  
State Treasury, to the Public Transportation Account, a trust fund in  
the State Transportation Fund, to the Department of Transportation,  
to the counties, including a city and county, and to the cities,  
including a city and county, for specified transportation purposes.

This bill , on and after July 1, 2006, or a specified date,  
whichever is later, would delete the transfer from the TIF  
to the Traffic Congestion Relief Fund. The bill, on and after that  
date, would extend indefinitely the period during which the  
Controller would be required to make the quarterly transfers from the  
General Fund to the TIF, and thereby would make an appropriation.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

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

~~SECTION 1. Section 7104 of the Revenue and Taxation Code is  
amended to read:~~  
~~7104.~~

SECTION 1. Section 7106 is added to the Revenue and Taxation Code,  
to read:

7106. (a) The Transportation Investment Fund (hereafter the  
fund) is hereby ~~created~~ continued in  
existence in the State Treasury. Notwithstanding Section 13340  
of the Government Code, the money in the fund is continuously  
appropriated without regard to fiscal years for disbursement in the  
manner and for the purposes set forth in this section.

(b) All of the following shall occur on a quarterly basis:

(1) The State Board of Equalization, in consultation with the  
Department of Finance, shall estimate the amount that is transferred  
to the General Fund under subdivision (b) of Section 7102 that is  
attributable to revenue collected for the sale, storage, use, or  
other consumption in this state of motor vehicle fuel, as defined in  
Section 7304.

(2) The State Board of Equalization shall ~~inform~~ notify the Controller, in writing, of the amount estimated under paragraph (1).

(3) The Controller shall transfer the amount estimated under paragraph (1) from the General Fund to the fund.

(c) The Controller shall make all of the following transfers and apportionments from the fund, on a quarterly basis, in the following order:

~~(1) To the Traffic Congestion Relief Fund created in the State Treasury by Section 14556.5 of the Government Code, the sum of one hundred sixty-nine million five hundred thousand dollars (\$169,500,000), for a total transfer of three billion three hundred ninety million dollars (\$3,390,000,000).~~

~~(2)~~

(1) To the Public Transportation Account, a trust fund in the State Transportation Fund, 20 percent of the ~~amount remaining after the transfer required under paragraph (1)~~ total amount in the fund . Funds transferred under this paragraph shall be appropriated by the Legislature as follows:

(A) To the Department of Transportation, 50 percent for purposes of subdivision (a) or (b) of Section 99315 of the Public Utilities Code.

(B) To the Controller, 25 percent for allocation pursuant to Section 99314 of the Public Utilities Code. Funds allocated under this subparagraph shall be subject to all of the provisions governing funds allocated under Section 99314 of the Public Utilities Code.

(C) To the Controller, 25 percent for allocation pursuant to Section 99313 of the Public Utilities Code. Funds allocated under this subparagraph shall be subject to all of the provisions governing funds allocated under Section 99313 of the Public Utilities Code.

~~(3)~~

(2) To the Department of Transportation for expenditure for programming for transportation capital improvement projects subject to all of the provisions governing the State Transportation Improvement Program, 40 percent of the ~~amount remaining after the transfer required under paragraph (1)~~ total amount in the fund .

~~(4)~~

(3) To the Controller for apportionment to the counties, including a city and county, 20 percent of the ~~amount remaining after the transfer required under paragraph (1)~~ total amount in the fund , in accordance with the following formulas:

(A) Seventy-five percent of the funds payable under this paragraph shall be apportioned among the counties in the proportion that the number of fee-paid and exempt vehicles that are registered in the county bears to the number of fee-paid and exempt vehicles registered in the state.

(B) Twenty-five percent of the funds payable under this paragraph shall be apportioned among the counties in the proportion that the number of miles of maintained county roads in each county bears to the total number of miles of maintained county roads in the state. For the purposes of apportioning funds under this subparagraph, any roads within the boundaries of a city and county that are not state highways shall be deemed to be county roads.

