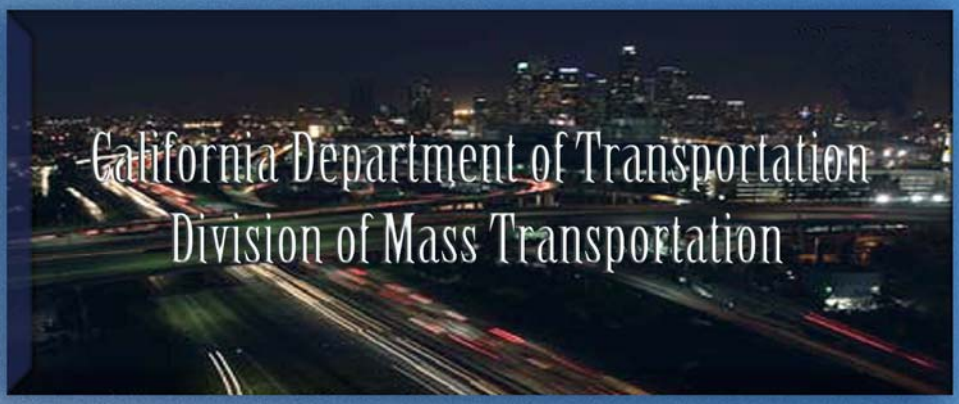
# TDA

## Transportation Development Act

# Statutes and California Codes of Regulations

Caltrans

MARCH 2009



## Acknowledgements

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## FOREWORD

Materials contained in this book consist of the Transportation Development Act (TDA) Statutes (as enacted by the Legislature through fiscal year 2008) and other important information with regard to operating a public transportation service. It has been compiled to provide legislative information to Regional Transportation Planning Agencies, cities, counties, transit operators, and all other interested parties.

The 2008 version of the TDA Handbook has been reorganized to include the following six major sections:

- FREQUENTLY ASKED QUESTIONS (FAQS)
- CALIFORNIA GOVERNMENT CODE
- PUBLIC UTILITIES CODE
- CALIFORNIA CODE OF REGULATIONS (AS ADOPTED BY THE DEPARTMENT OF TRANSPORTATION)
- NON-TDA STATUTES
- APPENDIX

Since our last publication, the new TDA Statutes are as follows: SB 79 (Statutes of 2007), and AB 3064 (Statutes of 2008),

The TDA Handbook may also be viewed online at http://www.dot.ca.gov/hq/MassTrans/, under the "State Grants" tab. Subject search features are available when viewing the online handbook.

## Mailing Addresses

Reports to the Department of Transportation, including performance audits of Regional Transportation Planning Agencies, County Transportation Commissions and the San Diego Metropolitan Transit Development Board, along with certification of performance audits of operators and unmet transit needs findings documentation, should be addressed to:

**Department of Transportation**
**Division of Mass Transportation**
P.O. Box 942874 - MS 39, Room 3300
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Reports, including fiscal audits transmitted to the State Controller, should be addressed to:

**The California State Controller's Office**
**Division of Audits**
**TDA Audit Program**
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# THE TRANSPORTATION DEVELOPMENT ACT (TDA) OVERVIEW

The Mills-Alquist-Deddeh Act (SB 325) was enacted by the California Legislature to improve existing public transportation services and encourage regional transportation coordination. Known as the Transportation Development Act (TDA) of 1971, this law provides funding to be allocated to transit and non-transit related purposes that comply with regional transportation plans.

The TDA provides two funding sources:

1. Local Transportation Fund (LTF), which is derived from a ¼ cent of the general sales tax collected statewide.

2. State Transit Assistance fund (STA), which is derived from the statewide sales tax on diesel fuel.

The State Board of Equalization, based on sales tax collected in each county, returns the general sales tax revenues to each county's LTF. The STA funds are appropriated by the Legislature to the State Controller's Office. That Office then allocates the tax revenue, by formula, to planning agencies and other selected agencies. Statute requires that 50% of STA funds be allocated according to population and 50% be allocated according to operator revenues from the prior fiscal year.

The TDA funds a wide variety of transportation programs, including planning and program activities, pedestrian and bicycle facilities, community transit services, public transportation, and bus and rail projects. Providing certain conditions are met, counties with a population under 500,000 (according to the 1970 federal census) may also use the LTF for local streets and roads, construction and maintenance. The STA fund can only be used for transportation planning and mass transportation purposes.

Public participation is a key component of TDA. Public meetings are held to discuss transportation needs and hear concerns. Regional planning agencies are required to establish Social Service Transportation Advisory Councils (SSTAC), comprised of the transit-dependent, including disabled, elderly and low-income representatives. SSTAC members work with local agencies in developing transit unmet needs criteria, which are used in making project approval decisions.

To ensure program compliance, fiscal and performance audits are conducted. Fiscal audits are conducted annually, and include transit operator's expense-to-revenue ratio, known as farebox recovery. Performance audits are conducted every three years and include performance measures that verify the efficiency and effectiveness of planning agencies and transit operators. Both fiscal and performance audits are conducted by entities designated by the transportation planning agency (other than itself), a county transportation commission, or an operator.

Generating $1.3 billion dollars in the 2010/11 fiscal year, TDA continues to be a major funding source for public transportation in California.

## FREQUENTLY ASKED QUESTIONS

***Question:*** *Where do I get more information related to TDA?*

**Answer:** There are three basic ways to seek information regarding TDA. They are:

The TDA Guidebook – Please see the Appendix for additional supporting information related to TDA

The Internet -- Page "i" in the Appendix provides detailed information on how to access the TDA Handbook online, where you are able to perform detailed searches on various aspects of the TDA

Staff -- Caltrans staff are always available to assist you with questions related to TDA. A list of contacts is presented by district on page 14 of this Guidebook.

## Farebox

***Question:*** *What are the minimum fare box ratios and local support requirements to qualify for TDA funding?*

**Answer:** In order to qualify for funding under TDA (from either the LTF or STA fund), a transit claimant must maintain a ratio of fare revenues to operating cost at least equal to the ratio it had during 1978/79, or 20 percent if the claimant is in an urbanized area, or 10 percent if the claimant is in a non-urbanized area, whichever is greater.

In addition, the claimant must maintain a ratio of fare revenues plus local support to operating cost greater than the ratio it had during 1978/79 if its ratio was greater than 20 percent in an urbanized area or 10 percent in a non-urbanized area.

A transportation planning agency or a county transportation commission may set the required ratio of fare revenues to operating cost at not less than 15 percent for an operator in a county with a population of 500,000 or less, if the operator provides services in an urbanized area (where funds may be allocated under Article 8), and specific findings are made by the planning agency or the transportation commission justifying the reasons for its actions.

For service that is provided for elderly and handicapped persons under Articles 4.5 or 8, the Regional Transportation Planning Agency may adopt by resolution any performance criteria, local match requirement, or fare recovery ratio it desires.

A claimant may receive exemptions from the various ratio requirements for services provided to new areas or along new routes. The exemptions apply until the end of the second full fiscal year of operation. If a claimant fails to meet a required ratio for a fiscal year, its TDA funding level will be reduced by the amount of required revenues that was not maintained. There is an exception if it is the first time that the claimant has ever failed to meet the required ratio.

The ultimate significance of the ratios is that a claimant's maximum eligibility for TDA funds is determined in large part by its required ratios. For example, if a claimant had a required fare ratio of 20 percent and no local support requirement, then it could receive a maximum of 80 percent of its operating cost from TDA and federal revenues (this is in addition to eligibility for capital purposes). If the claimant's actual fare revenues proved to be less than the required 20 percent, its TDA eligibility would not be increased to make up the difference.

***Question:*** *What happens if a claimant does not meet its farebox recovery ratio?*

**Answer:** The claimant could raise local support money to meet the ratio;

The claimant may be able to file for LTF under Article 8; and/or

The claimant's TDA funding can be reduced.

***Question:*** *Are there any exemptions to the farebox recovery requirements?*

The TDA allows exemptions to the farebox recovery requirements for new routes, new route extensions, newly urbanized areas, and in the case of work stoppages.

## Roles and Responsibilities

***Question:*** *Who is responsible for implementing the TDA?*

**Answer:** **State Government --**
Responsible for governing statutes, oversees funding program, allocations to cities and counties, reviews transit financial and performance audits;

**Regional Transportation Agencies, local government –**
Responsible for authorizing funding to local transportation agencies, ensure public participation process and needs assessment are conducted;

**Transportation operators –**
Receive capital and operating funds for transportation projects; and

**Public Works Departments –**
Under certain conditions, receive funding for streets and roads maintenance.

## Statutorily-Created Entities

***Question:*** *What are the statutorily-created Regional Transportation Planning Agencies (RTPAs) in California?*

**Answer:** Pursuant to Section 29532.1 of the Government Code, the seven statutorily created Regional Transportation Agencies are:

- The Metropolitan Transportation Commission

- Tahoe Regional Planning Agency
- Placer County Transportation Planning Agency
- Nevada County Transportation Planning Agency
- Santa Cruz County Regional Transportation Commission
- The Transportation Agency of Monterey County
- The El Dorado County Transportation Planning Agency

***Question:*** *Which are the statutorily-created County Transportation Commissions in California?*

**Answer:** The five statutorily created County Transportation Commissions are in Los Angeles, Orange, San Bernardino, Riverside, and Ventura Counties. These county Transportation Commissions also function as their respective county RTPAs, (Public Utilities Code (PUC) Section 99214) for the purposes of this chapter.

## Funding Questions

***Question:*** *What are the funding sources for the TDA?*

**Answer:** The TDA provides two major sources of funding for public transportation:

The Local Transportation Fund (LTF) -- In existence since 1972, the LTF is derived from ¼ cent of the general sales tax collected statewide.

The State Transit Assistance (STA) fund -- Beginning in 1980, STA is derived from the statewide sales tax on diesel fuel.

***Question:*** *How are revenues derived to create the LTF?*

**Answer:** The TDA creates in each county an LTF for the transportation purposes specified in the Act ("Mills-Alquist Deddeh Act," also known as the Transportation Development Act, PUC Section 99200). Revenues to the LTF are derived from 1/4 cent of the 7.25-cent retail sales tax collected statewide. The State Board of Equalization returns the 1/4-cent to each county according to the amount of tax collected in that county.

***Question:*** *What is the process for obtaining funds from the LTF?*

**Answer:** It is a three-step process: (1) apportionment, (2) allocation, and (3) payment. One step does not always imply or require the next. Annually, the Transportation Planning Agencies (TPAs) determine each area's share of the anticipated LTF. This share is the area apportionment. Once funds are apportioned to a given area, they are available only for allocation to claimants in that area. Allocation is the discretionary action by the TPA, which designates funds for a specific claimant for a specific

purpose. Payment is authorized by allocation instructions issued by the TPA, which may call for payment in a lump sum, in installments, or as funds become available.

***Question:*** *How are LTF revenues apportioned?*

**Answer:** Generally, revenues from the county's LTF must be apportioned, by population, to areas within the county. An area can be a transit district, city, county, etc. For a county without a transit district, apportionments are made for the incorporated area of each city and for the county's unincorporated area. Where there is a transit district, separate apportionments are made to areas within and outside the district. Area apportionments are defined in PUC Sections 99231 through 99232.6. It is important to remember that an area's apportionment represents an estimate of the amount of LTF the area can expect to get allocated to it.

***Question:*** *Can LTF be allocated for administrative purposes before the apportionment to areas?*

**Answer:** Yes. As outlined in PUC Section 99233, the LTF is allocated in a specific priority order. Claims for administration, planning and programming, pedestrian and bicycle projects, passenger rail projects, and Consolidated Transportation Service Agency activities are funded in priority order before Article 4 and Article 8 claims. Article 4 claims are funded before Article 8 claims (see page 16).

***Question:*** *Who instructs the county auditor to make payments from the LTF?*

**Answer:** Payments from the LTF are made by the county auditor, but only in accordance with written allocation instructions issued by the county's TPA .

***Question:*** *What is the State Transit Assistance fund?*

**Answer:** The State Transit Assistance (STA) fund was created under Chapter 161 of the Statutes of 1979 (SB 620), and revised by Chapter 322 of the Statutes of 1982 (AB 2551), and Chapter 105 of the Statutes of 1989 (SB 300). The fund provides a second source of Transportation Development Act (TDA) funding for transportation planning and mass transportation purposes as specified by the Legislature.

***Question:*** *How are STA funds derived?*

**Answer:** Funds for the program are derived from the statewide sales tax on diesel fuel.

***Question:*** *How are the STA funds allocated?*

**Answer:** The money is appropriated to the Controller by the Legislature, for allocation by formula to each TPA, to the five county transportation commissions, and to the San Diego Metropolitan Transit Development Board (MTDB). The formula allocates 50 percent of the funds according to population and the remaining 50 percent are allocated according to operator revenues from the prior fiscal year. STA allocations are deposited in each regional transportation planning entity's STA fund.

***Question:*** *What is the process for allocation and payment of STA funds?*

**Answer:** STA funds are allocated to the operators within the county. The allocations are based on the operator's share of revenues when compared with all of the other operators in the State. The allocation must be made in a resolution adopted by the TPA's governing board. The county auditor, in accordance with the allocation instructions, makes payments from the STA fund.

STA funds may not be allocated to fund a TPA's administration cost or streets and roads projects. Section 99400(c) of the Public Utility Code (PUC) does allow STA to pay for administrative cost related to transportation services under contract. Section 6731(b) of the California Code of Regulations (CCR) also allows STA to pay for administrative services by operators under contract to provide transportation services. Operators receiving STA funds must meet qualifying criteria based on the subsidy per revenue vehicle-hour received in the previous year, taking into consideration the change in the Consumer Price Index within the operator's region.

In those areas where the LTF apportionment restriction applies (counties over 500,000 population as of the 1970 Federal Decennial Census), a claimant may not receive STA funds unless all of its LTF apportionment is allocated.

## Unmet Needs

***Question:*** *What sections apply to the unmet transit needs finding process?*

**Answer:** Sections 99238, 99238.5, 99401.5, and 99401.6 of the Public Utilities Code.

***Question:*** *If our county is eligible for funding under Article 8, but 100% of available TDA funding goes to transit, does the unmet needs process still need to be practiced?*

**Answer:** All counties eligible for funding under Article 8 must establish a Social Services Transportation Advisory Council (SSTAC) under Section 99238. Furthermore, all counties eligible for funding under Article 8 are required to establish and implement a process of citizen participation, utilizing the SSTAC to hear the transit needs of transit dependent or disadvantaged persons. Section 99238.5 (a) requires that this process provide for at least one public hearing annually. There are no exceptions or exemptions to this process in the TDA law.

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## 1970 CENSUS INFORMATION

*California County Populations*
*500,000 or greater*
*(Source: The State of California, Department of Finance)*

Counties/Cities within Counties having populations greater than 500,000.

## 1970 CALIFORNIA POPULATION BY COUNTY

*(Source: The State of California, Department of Finance)*

| | | | |
|---|---|---|---|
| **Alameda*** | **1,073,184** | Orange* | **1,420,386** |
| Alpine | 484 | Placer | 77,306 |
| Amador | 11,821 | Plumas | 11,707 |
| Butte | 101,969 | Riverside | 459,074 |
| Calaveras | 13,585 | **Sacramento*** | **631,498** |
| Colusa | 12,430 | San Benito | 18,226 |
| **Contra Costa*** | **558,389** | **San Bernardino*** | **684,072** |
| Del Norte | 14,580 | **San Diego*** | **1,357,854** |
| El Dorado | 43,833 | San Francisco* | **715,674** |
| Fresno | 413,053 | San Joaquin | 290,208 |
| Glenn | 17,521 | San Luis Obispo | 105,690 |
| Humboldt | 99,692 | **San Mateo*** | **556,234** |
| Imperial | 74,492 | Santa Barbara | 264,324 |
| Inyo | 15,571 | **Santa Clara*** | **1,064,714** |
| Kern | 329,162 | Santa Cruz | 123,790 |
| Kings | 64,610 | Shasta | 77,640 |
| Lake | 19,548 | Sierra | 2,365 |
| Lassen | 14,960 | Siskiyou | 33,225 |
| **Los Angeles*** | **7,032,075** | Solano | 169,941 |
| Madera | 41,519 | Sonoma | 204,885 |
| Marin | 206,038 | Stanislaus | 194,506 |
| Mariposa | 6,015 | Sutter | 41,935 |
| Mendocino | 51,101 | Tehama | 29,517 |
| Merced | 104,629 | Trinity | 7,615 |
| Modoc | 7,469 | Tulare | 188,322 |
| Mono | 4,016 | Tuolumne | 22,169 |
| Monterey | 250,071 | Ventura | 376,430 |
| Napa | 79,140 | Yolo | 91,788 |
| Nevada | 26,346 | Yuba | 44,736 |

***Counties, or Cities within Counties, having a population of 500,000, or more**

## 2000 CENSUS INFORMATION

*California County Populations*
*500,000 or greater*
*(Source: The State of California, Department of Finance)*

Counties/Cities within Counties having populations greater than 500,000.

## 2000 CALIFORNIA POPULATION BY COUNTY

*(Source: The State of California, Department of Finance)*

| | | | |
|---|---|---|---|
| **Alameda*** | **1,443,741** | Orange* | **2,846,289** |
| Alpine | 1,208 | Placer | 248,399 |
| Amador | 35,100 | Plumas | 20,824 |
| Butte | 203,171 | **Riverside*** | **1,545,387** |
| Calaveras | 40,554 | **Sacramento*** | **1,223,499** |
| Colusa | 18,804 | San Benito | 53,234 |
| **Contra Costa*** | **948,816** | **San Bernardino*** | **1,709,434** |
| Del Norte | 27,507 | **San Diego*** | **2,813,833** |
| El Dorado | 156,299 | **San Francisco*** | **776,733** |
| **Fresno*** | **799,407** | **San Joaquin*** | **563,598** |
| Glenn | 26,453 | San Luis Obispo | 246,681 |
| Humboldt | 126,518 | **San Mateo*** | **707,161** |
| Imperial | 142,361 | Santa Barbara | 399,347 |
| Inyo | 17,945 | **Santa Clara*** | **1,682,585** |
| **Kern*** | **661,645** | Santa Cruz | 255,602 |
| Kings | 129,461 | Shasta | 163,256 |
| Lake | 58,309 | Sierra | 3,555 |
| Lassen | 33,828 | Siskiyou | 44,301 |
| **Los Angeles*** | **9,519,338** | Solano | 394,542 |
| Madera | 123,109 | Sonoma | 458,614 |
| Marin | 247,289 | Stanislaus | 446,997 |
| Mariposa | 17,130 | Sutter | 78,930 |
| Mendocino | 86,265 | Tehama | 56,039 |
| Merced | 210,554 | Trinity | 13,022 |
| Modoc | 9,449 | Tulare | 368,021 |
| Mono | 12,853 | Tuolumne | 54,501 |
| Monterey | 401,762 | **Ventura*** | **753,197** |
| Napa | 124,279 | Yolo | 168,660 |
| Nevada | 92,033 | Yuba | 60,219 |

***Counties having populations of 500,000 or more**

## 2020 CENSUS PROJECTIONS

*California County Populations*
*At or Near 500,000*
*(Source: The State of California, Department of Finance)*

Counties/Cities within Counties having populations greater than 500,000.

## 2020 POPULATION PROJECTIONS BY COUNTY

*(Source: The State of California, Department of Finance)*

| | | | |
|---|---|---|---|
| Alameda | 1,864,145 | Orange | **3,526,144** |
| Alpine | 1,441 | Placer | 456,040 |
| Amador | 42,257 | Plumas | 20,983 |
| Butte | 260,730 | Riverside | 2,675,648 |
| Calaveras | 59,691 | Sacramento | 1,946,679 |
| Colusa | 26,337 | San Benito | 73,547 |
| Contra Costa | 1,327,081 | San Bernardino | 2,456,089 |
| Del Norte | 30,765 | San Diego | 3,633,572 |
| El Dorado | 221,289 | San Francisco | 820,545 |
| Fresno | 1,114,654 | San Joaquin | 989,462 |
| Glenn | 31,950 | San Luis Obispo | 305,274 |
| Humboldt | 139,518 | San Mateo | 786,740 |
| Imperial | 214,386 | Santa Barbara | 464,019 |
| Inyo | 18,404 | Santa Clara | 2,006,992 |
| Kern | 950,112 | Santa Cruz | 286,044 |
| Kings | 184,751 | Shasta | 227,922 |
| Lake | 79,676 | Sierra | 3,654 |
| Lassen | 38,232 | Siskiyou | 45,862 |
| Los Angeles | 10,885,092 | Solano | 555,264 |
| Madera | 183,966 | Sonoma | 602,783 |
| Marin | 251,260 | Stanislaus | 653,841 |
| Mariposa | 20,607 | Sutter | 111,856 |
| Mendocino | 100,664 | Tehama | 68,323 |
| Merced | 360,831 | Trinity | 13,402 |
| Modoc | 9,285 | Tulare | 543,749 |
| Mono | 16,248 | Tuolumne | 65,452 |
| Monterey | 505,359 | Ventura | 924,410 |
| Napa | 165,946 | Yolo | 271,040 |
| Nevada | 126,912 | Yuba | 84,816 |

# CALTRANS DISTRICT CONTACT INFORMATION

| | | |
|---|---|---|
| ***DISTRICT 1***<br>1656 Union Street,<br>Eureka, CA 95502<br>(707) 445-6600 | ***DISTRICT 3***<br>703 "B" Street<br>Marysville, CA 95901<br>(530) 634-7640 | ***DISTRICT 5***<br>50 Higuera Street<br>San Luis Obispo CA 93401-5415<br>(805) 549-3111 |
| ***DISTRICT 2***<br>1657 Riverside Drive<br>Redding CA 96049-6073<br>(530) 225-3013 | ***DISTRICT 4***<br>111 Grand Avenue<br>Oakland CA 94612<br>(510) 286-4444 | ***DISTRICT 6***<br>1352 W. Olive Avenue<br>Fresno CA 93728-2616<br>(559) 488-4038 |

| | | |
|---|---|---|
| ***DISTRICT 7***<br>100 S. Main Street<br>Los Angeles CA 90012<br>(213) 897-3656 | ***DISTRICT 9***<br>500 South Main Street<br>Bishop CA 93514<br>(760) 872-0601 | ***DISTRICT 11***<br>4050 Taylor Street<br>San Diego, CA 92110<br>(619) 688-6670 |
| ***DISTRICT 8***<br>464 W. 4th St.<br>San Bernardino CA 92401-1400<br>(909) 383-4561 | ***DISTRICT 10***<br>1976 E. Dr. Martin Luther King Blvd.<br>Stockton CA 95201<br>(209) 948-7543 | ***DISTRICT 12***<br>3347 Michelson Dr.<br>Irvine CA 92612<br>(949) 724-2000 |

## SUMMARY OF IMPORTANT TDA REPORT DATES

*(With references to Statutes and Regulations)*

| | |
|---|---|
| January 31 | State Controller sends preliminary STA estimate to TPA's, CTC's, and MTDB. (PUC Sec 99312.7) |
| February 1 | County auditor furnishes LTF estimate to TPA. (CCR Sec 6620) |
| March 1 | TPA advises LTF claimants of anticipated area apportionments within the county. (PUC Sec 99230, CCR Sec 6644) |
| April 1 | Claimants file for LTF and STA funding with TPA. (CR Sec 6630, 6732) |
| June 30 | TPA conveys LTF allocation instructions to LTF claimants and to the county auditor. (PUC Sec 99235, CCR Sec 6659) |
| June 30 | TPA, CTC, and MTDB transmit fiscal audit to State Controller. (CCR 6662) |
| August 1 | State Controller sends revised STA estimates to TPA, CTC, and MTDB. (PUC Sec 99312.7) |
| August 15 | TPA submits unmet transit needs finding documentation to Caltrans. (This date is flexible. See PUC Section 99401.6.) |
| September 1 | TPA, CTC, and MTDB provide to Caltrans and the State Controller a schedule of performance audit reports to be submitted during that fiscal year and a list of all the entities subject to performance audits. (CCR Sec 6664.5) |
| September 30 | Claimants submit reports on extension of services to TPA. (CCR Sec 6633.8) |
| September 30 | TPA, CTC, and MTDB submit annual financial transaction reports to the State Controller. (PUC Sec 99406, 6660) |
| September 30 | Operators and transit service claimants submit reports of operation to TPA, CTC, MTDB, and the State Controller. (PUC Sec 99243, CCR Sec 6637) |
| October 1 | Non-transit claimants submit expenditure reports to State Controller. (6665) |
| December 30 | Transportation planning entity submits fiscal and compliance audit of its STA fund to the State Controller. (CCR Sec 6751) |
| December 30 | All claimants submit certified fiscal and compliance audit (unless granted 90-day extension) to TPA, CTC, MTDB, and to the State Controller. (PUC Sections 99245, 99276, CCR Sections 6663, 6664) |
| December 30 | All county auditors submit fiscal and compliance audits of LTF to TPA, CTC, MTDB, and the State Controller. (CCR Sec 6661) |
| Quarterly | County auditor reports status of funds to TPA, CTC, and MTDB. (CCR 6622) |
| Triennially | Performance audits of TPA's, CTC's, and MTDB will be submitted to Caltrans. TPA's, CTC's, and MTDB will certify to the Director that performance audits of operators under their jurisdiction have been completed. (PUC Sections 99246-99249) |

