



REPORT TO LAW & LEGISLATION COMMITTEE City of Sacramento

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915 I Street, Sacramento, CA 95814-2671

STAFF REPORT
May 20, 2008

Honorable Members of the
Law and Legislation Committee

**Title: Endorse AB 3034 (Galgiani and Ma) – Safe, Reliable High-Speed
Passenger Train Bond Act**

Location/Council District: Citywide

**Recommendation: Support AB 3034 (Galgiani and Ma) – Amendments to the Safe,
Reliable High-Speed Passenger Train Bond Act**

Contact: Fedolia “Sparky” Harris, Senior Planner, 808-2996

Presenters: Fedolia “Sparky” Harris, Senior Planner, 808-2996

Department: Transportation

Division: Office of the Director

Organization No: 3416

Description/Analysis

Issue: The Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century will be on the ballot for 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.

Assembly Members Cathleen Galgiani and Fiona Ma with support from Senator Steinberg have introduced AB 3034, which modifies the existing legislation related to this Bond Act by: 1) expanding the use of the bond proceeds to the entire system versus the San Francisco to Los Angeles segment, and 2) making the Altamont rail alignment eligible for the potential state high-speed rail bond money, federal and other available revenues as the connection between the Central Valley and the East Bay, as well as other changes.

Policy Considerations: Endorsement of AB 3034 is consistent with the goals of the adopted Sacramento General Plan, the adopted Vision and Guiding

Principles for the Draft General Plan 2030, and the draft policies of the Draft General Plan 2030 as cited:

- Participate in State, regional and local transportation planning efforts. (1988 General Plan, Section 5, Transportation Planning, Policy A.2)
- Support the development of a regional intermodal transportation center in the Richards Boulevard Redevelopment area. (1988 General Plan, Section 5, Central City Transportation, Policy E.1)
- Facilitate railroad movement of goods and people through the City where it is not a matter of public health and safety. (1988 General Plan, Section 5, Railroads, Policy A.1)
- Encourage and promote transcontinental passenger service to and through the Sacramento area. (1988 General Plan, Section 5, Railroads, Policy A.2)
- Develop a balanced, integrated, multi-modal transportation system that is efficient and safe with frequent service connecting every neighborhood to the rest of the city and the region. (Sacramento General Plan Update, Vision and Guiding Principles, Adopted 2005)
- Multimodal Choices. The City shall promote development of an integrated, multi-modal transportation system that offers attractive choices among modes including pedestrianways, public transportation, roadways, bikeways, rail, waterways, and aviation. (Draft General Plan 2030, Policy M 1.2.1)
- Variety of Transit Types. The City shall consider a variety of transit types including high speed rail, inter-city rail, regional rail, light rail transit, bus rapid transit, trolleys (streetcars), enhanced buses, express buses, local buses, neighborhood shuttles, pedi-cabs, and jitneys to meet the needs of residents, workers, and visitors. (Draft General Plan 2030, Policy M 3.1.3)
- Passenger Rail Service. The City shall encourage and promote passenger rail service to and through the Sacramento area. (Draft General Plan 2030, Policy M 3.2.1)
- High Speed Rail Service. The City shall support and advocate extension of High Speed Rail service to Sacramento. (Draft General Plan 2030, Policy M 3.2.5)

Environmental Considerations: Endorsement of AB 3034 has no adverse environmental impacts.

Committee/Commission Action: None

Rationale for Recommendation: Connecting the Central Valley to the East Bay using the Altamont Corridor, a heavily used freeway connection between the East Bay and the Central Valley that roughly follows Interstate 580, as proposed by this bill is a superior alternative for the City of Sacramento compared to the Pacheco Pass alignment, a lightly used state highway connection that follows Highway 152, as initially proposed by the High Speed Rail Authority for the

following reasons: 1) the Altamont Corridor is closer in proximity to the City of Sacramento which will lower the cost of connecting Sacramento to the Bay Area, and 2) the Altamont Corridor connects urbanized centers including Manteca, Tracy, Livermore, and Fremont versus less urbanized communities more susceptible to sprawl such as Los Banos, Hollister, and Gilroy. AB 3034 allows the Altamont corridor to compete for bond and other available funding whereas the initial bill was not clear regarding the preferred connection between Sacramento and San Jose. (See Attachment 7, page 32).

