

AMENDED IN ASSEMBLY APRIL 21, 2008

AMENDED IN ASSEMBLY APRIL 9, 2008

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 3034

Introduced by Assembly Members Galgiani and Ma

(Principal coauthor: Assembly Member Davis)

(~~Coauthor: Assembly Member Aghazarian~~ Coauthors: Assembly

Members Aghazarian, Karnette, and Solorio)

**(~~Coauthor: Senator Steinberg~~ Coauthors: Senators Alquist, Steinberg,
and Torlakson)**

February 22, 2008

An act to amend Sections 2704.04, 2704.06, 2704.08, 2704.09, and 2704.095 of the Streets and Highways Code, and to amend Sections 1, 3, and 4 of Chapter 697 of the Statutes of 2002, relating to transportation, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 3034, as amended, Galgiani. Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century.

Existing law, Chapter 697 of the Statutes of 2002, as amended by Chapter 71 of the Statutes of 2004 and Chapter 44 of the Statutes of 2006, provides for submission of the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century to the voters for approval at the November 4, 2008, general election. Subject to voter approval, the act would provide for the issuance of \$9.95 billion of general obligation bonds, \$9 billion of which would be available in conjunction with any available federal funds for planning and construction of a high-speed train system pursuant to the business plan of the High-Speed

Rail Authority, and \$950 million of which would be available for capital projects on other passenger rail lines to provide connectivity to the high-speed train system and for capacity enhancements and safety improvements to those lines.

This bill would make various revisions to the bond act to be submitted to the voters. The bill would refer to construction of a high-speed train system consistent with the authority's certified environmental impact report of November 2005, rather than with the final business plan of June 2000. The bill would revise the descriptions of route corridors of the proposed high-speed train system. The bill would require excess revenues from operation of the high-speed train system beyond the amount needed for high-speed train purposes, as determined by the authority, to be used to finance construction of the high-speed train system, and any remaining revenue to be deposited in the General Fund. The bill would require that not more than 10% of bond proceeds be used for environmental studies, planning, and preliminary engineering activities, and would require the authority to have a detailed funding plan for each segment of the system that identifies the full cost of construction and the sources of revenues for that segment, prior to awarding a construction contract for the segment. The bill would require the authority to give priority in selecting segments for construction to those segments that are expected to require the least amount of bond funds as a percentage of total cost of construction, among other considerations.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

- 1 SECTION 1. Section 1 of Chapter 697 of the Statutes of 2002,
- 2 as amended by Section 1 of Chapter 71 of the Statutes of 2004, is
- 3 amended to read:
- 4 Section 1. (a) The continuing growth in California's population
- 5 and the resulting increase in traffic congestion, air pollution,
- 6 greenhouse gas emissions, and the continuation of urban sprawl
- 7 make it imperative that the state proceed quickly to construct a
- 8 state-of-the-art high-speed passenger train system to serve major
- 9 metropolitan areas.

1 (b) The High-Speed Rail Authority, after extensive studies and
2 analysis, proposes the construction of a high-speed train system
3 that serves major population centers in the state and that links
4 regional and local transit systems to form an integrated
5 transportation system throughout the state. The system will link
6 all of the state's major population centers, including Sacramento,
7 the Bay Area, the ~~central valley~~ *Central Valley*, Los Angeles, the
8 Inland Empire, Orange County, and San Diego.

9 (c) The high-speed train system proposed by the authority will
10 cost about one-third of what it would cost to provide the same
11 level of mobility and service with highway and airport
12 improvements and will contribute significantly toward a reduction
13 in air pollution and global warming.

14 (d) The high-speed train system, once it is completed and
15 becomes operational, will contribute significantly toward the goal
16 of reducing greenhouse gas emissions and other air pollutants and
17 will help reduce California's dependence on foreign energy sources.

18 (e) The high-speed passenger train bond funds are intended to
19 encourage the federal government and the private sector to make
20 a significant contribution toward the construction of the high-speed
21 train system.