## THE LOCAL TRANSPORTATION FUND ALLOCATIONS

*Purposes and Priorities*

| Priority | PURPOSE | PUC SECTION | Eligible Claimants | Amount Available |
|---|---|---|---|---|
| 1 | TDA administration | 99233.1 | County Auditor & the TPA | As necessary |
| 2 | Planning & Programming | 99233.2 | El Dorado County TPA<br>Monterey County TPA<br>Metropolitan Transportation Com.<br>Nevada County TPA<br>Orange CTC<br>Placer County TPA<br>Riverside CTC<br>San Bernardino CTC<br>Santa Cruz County RTC<br>Tahoe Regional Planning Agency | ≤ 3% of revenues |
| | | 130050 | Ventura CTC | ≤ 2% of revenues |
| | | 130004 | Los Angeles County Metropolitan Transportation Authority | ≤ 1% of revenues |
| | | | Southern California Association of Governments | ≤ ¾ of 1% & ≤ $1 million of revenues |
| 3 | Pedestrian & bicycle facilities | 99233.3<br>99234 | Cities & Counties | Countywide, 2% of remaining money |
| 4 | Rail passenger service operations & capital improvements | 99233.4<br>99234.9 | Cities, Counties, CTC's or Operators | ≤ apportionment |
| 5 | Long-term planning | 99233.5 (a) | San Diego Association of Governments | |
| | San Diego MTDB administrative & planning functions; construction & acquisition programs | 99233.5 (b) | San Diego Metropolitan Transit Development Board | ≤ 10% of remaining money for area of MTDB |
| 6 | Community Transit Services | Article 4.5, 99233.7 | Cities, Counties, Operators & CTSA's | Countywide, ≤ 5% of remaining money |

(Cont. on next page)

## THE LOCAL TRANSPORTATION FUND ALLOCATIONS

*Purposes & Priorities*

| PRIORITY | PURPOSE | PUC SECTION | Eligible Claimants | Amount Available |
|---|---|---|---|---|
| 7 | Article 4-Public Transportation, | 99233.8 | Operators | ≤ Area Apportionment |
| | Support of public transportation systems | 99260(a) 99262 | Operators | ≤ Area Apportionment |
| | Aid to research & development projects | 99260(b) | Operators | ≤ Area Apportionment |
| | Grade separation projects | 99260(c) | Operators | ≤ Area Apportionment |
| | Peak hour service contract | 99260.2(a) | Operators | ≤ Area Apportionment |
| | Rail passenger ticket purchases | 99260.2(b) | Transit Districts | ≤ Area Apportionment |
| | Payments to railroad corporation | 99260.5 | Transit Districts, Cities, Counties | ≤ Area Apportionment |
| | Rail passenger service | 99260.6, 99234.9 | Cities & Counties, CTC, Operators | ≤ Area Apportionment |
| | Claims for separate service to elderly & handicapped | 99260.7 | Cities & Counties with a Joint Power Agency agreement | ≤ Area Apportionment |
| 8 | Article 8-Other Allocation | 99233.9 | Cities & Counties where not restricted | ≤ Area Apportionment |
| | Local streets & roads; pedestrian & bicycle projects | 99400(a), 99402, 99407 | Cities & Counties where not restricted | ≤ Area Apportionment |
| | Commuter ferry services | | Cities within the County of San Diego | ≤ Area Apportionment |
| | Rail Passenger service operations & capital improvements | 99400(b) | Cities & Counties | ≤ Area Apportionment |
| | Public or special group transportation service contract | 99400 (c,d,e) | Transit Districts, Cities & Counties | ≤ Area Apportionment |
| | Multimodal transportation terminal | 99400.5 | Cities & Counties | ≤ Area Apportionment |
| | Express bus & van pool services | 99400.6 | County of San Diego | ≤ Area Apportionment |

## CALIFORNIA GOVERNMENT CODE
### TITLE 3, DIVISION 3, CHAPTER 2
### ARTICLE 11 - TRANSPORTATION FUND

### Establishment of the Local Transportation Fund

*29530*

(a) If the board of supervisors so agrees by contract with the State Board of Equalization, the board of supervisors shall establish a local transportation fund in the county treasury and shall deposit in the fund all revenues transmitted to the county by the State Board of Equalization under Section 7204 of the Revenue and Taxation Code, which are derived from that portion of the taxes imposed by the county at a rate in excess of 1 percent, and on and after July 1, 2004, until the rate modifications in subdivision (a) of Section 7203.1 of the Revenue and Taxation Code cease to apply, at a rate in excess of three-quarters of 1 percent, pursuant to Part 1.5 (commencing with Section 7200) of Division 2 of that code, less an allocation of the cost of the services of the State Board of Equalization in administering the sales and use tax ordinance related to the rate in excess of 1 percent, and on and after July 1, 2004, until the rate modifications in subdivision (a) of Section 7203.1 of the Revenue and Taxation Code cease to apply, to the rate in excess of three-quarters of 1 percent, and of the Director of Transportation and the Controller in administering the responsibilities assigned to him or her in Chapter 4 (commencing with Section 99200) of Part 11 of Division 10 of the Public Utilities Code.

(b) Any interest or other income earned by investment or otherwise of the local transportation fund shall accrue to and be a part of the fund.

### Contract Modification (State Board of Equalization & County Board of Supervisors)

*29530.2*

(a) Notwithstanding any other provision of law, the board of supervisors for any county of the first class may, upon the adoption of a resolution approved by a majority of all of its members, modify, for one fiscal year, its contract with the State Board of Equalization, as described in Section 29530, to require that not more than sixty million dollars ($60,000,000) of the county sales and use tax revenues described in Section 29530 be deposited in the county general fund. No deposit in a county general fund made under this subdivision shall exceed the total of a court-ordered refund of deposits in the county general fund made under Section 29530.3 and any interest accruing thereon. No portion of any amount deposited in the county general fund under this subdivision shall be subject to repayment under Section 2106.4 of the Streets and Highways Code or any other provision of law.

(b) Funds deposited in the local transportation fund pursuant to the final determination specified in subdivision (d) shall be allocated exclusively to a county transportation authority created under Division 12 (commencing with Section 130000) of the Public Utilities Code, in addition to any other funds that would otherwise be allocated to that authority.

(c) Any refund pursuant to the final determination specified in subdivision (d) that is made directly to a county transportation authority created under Division 12 (commencing with Section 130000) of the Public Utilities Code shall be expended in accordance with the

requirements of Article 3 (commencing with Section 99230) of Chapter 4 of Part 11 of Division 10 of the Public Utilities Code.

(d) This section shall become operative on the date that a court of appellate jurisdiction renders a final determination invalidating Chapter 518 of the Statutes of 1995 to the extent that the final determination requires repayment of the funds transferred under that chapter.

*Added by Chapter 123, Statutes of 1997 (SB 531)*

## Local Transportation Fund Deposits in Orange County

*29530.5*

(a) Notwithstanding any other provision of this article, the Board of Supervisors of the County of Orange may, upon the adoption of a resolution approved by a majority of all of its members, unilaterally modify its contract, as specified in Section 29530 with the State Board of Equalization, to require that, effective on or after July 1, 1996, except to the extent that subdivision (b) applies during any period, county sales and use tax revenues specified in Section 29530 be deposited into the county general fund payable, on a monthly basis, in an amount equal to three million one hundred sixty-six thousand six hundred sixty-seven dollars ($3,166,667).

(1) If the county has elected to guarantee payment of its obligations under an agreement to finance the lease or lease-purchase of property through the execution and delivery or issuance, as the case may be, of certificates of participation or lease revenue bonds pursuant to subdivision (a) of Section 25350.7, the amounts required to be deposited in the general fund of the county, in any month, pursuant to subdivision (a) shall be reduced by the amounts, if any, transferred by the Controller to the trustee for the certificates of participation or lease revenue bonds pursuant to subdivision (a) of Section 25350.7.

(2) If the county has elected to guarantee payment of its obligations under an agreement to finance the lease or lease-purchase of property through the execution and delivery or issuance, as the case may be, of certificates of participation or lease revenue bonds pursuant to subdivision (b) of Section 25350.7, the amounts required to be deposited in the general fund of the county, in any month, pursuant to subdivision (a) shall be reduced by the amounts transferred by the Controller to the trustee for the certificates of participation or lease revenue bonds pursuant to subdivision (b) of Section 25350.7.

(b) This section shall not take effect unless and until (1) a plan of adjustment is confirmed in Case No. SA-94-22272-JR in the United States Bankruptcy Court for the Central District of California, or (2) a trustee is appointed pursuant to Chapter 10 (commencing with Section 30400).

(c) In enacting this section, the Legislature intends that the provisions of Chapter 746 of the Statutes of 1995 shall not be utilized to justify reductions in existing bus and paratransit services.

(d) The modification authorized by this section does not apply to the City of Laguna Beach.

(e) This section shall become inoperative on July 1, 2011, and, as of January 1, 2012, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2012, deletes or extends the dates on which it becomes inoperative and is repealed.

*Amended by Chapter 124, Statutes of 1996 (AB 3470)*

## Counties of the Second Class Contract Modification

*29530.6*

(a) Notwithstanding any other provision of law, the board of supervisors for any county of the second class may, upon the adoption of a resolution approved by a majority of all of its members, unilaterally modify its contract with the State Board of Equalization, as described in Section 29530, to require that, except to the extent that subdivision (c) applies during any period, county sales and use tax revenues described in Section 29530 be deposited into the county general fund in the amounts specified in subdivision (b).

(b) The amounts specified in this subdivision are:

(1) Amounts equal to amounts required to be repaid pursuant to, or as a consequence of, the final determination described in paragraph (1) of subdivision (d).

(2) Amounts equal, on a monthly basis, to three million one hundred sixty-six thousand six hundred sixty-seven dollars ($3,166,667).

(c)

(1) If a county has elected to guarantee payments of its obligations under an agreement to finance the lease or lease-purchase of property through the execution and delivery or issuance, as the case may be, of certificates of participation or lease revenue bonds pursuant to subdivision (a) of Section 25350.75, the amounts required to be deposited in the general fund of the county, in any month, pursuant to subdivision (a) shall be reduced by the amounts, if any, transferred by the Controller to the trustee for the certificates of participation or lease revenue bonds, pursuant to subdivision (a) of Section 25350.75.

(2) If a county has elected to guarantee its obligations under an agreement to finance the lease or lease-purchase of property through the execution and deliverance or issuance, as the case may be, of certificates of participation or lease revenue bonds pursuant to subdivision (b) of Section 25350.75, the amounts required to be deposited in the general fund of the county, in any month, pursuant to subdivision (a) shall be reduced by the amounts transferred by the Controller to the trustee for the certificates of participation or lease revenue bonds, pursuant to subdivision (b) of Section 25350.75.

(d) This section shall become operative:

(1) With respect to the amounts specified in paragraph (1) of subdivision (b) on the date that a court of appellate jurisdiction renders a final determination invalidating Chapter

746 of the Statutes of 1995 to the extent that the final determination requires repayment of the funds transferred under that chapter.

(2) With respect to the amounts specified in paragraph (2) of subdivision (b) beginning with the first month for which a deposit required to be made by subdivision (a) of Section 29530.5 is not made.

(e) In enacting this section, the Legislature intends that the provisions of this act shall not be utilized to justify reductions in existing bus and paratransit services.

(f) The modification authorized by this section is not applicable to the City of Laguna Beach.

(g) This section shall become inoperative on July 1, 2011, and, as of January 1, 2012, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2012, deletes or extends the dates on which it becomes inoperative and is repealed.

*Added by Chapter 724, Statutes of 1998 (AB 2699)*

## Continuous Appropriation

*29531*

The board of supervisors shall continuously appropriate the money in such fund for expenditure for the purposes specified in this article and in Chapter 4 (commencing with Section 99200) of Part 11 of Division 10 of the Public Utilities Code.

## Eligibility for Allocation

*29532*

From funds appropriated pursuant to Section 29531, the county auditor shall pay to public transportation entities the amounts allocated by the transportation planning agencies designated by the Director of Transportation as follows:

(a) For a county included within the jurisdiction of a statutorily created regional transportation-planning agency, that agency.

(b) For a county which is not included within the jurisdiction of a statutorily created regional transportation planning agency but for which there is a council of governments, and an election has not been made pursuant to Section 29536, that council. For a county which is not included within the jurisdiction of a statutorily created regional transportation planning agency but for which there is a council of governments for which an election has been made under Section 29536 to form a local transportation commission, the local transportation commission authorized in Section 29535.

(c) For a county not within the jurisdiction of a statutorily created regional transportation planning agency or a council of governments, the local transportation commission authorized in Section 29535.

(d) Upon the request of a county within the jurisdiction of the multicounty designated transportation planning agency, as defined in Section 130004 of the Public Utilities Code, that agency.

*Amended by Chapter 1172, Statutes of 1992 (AB 3799)*
*Effective September 29, 1992*

## Designated Transportation Planning Agencies

*29532.1*

Pursuant to subdivision (a) of Section 29532, each of the following entities is designated the transportation planning agency for its respective area:

(a) The Metropolitan Transportation Commission created by Title 7.1 (commencing with Section 66500).

(b) The Tahoe Regional Planning Agency created by interstate compact and ratified by Title 7.4 (commencing with Section 66800).

(c) The Placer County Transportation Planning Agency created by Title 7.91 (commencing with Section 67910).

(d) The Nevada County Transportation Planning Agency created by Title 7.92 (commencing with Section 67920).

(e) The Transportation Agency of Monterey County created pursuant to Title 7.93 (commencing with Section 67930).

(f) The Santa Cruz County Regional Transportation Commission created by Title 7.94 (commencing with Section 67940).

(g) The El Dorado County Transportation Planning Agency created by Title 7.95 (commencing with Section 67950).

(h) The consolidated agency created by Chapter 3 (commencing with Section 132350) of Division 12.7 of the Public Utilities Code.

*Amended by Chapter 436, Statutes of 1996 (SB 902)*
*Amended by Chapter 96, Statutes of 1995 (SB 869)*

## Designations of County Transportation Commissions

*29532.4*

(a) Notwithstanding subdivision (d) of Section 29532, the county transportation commission created in the Counties of Los Angeles, Orange, Riverside, and San Bernardino by Division 12 (commencing with Section 130000) of the Public Utilities Code shall not be designated by the Director of Transportation as the transportation planning agency for the area under its jurisdiction, and the Imperial Valley Association of Governments in Imperial County shall not be designated the transportation planning agency for the area under its jurisdiction.

(b) Notwithstanding Section 29532, for the purposes of Chapter 4 (commencing with Section 99200) of Part 11 of Division 10 of the Public Utilities Code, "transportation planning agency" means the county transportation commission created in the Counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura by Division 12 (commencing with Section 130000) of the Public Utilities Code, and also includes the Imperial Valley Association of

Governments in Imperial County. The county auditor in each of those counties shall pay to the public transportation entities in the county the amounts allocated by the respective commissions or that association of governments, as the case may be.

*Amended by Chapter 1172, Statutes of 1992 (AB 3799)*
*Effective September 29, 1992*

### Bond Election

*29533*

In the event that any allocation, if approved in accordance with Section 29532, would cause the county to incur any indebtedness or liability in any year in excess of the money in the local transportation fund for such year, the board of supervisors shall, upon notification from the transportation planning agency designated in Section 29532, call an election pursuant to Article 7 (commencing with Section 99320) of Chapter 4 of Part 11 of Division 10 of the Public Utilities Code. Such election may be consolidated with a general election or a direct primary election. The cost of such election shall, upon approval of the transportation planning agency designated in Section 29532, be paid from the transportation fund.

### Records and Reports by the County Auditor

*29534*

The county auditor shall keep records and make reports concerning the local transportation fund as the Director of Transportation or the Controller shall prescribe. This section shall become operative on July 1, 1987.

### Local Transportation Commission

*29535*

Within each county which is not within the jurisdiction of a statutorily created regional transportation planning agency or a council of governments, a local transportation commission shall be established and composed of three members appointed by the board of supervisors, three members appointed by the city selection committee of the county or by the city council in any county in which there is only one incorporated city, and, where applicable, three members appointed by a transit district and one member representing, collectively, the other transit operators in the county.

However, in a county in which there are no incorporated cities, five members may be appointed to the commission by the board of supervisors. The appointments to the commission may include members of the board of supervisors, the city councils, the transit district, and other local transit operators.

The appointing authority, for each regular member it appoints, may appoint an alternate member to serve in place of the regular member when the regular member is absent or disqualified from participating in a meeting of the commission.

A local transportation commission may employ staff, enter into contracts, and conduct other activities necessary to fulfill its responsibilities as a regional transportation planning agency and local transportation commission.

*Amended by Chapter 10, Statutes of 1996 (AB 1869)*

## Allocations by Local Transportation Commissions

*29536*

A county that is not included within the jurisdiction of a statutorily created regional transportation agency but for which there is a council of governments may, pursuant to this section, elect, with the concurrence of a majority of the cities which include at least 50 percent of the incorporated population within the county, to form a local transportation commission pursuant to Section 29535. Applications for funds may be allocated by the local transportation commission only if the council of governments has not objected to the application. For those counties with a population of 500,000 or more, as determined under Section 28020 of the Government Code, as now or hereafter amended, but excluding counties with more than 4,500 miles of maintained county roads as of 1970, the members appointed by the city selection committee of the county from a city for which a transit service is provided and the members appointed by a transit district and the member representing other transit operators shall have no vote in the approval of the claims filed under Article 8 (commencing with Section 99400), Chapter 4, Part 11, Division 10 of the Public Utilities Code. For those counties with a population of less than 500,000, as determined under Section 28020 of the Government Code, as now and hereafter amended, and for counties with a population of 500,000 or more, as determined under Section 28020 of the Government Code, as now or hereafter amended, and with more than 4,500 miles of maintained county roads as of 1970, the members appointed by the city selection committee of the county from a city for which all of the proportion of the total revenues placed by the county in the local transportation fund that the city's population bears to the total of the county population is used to pay approved claims filed under Article 4 (commencing with Section 99260), Chapter 4, Part 11, Division 10 of the Public Utilities Code, and the members appointed by a transit district, and the member representing other transit operators shall have no vote in the approval of the claims filed under Article 8 (commencing with Section 99400), Chapter 4, Part 11, Division 10 of the Public Utilities Code.

Applications for funds shall be submitted to both the local transportation commission and the council of governments, which shall have 60 days after the receipt of applications to notify the local transportation commission and the county auditor of any objection. If neither the local transportation commission nor the county auditor receives notice of objection, the approval of the council of governments shall be presumed. Applications for funds to which the council of governments has objected shall not be paid by the county auditor until the objection has been removed.

# PUBLIC UTILITIES CODE
## CHAPTER 4. TRANSPORTATION DEVELOPMENT
## ARTICLE 1 - GENERAL PROVISIONS AND DEFINITIONS

### Citation (of the Act)

*99200*

This chapter shall be known and may be cited as the "Mills-Alquist-Deddeh Act."

### Construction of Chapter

*99201*

Unless the context otherwise requires, the definitions given in this article shall govern construction of this chapter.

### Claimant

*99203*

"Claimant" or any derivative term, such as "applicant," means an operator, city, county, or consolidated transportation service agency.

### City

*99204*

"City" means a city within the county having the fund from which the disbursement will be made.

### Commission

*99204.3*

"Commission" means the California Transportation Commission.

### Consolidated Transportation Service Agency

*99204.5*

"Consolidated transportation service agency" means an agency designated pursuant to subdivision (a) of Section 15975 of the Government Code.

### Controller

*99204.6*

"Controller" means the Controller of the State of California.

### County

*99205*

"County" includes a city and county.

### Department

*99205.5*

"Department" means the Department of Transportation.

### Director

*99205.6*

"Director" means the Director of Transportation.

### Fare Revenues

*99205.7*

"Fare revenues" means the revenue object classes 401, 402, and 403 as specified in Section 630.12 of Title 49 of the Code of Federal Regulations, as now or as may hereafter be amended.

### Fund

*99206*

"Fund" means the local transportation fund established by a county under Article 11 (commencing with Section 29530) of Chapter 2 of Division 3 of Title 3 of the Government Code.

### Handicapped Person

*99206.5*

"Handicapped person" means any individual who by reason of illness, injury, age, congenital malfunction, or other permanent or temporary incapacity or disability, including, but not limited to, any individual confined to a wheelchair, is unable, without special facilities or special planning or design, to utilize public transportation facilities and services as effectively as a person who is not so affected. As used in this section, a temporary incapacity or disability is an incapacity or a disability, which lasts more than 90 days.

### Included Municipal Operator

*99207*

(a) "Included municipal operator" means a city or county which is included, in whole or in part, within a transit district or which has been extended the authority to join a transit district by that district's enabling legislation, and in which city or county public transportation services have continuously been provided, since at least January 1, 1971, by the city or county, by a nonprofit corporation or other legal entity wholly owned by the city or county, or by the University of California.

(b) "Included municipal operator" also means the City and County of San Francisco and the Counties of Alameda and Contra Costa with respect to any portion of the unincorporated area thereof, and any city in those counties, which is outside the area of the Alameda-Contra Costa Transit District and which is not receiving adequate local public transportation services, as determined by the Metropolitan Transportation Commission, from any of the transit districts which includes the county or city, taking into consideration, among other things, the amount of such services needed in the county or city, the cost to provide such services, and the amount of such services provided in other areas of the transit district as compared to their needs.

(c) "Included municipal operator" also means any city within the County of Sacramento which (1) is outside the activated boundaries of the Sacramento Regional Transit District, (2) contracts with the district for transit services, and (3) provides local transit services within the city that the Sacramento Area Council of Governments annually determines can be better

provided by the city than the district, taking into consideration, among other things, the amount and the nature of the services required in the city, the ability of the district to provide the services, the coordination of the services with district services, the remoteness of the city in relation to other district services, the cost of providing the services, the funds available to provide the services, and the amount of services provided in other areas of the district compared to their needs.

(d) "Included municipal operator" also means any city or unincorporated area within the County of Los Angeles (1) that is not receiving adequate local public transportation services, as determined by the Los Angeles County Transportation Commission, from either the Southern California Rapid Transit District or any currently "included municipal operator" as defined in this section, and (2) that meets the criteria established by the Los Angeles County Transportation Commission, taking into consideration, among other things, the cost to provide such services, the amount of such services needed in the county or city, the funds available to provide such services, and the amount of such services provided in other areas of the county as compared to their needs.

### Eligible Municipal Operator

*99207.5*

In Los Angeles County, an "eligible municipal operator" is a transit operator that has been designated eligible to receive formula-equivalent funds allocable for transit operating purposes, other than funds specifically included in the formula allocation program. Added by Chapter 554, Statutes of 1996 (SB 1755).

### Included Transit District

*99208*

"Included transit district" means any of the following, which has operated a public transportation system since at least January 1, 1971:

(a) A transit district whose boundaries are contained entirely within those of a larger transit district.

(b) A district organized pursuant to Part 3 (commencing with Section 27000) of Division 16 of the Streets and Highways Code.