Allowing the \$9 billion High Speed Passenger Train Bond proceeds to be used for any segment of the system as proposed by this bill is a superior alternative because the High Speed Rail Authority's initial proposal would limit the use of the proceeds to planning and constructing only the high speed rail segment between the San Francisco's Transbay Terminal and Los Angeles' Union Station. Any connection to Sacramento would be ineligible for the initial \$9 billion bond proceeds and would have to be funded some other way.

Financial Considerations: None as result of this action.

Emerging Small Business Development (ESBD): There are no ESBD considerations as no goods or services are being purchased.

Respectfully Submitted by: Francesca L. Halbakken
Francesca L. Halbakken
Operations Manager

Approved by: Jerry Way
Jerry Way
Director of Transportation

Recommendation Approved:

Marty Hanneman
Marty Hanneman, Assistant City Manager
for Ray Kerridge, City Manager/May 14, 2008

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ATTACHMENT 1**Background**

INTRODUCED BY: Assembly Members Galgiani and Ma
Principal coauthor: Assembly Member Davis
Coauthors: Assembly Members Aghazarian, Karnette and Solorio
Coauthors: Senators Alquist, Steinberg and Torlakson

The High-Speed Rail Authority, after extensive studies and analysis, proposes the construction of a high-speed train system that serves major population centers in the state and that links regional and local transit systems to form an integrated transportation system throughout the state. The system will link all of the state's major population centers, including Sacramento, the Bay Area, the Central Valley, Los Angeles, the Inland Empire, Orange County, and San Diego.

SB 1856, The Safe, Reliable High-Speed Passenger Train Bond Act, was approved in 2002 to provide, subject to voter approval, for the issuance of \$9.95 billion of general obligation bonds, \$9 billion of which would be used in conjunction with available federal funds for the purpose of funding the planning and construction of a high-speed train system in this state pursuant to the business plan of the authority. The remaining \$950 million of the bond proceeds 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.

SB 1856 provided that submission of the bond act to the voters would occur at the general election on November 2, 2004 and bonds for the high-speed train system would be issued no earlier than January 1, 2006.

Primarily due to budgetary concerns and competition with other bond authorization priorities, in 2004 SB 1169 (Murray) delayed bond authorization to the November 7, 2006 statewide election, and in 2006 AB 713 (Torrico) delayed bond authorization again to November 4, 2008.

This bill, AB3034, sponsored by the High Speed Rail Authority (HSRA), makes modifications to the original SB 1856 high speed rail bond bill to reflect activities, progress, and changes in focus and priorities that have occurred since the bill's enactment in 2002. The HSRA believes the changes made by AB 3034 will better reflect the system proposed to be designed and constructed, and give voters at the November 4, 2008 statewide election a better picture of the whole high speed rail project.

Specifically, this bill:

- 1) Eliminates language specifying that, after the initial investment from the state to construct the initial segment, operating revenues and funds from the federal government and the private sector will be used to pay for expansion of the system.
- 2) Replaces language that requires the \$9 billion of bond proceeds earmarked for high-speed rail to first be spent on the segment between San Francisco Transbay

Terminal and Los Angeles Union Station, with language that requires bond proceeds to be spent generally on all high-speed rail segments and the Altamont Corridor between the Central Valley and the East Bay. This bill requires the High Speed Rail Authority (HSRA) to give priority to those system segments that require the least amount of bond funding as a percentage of total cost, to consider the utility of that segment for other passenger rail services, and to ensure that other services will not result in any operating or maintenance cost to the authority.

- 3) References the 2005 High Speed Rail Environmental Impact Report instead of the High Speed Rail Final Business Plan of 2000.
- 4) Allows up to 10% of bond proceeds earmarked for the high-speed rail system (a maximum \$900 million) to be used for environmental studies, planning and engineering activities.
- 5) Specifies that the \$950 million in bond proceeds earmarked for intercity and commuter rail lines and urban rail systems can be allocated to systems that are part of the construction of the high-speed rail system.

The Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century is the only bond act currently qualified to appear on the November 2008 statewide ballot. If all \$9.95 billion worth of G.O. bonds are issued and sold as 30-year bonds at an average interest rate of 5%, the total principal and interest cost over this period is \$19.4 billion, or \$647 million of debt service per year for 30 years.