22 (f) It is the intent of the Legislature that the entire high-speed
23 train system shall be constructed as quickly as possible in order
24 to maximize ridership and the mobility of Californians, and that
25 it be completed no later than 2020, and that all phases shall be
26 built in a manner that yields maximum benefit consistent with
27 available revenues.

28 SEC. 2. Section 2704.04 of the Streets and Highways Code,
29 as added by Section 2 of Chapter 697 of the Statutes of 2002, is
30 amended to read:

31 2704.04. (a) It is the intent of the Legislature by enacting this
32 chapter and of the people of California by approving the bond
33 measure pursuant to this chapter to initiate the construction of a
34 high-speed train system consistent with the authority's certified
35 environmental impact report of November 2005.

36 (b) (1) Nine billion dollars (\$9,000,000,000) of the proceeds
37 of bonds authorized pursuant to this chapter, as well as federal
38 funds and other revenues made available to the authority, to the
39 extent consistent with federal and other fund source conditions,
40 shall be used for planning and eligible capital costs, as defined in

subdivision (c), for the purpose of including, but not limited to, the following high-speed train system corridors:

- (A) Sacramento to Stockton to Fresno.
- (B) San Francisco Transbay Terminal to San Jose to Fresno.
- (C) Oakland to San Jose.
- (D) Fresno to Bakersfield to Palmdale to Los Angeles Union Station.
- (E) Los Angeles Union Station to Riverside to San Diego.
- (F) Los Angeles Union Station to Anaheim to Irvine.
- (G) Altamont Corridor connecting the central valley to the east bay Central Valley to the East Bay.

(2) Nothing in this section shall prejudice the authority's determination and selection of the alignment from the Central Valley to the Bay Area in its certification of the environmental impact report.

~~(2)~~
(3) Revenues of the authority, generated by operations of the high-speed train system above and beyond operating and maintenance costs and financing obligations, as determined by the authority, shall be used to finance construction of the high-speed train system. If, after satisfaction of the foregoing, there remain additional revenues, those revenues shall be deposited in the General Fund.

(c) Capital costs eligible to be paid from proceeds of bonds authorized for high-speed train purposes pursuant to this chapter include all activities necessary for acquisition of right-of-way, construction of tracks, structures, power systems, and stations, purchase of rolling stock and related equipment, and other related capital facilities and equipment.

(d) Proceeds of bonds authorized pursuant to this chapter shall not be used for any operating or maintenance costs of trains or facilities.

(e) The State Auditor shall perform periodic audits of the authority's use of proceeds of bonds authorized pursuant to this chapter for consistency with the requirements of this chapter.

SEC. 3. Section 2704.06 of the Streets and Highways Code, as added by Section 2 of Chapter 697 of the Statutes of 2002, is amended to read:

2704.06. Nine billion dollars (\$9,000,000,000) of the money in the fund, upon appropriation by the Legislature, shall be

1 available, without regard to fiscal years, for planning and
2 construction of a high-speed train system in this state, consistent
3 with the authority's certified environmental impact report of
4 November 2005, as subsequently modified pursuant to
5 environmental studies conducted by the authority.

6 SEC. 4. Section 2704.08 of the Streets and Highways Code,
7 as added by Section 2 of Chapter 697 of the Statutes of 2002, is
8 amended to read:

9 2704.08. (a) Proceeds of bonds authorized for high-speed train
10 purposes pursuant to this chapter shall not be used for more than
11 one-half of the total cost of construction of track and station costs
12 of each segment of the high-speed train system.

13 (b) Not more than 10 percent of the proceeds of bonds
14 authorized pursuant to this chapter shall be used for environmental
15 studies, planning, and preliminary engineering activities.

16 (c) In selecting each specific segment for construction and prior
17 to awarding a construction contract, the authority shall have a
18 detailed funding plan for that segment that identifies the full cost
19 of constructing the segment and the sources of all revenues needed
20 to complete construction of the segment.