### Municipal Operator

*99209*

"Municipal operator" means a city or county, including any nonprofit corporation or other legal entity wholly owned or controlled by the city or county, which operates a public transportation system, or which on July 1, 1972, financially supported, in whole or in part, a privately owned public transportation system, and which is not included, in whole or in part, within an existing transit district.

### County as Municipal Operator

*99209.1*

"Municipal operator" also means any county which is located in part within a transit district and which operates a public transportation system in the unincorporated area of the county not within the area of the district.

### Operates

*99209.5*

"Operates" for purposes of Sections 99209 and 99215, and "operation" for purposes of paragraph (1) of subdivision (b) of Section 99289, mean that the operator owns or leases the equipment, establishes routes and frequency of service, regulates and collects fares, and otherwise controls the efficiency and quality of the operation of the system, but does not require that operators of rolling stock be employees of a public agency.

### Operator

*99210*

"Operator" means any transit district, included transit district, municipal operator, included municipal operator, or transit development board.

### Operator

*99210.1*

"Operator" also means the San Joaquin Regional Rail Commission for operation of commuter rail services.

*Added by Chapter 615, Statutes of 2004 (SB 1233)*

### Public Transportation System

*99211*

"Public transportation system" means any system of an operator, which provides transportation services to the general public by any vehicle which operates on land or water, regardless of whether operated separated from or in conjunction with other vehicles.

### Ridesharing Services

*99211.5*

"Ridesharing services" means a comprehensive organizational effort which is designed to reduce the number of vehicles on the highways during peak travel periods within a defined area by encouraging the planning and marketing of high-occupancy vehicle facilities, increases in the number of passengers per vehicle in vehicles used for ridesharing, alternative work schedules, and other transportation demand management strategies among employers and commuters.

### Secretary

*99212*

"Secretary" means the Secretary of the Business, Transportation and Housing Agency.

## Transit District

*99213*

"Transit district" means a public district organized pursuant to state law and designated in the enabling legislation as a transit district or a rapid transit district.

## Transportation Planning Agency

*99214*

(a) "Transportation planning agency" means the entity designated in Section 29532 of the Government Code.

(b) "Transportation planning agency" also includes, for purposes of this chapter, the county transportation commissions created in the Counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura pursuant to Division 12 (commencing with Section 130000).

(c) "Transportation planning agency" also includes, for purposes of this chapter, the Imperial Valley Association of Governments in Imperial County.

*Amended by Chapter 1172, Statutes of 1992 (AB 3799)*
*Effective September 29, 1992*

## Transit Development Board

*99215*

"Transit development board" means a public entity created pursuant to state law and designated in the enabling legislation as a transit development board, including, solely for purposes of submission of claims, receipt of funds, separate annual reporting to the Controller, and provision of service as an operator under this chapter, any nonprofit corporation or other legal entity wholly owned or controlled by the transit development board which operates a public transportation system.

## Urbanized Area

*99217*

"Urbanized area,” means such an area as defined by Section 101 of Title 23 of the United States Code.

## ARTICLE 2 - FINDINGS AND DECLARATIONS

### Legislative Findings and Declarations

*99220*

The Legislature finds and declares as follows:

(a) Public transportation is an essential component of the balanced transportation system, which must be maintained and developed so as to permit the efficient and orderly movement of people and goods in the urban areas of the state. Because public transportation systems provide an essential public service, it is desirable that such systems be designed and operated in such a manner as to encourage maximum utilization of the efficiencies of the service for the benefit of the total transportation system of the state and all the people of the state, including the elderly, the handicapped, the youth, and the citizens of limited means of the ability to freely utilize the systems.

(b) The fostering, continuance, and development of public transportation systems are a matter of state concern. Excessive reliance on the private automobile for transportation has caused air pollution and traffic congestion in California's urban areas, and such pollution and congestion are not confined to single incorporated areas but affect entire regions. Furthermore, public transportation systems, which are not designed so as to be usable by handicapped persons foster increased welfare costs and the waste of human resources. Thus, the Legislature has elected to deal with the multiple problems caused by lack of adequate public transportation on a regional basis through the counties, with coordination of the programs being the responsibility of the state pursuant to contract with county governments.

(c) While providing county assistance to a particular transportation system may not be of primary interest and benefit to each and every taxpayer in a county, providing an integrated and coordinated system to meet the public transportation needs of an entire county will benefit the county as a whole. It is the purpose of this chapter to provide for such systems in those counties where they are needed.

(d) The local transportation funds authorized by Article 11 (commencing with Section 29530) of Chapter 2 of Division 3 of Title 3 of the Government Code are made possible by the imposition of the state's sales and use taxes on motor vehicle fuel, which allows for a reduction in state taxes without a corresponding loss in revenue. By authorizing counties to increase their sales and use taxes, an additional source of revenue has been made available for public transportation within such counties. Applicants for a disbursement from a local transportation fund shall only be eligible for an allocation from the fund of the county in which such transportation is provided.

### Southern California Rapid Transit District

*99221*

It is the intent of the Legislature to improve existing public transportation services and encourage regional public transportation coordination. The Legislature recognizes that in the Southern California Rapid Transit District a unique factual situation exists where several municipal bus systems are providing essential local transportation services within the operating territory of the district, which was created by the Legislature to provide area wide coordinated public transportation services. Within the Southern California Rapid Transit District, as with all

transportation service improvements in the County of Los Angeles, the Los Angeles County Metropolitan Transportation Authority shall be the governmental entity responsible to establish a unified or officially coordinated public transportation system as part of the comprehensively planned development of the urban area. Both the Southern California Rapid Transit District and the included municipalities that operate bus systems within the jurisdiction of the district are permitted to file claims pursuant to this chapter upon the local transportation fund of the County of Los Angeles; provided, however, any approved claim shall not be allowed for the purpose of the establishment by the included municipal operator after January 1, 1980, of new transportation services that do not meet the criteria established by the Los Angeles County Metropolitan Transportation Authority for the development of new services. It is the intent of the Legislature that the Southern California Rapid Transit District should not be inhibited in its effort to improve transit services within the region by the expansion outside the reserved service areas of the several municipal bus systems of the involved municipalities. The policy of the Legislature is that new services to meet public transportation needs outside of the municipalities presently operating bus systems which do not compete with, or divert patronage from, an existing operating bus system of an included municipal applicant under Section 99280, shall be provided and controlled by the Southern California Rapid Transit District, in complete cooperation and coordination with the Los Angeles County Metropolitan Transportation Authority, in its role as the responsible public agency for providing public transportation systems and facilities within the region.

*SB 1318, Statutes of 2010*

## Legislative Intent

*99222*

The Legislature hereby finds and declares that:

(a) It is in the interest of the state that funds available for transit development be fully expended to meet the transit needs that exist in California.

(b) Such funds are expended for physical improvement to improve the movement of transit vehicles, the comfort of the patrons, and the exchange of patrons from one transportation mode to another.

## ARTICLE 3 - LOCAL TRANSPORTATION FUNDS

### Allocation Determination

*99230*

The designated transportation planning agency shall, from an analysis and evaluation of the total amount anticipated to be available in the local transportation fund and the relative needs of each claimant for the purposes for which the fund is intended, and consistent with the provisions of this chapter, annually determine the amount to be allocated to each claimant.

### Apportionment

*99231*

All operators and city or county governments with responsibility for providing municipal services to a given area collectively may file claims for only those moneys that represent that area's apportionment.

The term "apportionment" has reference to that proportion of the total annual revenue anticipated to be received in the fund that the population of the area bears to the total population of the county.

The term "area" means:

(a) With reference to a transit district, the entire area stated in its enabling legislation or franchise, excluding cities therein which have retained the right to join the district at a later time.

(b) With reference to a transit development board, the entire area stated in its enabling legislation, including the municipalities therein which operated bus systems prior to the creation of the board and subsequently conveyed those systems to the board.

(c) With reference to a county government, the unincorporated area of the county.

(d) With reference to a city government, the corporate area of the city.

(e) With reference to the City and County of San Francisco and the Counties of Alameda and Contra Costa, the unincorporated area thereof (and with reference to a city in those counties, the corporate area of the city) which is outside the area of the Alameda-Contra Costa Transit District and which is not receiving adequate local public transportation services, as determined by the Metropolitan Transportation Commission pursuant to subdivision (b) of Section 99207.

(f) Where a transit district, a transit development board, or a county or city, provides public transportation services beyond its boundaries, its area, for purposes of this section, shall also include:

    (1) All of that area within one-half mile of any route which extends beyond its boundaries.

(2) All of the corporate area of a city to which it provides those services pursuant to contract or prior express authority of the secretary.

The transportation planning agency may rely, in its determination of populations, on estimates which are used by the Controller for distributing money to cities under Section 2107 of the Streets and Highways Code and to counties under Section 11005 of the Revenue and Taxation Code, and may contract with the Department of Finance or other appropriate state agency for an annual determination of those population estimates as may be necessary.

(g) With reference to the County of Riverside, the area within the jurisdiction of the transit operator established by the joint exercise of powers of one or more cities and the County of Riverside. The area within the jurisdiction of the transit operator shall be as it existed on January 1, 1981, as determined by the Riverside County Transportation Commission.

(h) With reference to the County of San Bernardino, the area within the jurisdiction of the transit operator established by the joint exercise of powers of one or more cities, including the most populous city, and the County of San Bernardino. The area within the jurisdiction of the transit operator shall be as it existed on January 1, 1985, as determined by the San Bernardino County Transportation Commission.

(i) With reference to the County of Monterey, the area including the Correctional Training Facility-Soledad even if annexed by the City of Soledad.

(j) With reference to the County of Del Norte, the area including the Pelican Bay State Prison, even if annexed by the City of Crescent City.

(k) With reference to the County of Imperial, the area including the Calipatria State Prison, even if annexed by the City of Calipatria.

(l) With reference to the County of Lassen, the area including the California Correctional Center, even if annexed by the City of Susanville.

(m) With reference to the County of Riverside, the area including the Chuckawalla Valley State Prison, even if annexed by the City of Blythe.

(n) With reference to the County of Imperial, the area including the California State Prison-Imperial County (South), even if annexed by either the City of El Centro or the City of Imperial.

(o) With reference to the County of Madera, the area including the Central California Women's Facility and the Valley State Prison for Women, even if annexed by the City of Chowchilla.

*Amended by Chapter 234, Statutes of 1996 (AB 1997)*
*Amended by Chapter 1020, Statutes of 1992 (SB 1599)*

## Apportionments in Unincorporated Areas

### *99231.2*

Except in the County of Los Angeles, the transportation-planning agency, notwithstanding Section 99231, may approve the claim filed for an unincorporated area by an operator, which is

serving that area pursuant to a contract with the county, even though the amount of the claim exceeds the apportionment for the area, if the amount is approved by the county.

### Apportionment Restriction

*99232*

For counties with a population of 500,000 or more, as determined by the 1970 federal decennial census, but excluding counties with more than 4,500 miles of maintained county roads as of 1970, the amount representing the apportionments of the areas of all operators shall be available solely for claims for Section 99234 purposes and for Article 4 (commencing with Section 99260) and Article 4.5 (commencing with Section 99275) purposes, and any of those moneys not allocated in any year shall be available for those claims in subsequent years.

### Apportionment Restriction of Newly-Urbanized Counties

*99232.1*

(a) Notwithstanding Section 99232, for each county with a population of less than 500,000 as of the 1970 federal decennial census, but with a population of 500.000 or more as of the 2000 federal decennial census, or a county whose population is 500,00 or more at a subsequent decennial census, the apportionment to the areas within the urbanized areas of the county, as defined for purposes of the 2000 federal decennial census and each census thereafter, shall be available solely for claims for Article 4 (commencing with Section 99260) and Article 4.5 (commencing with Section 99275) purposes. In a county subject to this section, the apportionment for areas outside of the urbanized area of the county may be used for claims for Article 4 (commencing with Section 99260), Article 4.5 (commencing with Section 99275), and Article 8 (commencing with Section 99400) purposes, providing that allocations under Article 8 (commencing with Section 99400) shall be subject to the unmet needs process as prescribed by Section 99401.5.

(b) The apportionment attributable to the unincorporated area within an urbanized area shall be determined by the proportion that the urbanized area's unincorporated area population bears to the total unincorporated population times the total apportionment attributable to the unincorporated area.

(c) For a county that is subject to this section, this section shall not apply to that county until July 1, 2014.

### Unrestricted Cities within Newly-Urbanized Counties

*99232.2*

(a) Notwithstanding Section 99232.1, a city with a population of 100,000 or fewer within an urbanized area in a county subject to Section 99232.1is not required to expend all of its apportionment for Article 4 (commencing with Section 99260) and Article 4.5 (commencing with Section 99275) purposes.

((b)The population of cities within an urbanized area shall be based on the city and county population estimates published annually by the Department of Finance.

(c) Nothing in this section shall preclude a city with a population of 100,000 or fewer within an urbanized area in a county subject to Section 99232.1 from expending all of its apportionment for Article 4 (commencing with Section 99260) and Article 4.5 (commencing with Section 99275) purposes.

(d) This section shall become operative on July 1, 2014.

### Exclusion for Ventura County

99232.3

Sections 99232.1 and 99232.2 shall not apply to Ventura County. The Ventura County Transportation Commission may submit to the Senate Committee on Transportation and Housing and the Assembly Committee on Transportation a report analyzing options for organizing public mass transportation services in the county, for the expenditure of revenues deposited in the local transportation fund, and a recommended legislative proposal for implementing the plan by December 31, 2011. If the legislative proposal is not enacted by the end of the 2011 – 12 Regular Session of the Legislature, revenues deposited in the local transportation fund in that county shall be available for the fiscal year beginning on July 1, 2014, and each fiscal year thereafter, solely for claims for Article 4 (commencing with Section 99260) and Article 4.5 (commencing with Section 99275) purposes.

### Apportionment Area for the Sacramento Regional Transit District

*99232.4*

(a) Notwithstanding Section 99231, and subject to subdivision (a) of Section 99232.5, the apportionment area for the Sacramento Regional Transit District includes all of the incorporated and unincorporated area of the County of Sacramento, excluding cities in the county that have retained the right to join the district at a later time. However, the apportionment restriction in Section 99232 only applies to the area of the Sacramento Regional Transit District described in subdivision (a) of Section 99231.

(b)

(1) The Sacramento Regional Transit District may file a claim under Article 8 (commencing with Section 99400), but not under Article 4 (commencing with Section 99260), for the apportionment not subject to Section 99232 and subdivision (a) of Section 99232.5.

(2) The County of Sacramento may also file a claim under Article 8 (commencing with Section 99400) for the apportionment not subject to the restriction in Section 99232. However, a claim for the purposes of subdivision (a) of Section 99400 shall not be approved unless it is determined by the Sacramento Area Council of Governments, at a public hearing for which 15 days' notice has been given pursuant to Section 6061 of the Government Code, that there are no unmet transit needs, as defined in Section 99401.5, within the area of the Sacramento Regional Transit District described under subdivision (a) of Section 99231.

(c) This section shall become operative on July 1, 1994.

*Added by Chapter 250, Statutes of 1993 (SB 578)*

## Apportionments in Sacramento County

*99232.5*

(a) Notwithstanding Section 99232, cities within the County of Sacramento which are outside the activated boundaries of the Sacramento Regional Transit District, but which provide transit service or which contract with the district for transit service, may also file claims under Article 8 (commencing with Section 99400) if it is determined by the Sacramento Area Council of Governments, at a public hearing for which 15 days' notice has been given pursuant to Section 6061 of the Government Code, that the transit needs of these cities can be met with use of an amount less than the total apportionment of these cities.

(b) With respect to such a city, not less than 25 percent of its apportionment shall be allocated for Article 4 (commencing with Section 99260) purposes.

*Amended by Chapter 250, Statutes of 1993 (SB 578)*

## Apportionments in San Diego County

*99232.6*

Notwithstanding Section 99232, the County of San Diego may also file claims under Article 8 (commencing with Section 99400) for an unincorporated area not served by the San Diego Metropolitan Transit Development Board or the North San Diego County Transit Development Board if all of the following conditions are met:

(a) The San Diego Association of Governments, at a public hearing for which 15 days' notice has been given pursuant to Section 6061 of the Government Code, finds that the transit needs of that unincorporated area can be met by using an amount less than the apportionment for that unincorporated area.

(b) The county board of supervisors concurs in that finding.

(c) An equal amount from the apportionment for the unincorporated area served by the San Diego Metropolitan Transit Development Board has been claimed for transit capital projects that are mutually agreed upon by the county and San Diego Metropolitan Transit Development Board.

A claim for a transit capital project pursuant to subdivision (c) may be made by the county or the San Diego Metropolitan Transit Development Board, or jointly, as specified by mutual agreement.

## Priorities in Allocating Funds

*99233*

Except as provided in Section 99233.11, the fund shall be allocated by the designated transportation planning agency for the purposes specified in Sections 99233.1 to 99233.9, inclusive, in the sequence provided in those sections.

## Administration Allocations

*99233.1*

There shall be allocated to the county and the transportation-planning agency such sums as are necessary to administer this chapter.

## Planning and Programming Allocations

*99233.2*

(a) Except as provided in subdivisions (b) and (c), there shall be allocated to the transportation planning agency, if it is statutorily created, such sums as it may approve, up to 3 percent of annual revenues, for the conduct of the transportation planning and programming process, unless a greater amount is approved by the director.

(b)

(1) In those areas that have a county transportation commission created pursuant to Section 130050, up to 1 percent of annual revenues shall be allocated to the commission in Los Angeles County, and up to 3 percent of the annual revenues shall be allocated to the commissions in Orange, Riverside, and San Bernardino Counties for the transportation planning and programming process. Of the funds allocated to the commission in Riverside County, one-half shall be allocated for planning studies within the Western Riverside County and the Coachella Valley areas, as determined by the commission.

(2) In the area of the multicounty designated transportation planning agency, as defined in Section 130004, up to three-fourths of 1 percent of annual revenues, ~~but not more than one million dollars ($1,000,000) per year,~~ shall be allocated by the appropriate entities, proportionately, on or before each July 1, to the multicounty designated transportation planning agency for the transportation planning and programming process. No operator shall grant any funds it receives under this chapter to the designated multicounty transportation-planning agency for purposes of the agency carrying out its responsibilities under Division 12 (commencing with Section 130000).

(c) In Ventura County, up to 2 percent of the annual revenues shall be allocated to the Ventura County Transportation Commission for the transportation planning and programming process.

(d) This section shall become operative on July 1, 2011

*Amended by Chapter 1172, Statutes of 1992 (AB 3799)*
*Effective September 29, 1992*
*Amended by Chapter 530, Statutes of 2009 (AB 1403)*

## Pedestrian and Bicycle Allocations

*99233.3*

Two percent of the remaining money in the fund shall be made available to counties and cities for facilities provided for the exclusive use of pedestrians and bicycles unless the transportation planning agency finds that the money could be used to better advantage for the purposes stated in Article 4 (commencing with Section 99260) and Article 4.5 (commencing with Section 99275), or for local street and road purposes in those areas where the money may be expended for such

purposes, in the development of a balanced transportation system. Of the amount made available to a city or county pursuant to this section, 5 percent thereof may be expended to supplement moneys from other sources to fund bicycle safety education programs, but shall not be used to fully fund the salary of any one person.

### Rail Passenger Service

*99233.4*

Allocations shall be made for rail passenger service operations and capital improvements pursuant to Section 99234.5, 99234.7, or 99234.9.

### Transit Development Board Area Allocations

*99233.5*

Up to 10 percent of the remaining money for the area under the jurisdiction of a transit development board created pursuant to Division 11 (commencing with Section 120000) shall be allocated to the transit development board and the transportation planning agency to carry out administrative and planning powers, duties, and functions and construction and acquisition programs in accordance with Article 4 (commencing with Section 132353) of Chapter 3 of Division 12.7. Thereafter, the remaining money for allocation in that area shall be allocated by the transportation-planning agency to claimants.

### Community Transit Service Allocations

*99233.7*

Up to 5 percent of the remaining money in the fund shall be made available to cities, counties, and operators for claims filed pursuant to Article 4.5 (commencing with Section 99275) in those areas where claims may not be filed for those purposes specified in Article 8 (commencing with Section 99400), and may be made available to consolidated transportation service agencies, unless the transportation planning agency, or a county transportation commission created pursuant to Division 12 (commencing with Section 130000), having jurisdiction finds, after considering the claims pursuant to subdivision (c) of Section 99275.5, that the allocations of money could be used to better advantage for the purposes stated in Article 4 (commencing with Section 99260) in the development of a balanced transportation system.

The money may be allocated without respect to Section 99231 and shall not be included in determining the apportionment to a city or county for purposes of Sections 99233.8 and 99233.9.

### Public Transportation and Grade Separation Allocations

*99233.8*

There shall be allocated to operators such money as is approved by the transportation planning agency for claims presented pursuant to Article 4 (commencing with Section 99260) of this chapter.

### Miscellaneous Transportation Allocations

*99233.9*

There shall be allocated to counties and cities such money as is approved by the transportation planning agency for claims presented pursuant to Article 8 (commencing with Section 99400) of this chapter.

## Santa Barbara County Community Transit Service Allocations

*99233.10*

Notwithstanding Section 99233.7, funds made available in the County of Santa Barbara for claims filed pursuant to Article 4.5 (commencing with Section 99275) may be included in determining the apportionment to a city, county, or operator for purposes of Sections 99233.8 and 99233.9.

## Stanislaus Area Association of Governments TDA Funds Allocation

*99233.11*

Funds made available to the County of Stanislaus and the cities in that county shall be allocated in the following order:

(a) To the Stanislaus Area Association of Governments, the County of Stanislaus, and the cities in that county, an amount deemed necessary for the administration of this chapter.
(b) To the Stanislaus Area Association of Governments, an amount approved by that association, but not more than 3 percent of annual revenues, to conduct the transportation planning and programming process, unless a greater amount is approved by the director.

(c) To pedestrian and bicycle facilities, not more than 2 percent of the funds remaining, in accordance with Section 99233.3.

(d) To the Stanislaus Area Association of Governments, an amount deemed necessary for intracity, intercity, and interregional transit services and rail passenger services, when a claim is filed under Section 99234.9, Article 4 (commencing with Section 99260), or Article 8 (commencing with Section 99400), consistent with the cost-sharing criteria approved by the association. Apportionments and allocations from those funds made by the association to the county and the cities in the county also shall be in accordance with the cost-sharing criteria approved by the association.

*Added by Chapter 45, Statutes of 1997 (SB 344)*

## Claims for Pedestrian and Bicycle Facilities

*99234*

(a) Claims for facilities provided for the exclusive use of pedestrians and bicycles or for bicycle safety education programs shall be filed according to the rules and regulations adopted by the transportation-planning agency.

(b) The money shall be allocated for the construction, including related engineering expenses, of those facilities pursuant to procedures or criteria established by the transportation-planning agency for the area within its jurisdiction, or for bicycle safety education programs.
(c) The money may be allocated for the maintenance of bicycling trails, which are closed to motorized traffic pursuant to procedures or criteria established by the transportation-planning agency for the area within its jurisdiction.

(d) The money may be allocated without respect to Section 99231 and shall not be included in determining the apportionments to a city or county for purposes of Sections 99233.7 to 99233.9, inclusive.

(e) Facilities provided for the use of bicycles may include projects that serve the needs of commuting bicyclists, including, but not limited to, new trails serving major transportation corridors, secure bicycle parking at employment centers, park and ride lots, and transit terminals where other funds are unavailable.

(f) Notwithstanding any other provision of this section, a planning agency established in Title 7.1 (commencing with Section 66500) of the Government Code may allocate the money to the Association of Bay Area Governments for activities required by Chapter 11 (commencing with Section 5850) of Division 5 of the Public Resources Code.

(g) Within 30 days after receiving a request for a review from any city or county, the transportation-planning agency shall review its allocations made pursuant to Section 99233.3.

(h) In addition to the purposes authorized in this section, a portion of the amount available to a city or county pursuant to Section 99233.3 may be allocated to develop a comprehensive bicycle and pedestrian facilities plan, with an emphasis on bicycle projects intended to accommodate bicycle commuters rather than recreational bicycle users. An allocation under this subdivision may not be made more than once every five years.