ATTACHMENT 2

Sample Letter of Support

May 28, 2008

The Honorable Senator Steinberg
State Senator, 6th District
State Capitol, Room 4035
Sacramento, CA 95814

Subject: Support for Assembly Bill 3034: (Galgiani and Ma) – Safe, Reliable High-Speed Passenger Train Bond Act

Dear Senator Steinberg:

On behalf of the City of Sacramento, I am pleased to support the Assembly Bill 3034 and specifically the language of the amended bill which will make the Altamont rail alignment eligible for the potential state high-speed rail bond money, federal and other available revenues. The City of Sacramento believes that the Altamont Pass corridor is a much better route for the Sacramento Valley, it reaches more riders, has less environmental impacts and is more cost effective than the Pacheco Pass.

We appreciate your recognition of the importance of the Altamont Pass and the opportunity for this route to receive fair consideration for all available funding.

Sincerely,

Sandy Sheedy, Chair
Law and Legislation Committee

cc: Assemblyman Dave Jones
Assemblyman Roger Niello
Mayor Fargo and City Councilmembers

ATTACHMENT 3

BILL NUMBER: SB 1856 CHAPTERED
BILL TEXT

CHAPTER 697
FILED WITH SECRETARY OF STATE SEPTEMBER 19, 2002
APPROVED BY GOVERNOR SEPTEMBER 19, 2002
PASSED THE SENATE AUGUST 30, 2002
PASSED THE ASSEMBLY AUGUST 29, 2002
AMENDED IN ASSEMBLY AUGUST 28, 2002
AMENDED IN ASSEMBLY AUGUST 24, 2002
AMENDED IN ASSEMBLY JULY 3, 2002
AMENDED IN ASSEMBLY JUNE 12, 2002
AMENDED IN SENATE MAY 24, 2002
AMENDED IN SENATE APRIL 30, 2002

INTRODUCED BY Senators Costa, Burton, Figueroa, Karnette, Kuehl,
Murray, Romero, Sher, Soto, Speier, and Torlakson
(Coauthors: Assembly Members Aroner, Cardoza, Florez, Koretz,
Longville, Lowenthal, Reyes, and Simitian)

FEBRUARY 22, 2002

An act to add Chapter 20 (commencing with Section 2704) to
Division 3 of the Streets and Highways Code, relating to financing a
high-speed passenger train system by providing the funds necessary
therefor through the issuance and sale of bonds of the State of
California and by providing for the handling and disposition of those
funds.

LEGISLATIVE COUNSEL'S DIGEST

SB 1856, Costa. Safe, Reliable High-Speed Passenger Train Bond
Act for the 21st Century.

Existing law creates the High-Speed Rail Authority with the
responsibility of directing the development and implementation of
intercity high-speed rail service.

This bill would enact the Safe, Reliable High-Speed Passenger
Train Bond Act for the 21st Century, which, subject to voter
approval, would provide for the issuance of \$9.95 billion of general
obligation bonds, \$9 billion of which would be used in conjunction
with available federal funds for the purpose of funding the planning
and construction of a high-speed train system in this state pursuant
to the business plan of the authority. Nine hundred fifty million
dollars of the bond proceeds 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. Bonds for the high-speed train system
would not be issued earlier than January 1, 2006.

The bill would provide for the submission of the bond act to the
voters at the general election on November 2, 2004.

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

SECTION 1. (a) In light of the events of September 11, 2001, it is very clear that a high-speed passenger train network as described in the High-Speed Rail Authority's Business Plan is essential for the transportation needs of the growing population and economic activity of this state.

(b) The initial high-speed train network linking San Francisco and the Bay Area to Los Angeles will serve as the backbone of what will become an extensive 700-mile system that will link all of the state's major population centers, including Sacramento, the Bay Area, the Central Valley, Los Angeles, the Inland Empire, Orange County, and San Diego, and address the needs of the state.

(c) The initial network from San Francisco and the Bay Area Bay Area to Southern California could be in limited operation by 2008.

(d) The high-speed passenger train bond funds are intended to encourage the federal government and the private sector to make a significant contribution toward the construction of the high-speed train network.

(e) The initial segments shall be built in a manner that yields maximum benefit consistent with available revenues.

(f) After the initial investment from the state, operating revenues from the initial segments and funds from the federal government and the private sector will be used to pay for expansion of the system. It is the intent of the Legislature that the entire high-speed train system shall be constructed as quickly as possible in order to maximize ridership and the mobility of Californians.

(g) At a minimum, the entire 700-mile system described in the High-Speed Rail Authority's Business Plan should be constructed and in revenue service by 2020.