21 (d) In selecting segments for construction, the authority shall
22 give priority to those segments that are expected to require the
23 least amount of bond funds as a percentage of total cost of
24 construction, shall consider the utility of those segments for
25 passenger rail services other than the high-speed train system, and
26 shall ensure that any passenger service other than the high-speed
27 train system provided on those segments will not result in any
28 unreimbursed operating or maintenance cost to the authority.

29 SEC. 5. Section 2704.09 of the Streets and Highways Code,
30 as added by Section 2 of Chapter 697 of the Statutes of 2002, is
31 amended to read:

32 2704.09. The high-speed train system to be constructed
33 pursuant to this chapter shall have the following characteristics:

34 (a) Electric trains that are capable of sustained maximum
35 revenue operating speeds of no less than 200 miles per hour.

36 (b) Maximum nonstop service travel times for each corridor
37 that shall not exceed the following:

38 (1) San Francisco-Los Angeles Union Station: two hours, 42
39 minutes.

40 (2) Oakland-Los Angeles Union Station: two hours, 42 minutes.

1 (3) San Francisco-San Jose: 31 minutes.

2 (4) San Jose-Los Angeles: two hours, 14 minutes.

3 (5) San Diego-Los Angeles: one hour.

4 (6) Inland Empire-Los Angeles: 29 minutes.

5 (7) Sacramento-Los Angeles: two hours, 22 minutes.

6 (8) Sacramento-San Jose: one hour, 12 minutes.

7 (c) Achievable operating headway (time between successive
8 trains) shall be five minutes or less.

9 (d) The total number of stations to be served by high-speed
10 trains for all of the corridors described in subdivision (b) of Section
11 2704.04 shall not exceed 24. There shall be no station between the
12 Gilroy station and the Merced station.

13 (e) Trains shall have the capability to transition intermediate
14 stations, or to bypass those stations, at mainline operating speed.

15 (f) For each corridor described in subdivision (b), passengers
16 shall have the capability of traveling from any station on that
17 corridor to any other station on that corridor without being required
18 to change trains.

19 (g) In order to reduce impacts on communities and the
20 environment, the alignment for the high-speed train system shall
21 follow existing transportation or utility corridors to the extent
22 possible and shall be financially viable, as determined by the
23 authority.

24 (h) Stations shall be located in areas with good access to local
25 mass transit or other modes of transportation.

26 (i) The high-speed train system shall be planned and constructed
27 in a manner that minimizes urban sprawl and impacts on the natural
28 environment.

29 (j) Preserving wildlife corridors and mitigating impacts to
30 wildlife movement, where feasible as determined by the authority,
31 in order to limit the extent to which the system may present an
32 additional barrier to wildlife's natural movement.

33 SEC. 6. Section 2704.095 of the Streets and Highways Code,
34 as added by Section 2 of Chapter 697 of the Statutes of 2002, is
35 amended to read:

36 2704.095. (a) (1) Of the proceeds of bonds authorized pursuant
37 to this chapter, nine hundred fifty million dollars (\$950,000,000)
38 shall be allocated to eligible recipients for capital improvements
39 to intercity and commuter rail lines and urban rail systems that
40 provide direct connectivity to the high-speed train system and its

1 facilities, or that are part of the construction of the high-speed train
2 system as that system is described in subdivision (b) of Section
3 2704.04, or that provide capacity enhancements and safety
4 improvements. Funds under this section shall be available upon
5 appropriation by the Legislature in the Annual Budget act for the
6 eligible purposes described in subdivision (d).

7 (2) Twenty percent (one hundred ninety million dollars
8 (\$190,000,000)) of the amount authorized by this section shall be
9 allocated for intercity rail to the Department of Transportation, for
10 state-supported intercity rail lines that provide regularly scheduled
11 service and use public funds to operate and maintain rail facilities,
12 rights-of-way, and equipment. A minimum of 25 percent of the
13 amount available under this paragraph (forty-seven million five
14 hundred thousand dollars (\$47,500,000)) shall be allocated to each
15 of the state's three intercity rail corridors.