(i) Up to 20 percent of the amount available each year to a city or county pursuant to Section 99233.3 may be allocated to re-stripe class II bicycle lanes.

*Amended by Chapter 619, Statutes of 1997 (SB 506)*
*Amended by Chapter 272, Statutes of 1993 (AB 301)*
*Effective July 30, 1993*

## Orange County High-Occupancy Vehicle Lanes Allocation

*99234.1*

Notwithstanding any other provision of this article or Article 4 (commencing with Section 99260), the Orange County Transportation Commission may allocate funds from either the Orange County Unified Transportation Trust, as defined in Section 99301.6, or from the principal upon which the interest is accruing to the Department of Transportation for construction of high-occupancy vehicle lanes within freeways in the county. In the event high-occupancy vehicle lanes constructed with the funds are subsequently converted to mixed flow use, the local transportation fund shall be reimbursed through the State Transportation Improvement Program process the amount of funds provided to the department for construction of the lanes pursuant to this section.

## San Bernardino, Riverside and Los Angeles Joint Powers Agreement

*99234.5*

(a) The Counties of San Bernardino, Riverside, and Los Angeles may enter into a joint powers agreement pursuant to Article 1 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the Government Code, and the joint powers entity created pursuant to such agreement shall in accordance with Section 403 of the Rail Passenger Service Act of 1970 (45 U.S.C. 563), request the National Railroad Passenger Corporation to institute up to two additional trains a day in each direction between Los Angeles and San Bernardino to

supplement the present level of service. The joint powers entity may request institution of more than two additional trains a day in each direction between Los Angeles and San Bernardino. Contributions shall be made from the fund of each of the three counties, as agreed by them, to the joint powers entity, as may be required by the National Railroad Passenger Corporation to meet a reasonable portion of any losses associated with such service. The joint powers entity may request that the additional trains shall be operated, to the extent practicable, during periods of peak traffic.

(b) If the funds available under this chapter are insufficient for purposes of subdivision (a), the board of supervisors of any one of the three counties may make contributions to the joint powers entity from any funds available to it.

### Peninsula Commute Service: Operating Contract Extension

*99234.7*

(a) The Department of Transportation may negotiate and contract with the appropriate railroad corporation to provide passenger rail service between the City and County of San Francisco and the Counties of San Mateo and Santa Clara. In the process of negotiating the contract, the department shall take into consideration the funding available and the level of service as it has been recommended by the Metropolitan Transportation Commission. Notwithstanding Section 14035 of the Government Code, the contract shall not extend beyond June 30, 1993. The California Transportation Commission shall allocate no funds pursuant to Section 14031.6 of the Government Code for this rail passenger service after the 1992-93 fiscal year. If the department enters into a contract, it shall, on or before July 1, 1992, assign the contract to the Peninsula Corridor Study Joint Powers Board or to another local or regional agency designated by the board, which is authorized to operate or contract for the operation of rail passenger service, if the board or designated agency determines that the rail passenger service shall be continued. The department shall assign its operating subsidies for the 1992-93 fiscal year for that service to the board or that designated agency. Within the area of jurisdiction of the board, the board or that designated agency may acquire from the department all property owned or leased by the department for that rail passenger service, including, but not limited to, stations, facilities, equipment, and rights-of-way, and this transfer shall be consistent with the process defined in Section 160006. The California Transportation Commission shall not allocate state funds to purchase the San Francisco Peninsula commuter rail service right-of-way unless a local agency assumes operation and control of the commuter rail service on or before June 30, 1993. This section does not prohibit the commission from making a multiyear funding commitment to purchase the right-of-way subject to that assumption of operation and control occurring on or before that date.

(b) Notwithstanding subdivision (a), a transit district or county may negotiate and contract with the appropriate railroad corporation to provide passenger rail service, which is to be primarily operated within its jurisdiction. Adjacent transit districts or counties may jointly negotiate and contract with the appropriate railroad corporation to provide passenger rail service, which is to be primarily operated within their jurisdictions.

### Rail Passenger Service Projects

*99234.9*

Any county, city, county transportation commission, or operator may file claims with the transportation-planning agency for rail passenger service operation expenditures and capital

improvement expenditures, including construction and maintenance of intermodal transportation facilities. These funds may be used as the entity's required contribution toward the cost of providing these services or capital improvements.

*Amended by Chapter 209, Statutes of 1993 (AB 1188)*

## Allocation Instructions

*99235*

Upon having determined the allocation of each claimant on the fund, the transportation-planning agency shall convey such information to each claimant and the county auditor, together with one allocation instruction for each claimant advising the author as to the time and the nature of payment.

Such instruction may call for a single payment, for payment as moneys become available, or for payment by installments monthly, quarterly, or otherwise. The allocation and instruction may be rescinded and revised by the transportation planning agency only under one of the following circumstances:

(a) An appeal has been filed.

(b) The claimant is found to be spending, or unless enjoined to be about to spend, moneys otherwise than in accordance with the terms of the allocation.

(c) An adjustment is proved to be necessary to reconcile the estimates on which the allocation was based with the actual figures when these are available.

(d) The financial needs of the claimant differ from those at the time of the allocation due to changed circumstances.

## Projects Calling for Change in Passenger Train Stations or Loading Platforms Used by National Railroad Passenger Corporation

*99236*

No funds from the fund shall be budgeted, allocated, or expended for any project which calls for any change in passenger train stations or loading platforms used by the National Railroad Passenger Corporation, unless the change has been submitted to the National Railroad Passenger Corporation for review and comment, which may include a recommendation for a modification in the change. If the agency submitting the change elects not to accept the recommendation of the National Railroad Passenger Corporation, it shall submit the matter to the director who shall determine whether the disputed recommendation for a modification in the change shall be followed by the agency.

## Social Services Transportation Advisory Council

*99238*

Each transportation planning agency shall provide for the establishment of a social services transportation advisory council for each county, or counties operating under a joint powers agreement, which is not subject to the apportionment restriction established in Section 99232.

(a) The social services transportation advisory council shall consist of the following members:

(1) One representative of potential transit users who is 60 years of age or older.

(2) One representative of potential transit users who is handicapped.

(3) Two representatives of the local social service providers for seniors, including one representative of a social service transportation provider, if one exists.

(4) Two representatives of local social service providers for the handicapped, including one representative of a social service transportation provider, if one exists.

(5) One representative of a local social service provider for persons of limited means.

(6) Two representatives from the local consolidated transportation service agency, designated pursuant to subdivision (a) of Section 15975 of the Government Code, if one exists, including one representative from an operator, if one exists.

(7) The transportation-planning agency may appoint additional members in accordance with the procedure prescribed in subdivision (b).

(b) Members of the social services transportation advisory council shall be appointed by the transportation planning agency which shall recruit candidates for appointment from a broad representation of social service and transit providers representing the elderly, the handicapped, and persons of limited means. In appointing council members, the transportation-planning agency shall strive to attain geographic and minority representation among council members. Of the initial appointments to the council, one-third of them shall be for a one-year term, one-third shall be for a two-year term, and one-third shall be for a three-year term. Subsequent to the initial appointment, the term of appointment shall be for three years, which may be renewed for an additional three-year term. The transportation-planning agency may, at its discretion, delegate its responsibilities for appointment pursuant to this subdivision to the board of supervisors.

(c) The social services transportation advisory council shall have the following responsibilities:

(1) Annually participate in the identification of transit needs in the jurisdiction, including unmet transit needs that may exist within the jurisdiction of the council and that may be reasonable to meet by establishing or contracting for new public transportation or specialized transportation services or by expanding existing services.

(2) Annually review and recommend action by the transportation-planning agency for the area within the jurisdiction of the council, which finds, by resolution, that (A) there are

no unmet transit needs, (B) there are no unmet transit needs that are reasonable to meet, or (C) there are unmet transit needs, including needs that are reasonable to meet.

(3) Advise the transportation-planning agency on any other major transit issues, including the coordination and consolidation of specialized transportation services.

(d) It is the intent of the Legislature that duplicative advisory councils shall not be established where transit advisory councils currently exist and that those existing advisory councils shall, instead, become part of the social services transportation advisory council and shall assume any new responsibilities pursuant to this section.

## Citizen Participation Process

*99238.5*

(a) The transportation planning agency shall ensure the establishment and implementation of a citizen participation process appropriate for each county, or counties if operating under a joint powers agreement, utilizing the social services transportation advisory council as a mechanism to solicit the input of transit dependent and transit disadvantaged persons, including the elderly, handicapped, and persons of limited means. The process shall include provisions for at least one public hearing in the jurisdiction represented by the social services transportation advisory council. Hearings shall be scheduled to ensure broad community participation and, if possible, the location of the hearings shall be rotated among the various communities within the advisory council's jurisdiction. Notice of the hearing, including the date, place, and specific purpose of the hearing shall be given at least 30 days in advance through publication in a newspaper of general circulation. The transportation-planning agency shall also send written notification to those persons and organizations, which have indicated, through its citizen participation or any other source of information, an interest in the subject of the hearing.

(b) In addition to public hearings, the transportation-planning agency shall consider other methods of obtaining public feedback on public transportation needs. Those methods may include, but are not limited to, teleconferencing, questionnaires, telecanvassing, and electronic mail.

*Amended by Chapter 877, Statutes of 1998 (AB 2132)*

## Rules and Regulations of Department

*99241*

(a) Except for allocations made for purposes of Section 99234 and subdivision (a) of Section 99400, which shall be subject to the rules and regulations adopted by the transportation planning agency, all matters necessary and convenient to the implementation of this chapter shall be subject to rules and regulations, consistent with statute, adopted by the department, with the advice and consent of the commission, and those rules and regulations may be revised from time to time.

(b) The rules and regulations shall specify the procedures by which evaluation and review by the transportation planning agency of public transportation claims shall be accomplished, and

shall require submission of corresponding budgets or financial plans, certified financial statements, and other information required in connection therewith. The rules and regulations shall provide for the orderly and periodic distribution of moneys in the fund so that the areas served by the operator will be provided public transportation services on a continuing basis and so that there will be an orderly improvement and maintenance of the system of the operator. The rules and regulations shall provide for the approval of sufficient moneys from the fund to accomplish the intent of the Legislature as expressed in the findings and declarations in Section 99220.

(c) The rules and regulations may require that the transportation planning agency, in reviewing claims, give due consideration to the level of the operator's passenger fares and charges, the efficiency of the operator's operations and operating policies and practices, the extent to which the operator is meeting the transportation needs of the area served, and the extent to which the operator is making full use of other available revenues and funds, including federal transportation grants.

(d) The Controller shall annually review the rules and regulations adopted by the department with respect to reporting and auditing procedures and shall make written recommendations for revisions to the department. After consultation with the Controller, the director shall undertake to amend the rules and regulations in accordance with the recommendations.

(e) Rules and regulations adopted by the department with respect to reporting and auditing procedures shall apply to all expenditures of funds allocated pursuant to this chapter.

*This section shall become operative on July 1, 1987*

### Prior Rules and Regulations of Secretary

*99241.5*

All rules and regulations adopted by the Secretary of the Business, Transportation and Housing Agency pursuant to Section 99241, as it read prior to its amendment by the act adding this section, and in effect on January 1, 1985, shall remain in effect and shall be fully enforceable unless and until amended or repealed by the department.

### Settlement of Disagreements

*99242*

In the event that a claimant is not satisfied with his approved claim or other action taken by the transportation-planning agency, a notification with supporting documentation may be filed with the secretary, who shall conduct an investigation and evaluation of the disagreement between the claimant and the transportation-planning agency. The secretary shall notify the involved parties of his findings, which shall be a final settlement of the issue.

### Uniform System of Accounts and Records

*99243*

(a) The Controller, in cooperation with the department and the operators, shall design and adopt a uniform system of accounts and records, from which the operators shall prepare and submit annual reports of their operation to the transportation planning agencies having jurisdiction

over them and to the Controller within 90 days of the end of the fiscal year. The report shall specify (1) the amount of revenue generated from each source and its application for the prior fiscal year, and (2) the data necessary to determine, which section, with respect to Sections 99268.1, 99268.2, 99268.3, 99268.4, 99268.5, and 99268.9, the operator is required to be in compliance with in order to be eligible for funds under this article.

(b) As a supplement to the annual report prepared pursuant to subdivision (a), each operator shall include an estimate of the amount of revenues to be generated from each source and its proposed application for the next fiscal year, and a report on the extent to which it has contracted with the Prison Industry Authority, including the nature and dollar amounts of all contracts entered into during the reporting period and proposed for the next reporting period.

(c) The Controller shall instruct the county auditor to withhold payments from the fund to any operator that has not submitted its annual report to the Controller within the time specified by subdivision (a).

(d) In establishing the uniform system of accounts and records, the Controller shall include the data required by the United States Department of Transportation and the department.

(e) Notwithstanding any other law or any regulation, including any California Code of Regulations provision, the City of South Lake Tahoe and the City of Huntington Beach may select, for purposes of this chapter, on a one-time basis, a fiscal year that does not end on June 30. After the city has sent a written notice to the Secretary of the Business, Transportation and Housing Agency and the Controller that the city has selected a fiscal year other than one ending on June 30, the fiscal year selected by the city shall be its fiscal year for all reports required by the state under this chapter.

*Amended by Chapter 939, Statutes of 1994 (SB 1393)*

## State Controller's Annual Report

*99243.5*

On the basis of data in the annual reports submitted pursuant to Section 99243 and the information submitted pursuant to Section 99406 to the Controller, the Controller shall submit, within three months of receiving such data and information, an annual report to the Legislature on the revenues available and expenditures made under this chapter. The Controller shall take such steps, as he deems necessary to insure that such data and information submitted are adequate and accurate.

## Recommendations for Productivity Improvements of Operators

*99244*

Each transportation-planning agency shall annually identify, analyze, and recommend potential productivity improvements, which could lower the operating costs of those operators who operate at least 50 percent of their vehicle service miles, as defined in subdivision (i) of Section 99247, within the area under its jurisdiction. However, where a transit development board created pursuant to Division 11 (commencing with Section 120000) or a county transportation commission exists, the board or commission, as the case may be, shall have the responsibility of the transportation-planning agency with respect to potential productivity improvements.

The recommendations for improvements and productivity shall include, but not be limited to, those recommendations related to productivity made in the performance audit conducted pursuant to Section 99246.

A committee for the purpose of providing advice on productivity improvements may be formed by the responsible entity. The membership of this committee shall consist of representatives from the management of the operators, organizations of employees of the operators, and users of the transportation services of the operators located within the area under the jurisdiction of the responsible entity.

Prior to determining the allocation to an operator for the next fiscal year, the responsible entity shall review and evaluate the efforts made by the operator to implement such recommended improvements.

If the responsible entity determines that the operator has not made a reasonable effort to implement the recommended improvements, the responsible entity shall not approve the allocation to the operator for the support of its public transportation system for the next fiscal year, which exceeds the allocation to the operator for such purposes for the current fiscal year.

## Annual Fiscal Audit of All Claimants

*99245*

Each transportation planning agency, transit development board created pursuant to Division 11 (commencing with Section 120000), and county transportation commission shall be responsible to ensure that all claimants to whom it directs the allocation of funds pursuant to this chapter shall submit to it an annual certified fiscal audit conducted by an entity other than the claimant. A report on the audit shall be submitted to the transportation planning agency, transit development board, county transportation commission, and to the Controller within 180 days after the end of the fiscal year. However, the responsible entity may grant an extension of up to 90 days, as it deems necessary. The report shall include a certification that the funds allocated to the claimant pursuant to this chapter were expended in conformance with applicable laws and rules and regulations. Except for the first report, the report shall also include the audited amounts for the fiscal year prior to the fiscal year audited.

## Expanded Annual Fiscal Audit

*99245.2*

(a) A transit district or other provider of public transportation services subject to an audit pursuant to Section 99245, that receives funds from other sources, which also require a fiscal audit, may expand the scope of its audit performed pursuant to Section 99245 to include the conditions and purposes of those other funds.

(b) A transportation planning agency, transit development board, county transportation commission, air quality management district, air pollution control district, or local transportation authority shall not require any additional fiscal audit of an entity if that entity has completed an expanded audit pursuant to subdivision (a) that encompasses the scope, time period, and funding condition of the agency providing funding.

*Added by Chapter 388, Statutes of 1992 (AB 2312)*

## Performance Audits of Planning Entities and Operators

*99246*

(a) The transportation-planning agency shall designate entities other than itself, a county transportation commission, a transit development board, or an operator to make a performance audit of its activities and the activities of each operator to whom it allocates funds. The transportation-planning agency shall consult with the entity to be audited prior to designating the entity to make the performance audit.

Where a transit development board created pursuant to Division 11 (commencing with Section 120000) or a county transportation commission exists, the board or commission, as the case may be, shall designate entities other than itself, a transportation planning agency, or an operator to make a performance audit of its activities and those of operators located in the area under its jurisdiction to whom it directs the allocation of funds. The board or commission shall consult with the entity to be audited prior to designating the entity to make the performance audit.

(b) The performance audit shall evaluate the efficiency, effectiveness, and economy of the operation of the entity being audited and shall be conducted in accordance with the efficiency, economy, and program results portions of the Comptroller General's "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions." Performance audits shall be conducted triennially pursuant to a schedule established by the transportation planning agency, transit development board, or county transportation commission having jurisdiction over the operator.

(c) The performance audit of the transportation planning agency, county transportation commission, or transit development board shall be submitted to the director. The transportation planning agency, county transportation commission, or transit development board, as the case may be, shall certify in writing to the director that the performance audit of operators located in the area under its jurisdiction has been completed.

(d) With respect to an operator providing public transportation services, the performance audit shall include, but not be limited to, a verification of the operator's operating cost per passenger, operating cost per vehicle service hour, passengers per vehicle service hour, passengers per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include, but not be limited to, consideration of the needs and types of the passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of Section 99260.2.

The performance audit may include performance evaluations both for the entire system and for the system excluding special, new, or expanded services instituted to test public transportation service growth potential.

(e) The performance audit prepared pursuant to this section shall be made available to the public pursuant to the provisions of the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

*Amended by Chapter 354, Statutes of 2003 (AB 813)*

## Performance Measure Definitions

*99247*

For purposes of Section 99246, and as used elsewhere in this article:

(a) "Operating cost" means all costs in the operating expense object classes exclusive of the costs in the depreciation and amortization expense object class of the uniform system of accounts and records adopted by the Controller pursuant to Section 99243, and exclusive of all subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission and of all direct costs for providing charter services, and exclusive of all vehicle lease costs.

(b) "Operating cost per passenger," means the operating cost divided by the total passengers.

(c) "Operating cost per vehicle service hour," means the operating cost divided by the vehicle service hours.

(d) "Passengers per vehicle service hour" means the total passengers divided by the vehicle service hours.

(e) "Passengers per vehicle service mile" means the total passengers divided by the vehicle service miles.

(f) "Total passengers" means the number of boarding passengers, whether revenue producing or not, carried by the public transportation system.

(g) "Transit vehicle" means a vehicle, including, but not limited to, one operated on rails or tracks, which is used for public transportation services funded, in whole or in part, under this chapter.

(h) "Vehicle service hours" means the total number of hours that each transit vehicle is in revenue service, including layover time.

(i) "Vehicle service miles" means the total number of miles that each transit vehicle is in revenue service.

(j) "Vehicle service hours per employee" means the vehicle service hours divided by the number of employees employed in connection with the public transportation system, based on the assumption that 2,000 person-hours of work in one year constitute one employee. The count of employees shall also include those individuals employed by the operator, which provide services to the agency of the operator responsible for the operation of the public transportation system even though not employed in that agency.

## Transmittal of Performance Audit

*99248*

No operator is eligible to receive an allocation under this chapter for any fiscal year until the transmittal of reports of its performance audit to the entity, which determines the allocation to the operator and the transportation-planning agency for the three-year period ending one year prior to the beginning of the fiscal year of the proposed allocation. The transportation planning

agency, county transportation commission, or transit development board, as the case may be, shall make the reports available to interested parties.

In conformance with Section 99246, and prior to September 1 of each fiscal year, the transportation planning agency, county transportation commission, or metropolitan transit development board, as the case may be, shall provide to the director and Controller a schedule of performance audits to be submitted during that fiscal year and a list of all operators or claimants who operated or commenced operations during the prior fiscal year.

## Cost of Performance Audits

*99249*

The cost of making the performance audits may be deemed an administrative cost of the transportation planning agencies for purposes of Section 99233.1. However, the Legislature encourages the use of funds made available by the federal government to support such purposes.

## Charter Service

*99250*

(a) All charter bus services authorized to be performed by a public transportation system receiving funding under this chapter shall contribute financially to the reduction of deficits incurred in the operation of scheduled route service. In addition, the charter bus service shall not interfere with regularly scheduled service to the public or compete unfairly with private operators where the private operators are willing and able to provide charter bus service.

(b) Except as provided in subdivision (d), charter bus service rates and minimums shall be established which are either of the following:

(1) At least equal to the average of the three lowest current rates charged by private charter bus carriers actually operating charters originating in the same service area of the public transportation system during the prior year.

(2) At least equal to the fully allocated cost of each charter operated. Fully allocated costs are those costs as approved by the federal Urban Mass Transportation Administrator pursuant to Section 604.18 of Title 49 of the Code of Federal Regulations. All terms and conditions, in addition to the base rate, shall be at least equal to the average of the three lowest current rates charged by private charter bus carriers actually operating a charter originating in the same service area of the public transportation system during the prior year.

(c) All charter bus service rates shall be reviewed and adjusted not less than semiannually to reflect variations in actual and assumed costs, as well as private charter bus carrier rates.

(d) If the operator of a public transportation system determines that there is a public need that cannot otherwise be met, the operator may provide charter bus services to charitable or public service organizations at direct cost, not to exceed ten thousand dollars ($10,000) or a total of 40 charter buses per year, whichever occurs first.

(e) This section does not apply to charter bus services, which are incidental to the holding of the Olympic Games in Los Angeles during the period of May 1, 1984, to September 30, 1984, if

the public transportation system establishes charter bus rates for those services which are sufficient to pay all fully allocated costs related to those services, which are at least equal to the average of the lowest rates charged by the three largest private charter party carriers operating similar service within Los Angeles County, and which contribute financially to the reduction of deficits incurred by the system in the operation of scheduled route service.

## New Transit Services Cost Comparison Analysis

*99250.5*

(a)

(1) At any publicly noticed meeting of the governing body of an operator, a representative of a private transportation service provider may request the operator to perform a cost comparison analysis of public transit service provided by vehicles equipped with rubber tires before the governing body acts on a route restructuring or service addition under consideration. The operator may agree to perform a cost comparison analysis pursuant to this section or alternatively, may so agree on the condition that the private transportation service provider that requested the cost comparison analysis agrees to pay the operator's actual cost of conducting the analysis. If the operator agrees to perform the cost comparison analysis, the private transportation service provider requesting the cost comparison analysis shall supply any information necessary and relevant to complete the analysis.

(2) Nothing in this section shall be construed to require operators to perform a cost comparison analysis. At its sole discretion, the operator's governing body may elect not to perform a cost comparison analysis. However, if the governing body determines not to perform a cost comparison analysis, it shall specify the reasons for that determination in a resolution adopted at a publicly noticed meeting.

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

(1) "Cost comparison analysis" means a study of the route restructuring or service addition under consideration by the operator, that compares the cost to the operator of directly providing those services compared to the cost to the operator of procuring those services from private entities. The study shall utilize a full cost allocation method that is consistent with generally accepted cost allocation principles.

(2) "Route restructuring," means a permanent change in routing that decreases or increases the total number of daily transit revenue service miles or hours by 25 percent or more.

(3) "Service addition" means an increase in the total number of daily transit revenue service miles or hours on an existing route by 50 percent or more.

(c) If the governing body performs a cost comparison analysis pursuant to this section, the results of the analysis shall be fully disclosed at a publicly noticed meeting.

(d) This section does not apply to an operator in a county with less than 300,000 population or who operates less than 10 buses.

(e) The operator may adopt appropriate procedures to implement the purposes of this section.