SEC. 2. Chapter 20 (commencing with Section 2704) is added to Division 3 of the Streets and Highways Code, to read:

CHAPTER 20. SAFE, RELIABLE HIGH-SPEED PASSENGER TRAIN BOND ACT FOR THE 21ST CENTURY

Article 1. General Provisions

2704. This chapter shall be known and may be cited as the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century.

2704.01. As used in this chapter, the following terms have the following meanings:

(a) "Committee" means the High-Speed Passenger Train Finance Committee created pursuant to Section 2704.12.

(b) "Authority" means the High-Speed Rail Authority created pursuant to Section 185020 of the Public Utilities Code.

(c) "Fund" means the High-Speed Passenger Train Bond Fund created pursuant to Section 2704.05.

(d) "High-speed train" means a passenger train capable of sustained revenue operating speeds of at least 200 miles per hour where conditions permit those speeds.

(e) "High-speed train system" means a system with high-speed trains and includes, but is not limited to, the following components: right-of-way, track, power system, rolling stock, stations, and associated facilities.

Article 2. High-Speed Passenger Train Financing Program

2704.04. (a) It is the intent of the Legislature by enacting this chapter and of the people of California by approving the bond measure pursuant to this chapter to initiate the construction of a high-speed train network consistent with the authority's Final Business Plan of June 2000.

(b) (1) Nine billion dollars (\$9,000,000,000) of the proceeds of bonds authorized pursuant to this chapter, as well as federal funds and other revenues made available to the authority, to the extent consistent with federal and other fund source conditions, shall be used for planning and eligible capital costs, as defined in subdivision (c), for the segment of the high-speed train system between San Francisco Transbay Terminal and Los Angeles Union Station. Once construction of the San Francisco-Los Angeles segment is fully funded, all remaining funds described in this subdivision shall be used for planning and eligible capital costs, as defined in subdivision (c), for the following additional high-speed train segments without preference to order:

- (A) Oakland-San Jose.
- (B) Sacramento-Merced.
- (C) Los Angeles-Inland Empire.
- (D) Inland Empire-San Diego.
- (E) Los Angeles-Irvine.

(2) Revenues generated by operations above and beyond operating and maintenance costs shall be used to fund construction of the high-speed train system.

(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.

2704.05. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the High-Speed Passenger Train Bond Fund, which is hereby created.

2704.06. Nine billion dollars (\$9,000,000,000) of the money in the fund, upon appropriation by the Legislature, shall be available, without regard to fiscal years, for planning and construction of a high-speed train system in this state, consistent with the authority's Final Business Plan of June 2000, as subsequently modified pursuant to environmental studies conducted by the authority.

2704.07. The authority shall pursue and obtain other private and public funds, including, but not limited to, federal funds, funds from revenue bonds, and local funds, to augment the proceeds of this chapter.

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) The total number of stations to be served by high-speed trains for all of the segments described in subdivision (b) of Section 2704.04 shall not exceed 24.

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

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

(g) In order to reduce impacts on communities and the environment, the alignment for the high-speed train system shall follow existing transportation or utility corridors to the extent possible.

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

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

(j) Preserving wildlife corridors and mitigating impacts to wildlife movement where feasible in order to limit the extent to which the system may present an additional barrier to wildlife's natural movement.

2704.095. (a) (1) Of the proceeds of bonds authorized pursuant to this chapter, nine hundred fifty million dollars (\$950,000,000) shall be allocated to eligible recipients for capital improvements to intercity and commuter rail lines and urban rail systems to provide connectivity to the high-speed train system as that system is described in subdivision (b) of Section 2704.04 and to provide capacity enhancements and safety improvements. Funds under this section shall be available upon appropriation by the Legislature in the Annual Budget act for the eligible purposes described in subdivision (d).

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

The California Transportation Commission shall allocate the available funds to eligible recipients consistent with this section

and shall develop guidelines to implement the requirements of this section. The guidelines shall include provisions for the administration of funds, including, but not limited to, the authority of the intercity corridor operators to loan these funds by mutual agreement between intercity rail corridors.

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

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

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

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

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

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

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

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

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

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

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

(1) Commuter rail.

(2) Light rail.

(3) Heavy rail.

(4) Cable car.

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

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

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

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

California Transportation Commission.

