

Assembly Bill No. 1889

Passed the Assembly August 31, 2016

Chief Clerk of the Assembly

Passed the Senate August 25, 2016

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2016, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to add Section 2704.78 to the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1889, Mullin. High-Speed Rail Authority: high-speed train operation.

Existing law creates the High-Speed Rail Authority with specified powers and duties relative to the development and implementation of a high-speed train system. Existing law, pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as Proposition 1A at the November 4, 2008, statewide general election, provides for the issuance of \$9.95 billion for high-speed train capital projects and other associated purposes. The bond act requires the authority to expend the proceeds of the bond act pursuant to certain planning and reporting requirements, which require the authority to approve that the corridor or usable segment would be suitable and ready for high-speed train operations.

This bill would provide for the purposes of a certain required funding plan that a corridor or usable segment thereof would be “suitable and ready for high-speed train operation” if specified conditions are met. The bill would also require the authority to include in its business plan and project update report information describing the use of these bond proceeds demonstrating that the investments made are consistent with the authority’s current business plan and advance the development of the Phase I blended system as described in the business plan.

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

SECTION 1. (a) In passing AB 3034 (Chapter 267 of the Statutes of 2008), the Legislature placed before the voters the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century (Proposition 1A), which was approved and provides \$9 billion to initiate the construction of a high-speed train system connecting the San Francisco Transbay Terminal to Los Angeles

Union Station and Anaheim and linking California's major population centers.

(b) Additionally, Proposition 1A included \$950 million for intercity, commuter, and urban rail systems that will ultimately provide connectivity to the high-speed train system.

(c) In 2012, the High-Speed Rail Authority released the Revised 2012 Business Plan, which called for near-term investments in northern and southern California, known as the "Bookends," which would enable high-speed trains to share infrastructure with existing passenger rail service providers as part of a blended system, and is consistent with Proposition 1A.

(d) Also in 2012, using the Revised Business Plan as a guidepost, the Legislature passed and the Governor signed SB 1029 of the 2011–12 Regular Session (Chapter 152 of the Statutes of 2012), appropriating over \$7.5 billion in state and federal funding to begin construction of the project in the central valley and in the Bookends, and for local connectivity projects throughout the state.

(e) Of the amount appropriated, the Legislature dedicated \$1.1 billion to passenger rail projects on the system's Bookends that will ultimately be part of the blended system utilizing shared infrastructure.

(f) In 2013, the Legislature passed and the Governor signed SB 557 of the 2013–14 Regular Session (Chapter 216 of the Statutes of 2013), which reaffirmed the Legislature's commitment to investments in the Bookends.

(g) It is the intent of the Legislature, in appropriating funding for initial investments, that these projects should proceed to construction in the near-term to provide economic benefits, create jobs, and advance improved, safer, and cleaner rail transportation and that these initial investments are consistent with and further the goals of Proposition 1A.

(h) Consistent with Proposition 1A, these early investments will enable passenger train service providers to begin using the improvements on a corridor or useable segment thereof while additional work is completed to enable high-speed train service.

(i) Furthermore, it is the intent of the Legislature that nothing in this act relieves the High-Speed Rail Authority from its duties under Proposition 1A, including the submission to the Director of

Finance of the plan required pursuant to subdivision (d) of Section 2704.08 of the Streets and Highways Code.

(j) As established in Proposition 1A, the required plan shall be informed by the work of one or more independent financial services firms, financial consulting firms, or other consultants, pursuant to paragraph (2) of subdivision (d) of Section 2704.08 of the Streets and Highways Code.

(k) This act clarifies that early investments in the Bookends and elsewhere along the system, as defined in SB 1029 of the 2011–12 Regular Session (Chapter 152 of the Statutes of 2012), which will ultimately be used by high-speed rail trains, are consistent with the intent of the Legislature in appropriating funding and is consistent with Proposition 1A.

SEC. 2. Section 2704.78 is added to the Streets and Highways Code, to read:

2704.78. (a) For purposes of the funding plan required pursuant to subdivision (d) of Section 2704.08, a corridor or usable segment thereof is “suitable and ready for high-speed train operation” if the bond proceeds, as appropriated pursuant to Senate Bill 1029 of the 2011–12 Regular Session (Chapter 152 of the Statutes of 2012), are to be used for a capital cost for a project that would enable high-speed trains to operate immediately or after additional planned investments are made on the corridor or useable segment thereof and passenger train service providers will benefit from the project in the near-term.

(b) In each report prepared pursuant to Sections 185033 and 185033.5 of the Public Utilities Code, the authority shall include information describing the use of bond proceeds appropriated by Section 2.00 of the Budget Act of 2012, as added by Section 3 of Chapter 152 of the Statutes of 2012, demonstrating that the investments made are consistent with the authority’s current business plan and advance the development of the Phase I blended system as described in the business plan.

Approved _____, 2016

Governor