## California Highway Patrol Certifications

*99251*

No claim submitted by an operator pursuant to this chapter shall be approved unless it is accompanied by a certification completed within the last 13 months from the Department of the California Highway Patrol indicating that the operator is in compliance with Section 1808.1 of the Vehicle Code. The certification may be issued following a terminal inspection, or a terminal reinspection conducted within 60 days thereafter, by the Department of the California Highway Patrol.

## ARTICLE 4 - CLAIMS FOR FUNDS

### Claims for Public Transportation; Grade Separation

*99260*

Claims may be filed with the transportation-planning agency, by operators, under this article for the following purposes:

(a) The support of public transportation systems.

(b) Aid to public transportation research and demonstration projects.

(c) Contributions for the construction of grade separation projects specified in Section 99318.3. *(Editor's note: Though Section 99318.3 is referenced in Section 99260, it is no longer a valid section in the PUC)*

### Claims for Peak-Hour Service; Rail Ticket Purchases

*99260.2*

(a) Claims may be filed with the transportation-planning agency by operators to contract with common carriers of persons operating under a franchise or license to provide transportation services during peak hours.

"Peak hours" means the period of time during a day, which have a clearly greater-than-average level of patronage, typically the two periods of time which reflect the influx of home-work and work-home patronage on a transportation system.

(b) Claims may be filed with the transportation-planning agency by a transit district to make bulk purchases of passenger tickets for passenger rail services, if it is authorized to make such purchases by its enabling legislation.

### Claims for Railroad Corporation

*99260.5*

(a) Claims may also be filed with the transportation planning agency by a city and county or a transit district under this article for payments to be made to a railroad corporation subject to the jurisdiction of the Public Utilities Commission and engaged in the transportation of persons, as defined in Section 208, for operating losses incurred in such transportation of persons between points within the city and county or the district, as the case may be, and for that portion of the operating losses incurred in such transportation of persons in the city and county or the district, as the case may be, whose origin or destination, or both, are outside the city and county or district.

(b) A city and county or a transit district receiving funds under a claim filed pursuant to subdivision (a) shall use those funds for the purposes specified in that subdivision.

### Claims for Rail Passenger Service

*99260.6*

Public agencies authorized to file claims pursuant to Section 99234.9 may file claims under this article.

### Claims for Separate Service to Elderly and Handicapped Persons by Joint Powers Agency Members

*99260.7*

In order to provide, or to contract to provide, transportation services using vehicles for the exclusive use of elderly or handicapped persons, a city or a county, which is contributing funds it is eligible to receive under this article to a joint powers agency of which it is a member to operate a public transportation system, may also file a claim under this article and may also file a claim for funds made available pursuant to Section 99313.

### Transportation Planning Agency Regulations

*99261*

The transportation-planning agency may adopt rules and regulations supplemental to, and consistent with, those of the department to further delineate procedures for the submission of claims and stating criteria by which they will be analyzed and evaluated.

The criteria may include a statement of intent to disallow any portion of an operator's claim which calls for moneys to finance unreasonable or arbitrary increases in executive level salaries based on consideration of executive level salaries in other public agencies and in the public transportation industry, both nationally and within the state.

To the extent necessary to perform its duties under this article, the transportation-planning agency has full access to the books, records, and accounts of claimant operators.

### San Diego Metropolitan Transit Development Board Regulations

*99261.5*

The San Diego Metropolitan Transit Development Board shall adopt rules and regulations for its area of jurisdiction. The transportation planning agency may include in its rules and regulations any rule and regulation of the transit development board.

### Public Transportation System Claims

*99262*

Claims for public transportation systems may include claims for money for all purposes necessary and convenient to the development and operation of the system, including planning and contributions to the transportation planning process, acquisition of real property, construction of facilities and buildings, purchase and replacement of vehicles (including those usable by handicapped persons), and system operation, maintenance, and repair, payment for any of which purposes may take the form of direct expenditures or payment of principal and interest on equipment trust certificates, bonded or other indebtedness, or any amounts in accomplishment of a defeasance of any outstanding revenue bond indenture.

### Reimbursement for Financial Support

*99262.5*

Any transit district whose formation was approved in an election held in June 1972 may include in its claim an amount to reimburse any city in the district for financial support the city has provided to a regularly scheduled transportation service available to the public from July 1, 1972, through December 31, 1972.

### Payment of Principal and Interest on Bonds of Applicant

*99263*

An approved claim may include an amount to pay the principal and interest on bonds of the applicant for a public transportation system. This section shall not be construed as an authorization to any applicant to pledge revenues received from the county's local transportation fund, unless approved by the voters of the county under Article 7 (commencing with Section 99320) of this chapter.

### Staffing on Vehicles

*99264*

An operator shall not be eligible for allocation under this article if it routinely staffs with two or more persons a vehicle for public transportation purposes designed to be operated by one person.

### Substantiation of Changes in Budget

*99266*

No moneys may be allocated to an operator whose claim includes funds for an increase in operating budget in excess of 15 percent above the preceding year or substantial increase or decrease in scope of operations or capital budget provisions for major new fixed facilities, unless the operator's claim is accompanied by statements, reports, and such other supporting data as may be reasonably required to substantiate such change.

### Transfer of Operator’s Capital Assets

*99267*

If an operator ceases operations, any capital acquisitions made by that operator from funds allocated to it pursuant to this article may be transferred to any claimant to provide transportation services under this chapter.

### 50-Percent Expenditure Limitation

*99268*

The expenditure of the funds received under this article by an operator may in no year exceed 50 percent of the amount required to meet operating, maintenance, and capital and debt service requirements of the system after deduction therefrom of approved federal grants estimated to be received and funds estimated to be allocated pursuant to Section 99314.5. Notwithstanding the 50-percent limitation, the amount budgeted for capital requirements in any year or other period up to five years, less the amount of federal and other state funds granted or approved therefore, may be allocated and expended for capital improvements to a grade-separated mass transit system, if construction of such facilities has been found to be not inconsistent with the regional transportation plan of the transportation planning agency. Within such five-year period, the

transportation-planning agency may order the amount of the allocation in any year to be set aside and accumulated for accomplishment of the particular project.

### Expenditure Limitation Applied to Older Operators

*99268.1*

Commencing with claims for the 1980-81 fiscal year, an operator that was in compliance with Section 99268 during the 1978-79 fiscal year in order to be eligible for funds under this article shall be eligible for such funds in any fiscal year, if it remains in compliance with that section during the fiscal year. The determination of compliance for any fiscal year shall be made in the same manner as the determination was made for the 1978 -79 fiscal year, except for the exemption provided under Section 99267.5. An allowance for depreciation shall be made in the same manner as provided in the 1978-79 fiscal year.

For purposes of this section, an operator granted a waiver from the requirements of Section 99268 pursuant to Section 99268.8, as it read on January 1, 1979, shall not be deemed in compliance with that section.

### Alternative Revenue Ratios for Older Operators

*99268.2*

(a) In the case of an operator required to be in compliance with Section 99268 under Section 99268.1, the operator may be allocated additional funds that could not be allocated to it because of such requirements, if it maintains, for the fiscal year, a ratio of fare revenues to operating cost, as defined by subdivision (a) of Section 99247, at least equal (1) to one-fifth if serving an urbanized area or to one-tenth if serving a non-urbanized area or (2) to the ratio it had during the 1978-79 fiscal year, whichever is greater.

(b) In addition, such an operator having a ratio of the sum of fare revenues and local support to operating cost greater than one-fifth if serving an urbanized area, or one-tenth if serving a non-urbanized area, during the 1978 -79 fiscal year shall, at least, maintain that ratio in order to be eligible for additional funds pursuant to this section.

### Revenue Ratios for Older Operators

*99268.3*

(a) In the case of an operator which is serving an urbanized area, and which was eligible for funds under this article during the 1978-79 fiscal year even though not required to be in compliance with Section 99268 or which commenced operation after that fiscal year, the operator shall be eligible for such funds in any fiscal year, commencing with claims for the 1980 -81 fiscal year, if it maintains, for the fiscal year, a ratio of fare revenues to operating cost, as defined by subdivision (a) of Section 99247, at least equal to one-fifth or to the ratio it had during the 1978-79 fiscal year, whichever is greater.

(b) In addition, such an operator having a ratio of the sum of fare revenues and local support to operating cost greater than one-fifth during the 1978-79 fiscal year shall, at least, maintain that ratio in order to be eligible for funds under this article.

(c) In the case of an operator serving an urbanized area, and which was in operation during the 1978-79 fiscal year even though not then eligible for funds under this article, but which has

since become eligible for such funds, the operator shall be eligible for such funds in any fiscal year, commencing with the 1980-81 fiscal year, if it complies with either of the following:

(1) The requirements of Section 99268.

(2) The requirements of subdivisions (a) and (b).

### Revenue Ratios for Newer Non-Urbanized Area Operators

*99268.4*

(a) In the case of an operator which is serving a non-urbanized area, and which was eligible for funds under this article during the 1978-79 fiscal year even though not required to be in compliance with Section 99268 or which commenced operation after that fiscal year, the operator shall be eligible for such funds in any fiscal year, commencing with claims for the 1980-81 fiscal year, if it maintains, for the fiscal year, a ratio of fare revenues to operating cost, as defined by subdivision (a) of Section 99247, at least equal to one-tenth or to the ratio it had during the 1978-79 fiscal year, whichever is greater.

(b) In addition, such an operator having a ratio of the sum of fare revenues and local support to operating cost greater than one-tenth during the 1978-79 fiscal year shall, at least, maintain that ratio in order to be eligible for funds under this article.

### Fare Ratio Requirement for Exclusive Services to Elderly and Handicapped Persons

*99268.5*

(a) Commencing with claims for the 1980-81 fiscal year, no funds shall be allocated under this article in any fiscal year to an operator providing services using vehicles for the exclusive use of elderly and handicapped persons, unless the operator maintains, for the fiscal year, a ratio of fare revenues to operating cost, as defined by subdivision (a) of Section 99247, for those services at least equal to one-tenth or to the ratio it had for those services during the 1978-79 fiscal year, whichever is greater.

(b) Notwithstanding subdivision (a), an operator which provides both exclusive transportation services for elderly and handicapped persons and regular scheduled public transportation services may be allocated funds under this article for the exclusive service if the combined services qualify under Section 99268.1, 99268.2, 99268.3, or 99268.4, as the case may be, and the ratio of fare revenues to operating cost for the combined service shall not be less than the ratio required in order to make allocations to the operator for its regular scheduled services.

(c) In a county which had less than 500,000 population as determined by the 1970 federal decennial census and more than 500,000 in population as determined by the 1980 or 1990 federal decennial census, an operator in the county shall maintain a ratio of fare revenues to operating cost, as defined by subdivision (a) of Section 99247, at least equal to one-fifth if serving an urbanized area or one-tenth if serving a non-urbanized area.

## Succession of Joint Powers Entities

*99268.6*

(a) If a joint powers entity providing public transportation services was funded at any time under this article and is subsequently dissolved, any succeeding entity providing such services shall not be eligible for funding, unless it conforms to Section 99268.1, 99268.2, 99268.3, 99268.4, 99268.5, or 99268.9, as the case may be, which applied to its predecessor.

(b) Except a city or a county filing a claim pursuant to Section 99260.7, no public agency providing public transportation services, after withdrawing from, or while remaining in, a joint powers entity providing public transportation services, shall be eligible for funding under this article, unless it conforms to Section 99268.1, 99268.2, 99268.3, 99268.4, or 99268.9, as the case may be, that the joint powers entity is required to conform with in order to be eligible for such funding at the time the public agency commences its public transportation services. The public agency is an operator and shall be subject to Section 99268.9.

## Exemption for Capital-Intensive Improvements

*99268.7*

Any unallocated funds resulting from the limitations of Section 99268 may be used for capital-intensive transit-related improvements. Every effort shall be made to obtain federal funds for the purposes of this section. Such improvements shall include, but not be limited to, park-and-ride lots, terminal facilities, bus waiting shelters, exclusive lanes for buses, and the acquisition of vehicles and rolling stock for replacement purposes.

## Exemption for Extension of Services

*99268.8*

The required ratios of fare revenues to operating cost prescribed by this article shall not apply to an extension of public transportation services until two years after the end of the fiscal year in which the extension of services was put into operation. As used in this section, "extension of public transportation services" includes additions of geographical areas or route miles, or improvements in service frequency or hours of service greater than 25 percent of the route total, or the addition of new days of service, and for transit service claimants also includes the addition of a new type of service, such as van, taxi, or bus.

Within 90 days after the end of the first year of implementation, the operator shall submit to the transportation planning agency, the county transportation commission, or the San Diego Metropolitan Transit Development Board having jurisdiction over it, a report on the extension of public transportation services, including, but not limited to, the area served, the revenues generated, and the cost to provide the extended services.

## Non-compliance with Required Revenue Ratios

*99268.9*

(a) Except as otherwise provided in subdivision (b), if an operator was allocated funds under this article during a fiscal year in which it did not maintain the required ratio of fare revenues to operating cost, the operator's eligibility to receive moneys from the local transportation fund

and allocations pursuant to Sections 99313.3 and 99314.3 shall be reduced during a subsequent penalty year by the amount of the difference between the required fare revenues and the actual fare revenues for the fiscal year that the required ratio was not maintained. The penalty year shall be the fiscal year that begins one year after the end of the fiscal year during which the required ratio was not maintained.

An operator subject to this subdivision shall demonstrate to the transportation planning agency, the county transportation commission, or the San Diego Metropolitan Transit Development Board how it will achieve the required ratio of fare revenues during any penalty year.

(b) The first fiscal year for which an operator does not maintain the required ratio of fare revenues to operating cost is deemed a grace year, and shall not result in any penalty nor loss of eligibility for funds under this article.

### Waivers of Ratios for Labor Disputes

*99268.11*

Sections 99268.3, 99268.4, and 99268.9 may be waived by the transportation-planning agency with respect to an operator during any fiscal year in which both of the following occurred, if the waiver is necessary to enable the operator to provide vital public transportation services:

(a) The operator sustained two separate work stoppages for 15 days or longer due to labor disputes.

(b) At least one of the work stoppages was not related to a labor dispute with the operator.

### Reduced Ratios for Base Year Operations

*99268.12*

Notwithstanding Sections 99268.2 and 99268.3, the transportation planning agency or the county transportation commission may set the required ratio of fare revenue to operating cost at not less than three-twentieths for an operator in a county with a population of 500,000 or less and serving an urbanized area where funds may be allocated under Article 8 (commencing with Section 99400). Prior to setting the required ratio, the transportation planning agency or the county transportation commission shall make findings specifying the reasons for its action.

### Exclusion of Ridesharing Services Costs

*99268.16*

Notwithstanding subdivision (a) of Section 99247, the costs of providing ridesharing services are excluded from operating costs.

### Exclusion of Complementary Paratransit Services Costs

*99268.17*

(a) Notwithstanding subdivision (a) of Section 99247, the additional operating costs required to provide comparable complementary paratransit service as required by Section 37.121 of Title 49 of the Code of Federal Regulations, pursuant to the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), as identified in the operator's paratransit plan pursuant to Section 37.139 of Title 49 of the Code of Federal Regulations that exceed the operator's

costs required to provide comparable complementary paratransit service in the prior year as adjusted by the Consumer Price Index, shall be excluded from the definition of operating cost for the purposes of calculating any required ratios of fare revenues to operating cost specified in this article.

~~(2) The additional cost of liability insurance premiums that exceed the operator's liability insurance premiums in the prior year as adjusted by the Consumer Price Index.~~

(b) The exclusion of costs from the definition of operating costs in subdivision (a) applies solely for the purpose of this section and does not authorize an operator to report an operating cost other than as defined in subdivision (a) of Section 99247 or a ratio of fare revenue to operating cost other than as that ratio is described elsewhere in this article, to any of the following entities:

(1) The Controller pursuant to Section 99243.

(2) The entity conducting the fiscal audit pursuant to Section 99245.

(3) The entity conducting the performance audit pursuant to Section 99246.

(c) This section shall become operative on January 1, 2007,

*Amended by Chapter 354, Statutes of 2003 (AB 813)*
*Amended by Chapter 242, Statutes of 1995 (SB 252)*

## 50-Percent Expenditure Limitation Exclusion

*99268.18*

The exclusions contained in Sections 99268.10, 99268.16, and 99268.17 shall not be applicable for purposes of determining an operator's compliance with Section 99268.

*Amended by Chapter 800, Statutes of 1993 (AB 1234)*

## Fare Box Revenues Supplementation

*99268.19*

If fare revenues are insufficient to meet the applicable ratio of fare revenues to operating cost required by this article, an operator may satisfy that requirement by supplementing its fare revenues with local funds. "Local funds" means revenues derived from taxes imposed by the operator or by a county transportation commission created pursuant to Division 12 (commencing with Section 130000) of the Public Utilities Code.

## Compliance by Group in San Diego Metro Transit Development Board Area

*99269*

(a) Notwithstanding any other provision of this article, all operators providing service within the area under the jurisdiction of the San Diego Metropolitan Transit Development Board and filing claims pursuant to Section 99260 shall be considered a single operator. In order for all those operators to be eligible for funds under this article, an area wide ratio of fare revenues to operating cost, as defined by subdivision (a) of Section 99247, shall be determined on the

basis of the total operating cost and total fare revenues of all the operators, which ratio shall not be less than the area wide ratio for the 1978 -79 fiscal year.

(b) In calculating the area wide ratio for the 1978-79 fiscal year, only the fare revenues and the operating costs of those operators that are in compliance with Section 99268, 99268.1, 99268.2, or 99268.3, whichever section was applicable to the operator during the 1978-79 fiscal year, are to be used.

(c) During the period of the first two years of operation, a new operator subject to this section shall claim each year no more than 75 percent of its total operating cost for that year.

### Temporary Borrowing; Limitations

*99270*

On or after the first day of any fiscal year, an operator may engage in temporary borrowing pursuant to Article 7.6 (commencing with Section 53850), Chapter 4, Part 1, Division 2, Title 5 of the Government Code and for such purposes "revenues" as defined in Sections 53856 and 53858 of that code may include the amount of any claim permitted under this article if a claim has been filed and approved. The amount of any claim for the purposes of this section shall be subject to the limitations on claims specified in this chapter; provided that the calculations of the limitations referred to herein may be based upon estimates of the operator.

The payments made for temporary borrowing authorized under this section shall not be deemed capital expenditures for purposes of Section 99267.

The power of an operator to levy taxes shall not be a prerequisite to its power to issue notes as general obligations pursuant to Article 7.6.

### Portion of Urbanized Services

*99270.1*

If an operator serves urbanized and non-urbanized areas in the area of jurisdiction of a transportation planning agency, the transportation planning agency shall adopt rules and regulations to determine what portion of the public transportation services of the operator serves urbanized areas and what portion serves non-urbanized areas to determine its required ratio of fare revenues to operating cost, as defined by subdivision (a) of Section 99247, or its required ratio of the sum of fare revenues and local support to operating cost, or both.
The transportation-planning agency shall submit the rules and regulations to the department for approval.

### New Urbanized Areas

*99270.2*

If an operator serves an area that was first designated as an urbanized area in the 1980 or a subsequent federal census, the transportation planning agency or the county transportation commission may grant the operator time, but not more than five years from July 1 of the year following the year of the census, to meet the ratio of fare revenues to operating cost required of an operator serving an urbanized area.

## Compliance by Group in BART District

*99270.5*

In determining whether there is compliance with Section 99268.1, 99268.2, 99268.3, 99268.4, 99268.5, or 99268.9, as the case may be, by operators serving the area of the San Francisco Bay Area Rapid Transit District, excluding the City and County of San Francisco, the Metropolitan Transportation Commission may make that determination for all or some of the operators as a group, if the Metropolitan Transportation Commission finds that the public transportation services of the operators grouped are coordinated.

## Employee Retirement System

*99271*

(a) An operator shall be eligible for allocations under this article, on and after July 1, 1976, only if the current cost of its retirement system is fully funded with respect to the officers and employees of its public transportation system, or if the operator is implementing a plan approved by the transportation planning agency which will fully fund the retirement system for such officers and employees within 40 years.

(b) "Fully funded" with respect to the retirement system, means that the system, at any particular time, has assets determined to be sufficient to provide for the payment of all pension and other benefits to such officers and employees then entitled, or who may become entitled, under terms of the system to an immediate or deferred benefit in respect to service rendered by such officers and employees.

## Private Pension Plans

*99272*

An operator that has a private pension plan shall be eligible for allocations under this article, on and after July 1, 1976, only if the operator does both of the following:

(a) Conducts periodic actuarial studies of its employee pension plans to determine the annual cost of future pension benefits.

(b) Sets aside and invests, on a current basis, funds sufficient to provide for the payment of future pension benefits.

## Private Pension Plan Reports

*99273*

An operator that has a private pension plan shall be eligible for allocations under this article, on and after July 1, 1976, only if the operator reports in its financial statements, at least annually, all of the following:

(a) The actuarially determined amount of pension liability.

(b) The amount of cash funds set aside and invested to meet the pension liability.

(c) The amount of any deficit in the pension fund.

(d) The financial plan adopted to eliminate the deficit in the pension fund.

## ARTICLE 4.5 - CLAIMS FOR COMMUNITY TRANSIT SERVICES

### Community Transit Services Definition

*99275*

(a) Claims may be filed with the transportation planning agency by claimants for community transit services, including such services for those, such as the disabled, who cannot use conventional transit services.

(b) For purposes of this article, "community transit services" means transportation services which link intracommunity origins and destinations.

### Claim Evaluation Criteria; Required Findings

*99275.5*

(a) Claims, for purposes of this article, shall be filed in the same manner as claims are filed for purposes of Article 4 (commencing with Section 99260).

(b) The transportation planning agencies shall adopt criteria, rules, and regulations for the evaluation of claims filed under this article and the determination of the cost effectiveness of the proposed community transit services to be provided under the claims.

(c) Prior to approving a claim filed under this article, the transportation-planning agency shall make all of the following findings:

(1) That the proposed community transit service is responding to a transportation need currently not being met in the community of the claimant.

(2) That the service shall be integrated with existing transit services, if appropriate.

(3) That the claimant has prepared an estimate of revenues, operating costs, and patronage.

(4) That the claimant is in compliance with Section 99268.3, 99268.4, 99268.5, or 99268.9, whichever is applicable to it, or with regional, countywide, or county sub-area performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the transportation planning agency or the county transportation commission for any or all types of community transit services.

(A) In adopting the performance criteria, local match requirements, or fare recovery ratios, the transportation planning agency or the county transportation commission may adopt the criteria of Section 99268.3, 99268.4, 99268.5, or 99268.9, or any combination or all of them.

(B) If a transportation planning agency or county transportation commission has adopted performance criteria, local match requirements, or fare recovery ratios, the rules and regulations of the agency or commission apply, and Sections 99205.7 and 99241, subdivision (a) of Section 99247, and Section 99268.8 do not apply.

(5) That the claimant is in compliance with Sections 99155 and 99155.5.

(d) A transportation planning agency or county transportation commission shall allocate no funds to a claimant not in compliance with Sections 99155 and 99155. 5.

### Annual Certified Fiscal Audit

*99276*

Each claimant receiving funds allocated for purposes of this article shall submit an annual certified fiscal audit pursuant to Section 99245.

### Service Contracts

*99277*

Claimants may contract on the basis of competitive bidding to provide community transit services.

## ARTICLE 5 - RELATIONSHIPS BETWEEN OPERATORS

### Adding or Extending Routes

*99280*

An included municipal operator shall not establish a public transportation system either by adding new routes or extending existing routes, by acquisition or otherwise, outside of its boundaries and outside of the reserved service area consisting of the area that would be formed by joining all points that are distant three-quarters of one mile from any point of any of its regularly scheduled routes in existence and in operation on March 1, 1971. No point within such reserved service area shall be more than three-quarters of a mile from a point on one of such regularly scheduled routes, without first providing the governing board of the transit district with a 60-day advance written notice of its intention to add new routes or extend existing routes outside of the reserved service area. Within 30 days of receiving such written notice, the governing body of the transit district shall either (a) notify the included municipal operator that the transit district does not intend to add or extend the routes in question itself, in which case the included municipal operator may proceed with implementation of its plans; or (b) serve immediate notice upon the included municipal operator that the transit district desires to establish the proposed new service itself and is otherwise not precluded from doing so. In the event that the governing body of the transit district elects to provide the service in question, it shall institute such service within 60 days of the time proposed by the included municipal operator for initiation of such service.