(h) Funds made available to an eligible recipient under paragraph (3) of subdivision (a) shall supplement existing local, state, or federal revenues being used for maintenance or rehabilitation of the passenger rail system. Eligible recipients of funding under paragraph (3) of subdivision (a) shall maintain their existing commitment of local, state, or federal funds for these purposes in order to remain eligible for allocation and expenditure of the additional funding made available by this section.

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

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

Article 3. Fiscal Provisions

2704.10. Bonds in the total amount of nine billion nine hundred fifty million dollars (\$9,950,000,000), exclusive of refunding bonds, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

2704.11. (a) Except as provided in subdivision (b), the bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law, Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

(b) Notwithstanding any provision of the State General Obligation Bond Law, each issue of bonds authorized by the committee shall have a final maturity of not more than 30 years.

2704.12. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this chapter, the High-Speed Passenger Train Finance Committee is hereby created. For purposes of this chapter, the High-Speed Passenger Train Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law. The

committee consists of the Treasurer, the Director of Finance, the Controller, the Secretary of the Business, Transportation and Housing Agency, and the chairperson of the authority, or their designated representatives. The Treasurer shall serve as chairperson of the committee. A majority of the committee may act for the committee.

(b) For purposes of the State General Obligation Bond Law, the authority is designated the "board."

2704.13. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the actions specified in Sections 2704.06 and 2704.095 and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be issued and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized be issued and sold at any one time. However, bonds for the high-speed train system may not be issued and sold prior to January 1, 2006. The committee shall consider program funding needs, revenue projections, financial market conditions, and other necessary factors in determining the shortest feasible term for the bonds to be issued.

2704.14. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

2704.15. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount equal to that sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

2704.16. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for purposes of this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of this chapter, less any amount borrowed pursuant to Section 2701.17. The committee may adopt a resolution for such purposes prior to January 1, 2006. The board shall execute such documents as required by the Pooled Money Investment Board to obtain and repay the loan. Any amount loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

2704.17. For the purpose of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of unsold bonds which have been authorized by the committee to be sold for the purpose of carrying out this chapter, less any amount borrowed pursuant to Section 2704.16. Any amount withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account, from the sale of bonds for the purpose of carrying out this chapter.

2704.18. All money deposited in the fund which is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a

credit to expenditures for bond interest.

2704.19. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of the State General Obligation Bond Law. Approval by the electors of the state for the issuance of bonds shall include approval of the issuance of any bonds issued to refund any bonds originally issued or any previously issued refunding bonds.

2704.20. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

2704.21. Notwithstanding any provision of the State General Obligation Bond Law with regard to the proceeds from the sale of bonds authorized by this chapter that are subject to investment under Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code, the Treasurer may maintain a separate account for investment earnings, order the payment of those earnings to comply with any rebate requirement applicable under federal law, and may otherwise direct the use and investment of those proceeds so as to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

SEC. 3. Section 2 of this act shall take effect upon the adoption by the voters of the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, as set forth in Section 2 of this act.

SEC. 4. (a) Section 2 of this act shall be submitted to the voters at the November 2, 2004, 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 2, 2004, 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 may include the financial impact summary prepared pursuant to Section 9087 of the Elections Code and Section 88003 of the Government Code. The ballot label is the condensed statement of the ballot title and the financial impact summary.

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

ATTACHMENT 4

BILL NUMBER: SB 1169 CHAPTERED
BILL TEXT

CHAPTER 71
FILED WITH SECRETARY OF STATE JUNE 24, 2004
APPROVED BY GOVERNOR JUNE 24, 2004
PASSED THE ASSEMBLY JUNE 24, 2004
PASSED THE SENATE MAY 19, 2004
AMENDED IN SENATE MARCH 8, 2004

INTRODUCED BY Senator Murray

FEBRUARY 3, 2004

An act to amend Sections 2704.13 and 2704.16 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

SB 1169, Murray. Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century.

Existing law, Chapter 697 of the Statutes of 2002, 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 2, 2004, 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. Existing law provides that bonds for the high-speed train system would not be issued earlier than January 1, 2006.

This bill would instead provide for submission of the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century to the voters for approval at the November 7, 2006, general election. The bill would provide that bonds for the high-speed train system would not be issued earlier than January 1, 2008. The bill would make other related changes.

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

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

SECTION 1. Section 1 of Chapter 697 of the Statutes of 2002 is amended to read:

Section 1. (a) In light of the events of September 11, 2001, it is

very clear that a high-speed passenger train network as described in the High-Speed Rail Authority's Business Plan is essential for the transportation needs of the growing population and economic activity of this state.