~~(5)~~

(4) To the Controller for apportionment to cities, including a city and county, 20 percent of the ~~amount remaining after the transfer required under paragraph (1)~~ total amount in the fund . Funds transferred under this paragraph

shall be apportioned among the cities in the proportion that the total population of the city bears to the total population of all the cities in the state.

(d) Funds received under ~~paragraphs (4) and (5)~~ paragraph (3) or (4) of subdivision (c) shall be deposited as follows in order to avoid the commingling of those funds with other local funds:

(1) In the case of a city, into the city account that is designated for the receipt of state funds allocated for transportation purposes.

(2) In the case of a county, into the county road fund.

(3) In the case of a city and county, into a local account that is designated for the receipt of state funds allocated for transportation purposes.

(e) Funds allocated to a city, county, or city and county under ~~this section~~ paragraph (3) or (4) of subdivision (c) shall be used only for street and highway maintenance, rehabilitation, reconstruction, and storm damage repair.

For purposes of this section, the following terms have the following meanings:

(1) "Maintenance" means either or both of the following:

(A) Patching.

(B) Overlay and sealing.

(2) "Reconstruction" includes any overlay, sealing, or widening of the roadway, if the widening is necessary to bring the roadway width to the desirable minimum width consistent with the geometric design criteria of the department for 3R (reconstruction, resurfacing, and rehabilitation) projects that are not on a freeway, but does not include widening for the purpose of increasing the traffic capacity of a street or highway.

(3) "Storm damage repair" is repair or reconstruction of local streets and highways and related drainage improvements that have been damaged due to winter storms and flooding, and construction of drainage improvements to mitigate future roadway flooding and damage problems, in those jurisdictions that have been declared disaster areas by the President of the United States, where the costs of those repairs are ineligible for emergency funding with Federal Emergency Relief (ER) funds or Federal Emergency Management Administration (FEMA) funds.

(f) (1) Cities and counties shall maintain their existing commitment of local funds for street and highway maintenance, rehabilitation, reconstruction, and storm damage repair in order to remain eligible for the allocation of funds pursuant to paragraph ~~(4) or (5)~~ (3) or (4) of subdivision (c).

(2) In order to receive any allocation pursuant to paragraph ~~(4) or (5)~~ (3) or (4) of subdivision (c), the city or county shall annually expend from its general fund for street, road, and highway purposes an amount not less than the annual average of its expenditures from its general fund during the 1996-97, 1997-98, and 1998-99 fiscal years, as reported to the Controller pursuant to Section 2151 of the Streets and Highways Code.

For purposes of this paragraph, in calculating a city's or county's annual general fund expenditures and its average general fund expenditures for the 1996-97, 1997-98, and 1998-99 fiscal years, any unrestricted funds that the city or county may expend at its discretion, including vehicle in-lieu tax revenues and revenues from fines and forfeitures, expended for street and highway purposes shall be considered expenditures from the general fund. One-time allocations that have been expended for street and highway purposes, but which may not be available on an ongoing basis, including revenue

provided under the Teeter Plan Bond Law of 1994 (Chapter 6.6 (commencing with Section 54773) of Part 1 of Division 2 of Title 5 of the Government ~~Code~~ Code), may not be considered when calculating a city's or county's annual general fund expenditures.

(3) For any city incorporated after July 1, 1996, the Controller shall calculate an annual average of expenditure for the period between July 1, 1996, and December 31, 2000, that the city was incorporated.

(4) For purposes of paragraph (2), the Controller may request fiscal data from cities and counties in addition to data provided pursuant to Section 2151, for the 1996-97, 1997-98, and 1998-99 fiscal years. Each city and county shall furnish the data to the Controller not later than 120 days after receiving the request. The Controller may withhold payment to cities and counties that do not comply with the request for information or that provide incomplete data.