The operation by included municipal operators of new or extended routes established pursuant to this section are subject to the condition whereby the transit district may assume operation of such new or extended routes, if it is not otherwise precluded from doing so, after a 60-day notification by the transit district to the included municipal operator. No route so assumed by the transit district may be abandoned by the transit district without first serving a 60-day written notice of intent to abandon on the included municipal operator, which previously provided the service. Subsequent to the abandonment by the transit district, the included municipal operator may, at its option, resume service if it is not otherwise precluded from doing so.

Any included municipal operator, as a condition precedent to filing a claim under Article 4 (commencing with Section 99260) of this chapter, shall file with the transportation planning agency a certified route map showing those regularly scheduled routes in existence and in operation on March 1, 1971, outside of its boundaries. Such certified map shall also indicate by an appropriate legend the service area where the consent of the transit district is not required under the terms of this section.

The establishment of new routes, or the extension of existing routes, outside the boundaries of an included municipal operator, but within the reserved service area, as defined in this section, shall not be permitted where the operation or establishment of such routes will compete with or divert patronage from a route of the transit district as of the date the transit district is given the notice hereinafter required. Before any such new routes are established or existing routes are extended, the included municipal operator shall give the transit district an appropriate 60-day notice.

## Extension of Service by Transit District

*99281*

The transit district may operate or establish new routes or extend existing routes in all or part of the area outside a municipal operator, except where the operation or establishment of that service will compete with or divert patronage from an existing service of any included municipal operator or service in a reserved service area under Section 99280. However, this limitation upon the district does not apply with respect to services established outside a reserved service area by an included municipal operator under Section 99280.

Unless both the department and the statutorily created regional transportation planning agency designate otherwise, the transit district has the sole prerogative of using funds available under this chapter for the purpose of constructing and operating a grade-separated mass transit system, regardless of whether the operation of the system competes with or diverts patronage from any services of an included municipal operator.

## Coordination of Services

*99282*

All operators shall be encouraged to establish maximum coordination of public transportation services, fares, transfer privileges, and all other related matters for the overall improvement of public transportation service to the general public requiring such services within the affected areas.

## Transfers Between Operators

*99282.5*

Where there are two or more operators within its area of jurisdiction, the transportation planning agency, the county transportation commission, and the San Diego Metropolitan Transit Development Board, as the case may be, shall adopt, not later than
July 1, 1980, rules and regulations to provide for transfers between the public transportation services of the operators so that such services will be coordinated.

## Interchange of Transfers

*99283*

The consent of a transit district to the operation of a public transportation system by an included municipal operator pursuant to Section 99280 may include a requirement for interchange of transfers on an appropriate basis between the public transportation system of the included municipal operator and the public transportation system of the transit district, or any nominee of such transit district, in connection with the furnishing of services by such public transportation systems.

## Violations

*99284*

The violation by a transit district or an included municipal operator of any provisions of this article, or of any agreement between them with regard to providing public transportation services, shall disqualify the violator from filing a public transportation claim pursuant to Article 4 (commencing with Section 99260) of this chapter, and the transportation planning agency shall take no further action in connection with the approval of any pending public transportation claim of such violator until it determines that such violation has ceased.

## Approval and Submission of Proposals by County Transportation Commissions

*99285*

(a) The county transportation commissions created pursuant to Division 12 (commencing with Section 130000), including those agencies in Los Angeles County created by statute that assume the same statutory obligations as county transportation commissions, shall submit to the transportation planning agency those claims to be funded, and the transportation planning agency shall approve only those claims submitted.

(b) Each commission shall adopt appropriate criteria by which claims shall be analyzed and evaluated, and shall approve only those claims which will provide for a coordinated public transportation system consistent with the adopted transportation improvement program and adopted regional transportation plan and which will not result in undesirable duplication of public transportation services.

(c) In considering proposals, the Los Angeles County Metropolitan Transportation Authority shall consider, among other things, the fare revenue to operating cost ratio and the public transit service mileage of each operator in the authority operating area, but under no circumstances shall the included municipal operators in existence and receiving formula allocation program funding on July 1, 1996, receive less than the percentage of state, federal, and local funds allocated in the 1995-96 fiscal year for bus services. An operator designated as an included municipal operator effective July 1, 1996, shall, under no circumstances, receive less than its percentage of state, federal, and local funds for eligible services pursuant to the formula specified in subdivision (d).

Under no circumstances shall included or eligible municipal operators, as defined in Sections 99207 and 99207.5, respectively, in existence on July 1, 1996, and receiving formula-equivalent funding from sources other than federal operating funds pursuant to Section 5307 of Title 49 of the United State Code, and funds claimed under Article 4 (commencing with Section 99260) and Article 6.5 (commencing with Section 99310) of this chapter receive less than the proportional share allocated during the 1995-96 fiscal year from the Proposition A 40 percent fund and other available funding sources.

(d) Commencing with the 1996-97 fiscal year, eligible and included municipal operators and the Los Angeles County Metropolitan Transportation Authority shall continue to be allocated not less than the amount that would be allocated to them under the formula allocation procedure in effect July 1, 1995, and under subdivision (i). Based upon audited transit performance data submitted for bus transit operations covering the most recent year for which audited data is available, each of those operator's share of the funds available for allocation shall be calculated as follows: 50 percent of the operator's vehicle service miles, and 50 percent of the operator's passenger revenues divided by its base cash fare.

(e) A three-fourths vote of the principal members of the Los Angeles County Metropolitan Transportation Authority shall be required to modify the formulas for allocating of funds available for bus service under this section to the authority operator and included and eligible municipal operators, as defined or described in Sections 99207, 99207.5, and 130050.2.

(f)

(1) A two-thirds vote of the members shall be required in order to establish or change the criteria for admitting new included municipal operators for eligibility for funds allocated under Article 4 (commencing with Section 99260).

(2) A two-thirds vote of the members shall be required, based on the criteria in effect under paragraph (1), to allocate funds under Article 4 (commencing with Section 99260) to any "included municipal operator," as defined in subdivision (d) of Section 99207, which has not previously received funds under this article.

(g) The Los Angeles County Metropolitan Transportation Authority shall give equal consideration to the capital projects of all operators in the county, and shall allocate regional federal bus transit capital funds based on the authority's capital allocation procedure existing on July 1, 1995, exclusive of funds specifically earmarked by federal law for other purposes.

(h) It is the intent of the Legislature that neither this section nor the creation of the Los Angeles County Metropolitan Transportation Authority and its operating organizational unit shall impact the allocation of funds pursuant to Article 8 (commencing with Section 99400) by local agencies currently eligible to receive these funds.

(i) As part of the formula allocation procedure used to distribute from a state transit assistance fund, the Mills-Alquist-Deddeh Transportation Development Act (Division 11 (commencing with Section 120000) of the Public Utilities Code), Section 5307 of Title 49 of the United States Code, and Proposition A 40 percent funds pursuant to this chapter, and federal operating funds to Los Angeles County operators, eligible and included municipal operators designated on September 25, 1991, or July 1, 1992, who, since that time, have received annual allocations of local sales tax funding in lieu of specified formula funds, shall continue to receive those same formula-equivalent levels of funding from local discretionary sources. Included municipal operators who receive annual allocations of local sales tax funding for specified services or service levels shall continue to receive equivalent levels of funding allocated from local sources for these services in the 1995-96 fiscal year.

(j) Ninety percent of the Proposition C 5 percent security funds shall be allocated to the included and eligible municipal operators and the Los Angeles County Metropolitan Transportation Authority according to their proportionate number of transit passengers served.

The funds shall be allocated only to those operators, which have filed with the Los Angeles County Metropolitan Transportation Authority a cost-effective program to provide transit security services. Any unallocated funds shall revert to the remaining balance of security funds, which shall be disbursed at the discretion of the Los Angeles County Metropolitan Transportation Authority.

(k) This section shall not impact or restrict the use of those portions of Mills-Alquist-Deddeh Transportation Development Act, Proposition A, or Proposition C local return or other transportation funds allocated to cities or counties by population nor shall this section restrict the level or source of funding programmed by local jurisdiction to operators.

*Amended by Chapter 554, Statutes of 1996 (SB 1755)*
*Amended by Chapter 110, Statutes of 1993 (AB 1136)*

## Effects of Strikes, Civil Disorders or Acts of God

*99285.1*

For any fiscal year commencing on and after July 1, 1975, in determining the allocation of any operator pursuant to Section 99285, the public transit service mileage of any operator which has lost any days of operation due to strikes occurring prior to August 1, 1975, civil disorders, or acts of God shall equal its actual public transit service mileage times the number of days it would have been in operation but for such causes, divided by the number of days it was in actual operation.

## Approval of Claims by Resolution

*99285.2*

(a) Notwithstanding subdivision (a) of Section 99285, any county transportation commission created pursuant to Division 12 (commencing with Section 130000) may adopt a resolution electing to approve the proposals to be funded and shall approve only those claims submitted for its approval.

(b) Notwithstanding subdivision (a) of Section 99285, for the County of Imperial, the Imperial Valley Association of Governments shall submit to the transportation-planning agency those proposals to be funded, and the transportation-planning agency shall approve only those claims submitted for those proposals. Alternatively, the Imperial Valley Association of Governments may adopt a resolution electing to approve the proposals to be funded and shall approve only those claims submitted for those proposals.

*Added by Chapter 1172, Statutes of 1992 (AB 3799).*
*Effective September 29, 1992*

## Contiguous Transit Districts

*99286*

Notwithstanding any other provision of law, no operator may plan or establish a public transportation system by adding or extending routes, by acquisition or otherwise, into the area of a contiguous transit district, nor may moneys be allocated from the fund of the county where such addition or extension is contemplated for such purposes, without the consent of the affected transit district.

## Bay Area Rapid Transit District

*99287*

(a) No provision of this article shall preclude the San Francisco Bay Area Rapid Transit District from planning, acquiring, constructing, and operating its system within or without the territory of the district as provided for by Article 5 (commencing with Section 29030), Chapter 6, Part 2 of Division 10. Notwithstanding the provisions of subdivision (d) of Section 99220, in the event an extension is to be made into a county for which services have not been provided, the moneys within the fund of that county may be used to pay the costs of securing such services.

(b) Notwithstanding subdivision (a) or the limitations of Section 99231, during a period of up to five years that the San Francisco Bay Area Rapid Transit District is planning any extension of its system into a county outside of the district but with a coterminous boundary with the

district and which contains a major transportation facility belonging to another county or city and county, the Metropolitan Transportation Commission may order that any funds in the local transportation fund of such county that are not necessary to pay approved claims under Article 4 (commencing with Section 99260) of this chapter be retained.

### Extended Service by Contract or Authorization

*99288*

(a) Any city, county, or transit district may enter into a contract with any operator, except with an included municipal operator unless specifically approved by the governing body of the transit district in whose area the included municipal operator is located, for the operator to provide public transportation service in the city, county, or transit district. In that case, the operator providing the service may include the claim of the city, county, or transit district, as the case may be, with its claim. The claim may include an amount for reimbursement of the actual costs incurred by the city, county, or transit district for the administration, review, and monitoring of the contract. The amount so claimed shall not exceed 5 percent of the total amount of the contract for public transportation service in the city, county, or transit district.

(b) With the prior express authorization of the department, a transit district may include in its claim a proportional amount for regularly scheduled services outside its boundaries even though the contract specified in subdivision (a) has not been executed.

### Included Municipal Operator Within a Transit District

*99289*

(a) Funds received by a city or county designated as an included municipal operator pursuant to subdivision (b) of Section 99207 because it is not receiving adequate local public transportation service from any transit districts in which it is located may only be used by such a city or county to contract with an operator for public transportation services.

(b) If the Metropolitan Transportation Commission determines that it is not feasible on the basis of, among other things, cost to contract with an operator pursuant to subdivision (a), the city or county may use the funds for either or both of the following:

(1) The development and operation of a public transportation system.

(2) Public transportation service received under contract from an operator providing such service since at least July 1, 1972, or from a common carrier, as defined in Section 211, which is under the jurisdiction and control of the Public Utilities Commission and which is engaged in the transportation of persons, as defined in Section 208.

(c) The system or the service under the contract, as the case may be, shall be consistent, as determined by the Metropolitan Transportation Commission, with the regional transportation plan.

### Conflicts in Law

*99299*

The provisions of this article shall control over the provisions of any other act or law applicable to a transit district to the extent of any conflict with such provisions.

## ARTICLE 6 - MISCELLANEOUS

### Expenditure of Earned Interest

*99301*

Interest earned on funds allocated pursuant to this chapter shall be expended only for those purposes for which the funds were allocated.

### Orange County Expenditure of Earned Interest

*99301.5*

Notwithstanding Sections 99232, 99233, and 99301, the Orange County Transportation Commission may direct the transportation planning agency to allocate interest accruing from money retained for the development of transit in the local transportation fund of the County of Orange, to the County of Orange, to cities within the county, to the Department of Transportation, to the Orange County Transit District, and to the Orange County Transportation Commission to expend for transportation purposes within the County of Orange, as determined by the Orange County Transportation Commission, including those which could be funded by motor vehicle fuel taxes pursuant to Section 1 of Article XIX of the California Constitution. The commission, when determining the purposes for which the money is to be expended, shall ensure that, to the extent possible, at least one-half of the money is allocated to local street and road projects.

### Orange County Unified Transportation Trust

*99301.6*

Interest accruing pursuant to Section 99301.5 shall continue to be allocated under that section for as long as there is a balance of money retained for the development of transit in the local transportation fund of the County of Orange. For this purpose, the amount of the balance retained for the development of transit in the local transportation fund shall be determined by the Orange County Transportation Commission with the concurrence of the Orange County Transit District prior to the beginning of each fiscal year.

After the allocation instructions have been received from the transportation-planning agency, the interest accruing shall be deposited in a separate account maintained by the Orange County Treasurer, which shall be known as the Orange County Unified Transportation Trust. Thereafter, the Orange County Transportation Commission shall issue allocation instructions on the balance in the Orange County Unified Transportation Trust.

### Claims of Applicants in the Metropolitan Transportation Commission Area

*99302*

Notwithstanding the fact that the Metropolitan Transportation Commission is not required to adopt a regional transportation plan until June 30, 1973, for the region comprised of the City and County of San Francisco and the Counties of Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano, and Sonoma, it may approve the claim of any applicant within the region.

The commission shall approve those claims which will not result in the undesirable duplication of public transportation services, and which will provide for a coordinated public transportation system, in the region.

The commission may, on its own motion, arbitrate differences (1) between the various applicants, (2) between an applicant and a city or county regarding the costs of the extension of services, and (3) between the various entities within the region regarding priorities and the order that various improvements are to be made.

### Orange County Expenditure Determination

*99302.5*

Before the Orange County Transit District may expend any of its allocation it has retained for the development of rapid transit for purposes other than such development, the Orange County Transportation Commission shall make a determination that the funds are not required for any exclusive public mass transit guideway purpose within the foreseeable future.

### Unallocated Apportionment in San Diego Metropolitan Transit Development Board Area

*99303*

Not less than 75 percent of the unallocated apportionment, as of June 30, 1978, and each June 30th thereafter, for the cities, and that portion of the County of San Diego, under the jurisdiction of the San Diego Metropolitan Transit Development Board shall be available to the board for exclusive public mass transit guideway purposes as specified in Article 4 (commencing with Section 120260) of Chapter 4 of Division 11.

On July 1 of the first fiscal year of implementation of Section 120265, this section shall no longer be effective except as to the prior year's unallocated apportionment.

### Interest Earned on Unallocated Apportionment in the Metropolitan Transportation Commission Area

*99304*

Notwithstanding Section 29530 of the Government Code, the Metropolitan Transportation Commission shall, if an unallocated apportionment has been set aside for an operator for specific future expenditures, also set aside annually the interest earned on the unallocated apportionment that has been set aside until the unallocated apportionment is allocated, and shall include the set-aside interest in the amount apportioned to that operator. The interest amount shall be determined by the Metropolitan Transportation Commission based on its estimate of the average rate of interest earned by the unallocated apportionment during the prior fiscal year.

## ARTICLE 6.5 - TRANSPORTATION PLANNING & DEVELOPMENT ACCOUNT

### Account Creation

*99310*

(a) The Transportation Planning and Development Account in the State Transportation Fund, hereafter referred to as the "account" in this article, is hereby continued in existence as the Public Transportation Account in the fund.

(b) Any reference in any law or regulation to the Transportation Planning and Development Account in the State Transportation Fund is a reference to the Public Transportation Account.

### Purposes

*99310.5*

(a) The account is hereby designated a trust fund.

(b) The funds in the account shall be available, when appropriated by the Legislature, only for transportation planning and mass transportation purposes, as specified by the Legislature.

(c) The Legislature may amend this section by statute passed in each house of the Legislature by roll call vote entered in the journal, two-thirds of the membership concurring, if the statute is consistent with, and furthers the purposes of, this section.

### Accounting and Reporting System

*99310.6*

Notwithstanding any other provision of law, the Department of Finance may establish the accounting and reporting system used to determine the expenditures, cash needs, and balance of the Public Transportation Account.

### Appropriations from Funds Transferred from the State Highway Account and Aeronautics Account

*99311*

Upon appropriation by the Legislature, funds transferred, or scheduled as a reimbursement, to the account, pursuant to Section 21682.5 of this code and Section 194 of the Streets and Highways Code, shall be available for allocation by the director for the following purposes:

(a) State transportation planning.

(b) Regional transportation planning by transportation planning agencies designated pursuant to Section 29532 of the Government Code, but not those specified in subdivision (b) of Section 29532.4 of the Government Code.

*Amended by Chapter 117, Statutes of 1992 (AB 3799)*
*Effective September 29, 1992*

## Allocation of Funds for Regional Transportation Planning Purposes

*99311.1*

Upon appropriation by the Legislature, the director shall allocate, from the account or from other available state or federal sources, or from both state and federal sources, for the purposes of subdivision (b) of Section 99311, an amount commensurate with the historical annual allocation to transportation planning agencies designated pursuant to Section 29532 of the Government Code that do not directly receive federal planning funds, as set forth in Section 134 of Title 23 of the United States Code.

## Match for Planning Subventions from the Account

*99311.5*

The amount allocated to a transportation planning agency designated pursuant to Section 29532 of the Government Code, for the preparation or updating of a regional transportation plan pursuant to Chapter 2.5 (commencing with Section 65080) of Title 7 of that code, may be up to 70 percent of its non-federally reimbursed costs for regional transportation planning.

For a transportation-planning agency in a county with a population of less than 500,000 persons, the director may increase that percentage, if the director determines it to be in the best interests of regional and state transportation planning to do so.

## Appropriation of Revenues

*99312*

Except as provided in Sections 99311 and 99311.5, and Sections 6051.8 and 6201.8 of the Revenue and Taxation Code, and except as otherwise provided in subdivisions (d) and (e), the funds in the account shall be made available for the following purposes:

(a) Fifty percent for purposes of Section 99315, subject to appropriation by the Legislature.

(b) To the Controller, 25 percent for allocation to transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board pursuant to Section 99314. Commencing with the 2011-12 fiscal year, these funds are hereby continuously appropriated for purposes of this subdivision.

(c) To the Controller, 25 percent for allocation to transportation agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board for purposes of Section 99313. Commencing with the 2011-12 fiscal year, these funds are hereby continuously appropriated for purposes of this subdivision.

(d)

(1) For the 2009-10 fiscal year, notwithstanding any other provision of this section or any other provision of law, the sum of four hundred million dollars ($400,000,000) is hereby appropriated from the account to the Controller for immediate allocation pursuant to paragraph (2). These funds are intended to cover the two-year period of the 2009-10 and 2010-11 fiscal years. The remaining funds in the account subject to this section shall be available for the purposes of Section 99315, subject to appropriation by the Legislature.

(2)

(A) Fifty percent of the amount appropriated to the Controller pursuant to paragraph (1) shall be allocated to transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board pursuant to Section 99314

(B) Fifty percent of the amount appropriated to the Controller pursuant to paragraph (1) shall be allocated to transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board pursuant to Section 99313

(e) For the 2010-11 fiscal year, notwithstanding any other provision of this section or any other provision of law, the funds in the account subject to this section shall be made available only for purposes of Section 99315, subject to appropriation by the Legislature.

*Amended by Chapter 622, Statutes of 1997 (SB 45)*
***Added by Chapter 9, Statutes of 2007 (SB79)***
***Amended by Chapter 12, Statutes of 2010 (ABX8 9)***
***Amended by Chapter 6, Statutes of 2011 (AB105)***

## Revenues Transferred to the Public Transportation Account

*99312.1*

Revenues transferred to the Public Transportation Account pursuant to Sections 6051.8 and 6201.8 of the Revenue and Taxation Code are hereby continuously appropriated to the Controller for allocation as follows:

(a) Fifty percent for allocation to transportation planning agencies, county transportation commissions, and San Diego Metropolitan Transit Development Board pursuant to Section 99314.

(b) Fifty percent for allocation to transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board for purposes of Section 99313.

For purposes of this chapter, the revenues allocated pursuant to this section shall be subject to the same requirements as revenues allocated pursuant to subdivisions (b) and (c), as applicable, of Section 99312.

***Amended by Chapter 6, Statutes of 2011 (AB105)***

## Funds Transferred from the Public Transportation Account to the State Transit Assistance Fund

*99312.2*

Notwithstanding any other provision of law, twenty-three million dollars ($23,000,000) is hereby appropriated from the Public Transportation Account to the Controller for allocation to local agencies for the 2011-12 fiscal year, with eleven million five hundred thousand dollars ($11,500,000) to be allocated pursuant to Section 99313 and eleven million five hundred thousand dollars ($11,500,000) to be allocated pursuant to Section 99314. For purposes of this chapter, the revenues allocated pursuant to this section shall be subject to the same requirements as revenues allocated pursuant to subdivisions (b) and (c), as applicable, of Section 99312.

*Added by Chapter 6, Statutes of 2011 (AB105)*

## State Transit Assistance Allocation Areas

*99312.5*

(a) In the case of a transportation planning agency with county transportation commissions within its area of jurisdiction, the allocations pursuant to Sections 99313 and 99314 to the transportation planning agency shall be determined by excluding the areas also under the jurisdiction of the county transportation commissions.

(b) In the case of the transportation-planning agency with the San Diego Metropolitan Transit Development Board within its area of jurisdiction, the allocations pursuant to Sections 99313 and 99314 to the transportation-planning agency shall be determined by excluding the area also under the jurisdiction of the transit development board.

## Controller's Estimates

*99312.7*

(a) Not later than each January 31st, the Controller shall send to each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board, an estimate of the amount of funds to be allocated to it during the next fiscal year pursuant to Sections 99313 and 99314.

(b) Not later than each August 1st, on the basis of the amount appropriated in the Budget Act for purposes of Sections 99313 and 99314, the Controller shall send to each of the entities an estimate of the amount of funds to be allocated to it during the fiscal year.

*This section shall become operative on July 1, 1987*
*Amended by Chapter 787, Statutes of 2000 (SB 1404)*

## State Transit Assistance; Population Formula Allocations

*99313*

From the funds made available pursuant to subdivision (c) of Section 99312, an amount shall be allocated by the Controller to each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board, based on the ratio of the population of the area under its jurisdiction to the total population of the state.

## State Transit Assistance Fund Transfers

*99313.1*

(a) A transportation planning agency, a county transportation commission, or the San Diego Metropolitan Transit Development Board may transfer any funds that it receives pursuant to Section 99313 to another transportation planning agency, county transportation commission, or the San Diego Metropolitan Transit Development Board. Any funds transferred pursuant to this section shall be used only for the purposes authorized by this chapter and are subject to all statutes and rules and regulations applicable to funds allocated pursuant to Section 99313.

(b) If one transfer has been completed between a transportation planning agency, a county transportation commission, or the San Diego Metropolitan Transit Development Board, pursuant to this section, no other transfer may be made between the same parties.