(b) The initial high-speed train network linking San Francisco and the bay area to Los Angeles will serve as the backbone of what will become an extensive 700-mile system that will link all of the state's major population centers, including Sacramento, the bay area, the Central Valley, Los Angeles, the Inland Empire, Orange County, and San Diego, and address the needs of the state.

(c) The high-speed passenger train bond funds are intended to encourage the federal government and the private sector to make a significant contribution toward the construction of the high-speed train network.

(d) The initial segments shall be built in a manner that yields maximum benefit consistent with available revenues.

(e) After the initial investment from the state, operating revenues from the initial segments and funds from the federal government and the private sector will be used to pay for expansion of the system. It is the intent of the Legislature that the entire high-speed train system shall be constructed as quickly as possible in order to maximize ridership and the mobility of Californians.

(f) At a minimum, the entire 700-mile system described in the High-Speed Rail Authority's Business Plan should be constructed and in revenue service by 2020.

SEC. 2. Section 2704.13 of the Streets and Highways Code, as added by Section 2 of Chapter 697 of the Statutes of 2002, is amended to read:

2704.13. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the actions specified in Sections 2704.06 and 2704.095 and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be issued and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized be issued and sold at any one time. However, bonds for the high-speed train system may not be issued and sold prior to January 1, 2008. The committee shall consider program funding needs, revenue projections, financial market conditions, and other necessary factors in determining the shortest feasible term for the bonds to be issued.

SEC. 3. Section 2704.16 of the Streets and Highways Code, as added by Section 2 of Chapter 697, is amended to read:

2704.16. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for purposes of this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of this chapter, less any amount borrowed pursuant to Section 2701.17. The committee may adopt a resolution for such purposes prior to January 1, 2008. The board shall execute such documents as required by the Pooled Money Investment Board to obtain and repay the loan. Any amount loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

SEC. 4. Section 3 of Chapter 697 of the Statutes of 2002 is amended to read:

Sec. 3. Section 2 of Chapter 697 of the Statutes of 2002, as

amended by Sections 2 and 3 of the act amending this section in the 2003-04 Regular Session, shall take effect upon the adoption by the voters of the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, as set forth in Section 2 of Chapter 697 of the Statutes of 2002, as amended by Sections 2 and 3 of the act amending this section in the 2003-04 Regular Session.

SEC. 5. Section 4 of Chapter 697 of the Statutes of 2002 is amended to read:

Sec. 4. (a) Section 2 of Chapter 697 of the Statutes of 2003, as amended by Sections 2 and 3 of the act amending this section in the 2003-04 Regular Session, shall be submitted to the voters at the November 7, 2006, 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 7, 2006, 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 may include the financial impact summary prepared pursuant to Section 9087 of the Elections Code and Section 88003 of the Government Code. The ballot label is the condensed statement of the ballot title and the financial impact summary.

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

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to defer a general obligation bond measure to authorize the issuance and sale of bonds for the financing of a high-speed

passenger train system from the November 2, 2004, general election ballot to the November 7, 2006, general election ballot, it is necessary that this act take effect immediately.

ATTACHMENT 5

BILL NUMBER: AB 713 CHAPTERED
BILL TEXT

CHAPTER 44
FILED WITH SECRETARY OF STATE JUNE 27, 2006
APPROVED BY GOVERNOR JUNE 27, 2006
PASSED THE SENATE JUNE 26, 2006
PASSED THE ASSEMBLY JUNE 26, 2006
AMENDED IN SENATE MAY 18, 2006

INTRODUCED BY Assembly Member Torrico

FEBRUARY 17, 2005

An act to amend Section 2704.13 and 2704.16 of the Streets and Highways Code, and to amend Sections 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 713, Torrico Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century.

Existing law 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 7, 2006, 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 instead provide 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. The bill would make other related changes.

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

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

SECTION 1. Section 2704.13 of the Streets and Highways Code, as amended by Section 2 of Chapter 71 of the Statutes of 2004, is amended to read:

2704.13. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the actions specified in Sections 2704.06 and 2704.095 and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be issued and sold to carry out

those actions progressively, and it is not necessary that all of the bonds authorized be issued and sold at any one time. The committee shall consider program funding needs, revenue projections, financial market conditions, and other necessary factors in determining the shortest feasible term for the bonds to be issued.