(5) The Controller may perform audits to ensure compliance with paragraph (2) when deemed necessary. Any city or county that has not complied with paragraph (2) shall reimburse the state for the funds it received during that fiscal year. Any funds withheld or returned as a result of a failure to comply with paragraph (2) shall be reallocated to the other counties and cities whose expenditures are in compliance.

(6) If a city or county fails to comply with the requirements of paragraph (2) in a particular fiscal year, the city or county may expend during that fiscal year and the following fiscal year a total amount that is not less than the total amount required to be expended for those fiscal years for purposes of complying with paragraph (2).

(7) The allocation made under paragraph ~~(4) or (5)~~

(3) or (4) of subdivision (c) shall be expended not later than the end of the fiscal year following the fiscal year in which the allocation was made, and any funds not expended within that period shall be returned to the Controller and shall be reallocated to the other cities and counties pursuant to the allocation formulas set forth in paragraph ~~(4) or (5)~~

(3) or (4) of subdivision (c).

(g) The Los Angeles County Metropolitan Transportation Authority shall give first priority for using its share of the funds made available under subparagraphs (B) and (C) of paragraph ~~(2)~~

(1) of subdivision (c) to providing the levels of bus service mandated under the consent decree entered into by the authority on October 29, 1996, in the case of Labor/Community Strategy Center, et al. v. Los Angeles County Metropolitan Transportation Authority.

(h) For the purpose of allocating funds under this section to counties, cities, and a city and county, the Controller shall use the most recent population estimates prepared by the Demographic Research Unit of the Department of Finance. For a city that incorporated after January 1, 1998, that does not appear on the most recent population estimates prepared by the Demographic Research Unit, the Controller shall use the population determined for that city under Section 11005.3 of the Revenue and Taxation Code.

(i) The money in the fund may be loaned to the General Fund only if one of the following conditions is imposed:

(1) That any amount loaned is to be repaid in full to the fund during the same fiscal year in which the loan was made, except that repayment may be delayed until a date not more than 30 days after the date of enactment of the budget bill for the subsequent fiscal year.

(2) That any amount loaned is to be repaid in full to the fund within three fiscal years from the date on which the loan was made and one of the following has occurred:

(A) The Governor has proclaimed a state of emergency and declares that the emergency will result in a significant negative fiscal impact to the General Fund.

(B) The aggregate amount of General Fund revenues for the current fiscal year, as projected by the Governor in a report to the Legislature in May of the current fiscal year, is less than the aggregate amount of General Fund revenues for the previous fiscal year, adjusted for the change in the cost of living and the change in population, as specified in the budget submitted by the Governor pursuant to Section 12 of Article IV in the current fiscal year.

(j) This section shall become operative on July 1, 2006, or on the date that all encumbrances for the projects funded under paragraph (1) of subdivision (c) of Section 7104 have been liquidated, whichever date is later.





DEPARTMENT OF  
PUBLIC WORKS

CITY OF SACRAMENTO  
CALIFORNIA

927 10TH STREET  
SACRAMENTO, CA  
95814-2702

TECHNICAL SERVICES  
DIVISION

PH 916-264-8300  
FAX 916-264-8281

May 3, 2001

The Honorable John Longville  
California State Assembly  
State Capitol  
Sacramento, CA 95814

**SUBJECT: ASSEMBLY BILL 227**

Dear Assembly Member Longville:

On behalf of the City of Sacramento, it is my pleasure to offer this letter of support for Assembly Bill 227 which would remove the sunset date enacted under Assembly Bill 2928 and extend the provision of state funding for street maintenance and rehabilitation indefinitely.

The adoption of AB 227 would be consistent with the City Council's commitment to leverage our local funds with increased levels of state and federal funds. It would also assist the City of Sacramento to invest in caring for our aging infrastructure.

Thank you for sponsoring this significant transportation funding legislation.

Sincerely,

Councilmember Steve Cohn  
Law & Legislation Committee Chair