(c) In the event of a transfer of funds to the Los Angeles County Metropolitan Transportation Authority pursuant to this section, the amount of that transfer, if any, which exceeds the amount of funds transferred at that time by the Los Angeles County Metropolitan Transportation Authority to the transferring transportation planning agency, county transportation commission, or the San Diego Metropolitan Transit Development Board, may not be used for the purpose of funding an exclusive public mass transit guideway system project. The Los Angeles County Metropolitan Transportation Authority shall report to the Senate Committee on Transportation and Housing and the Assembly Committee on Transportation on the expenditure of any funds received by it pursuant to a transfer made pursuant to this section.

*Amended by SB 1318, Statutes of 2010*

## Use of Funds

*99313.3*

The amount received by each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board, pursuant to Sections 99313 and 99314, shall be allocated for public transportation purposes, including community transit services. Funds received pursuant to Section 99314 may be expended for community transit services pursuant to Section 99275.

## Creation and Purpose of State Transit Assistance Fund

*99313.6*

(a) Except as provided in subdivision (b), each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board, shall create a state transit assistance fund and deposit therein the funds allocated to it pursuant to Sections 99313 and 99314 for allocations to operators, and to claimants for the purposes specified in Section 99275 and in subdivisions (b), (c), (d), and (e) of Section 99400, within the area on which its allocation was determined.

(b) From funds allocated to it pursuant to Sections 99313 and 99314, the Los Angeles County Transportation Commission may allocate funds to itself for the planning, design, and construction of an exclusive public mass transit guideway system.

(c) An allocation of funds from a state transit assistance fund for a transit capital project may be used for the payment of the principal of, and interest on, equipment trust certificates, bonded or other indebtedness, or in accomplishment of a defeasance of any outstanding revenue bond indenture issued for that project.

(d) From funds allocated to it pursuant to Section 99313, the Metropolitan Transportation Commission may allocate funds to itself for projects to achieve regional transit coordination objectives.

*Amended by Chapter 704, Statutes of 1994 (SB 1699)*

## State Transit Assistance; Rail Services

*99313.7*

A public agency authorized to file claims with the transportation planning agency and expend funds pursuant to Section 99234.5, 99234.7, or 99234.9 may also file claims, receive allocations, and expend state transit assistance funds made available pursuant to Sections 99313 and 99314.

## State Transit Assistance; Revenue Formula Allocation

*99314*

(a) From funds made available pursuant to subdivision (b) of Section 99312, an amount shall be allocated by the Controller to each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board.

The allocation shall include an amount corresponding to each of the member agencies of the Altamont Commuter Express Authority and the Southern California Regional Rail Authority. The amount of funds allocated shall be based on the ratio of the total revenue of all the operators and the member agencies of the Altamont Commuter Express Authority and the Southern California Regional Rail Authority in the area under their respective jurisdictions during the prior fiscal year to the total revenue of all the operators in the state and the member agencies of the Altamont Commuter Express Authority and the member agencies of the Southern California Regional Rail Authority during the prior fiscal year.

(b) For purposes of this section and Section 99314.3, "revenue" means fare revenues and any other funds used by the operator for its transit operation, and the revenue that is derived from operating as a member of the authority pursuant to Section 99314.1, except federal and state funds which may only be used for transportation purposes and funds allocated pursuant to Section 99233. The revenue amount for each operator shall be determined from the annual report submitted to the Legislature by the Controller pursuant to Section 99243.5. The revenue amount for each member agency of the Altamont Commuter Express Authority and the Southern California Regional Rail Authority shall be determined by the revenues reported to the Controller by the respective authorities in accordance to subdivision (b) of Section 99314.1 and subdivision (b) of Section 99314.2, respectively.

(c) For the purposes of this section, any reference to the “Altamont Commuter Express Authority” shall be construed to include a reference to any entity that is a successor to the authority.

*Amended by Chapter 615, Statutes of 2004 (SB 1233)*

## The Altamont Commuter Express Authority Terms and Definitions

*99314.1*

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

(1) The "Altamont Commuter Express Authority" or the "authority" is the joint powers agency duly formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, by and between the Alameda Congestion Management Agency, the Santa Clara Valley Transportation Authority, and the San Joaquin Regional Rail Commission. Any reference to the “Altamont Commuter

Express Authority” or the “authority” shall be construed to include a reference to any entity that is a successor to the authority.

(2) "Revenue" means revenue, as defined in subdivision (b) of Section 99314 that is derived from operating as a member agency of the authority.

(b) The Altamont Commuter Express Authority shall report to the Controller, for each fiscal year, the ratio that the revenue of each member agency of the authority during the prior fiscal year bears to the total revenue of the authority during that fiscal year.

(c)

(1) From funds made available pursuant to subdivision (b) of Section 99312, the Controller shall allocate to each member agency of the authority an amount that is based on the ratio provided under subdivision (b).

(2) The allocation set forth in paragraph (1) shall be in addition to any other allocation provided under this article.

(2) Allocations made under this section shall be used only for purposes authorized under this chapter.

*Added by Chapter 632, Statutes of 2000 (AB 1951)*

*Amended by Chapter 615, Statutes of 2004 (SB 1233)*

## The Southern California Regional Rail Authority Terms and Definitions

*99314.2*

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

(1) The "Southern California Regional Rail Authority" or the "authority" is that joint powers authority described in Section 14072 of the Government Code and includes any additional agencies that may join the authority under Section 14072.2 of that code.

(2) "Revenue" means revenue, as defined in subdivision (b) of Section 99314 that is derived from operating as a member agency of the authority.

(b) The Southern California Regional Rail Authority shall report to the Controller, on an annual basis, the ratio that the revenue of each member agency of the authority during the prior fiscal year bears to the total revenue of the authority during that fiscal year.

(1) From funds made available pursuant to subdivision (b) of Section 99312, the Controller shall allocate to each member agency of the authority an amount that is based on the ratio provided under subdivision (b).

(2) The allocation set forth in paragraph (1) shall be in addition to any other allocation provided under this article.

(3) Allocations made under this section shall be used only for purposes authorized under this chapter.

*Added by Chapter 632, Statutes of 2000 (AB 1951)*

## Allocations of Funds to Operators

*99314.3*

(a) The amount received by each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board, pursuant to Section 99314 shall be allocated to the operators in the area of its jurisdiction.

(b) The amount of funds allocated by the Controller corresponding to each of the member agencies of the Altamont Commuter Express Authority and the member agencies of the Southern California Regional Rail Authority, pursuant to Section 99314, shall be allocated by the transportation planning agency having jurisdiction over the member agency's area, for purposes authorized in this chapter. The allocation shall be based on the ratio of the revenues of each of the member agencies and of all the operators during the prior fiscal year within the area of jurisdiction of the allocating agency, commission, or board as the case may be.

(c) The amount allocated to each operator pursuant to this section shall be based on the ratio of its revenue of all the operations and the member agencies of the Altamont Commuter Express Authority and the member agencies of the Southern California Rail Authority during the prior fiscal year to the total revenue of all the operators during the prior fiscal year within the area of jurisdiction of the allocating agency, commission, or board, as the case may be.

(d) For purposes of subdivision (a), the City and County of San Francisco with respect to its municipal railway system, the Alameda-Contra Costa Transit District, and the San Francisco Bay Area Rapid Transit District shall be considered one operator. The amount allocated to them as one operator shall be apportioned to each of them based on the ratio of its revenue to the sum of their revenues, excluding from the determination of that ratio the amount allocated to each of them pursuant to Section 29142.2.

*Amended by Chapter 632, Statutes of 2000 (AB 1951)*

## State Transit Assistance; Funding Exchange Program

*99314.4*

(a) An operator in an urbanized area having a population of less than 200,000 persons may elect to participate in the funding exchange program authorized by this subdivision. An operator electing to participate in the funding exchange program shall give notice to the director and shall indicate the amount of funds, which it wants allocated for the funding exchange program. From funds that would otherwise be allocated to an operator pursuant to Sections 99313.3, 99314, and 99314.3, an amount so designated by the participating operator shall be allocated to the department for transfer pursuant to an agreement between the department and the State of Arizona whereby California can receive federal mass transportation funds originally apportioned to the State of Arizona.
The department shall allocate the federal mass transportation funds so received to each participating operator in the same proportion as the operator contributed to the funding exchange program. Funds so received shall be used only for the purposes authorized by this chapter and are subject to all statutes and rules and regulations applicable to funds allocated pursuant to Sections 99313 and 99314.

The Legislature finds and declares that the exchange of state funds for federal mass transportation funds authorized by this section will result in a net increase in the total amount of funds to be available to the participating operators.

(b) A transportation planning agency, county transportation commission, or transit development board may authorize an operator under its jurisdiction to exchange funds allocated to it pursuant to Section 99314.3 for funds made available pursuant to Section 99231. Any funds allocated pursuant to Section 99314.3 that are exchanged pursuant to this subdivision shall only be available to other operators and shall be used for the purposes authorized by this chapter and are subject to all statutes and rules and regulations applicable to funds allocated pursuant to Section 99314.3. Exchanges pursuant to this subdivision shall be on a dollar-for-dollar basis.

## Eligibility for State Transit Assistance

*99314.5*

(a) No funds allocated pursuant to Section 99313.3 or 99314.3 shall be allocated to an operator unless it is eligible for allocations under Article 4 (commencing with Section 99260), without considering any funds to be allocated to it pursuant to those sections, or it is in a county in which funds may be allocated for purposes specified in Section 99400.

(b) No funds allocated pursuant to Section 99313.3 shall be allocated to a city or county for the purposes specified in subdivisions (b), (c), (d), and (e) of Section 99400 unless it is eligible for allocations under Article 8 (commencing with Section 99400) for those purposes, without considering any funds to be allocated to it pursuant to that section.

(c) It is the intent of the Legislature that, in allocating the funds, the transportation planning agencies and the county transportation commissions, and the San Diego Metropolitan Transit Development Board, give priority consideration to claims to offset reductions in federal operating assistance and the unanticipated increase in the cost of fuel, to enhance existing public transportation services, and to meet high-priority regional, countywide, or areawide public transportation needs.

(d) No funds allocated pursuant to Section 99313.3 or 99314.3 shall be allocated to a claimant for the purposes specified in Section 99275 unless it is eligible for allocation under Article 4.5(commencing with Section 99275) for those purposes, without considering any funds to be allocated to it pursuant to those sections.

(e) Nothing in this section shall be construed to prohibit, or limit the ability of, a public transit operator to do the following:
   (1) Contract with common carriers of persons operating under a franchise or license.
   (2) Employ part-time drivers.

*Amended by Chapter 201, Statutes of 2002 (AB 1912)*

## State Transit Assistance; Operator's Qualifying Criteria

*99314.6*

(a) Except as provided in Section 99314.7, the following eligibility standards apply:

(1) Except as provided in paragraph (2), funds shall not be allocated for operating purposes pursuant to Sections 99313 and 99314 to an operator unless the operator meets either of the following efficiency standards:

(A) The operator's total operating cost per revenue vehicle hour in the latest year for which audited data are available does not exceed the sum of the preceding year's total operating cost per revenue vehicle hour and an amount equal to the product of the percentage change in the Consumer Price Index for the same period multiplied by the preceding year's total operating cost per revenue vehicle hour.

(B) The operator's average total operating cost per revenue vehicle hour in the latest three years for which audited data are available does not exceed the sum of the average of the total operating cost per revenue vehicle hour in the three years preceding the latest year for which audited data are available and an amount equal to the product of the average percentage change in the Consumer Price Index for the same period multiplied by the average total operating cost per revenue vehicle hour in the same three years.

(2) The transportation planning agency, county transportation commission, or the San Diego Metropolitan Transit Development Board, as the case may be, shall adjust the calculation of operating costs and revenue vehicle hours pursuant to paragraph (1) to account for either or both of the following factors:

(A) Exclusion of costs increases beyond the change in the Consumer Price Index for fuel; alternative fuel programs; power, including electricity; insurance premiums and payments in settlement of claims arising out of the operator's liability; or state or federal mandates, including the additional operating costs required to provide comparable complementary paratransit service as required by Section 37.121 of Title 49 of the Code of Federal Regulations, pursuant to the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), as identified in the operator's paratransit plan pursuant to Section 37.139 of Title 49 of the Code of Federal Regulations.

(B) Exclusion of startup costs for new services for a period of not more than two years.

(3) Funds withheld from allocation to an operator pursuant to paragraph (1) shall be retained by the transportation planning agency, county transportation commission, or the San Diego Metropolitan Transit Development Board, as the case may be, for reallocation to that operator for two years following the year of ineligibility. In a year in which an operator's funds are allocated pursuant to paragraph (1), funds withheld from allocation during a preceding year shall also be allocated. Funds not allocated before the commencement of the third year following the year of ineligibility shall be reallocated to cost effective high priority regional transit activities, as determined by the transportation planning agency, county transportation commission, or the San Diego Metropolitan Transit Development Board, as the case may be. If that agency or commission, or the board, determines that no cost effective high priority regional transit activity exists, the unallocated funds shall revert to the Controller for reallocation.

(b) As used in this section, the following terms have the following meanings:

(1)"Operating cost," means the total operating cost as reported by the operator under the Uniform System of Accounts and Records, pursuant to Section 99243 and subdivision (a) of Section 99247.

(2) "Revenue vehicle hours" has the same meaning as "vehicle service hours," as defined in subdivision (h) of Section 99247.

(3) "Consumer Price Index," as applied to an operator, is the regional Consumer Price Index for that operator's region, as published by the United States Bureau of Labor Statistics. If a regional index is not published, the index for the State of California applies.

(4) "New service" has the same meaning as "extension of public transportation services" as defined in Section 99268.8.

(c) The restrictions in this section do not apply to allocations made for capital purposes.

(d) The exclusion of costs increases described in paragraph (2) of subdivision (a) applies solely for the purpose of calculating an operator's eligibility to claim funds pursuant to this section and does not authorize an operator to report an operating cost per revenue vehicle hour other than as described in this section and in Section 99247, to any of the following entities:

(1) The Controller pursuant to Section 99243.

(2) The entity conducting the fiscal audit pursuant to Section 99245.

(3) The entity conducting the performance audit pursuant to Section 99246.

(e) The Restrictions in this section shall not apply to the allocation of funds made pursuant to Sections 99313 and 99314 after January 1, 2010, and through the 2014-15 fiscal year.

*Amended by Chapter 354, Statutes of 2003 (AB 813)*

*Amended by Chapter 10, Statutes of 1996 (AB 1869)*

***Amended by Chapter 12, Statutes of 2010 (ABX8 9)***

***Amended by Chapter 341, Statutes of 2011 (SB 565)***

## State Transit Assistance Operator's Qualifying Criteria in the Metropolitan Transportation Commission's Region

*99314.7*

(a) In allocating funds for operating purposes pursuant to Sections 99313 and 99314, the Metropolitan Transportation Commission shall apply the following eligibility standards to the operators within the region subject to its jurisdiction:

(1) An operator is not eligible for its full allocation under this section unless the operator has been found to have made reasonable effort in implementing productivity improvements pursuant to Section 99244. In determining whether a reasonable effort has been made, the Metropolitan Transportation Commission shall give consideration to whether the operator would qualify for funding under Section 99314.6. The amount of funds allocated shall be reduced in an amount that the Metropolitan Transportation Commission deems proportionate to the failure of the operator to implement the recommended improvements. The Metropolitan Transportation Commission shall adopt rules and regulations, in cooperation with the affected operators, governing the allocation of any funds withheld under this paragraph, subject to paragraphs (2) and (3).

(2) Notwithstanding paragraph (1), an operator shall not receive any funds pursuant to Section 99313 or 99314 unless it has complied with the applicable rules, regulations, and recommendations adopted by the Metropolitan Transportation Commission pursuant to Sections 66516 and 66516.5 of the Government Code.

(3) Funds withheld from allocation to an operator pursuant to paragraph (1) shall be retained by the Metropolitan Transportation Commission for reallocation to that operator for two years following the year of ineligibility. With respect to the funds withheld from an operator pursuant to paragraph (1), the Metropolitan Transportation Commission shall reallocate those funds to the operator if the operator complies with that paragraph within two years. Funds not reallocated to the operator, and funds withheld pursuant to paragraph (2), shall be allocated to any eligible operator within the region subject to the jurisdiction of the Metropolitan Transportation Commission for the purpose of improving coordination among the operators, or to any operator whose increase in total operating cost per revenue vehicle hour is less than the increase in the Consumer Price Index. Funds allocated for these purposes are exempt from subdivision (a).

(b) For purposes of this section, "operating cost," "revenue vehicle hour," and "Consumer Price Index" have the same meaning as defined in Section 99314.6.

*Amended by Chapter 256, Statutes of 1996 (SB 1474)*
*Amended by Chapter 501, Statutes of 1993 (SB 160)*

## State Transit Assistance Available for Other Purposes

*99315*

Funds made available pursuant to subdivision (a) of Section 99312, shall be available for all of the following purposes:

(a) To the department for bus and passenger rail services pursuant to Sections 14035, 14035.5, and 14038 of the Government Code.

(b) To the department for funding of public transit capital improvement projects in the state transportation improvement program, pursuant to Section 14529 of the Government Code.

(c) To the department for its planning activities not payable from the State Highway Account in the State Transportation Fund, its mass transportation responsibilities, and its assistance in regional transportation planning.

(d) To the department for allocation by the director to the Institute of Transportation Studies of the University of California for training and research in public transportation systems engineering and management and coordination with other transportation modes.

(e) To the commission for its activities not payable from the State Highway Account.

(f) To the Public Utilities Commission for its passenger rail safety responsibilities specified in statute on commuter rail, intercity rail, and urban rail transit lines.

(g) For transfer to the Transportation Debt Service Fund created by section 16965 of the Government Code to reimburse the General Fund for current year debt service payments on rail and transit-related general obligation bonds other than those issued pursuant to the Clean Air and Transportation Improvement Act of 1990 (Part 11.5 (commencing with Section 99600)), as follows:

(1) For the 2009-10 fiscal year, the Controller shall transfer up to one hundred forty-two million fifty-eight thousand dollars ($142,058,000) to the fund upon order of the Director of Finance for debt service paid or payable within that fiscal year.

(2) For the 2010-11 fiscal year, the Controller shall transfer up to ninety million eight hundred eighty-six thousand dollars ($90,886,000) in revenues collected before November 2, 2010, to the fund, as follows:

(A) By the 15th of every month, the Treasurer, in consultation with the Director of Finance, shall notify the Controller of the amount of debt service that will be paid on each transportation bond during the month.

(B) Within two business days following the 28th of every month, the Controller shall transfer from the account to the Transportation Debt Service Fund an amount equal to monthly debt service paid by the General Fund on any bonds issued pursuant to Proposition 108 (1990) and Proposition 1A (2008), and one-quarter of the monthly debt service paid by the General Fund on any bonds issued pursuant to Proposition 1B (2006).

(C) Any transfers made from the Public Transportation Account pursuant to this subdivision for any months after October 2010 shall be reversed and repaid to the account, and shall instead be made, to the extent authorized, from the weight fee revenues in the State Highway Account as provided for in Section 9400.4 of the Vehicle Code.

*Amended by Chapter 622, Statutes of 1997 (SB 45)*

***Amended by Chapter 12, Statutes of 2010 (ABX8 9)***

***Amended by Chapter 6, Statutes of 2011 (AB105)***

## Funding for Fresno's AMTRAK Projects

*99315.7*

All funds from the Public Transportation Account and the State Highway Account, State Transportation Fund, previously allocated by the commission or the department to the new Fresno Amtrak Station project shall also be available for expenditure on any form of Amtrak project in the Fresno downtown area, including, but not limited to, the rehabilitation of the former Santa Fe Railway station, as approved by the commission or the department or the commission and the department. The encumbering and expending of funds for this project is not subject to an additional allocation action or approval action, or both actions, by the commission.

*Added by Chapter 1007, Statutes of 1999 (SB 532)*

## Track Repair and Rolling Stock Acquisitions

*99315.8*

All funds from the Public Transportation Account and the State Highway Account, in the State Transportation Fund, previously allocated by the commission for specific track repair and rolling stock acquisitions through resolutions number MFP-95-05, MFP-95-10, MPFP-95-01, MFA-96-01, and MBFA-98-01 shall also be available for expenditure on any form of track improvement project, track rehabilitation project, or rolling stock acquisition project nominated by the North Coast Railroad Authority, as approved by the commission. Projects nominated by the North Coast Railroad Authority, for which funds in the State Highway Account in the State Transportation Fund are to be used, are also required to be eligible under Article XIX of the California Constitution. The encumbering and expending of funds for this project is not subject to an additional allocation action or approval action, or both actions, by the commission.

*Added by Chapter 860, Statutes of 2000 (AB 2908)*

## Funds Allocated for the City of Seaside

*99315.95*

All funds from the Public Transportation Account and the State Highway Account, in the State Transportation Fund, previously allocated by the California Transportation Commission to the City of Seaside for the acquisition of right-of-way for the Fort Ord rail station shall also be available for expenditure by the Transportation Agency for Monterey County for work at the Monterey Bay rail station. The commission shall oversee the timely use of these funds in accordance with the requirements specified in current law.

## Appropriations for Bus and Passenger Rail Services

*99316*

Funds made available pursuant to subdivision (a) of Section 99315 shall be appropriated to the department for allocation, as directed by the commission, for purposes of bus and passenger rail services pursuant to Sections 14035, 14035.5, and 14038 of the Government Code.

## Appropriations for Transit Capital Improvement Projects

*99317*

(a) Funds made available pursuant to subdivision (b) of Section 99315 shall be appropriated to the department for allocation, as directed by the commission, to fund public transit capital improvement projects that maintain or improve public transit service.

(b) Funds made available for capital outlay pursuant to subdivision (a) of Section 14031.6 of the Government Code and subdivision (a) of Section 99315 shall be appropriated to the department, as directed by the commission, solely for capital outlay improvements and rolling stock on intercity rail passenger routes.

(c) The Legislature may amend this section, by statute passed in each house of the Legislature by roll call vote entered in the journal, two-thirds of the membership concurring, if the statute is consistent with, and furthers the purposes of, this section.

*Amended by Chapter 53, Statutes of 1998 (SB 837)*

## Short-Line Railroad Rehabilitation Projects

*99317.1*

(a) Funds appropriated pursuant to subdivision (a) of Section 99317 shall, in addition to the purposes specified in that section, be available for short-line railroad rehabilitation projects, through the state transportation improvement program.

(1) Projects eligible for funding pursuant to this subdivision shall be limited to railroad rehabilitation projects.

(2) To be eligible for funding pursuant to this subdivision, a project proposal shall be submitted by a public entity. The public entity shall submit a project proposal only if it has made a finding, following a public hearing, that rail service on the affected railroad would be in imminent danger of being discontinued without the expenditure of public funds, and that continuation of the service serves a public purpose.

(b) As used in this section, "short-line railroad" means any standard gauge railroad which is being, or is planned to be, used for passenger service, other than a class I railroad, as that term is used and applied in federal law.

## Intermodal Transfer Stations Maintenance

*99317.8*

(a) A public agency that has received an allocation for funding of an intermodal transfer station pursuant to subdivision (a) of Section 99317 shall provide for maintaining the station and its appurtenances, including, but not limited to, restroom facilities, in good condition and repair, and in accordance with high standards of cleanliness. As part of its duties in monitoring state-funded rail and bus services, the department shall, at least annually, conduct an unannounced inspection of each facility and make recommendations, if any, to the operating agency. Results of the department's inspections shall be included in the passenger rail element of the State Rail Plan required pursuant to Section 14036 of the Government Code.

If appropriate remedial action is not taken, the department may recommend to the commission that future applications for transit capital funding be denied.

(b) The Legislature finds and declares that regular inspections of intermodal stations are necessary to protect the state's capital investment in these essential transportation facilities and to avoid the problems resulting from deferred maintenance.

### Intermodal Transfer Stations Allocations

*99317.9*

The department and the commission shall give reasonable priority to allocations pursuant to subdivision (a) of Section 99317 to station projects that improve access for visitors to state prisons.

### Use of International Transfer Stations

*99317.10*

(a) A public entity which has received an allocation for funding of an intermodal transfer station pursuant to subdivision (a) of Section 99317 shall, upon request of the department, authorize state-funded bus service to use the station without any charge to the department or its contractors, and shall assist the department in the placement of signs and informational material designed to alert the public to the availability of the state-funded bus service.