16 The California Transportation Commission shall allocate the
17 available funds to eligible recipients consistent with this section
18 and shall develop guidelines, in consultation with the authority,
19 to implement the requirements of this section. The guidelines shall
20 include provisions for the administration of funds, including, but
21 not limited to, the authority of the intercity corridor operators to
22 loan these funds by mutual agreement between intercity rail
23 corridors.

24 (3) Eighty percent (seven hundred sixty million dollars
25 (\$760,000,000)) of the amount authorized by this section shall be
26 allocated to eligible recipients, except intercity rail, as described
27 in subdivision (c) based upon a percentage amount calculated to
28 incorporate all of the following:

29 (A) One-third of the eligible recipient's percentage share of
30 statewide track miles.

31 (B) One-third of the eligible recipient's percentage share of
32 statewide annual vehicle miles.

33 (C) One-third of the eligible recipient's percentage share of
34 statewide annual passenger trips.

35 The California Transportation Commission shall allocate the
36 available funds to eligible recipients consistent with this section
37 and shall develop guidelines to implement the requirements of this
38 section.

39 (b) For the purposes of this section, the following terms have
40 the following meanings:

1 (1) "Track miles" means the miles of track used by a public
2 agency or joint powers authority for regular passenger rail service.

3 (2) "Vehicle miles" means the total miles traveled, commencing
4 with pullout from the maintenance depot, by all locomotives and
5 cars operated in a train consist for passenger rail service by a public
6 agency or joint powers authority.

7 (3) "Passenger trips" means the annual unlinked passenger
8 boardings reported by a public agency or joint powers authority
9 for regular passenger rail service.

10 (4) "Statewide" when used to modify the terms in paragraphs
11 (A), (B), and (C) of paragraph (3) of subdivision (a) means the
12 combined total of those amounts for all eligible recipients.

13 (c) Eligible recipients for funding under paragraph (3) of
14 subdivision (a) shall be public agencies and joint powers authorities
15 that operate regularly scheduled passenger rail service in the
16 following categories:

17 (1) Commuter rail.

18 (2) Light rail.

19 (3) Heavy rail.

20 (4) Cable car.

21 (d) Funds allocated pursuant to this section shall be used for
22 connectivity with the high-speed train system or for the
23 rehabilitation or modernization of, or safety improvements to,
24 tracks utilized for public passenger rail service, signals, structures,
25 facilities, and rolling stock.

26 (e) Eligible recipients may use the funds for any eligible rail
27 element set forth in subdivision (d).

28 (f) In order to be eligible for funding under this section, an
29 eligible recipient under paragraph (3) of subdivision (a) shall
30 provide matching funds in an amount not less than the total amount
31 allocated to the recipient under this section.

32 (g) An eligible recipient of funding under paragraph (3) of
33 subdivision (a) shall certify that it has met its matching funds
34 requirement, and all other requirements of this section, by
35 resolution of its governing board, subject to verification by the
36 California Transportation Commission.

37 (h) Funds made available to an eligible recipient under paragraph
38 (3) of subdivision (a) shall supplement existing local, state, or
39 federal revenues being used for maintenance or rehabilitation of
40 the passenger rail system. Eligible recipients of funding under

1 paragraph (3) of subdivision (a) shall maintain their existing
2 commitment of local, state, or federal funds for these purposes in
3 order to remain eligible for allocation and expenditure of the
4 additional funding made available by this section.

5 (i) In order to receive any allocation under this section, an
6 eligible recipient under paragraph (3) of subdivision (a) shall
7 annually expend from existing local, state, or federal revenues
8 being used for the maintenance or rehabilitation of the passenger
9 rail system in an amount not less than the annual average of its
10 expenditures from local revenues for those purposes during the
11 1998–99, 1999–2000, and 2000–01 fiscal years.

12 (j) Funds allocated pursuant to this section to the Southern
13 California Regional Rail Authority for eligible projects within its
14 service area shall be apportioned each fiscal year in accordance
15 with memorandums of understanding to be executed between the
16 Southern California Regional Rail Authority and its member
17 agencies. The memorandum or memorandums of understanding
18 shall take into account the passenger service needs of the Southern
19 California Regional Rail Authority and of the member agencies,
20 revenue attributable to member agencies, and separate contributions
21 to the Southern California Regional Rail Authority from the
22 member agencies.