SEC. 2. Section 2704.16 of the Streets and Highways Code, as amended by Section 3 of Chapter 71 of the Statutes of 2004, is amended to read:

2704.16. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for purposes of this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of this chapter, less any amount borrowed pursuant to Section 2701.17. The board shall execute such documents as required by the Pooled Money Investment Board to obtain and repay the loan. Any amount loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

SEC. 3. Section 3 of Chapter 697 of the Statutes of 2002, as amended by Section 4 of Chapter 71 of the Statutes of 2004, is amended to read:

Sec. 3. 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, and as further amended by Sections 1 and 2 of the act amending this section in the 2005-06 Regular Session, shall take effect upon the adoption by the voters of the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, as set forth in 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, and as further amended by Sections 1 and 2 of the act amending this section in the 2005-06 Regular Session.

SEC. 4. Section 4 of Chapter 697 of the Statutes of 2002, as amended by Section 5 of Chapter 71 of the Statutes of 2004, is amended to read:

Sec. 4. (a) Section 2 of Chapter 697 of the Statutes of 2003, as amended by Sections 2 and 3 of Chapter 71 of the Statutes of 2004, and as further amended by Sections 1 and 2 of the act amending this section in the 2005-06 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 may include the financial impact summary prepared pursuant to Section 9087 of the Elections Code and Section 88003 of the Government Code. The ballot label is the condensed statement of the ballot title and the financial impact summary.

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

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to remove the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century from the November 7, 2006, general election and to instead submit it to the voters at the November 4, 2008, general election, it is necessary that this act take effect immediately.

ATTACHMENT 6

BILL NUMBER: AB 3034 AMENDED
BILL TEXT

AMENDED IN ASSEMBLY APRIL 21, 2008
AMENDED IN ASSEMBLY APRIL 9, 2008

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

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

SECTION 1. Section 1 of Chapter 697 of the Statutes of 2002, as amended by Section 1 of Chapter 71 of the Statutes of 2004, is amended to read:

Section 1. (a) The continuing growth in California's population and the resulting increase in traffic congestion, air pollution, greenhouse gas emissions, and the continuation of urban sprawl make it imperative that the state proceed quickly to construct a state-of-the-art high-speed passenger train system to serve major metropolitan areas.

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

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

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

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

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

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

read:

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

(b) (1) Nine billion dollars (\$9,000,000,000) of the proceeds of bonds authorized pursuant to this chapter, as well as federal funds and other revenues made available to the authority, to the extent consistent with federal and other fund source conditions, 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 available, without regard to fiscal years, for planning and construction of a high-speed train system in this state, consistent with the authority's certified environmental impact report of November 2005, as subsequently modified pursuant to environmental studies conducted by the authority.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2704.095. (a) (1) Of the proceeds of bonds authorized pursuant to this chapter, nine hundred fifty million dollars (\$950,000,000) shall be allocated to eligible recipients for capital improvements to intercity and commuter rail lines and urban rail systems that provide direct connectivity to the high-speed train system and its facilities, or that are part of the construction of the high-speed train system as that system is described in subdivision (b) of Section 2704.04, or that provide capacity enhancements and safety improvements. Funds under this section shall be available upon appropriation by the Legislature in the Annual Budget act for the eligible purposes described in subdivision (d).

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

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

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

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

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

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

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

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

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

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

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

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

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

- (1) Commuter rail.
- (2) Light rail.
- (3) Heavy rail.
- (4) Cable car.

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

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

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

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

(h) Funds made available to an eligible recipient under paragraph (3) of subdivision (a) shall supplement existing local, state, or federal revenues being used for maintenance or rehabilitation of the passenger rail system. Eligible recipients of funding under paragraph (3) of subdivision (a) shall maintain their existing commitment of local, state, or federal funds for these purposes in order to remain eligible for allocation and expenditure of the additional funding made available by this section.

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

(j) Funds allocated pursuant to this section to the Southern California Regional Rail Authority for eligible projects within its service area shall be apportioned each fiscal year in accordance with memorandums of understanding to be executed between the Southern California Regional Rail Authority and its member agencies. The memorandum or memorandums of understanding shall take into account

the passenger service needs of the Southern California Regional Rail Authority and of the member agencies, revenue attributable to member agencies, and separate contributions to the Southern California Regional Rail Authority from the member agencies.

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

Sec. 3. 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 take effect upon the adoption by the voters of the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, as set forth in 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.

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

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

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

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

ATTACHMENT 7

High Speed Rail Statewide Route Map