23 SEC. 7. Section 3 of Chapter 697 of the Statutes of 2002, as
24 amended by Section 3 of Chapter 44 of the Statutes of 2006, is
25 amended to read:

26 Sec. 3. Section 2 of Chapter 697 of the Statutes of 2002, as
27 amended by Sections 2 and 3 of Chapter 71 of the Statutes of 2004,
28 as further amended by Sections 1 and 2 of Chapter 44 of the
29 Statutes of 2006, and as further amended by Sections 2 to 6,
30 inclusive, of the act amending this section in the 2007–08 Regular
31 Session, shall take effect upon the adoption by the voters of the
32 Safe, Reliable High-Speed Passenger Train Bond Act for the 21st
33 Century, as set forth in Section 2 of Chapter 697 of the Statutes
34 of 2002, as amended by Sections 2 and 3 of Chapter 71 of the
35 Statutes of 2004, as further amended by Sections 1 and 2 of Chapter
36 44 of the Statutes of 2006, and as further amended by Sections 2
37 to 6, inclusive, of the act amending this section in the 2007–08
38 Regular Session.

SEC. 8. Section 4 of Chapter 697 of the Statutes of 2002, as amended by Section 4 of Chapter 44 of the Statutes of 2006, is amended to read:

Sec. 4. (a) Section 2 of Chapter 697 of the Statutes of 2002, as amended by Sections 2 and 3 of Chapter 71 of the Statutes of 2004, as further amended by Sections 1 and 2 of Chapter 44 of the Statutes of 2006, and as further amended by Sections 2 to 6, inclusive, of the act amending this section in the 2007–08 Regular Session, shall be submitted to the voters at the November 4, 2008, general election in accordance with provisions of the Government Code and the Elections Code governing the submission of statewide measures to the voters.

(b) Notwithstanding any other provision of law, all ballots of the November 4, 2008, general election shall have printed thereon and in a square thereof, exclusively, the words “Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century” and in the same square under those words, the following in 8-point type: “This act provides for the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century. For the purpose of reducing traffic on the state’s highways and roadways, upgrading commuter transportation, improving people’s ability to get safely from city to city, alleviating congestion at airports, reducing air pollution, and providing for California’s growing population, shall the state build a high-speed train system and improve existing passenger rail lines serving the state’s major population centers by creating a rail trust fund that will issue bonds totaling \$9.95 billion, paid from existing state funds at an average cost of _____ dollars (\$_____) per year over the 30-year life of the bonds, with all expenditures subject to an independent audit?” The blank space in the question to appear on the ballot pursuant to this subdivision shall be filled in by the Attorney General with the appropriate figure provided by the Legislative Analyst relative to the annual average cost of the bonds. Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the measure.

(c) Notwithstanding Sections 13247 and 13281 of the Elections Code, the language in subdivision (b) shall be the only language included in the ballot label for the condensed statement of the ballot title, and the Attorney General shall not supplement, subtract from, or revise that language, except that the Attorney General

1 may include the financial impact summary prepared pursuant to
2 Section 9087 of the Elections Code and Section 88003 of the
3 Government Code. The ballot label is the condensed statement of
4 the ballot title and the financial impact summary.

5 (d) Where the voting in the election is done by means of voting
6 machines used pursuant to law in the manner that carries out the
7 intent of this section, the use of the voting machines and the
8 expression of the voters' choice by means thereof are in compliance
9 with this section.

10 SEC. 9. This act is an urgency statute necessary for the
11 immediate preservation of the public peace, health, or safety within
12 the meaning of Article IV of the Constitution and shall go into
13 immediate effect. The facts constituting the necessity are:

14 In order to modify the provisions of a general obligation bond
15 measure on the November 4, 2008, general election ballot that
16 would authorize the issuance and sale of bonds for the financing
17 of a high-speed passenger train system and for other related
18 purposes, it is necessary that this act take effect immediately.