(b) A public entity shall not be eligible to receive an allocation for funding of an intermodal transfer station pursuant to subdivision (a) of Section 99317 unless it first agrees that, upon any future request of the department, it will authorize a state-funded bus service to use the station without any charge to the department or its contractors and it will assist the department in the placement of signs and informational material designed to alert the public to the availability of the state-funded bus service.

(c) For the purpose of this section, "state-funded bus service" means any bus service funded pursuant to Section 99316.

### Intercity Rail Project Nomination

*99318.1*

An intercity rail project nominated by the department shall be eligible to compete for funding pursuant to Section 99317 if it is recommended in the passenger rail element of the State Rail Plan prepared pursuant to Section 14036 of the Government Code, or an update to that plan.

*Added by Chapter 599, Statutes of 1992 (AB 2095)*

### Three-year Limitation--Transit Capital Improvement Projects

*99318.4*

~~(a) Funds shall be allocated for a transit capital improvement project in an amount not exceeding that, which can be encumbered within three years after allocation by the commission.~~

~~(b) Funds not encumbered within the three-year period shall revert to the account.~~

## Rail Passenger Service Boarding Platform

*99319*

(a) If a rail capital improvement project proposed for funding by the department or a local agency includes as an element the addition or improvement of rail passenger service boarding platforms, those platforms shall be constructed in conformity with applicable rules and orders of the Public Utilities Commission and in such a manner that the top of each platform is not less than eight inches above the adjacent rails, unless the department makes a finding that the circumstances in a particular case warrant otherwise and obtains approval from the Public Utilities Commission for any deviation from its applicable rules and orders.

(b) The requirements of this section apply to all passenger service boarding platforms constructed with funds made available pursuant to Section 14031.6 of the Government Code, Sections 99234.5, 99234.9 and 99317 of this code, Section 164 of the Streets and Highways Code, and funds made available from the proceeds of state general obligation bonds issued for the purposes of rail capital improvements.

## ARTICLE 7 - LIMITED OBLIGATION BONDS

### Limited Applicability

*99320*

This article is not applicable in a county where the transit district has been provided bonding authority by statute.

### Election

*99320.5*

If the transportation planning agency determines that the cost of an approved claim for capital expenditures for public transportation purposes, excluding highways, within a county is, together with all other approved claims to be paid from the local transportation fund of such county, in excess of the money in such fund for the fiscal year, the board of supervisors of such county shall be notified to call an election in conformity with the provisions of this article.

### Limited Obligation Bonds

*99321*

For purposes of this article, "limited obligation bonds" are bonds payable solely from the local transportation fund of the county. The money, or portion thereof, designated by the transportation-planning agency in such fund to pay interest and redemption charges shall hereafter be referred to as "revenues."

### Amount of Bonds Issued

*99322*

In determining the amount of bonds to be issued, the transportation-planning agency may include:

(a) All costs and estimated costs incidental to or connected with the acquisition, construction, improving or financing of the improvements.

(b) All engineering, inspection, legal and fiscal agent's fees, costs of the bond election and of the issuance of such limited obligation bonds, bond reserve funds and working capital and bond interest estimated to accrue during the construction period and for a period of not to exceed 12 months after completion of construction.

(c) All costs for equipment.

### Statement in Bond and Resolution

*99323*

The bonds and the resolution providing for their issuance shall state that they are limited obligation bonds payable solely from the revenues.

### Terms of Bonds

*99324*

The term of bonds issued shall not exceed 31 years.

### Bond Price

*99325*

The bonds shall be sold as the transportation planning agency shall determine but for not less than a price which will produce a net interest cost that will not exceed an average of 7 percent a year as determined by standard tables of bond values.

### Special Obligation

*99326*

The bonds are special obligations of the county and shall be a charge against and are secured by a lien upon and shall be payable, as to the principal thereof and interest thereon, and any premiums upon the redemption thereof, solely from the revenues and such funds as are described in the resolution authorizing the issuance of the bonds.

### Bond Security

*99327*

By resolution, the board of supervisors shall pledge, place a charge upon, and assign all or any part of the revenues for the security of the bonds.

### Payment of Interest and Principal

*99328*

The payment of interest on and principal of the bonds and any premiums upon the redemption of any thereof are secured by an exclusive pledge, charge, and lien upon all or the designated portion of the revenues.

### Trust Fund

*99329*

The revenues and any interest earned on the revenues constitute a trust fund for the security and payment of the interest on and principal of the bonds.

### Revenues

*99330*

So long as any bonds or interest thereon are unpaid following their maturity, the revenues or the designated portion and interest thereon shall not be used for any other purpose.

### Other Use of Revenues

*99331*

If the interest and principal of the bonds and all charges to protect or secure them are paid when due, an amount or amounts for other purposes may be apportioned from the revenues or the designated portion thereof.

### Bonds of Same Issue or Different Issue

*99332*

Bonds of the same issue shall be equally secured by a pledge, charge, and lien upon the revenues specified in the resolution authorizing the issuance of the bonds, without priority for number, or date of bonds, of sale, of execution, or of delivery pursuant to this chapter and the resolution

authorizing the issuance of the bonds; except that any county, with the consent of the transportation planning agency, may authorize the issuance of bonds of different series and may provide that the bonds in any series shall, to the extent and in the manner prescribed in the resolution, be subordinated and be junior in standing, with respect to the payment of principal and interest and the security thereof, to such other bonds as may be specified in the resolution.

### General Fund not Liable

*99333*

The general fund or any other fund of the county shall not be liable for the payment of the bonds or their interest.

### General Credit or Taxing Power

*99334*

The general credit or taxing power of the county, other than the sales and use tax as herein provided, shall not be liable for the payment of the bonds or their interest.

### Compelling Exercise of Taxing Power

*99335*

The holder of the bonds or coupons shall not compel the exercise of the taxing power by the county, other than the sales and use tax as herein provided, or the forfeiture of its property.

### Not a Debt

*99336*

The principal of and interest on the bonds and any premiums upon the redemption of any thereof are not a debt of the county, nor a legal or equitable pledge, charge, lien, or encumbrance upon any of its property, or upon any of its income, receipts, or revenues, except the revenues that may be legally applied, pledged, or otherwise made available to their payment.

### Recital in Bond

*99337*

Every bond shall recite in substance that the principal of and interest on the bond are payable solely from the revenues pledged to its payment and that the county is not obligated to pay it, except from the revenues.

### Exemption from Taxation

*99338*

The bonds and interest or income from the bonds are exempt from taxation in this state, except from gift, inheritance, and estate taxes.

### Provisions in Bond Resolution

*99339*

In the resolution authorizing the bonds, the board of supervisors may, with the consent of the transportation-planning agency, insert any of the provisions authorized by this article, which shall become a part of the contract with the bondholders.

### Limitations

*99340*

The transportation-planning agency may provide for limitations on:

(a) The purpose to which the proceeds of sale of any issue of bonds may be applied.

(b) The issuance of additional bonds for the same purpose and the lien of additional bonds.

### Bond Terms

*99341*

The transportation planning agency may provide for events of default and terms upon which the bonds may be declared due before maturity and the terms upon which the declaration and its consequences may be waived.

### Breach

*99342*

The transportation-planning agency may provide for the rights, liabilities, powers, and duties arising upon the county's breach of any covenants, conditions, or obligations.

### Enforcement by Trustee

*99343*

The transportation-planning agency may provide for the vesting in a trustee of the right to enforce covenants to secure payment of or in relation to the bonds, and the trustee's powers and duties and the limitation of his liabilities.

### Enforcement by Bondholders

*99344*

The transportation-planning agency may provide for the terms upon which the bondholders or any percentage of them may enforce covenants or duties imposed by this article.

### Amending Resolution

*99345*

The transportation planning agency may require the board of supervisors to provide in the resolution for a procedure for amending or abrogating the terms of the resolution with the consent of the holders of a specified number of the bonds.

### Meetings of Bondholders

*99346*

Any resolution containing such a procedure may also provide for meetings of bondholders or for their written assent without a meeting and the manner of consenting, with or without a meeting.

## Rights of Bondholders

*99347*

The resolution shall specifically state the effect of amendment upon the rights of the holders of all of the bonds and attached or detached interest coupons and shall be binding upon the holders of all of the bonds and coupons issued pursuant to the resolution.

## Other Actions

*99348*

The transportation-planning agency may provide for any other acts and things necessary, convenient or desirable to secure the bonds or tending to make them more marketable.

## Payment of Principal and Interest

*99349*

The county shall pay or cause to be paid the principal and interest of the bonds on the date, at the place, and in the manner mentioned in the bonds and coupons and in accordance with the resolution authorizing their issuance.

## Collection of Taxes

*99350*

During the period that any of the bonds and the interest thereon are unpaid, the county shall prescribe, revise and collect taxes in the manner provided by Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code.

## Taxes

*99351*

After making allowances for contingencies and error in the estimates, the taxes, for the respective purposes hereinafter set forth, shall be at least sufficient to pay the following amounts in the order set forth:

(a) The interest on and principal of the bonds as they become due and payable.

(b) All payments required for compliance with the resolution authorizing the issuance of the bonds or any other contract with the bondholders, including the creation of sinking and reserve funds.

(c) All payments to meet any other obligations of the county, which are charges, liens, or encumbrances upon the revenues.

## Special Account

*99352*

A separate, distinct and special account shall be created at or before the issuance of the bonds, which shall be maintained continuously in the local transportation fund during the time that any of the bonds or the interest thereon are outstanding and unpaid.

### Deposits and Payments

*99353*

All designated revenues shall be deposited in the special account and payments shall be made there from as provided in Section 99351.

### Duty of County

*99354*

The county shall preserve and protect the security of the bonds and the rights of the bondholders and warrant and defend their rights against all claims and demands of all persons.

### Discharge of Claims

*99355*

In order to fully preserve and protect the priority and security of the bonds, the county shall pay from the special account in the local transportation fund and discharge all lawful claims for labor, materials and supplies, which if unpaid may become a lien or charge upon the designated revenues prior or superior to the lien of the bonds or impair the security of the bonds.

### Revenues Held in Trust

*99356*

The county shall hold in trust the revenues pledged to the payment of the principal of and interest on the bonds for the benefit of the bondholders and shall apply the same pursuant to the resolution authorizing the issuance of the bonds or to the resolution as modified.

### Investment of Funds

*99357*

The county may invest funds held in reserve, or in any sinking fund, or funds not required for immediate disbursement, in property or securities in which counties may legally invest funds subject to their control. No such investment shall be made in contravention of any covenant or agreement in any resolution authorizing the issuance of any outstanding bonds.

### Records and Accounts

*99358*

The county shall keep proper books of record and accounts of the revenues, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the revenues.

### Inspection of Books

*99359*

At all times the books shall be subject to the inspection of the holders of not less than 10 percent of the outstanding bonds or their representatives authorized in writing.

### Publication of Statement

*99360*

The county shall cause to be published a summary statement showing the amount of revenues deposited which are required as security for payment of the principal of and interest on the

bonds, the disbursements from such revenues in reasonable detail, and a general financial statement.

### Annual Publication

*99361*

The statement shall be published annually, not more than 120 days after the close of each fiscal year. The county shall furnish a copy of the statement to any bondholder upon request.

### Audit of Statement

*99362*

In the resolution authorizing the bonds, the county may agree that the statement shall be prepared or audited by an independent certified public accountant and shall be in the form and contain the detail specified in the resolution.

### Expenditure of Other Funds

*99363*

The duties set forth in this article do not require the county to expend any funds other than revenues pledged to secure payment of the principal of or interest on bonds as provided in this article.

### Fiscal Agent

*99364*

A fiscal or paying agent may be appointed as now or as may hereafter be provided in Article 7 (commencing with Section 54550), Chapter 6, Part 1, Division 2, Title 5 of the Government Code.

### Legal Action on Validity of Bonds

*99365*

An action to determine the validity of bonds may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

### Remedies of Bondholders

*99366*

Bondholders shall have the remedies as now or as may hereafter be provided in Article 10 (commencing with Section 54640), Chapter 6, Part 1, Division 2, Title 5 of the Government Code.

### Refunding Bonds

*99367*

The bonds may be refunded in the manner now or as may hereafter be provided in Article 11 (commencing with Section 54660), Chapter 6, Part 1, Division 2, Title 5 of the Government Code.

### Bonds Issued Under Another Law: Payment

*99368*

Without the issuance of bonds hereunder, a pledge or allocation from revenues for the payment of bonds and interest issued or to be issued under any other law, may be made upon the approval thereof in the manner provided for the issuance of bonds hereunder.

### Regularity of Proceedings; Conclusive Evidence

*99369*

All bonds issued in pursuance of the provisions of this article shall by their issuance be conclusive evidence of the regularity, validity and legal sufficiency of all proceedings, acts and determinations in any wise pertaining thereto, had or made hereunder; and, after the same have been issued, no sales tax levied or collected for the purpose of paying the principal or interest on the bonds shall be held to be invalid or illegal, or set aside by reason of any error, informality, irregularity, omission or defect in any of the proceedings, acts or determinations in any wise pertaining to the issuance or payment of the bonds, and not amounting to a want of due process of law under the Constitution.

### Issuance of Bonds; Regularity of Proceedings; Conclusive Evidence

*99370*

All bonds by their issuance in pursuance of the provisions of this article shall by their issuance be conclusive evidence of the regularity, validity and sufficiency of all proceedings, acts and determinations in any wise pertaining thereto, had or made hereunder.

### Validity of Proceedings; Action; Limitations

*99371*

Any action, suit or proceeding of any kind or nature in which the validity of any of the proceedings taken under the provisions of this article is questioned or attacked, shall be filed within 30 days after the day of the adoption of the resolution providing for the issuance of the bonds and in case such action is not brought raising such issue within such period, then thereafter all persons whatsoever shall be barred in any action, suit or proceeding from pleading, asserting or claiming that any of the proceedings or other actions herein specified, were defective, faulty or invalid in any respect.

### Liberal Construction; Severability

*99372*

This article and all of its provisions shall be liberally construed to the end that the purposes hereof may be effective. If any section, subsection, sentence, clause or phrase of this article is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portion of this article. It is hereby declared that this article would have been passed irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional.

## Resolution to Issue Bonds

*99373*

Proceedings are initiated to issue bonds within the meaning of this article when the board of supervisors, by majority vote, adopts a resolution in conformity with the notification from the director.

## Submission to Voters

*99374*

At its next subsequent meeting, the board of supervisors shall pass an ordinance ordering the submission of the proposition of incurring a bonded debt for the purposes set forth in the resolution to the qualified voters of the county at an election held for that purpose.

## Several Propositions

*99375*

Propositions for more than one object or purpose may be submitted at the same election.

## Contents of Ordinances

*99376*

The ordinance shall recite:

(a) The object and purpose of incurring the indebtedness.

(b) The estimated cost of the public improvements.

(c) The amount of the principal of the indebtedness.

(d) The rate or maximum rate of interest on the indebtedness, which shall not exceed 7 percent, and need not be recited if it does not exceed 4 ½ percent. Such interest shall be payable semiannually, except that interest for the first year after the date of the bonds may be made payable at the end of such year.

(e) The date of the election.

(f) The manner of holding the election and the procedure for voting for or against the proposition.

## Special Provisions in Ordinance

*99377*

The ordinance may provide that the estimated cost stated therein of the public improvements includes any or all of the following:

(a) Legal or other fees incidental to or connected with the authorization, issuance and sale of the bonds.

(b) The costs of printing the bonds and other costs and expenses incidental to or connected with the authorization, issuance and sale of the bonds.

(c) If the public improvements are revenue-producing public works, bond interest estimated to accrue during the construction period and for a period of not to exceed 12 months after completion of construction.

If such statement is made, the proceeds of the sale of the bonds may be used to pay such of the foregoing as are stated in the ordinance.

This section shall not be construed to authorize a city to use the proceeds of the sale of bonds for a purpose for which it could not use its general fund.

### Publication of Ordinance

*99378*

The ordinance shall be published once a day for at least seven days in a newspaper published at least six days a week in the county, or once a week for two weeks in a newspaper published less than six days a week in the county.

If there are no such newspapers, it shall be posted in three public places in the county for two succeeding weeks.

No other notice need be given.

### Consolidated Election

*99379*

If an election called pursuant to this article is consolidated with any other election, the ordinance calling the bond election need not set forth the election precincts, polling places and officers of election, but may provide that the precincts, polling places and officers of election shall be the same as those set forth in the ordinance, order, resolution or notice calling or providing for or listing or designating the precincts, polling places and election officers for the election with which the election called pursuant to this article is consolidated, and shall refer to such ordinance, order, resolution or notice by number and title or date of adoption, or by date or proposed date of publication and the name of the newspaper in which publication has been or will be made, or by any other definite description.

### Conduct of Election

*99380*

Except as otherwise provided in the ordinance, the election shall be conducted as other county elections.

### Two-thirds Vote

*99381*

If two-thirds of the electors voting on the proposition vote for it, the bonds shall be issued.

### Separate Counting

*99382*

When two or more propositions for incurring indebtedness are submitted at the same election, the votes cast for and against each proposition shall be counted separately.

## Reconsideration

*99383*

If any proposition is defeated, the transportation-planning agency shall reconsider the application pertaining thereto. Another election on a substantially similar proposition shall not be called within the county pursuant to this article within six months after the prior election.

## ARTICLE 8 - OTHER CLAIMS FOR FUNDS

### Claim Purposes

*99400*

Claims may be filed under this article with the transportation-planning agency by counties and cities for the following purposes and by transit districts for the purposes specified in subdivisions (c) to (f), inclusive:

(a) Local streets and roads, and projects, which are provided for use by pedestrians and bicycles.

(b) Passenger rail service operations and capital improvements.

(c) Payment to any entity which is under contract with a county, city, or transit district for public transportation or for transportation services for any group, as determined by the transportation planning agency, requiring special transportation assistance.

If the county, city, or transit district is being served by an operator, the contract entered into by the county, city, or transit district shall specify the level of service to be provided, the operating plan to implement that service, and how that service is to be coordinated with the public transportation service provided by the operator. Prior to approving any claim filed under this section, the transportation planning agency, or the county transportation commission in a county with such a commission, shall make a finding that the transportation services contracted for under subdivision (c) are responding to a transportation need not otherwise being met within the community or jurisdiction of the claimant and that, where appropriate, the services are coordinated with the existing transportation service.

(d) Payments to counties, cities, and transit districts for their administrative and planning cost with respect to transportation services under subdivision (c).

(e) Notwithstanding any other provision of this chapter, a claimant for funds pursuant to subdivision (c) may also receive payments for capital expenditures to acquire vehicles and related equipment, bus shelters, bus benches, and communication equipment for the transportation services.

(f) Acquisition or lease of vans and related equipment for a farmworker vanpool program for purposes of farmworker transportation to and from work, provided the farmworker vanpool program shall use vans or related equipment for commuter vanpool as defined by Section 37.3 of Title 49 of the Code of Federal Regulations and the regional transportation planning agency conforms with the planning requirements of Section 5306 of Title 49 of the United States Code and Part 613 (commencing with Section 613.100) of Chapter VI of Title 49 of the Code of Federal Regulations.

Amended by Chapter 609, Statutes of 2009 (SB 716)

## Multi-modal Transportation Terminals

*99400.5*

Notwithstanding Section 99232, a county or a city in a county in which there is no countywide transit district may file a claim under this article with the transportation planning agency to finance the construction and maintenance of multimodal transportation terminals. The terminals may be located anywhere in the county or city, as the case may be.

## San Diego Express Bus and Vanpool Service

*99400.6*

Notwithstanding Section 99232, the County of San Diego may file a claim under this article with the transportation planning agency to provide express bus service or vanpool service for the purpose of serving work commute trips and for providing accessibility between residential areas and major activity centers.

The express bus service may be located anywhere in the county, but shall be consistent with the plans of the San Diego Metropolitan Transit Development Board and the North San Diego County Transit Development Board, and may be provided by contract with operators, private entities operating under a franchise or license, or nonprofit corporations organized pursuant to Division 2 (commencing with Section 9000) of Title 1 of the Corporations Code.

The vanpool service shall be operated by the county with county-owned vans and any claims submitted pursuant to this section for such service shall be approved subject to all of the following conditions:

(a) The amount of the claim to be limited to the actual cost of acquiring the vans.

(b) The local transportation fund to be reimbursed for the amount of the claim within the passenger service life of the vans.

## Commuter Ferry Service

*99400.7*

Notwithstanding Sections 99232, 99268.3, and 99405, cities within the County of San Diego may file a claim under this article with the transportation planning agency to provide commuter ferry service on San Diego Bay for the purpose of serving peak period commute trips for pedestrians and bicycles. The commuter ferry service may be located anywhere on San Diego Bay, but shall be consistent with the regional transportation plan, shall serve employment centers and high volume activity centers, and may be provided by contract with operators, private entities operating under a franchise or license, or nonprofit corporations organized pursuant to Division 2 (commencing with Section 5000) of Title 1 of the Corporations Code.

*Amended by Chapter 655, Statutes of 2000 (SB 1433)*
*Added by Chapter 727, Statutes of 1999 (SB 664)*

## Transportation Planning Agency Authority

*99401*

(a) The transportation-planning agency shall adopt rules and regulations delineating procedures for the submission of claims under Section 99234 and subdivision (a) of Section 99400 and

stating criteria by which they will be analyzed and evaluated. Such rules and regulations shall provide for orderly and periodic distributions of moneys.

(b) The criteria applicable to analyzing and evaluating claims for non-motorized transportation facilities shall be the general design criteria for such facilities established pursuant to Section 156.4 of the Streets and Highways Code.
(c) To the extent necessary to perform its duties under this article, the transportation-planning agency shall have full access to the books, records, and accounts of the claimant cities and counties.

## Unmet Transit Needs Finding

*99401.5*

Prior to making any allocation not directly related to public transportation services, specialized transportation services, or facilities provided for the exclusive use of pedestrians and bicycles, or any allocation for purposes of subdivision (f) of Section 99400, the transportation planning agency shall annually do all of the following:

(a) Consult with the social services transportation advisory council established pursuant to Section 99238.

(b) Identify the transit needs of the jurisdiction which have been considered as part of the transportation planning process, including the following:

(1) An annual assessment of the size and location of identifiable groups likely to be transit dependent or transit disadvantaged, including, but not limited to, the elderly, the handicapped, including individuals eligible for paratransit and other special transportation services pursuant to Section 12143 of Title 42 of the United States Code (the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101, et seq.)), and persons of limited means, including, but not limited to, recipients under the CalWORKs program.

(2) An analysis of the adequacy of existing public transportation services and specialized transportation services, including privately and publicly provided services necessary to implement the plan prepared pursuant to Section 12143 (c) (7) of Title 42 of the United States Code, in meeting the transit demand identified pursuant to paragraph (1).

(3) An analysis of the potential alternative public transportation and specialized transportation services and service improvements that would meet all or part of the transit demand.

(4) An analysis of the need to acquire or lease vans and related equipment for a farmworker vanpool program pursuant to subdivision (f) of Section 99400. This analysis is only required, however, upon receipt by the transportation planning agency of a request of an interested party identifying a potential need.

(c) Identify the unmet transit needs of the jurisdiction and those needs that are reasonable to meet. The transportation planning agency shall hold at least one public hearing pursuant to Section 99238.5 for the purpose of soliciting comments on the unmet transit needs that may

exist within the jurisdiction and that might be reasonable to meet by establishing or contracting for new public transportation or specialized transportation services or by expanding existing services. The definition adopted by the transportation planning agency for the terms "unmet transit needs" and "reasonable to meet" shall be documented by resolution or in the minutes of the agency. The fact that an identified transit need cannot be fully met based on available resources shall not be the sole reason for finding that a transit need is not reasonable to meet. An agency's determination of needs that are reasonable to meet shall not be made by comparing unmet transit needs with the need for streets and roads.

(d) Adopt by resolution a finding for the jurisdiction, after consideration of all available information compiled pursuant to subdivisions (a), (b), and (c). The finding shall be that (1) there are no unmet transit needs, (2) there are no unmet transit needs that are reasonable to meet, or (3) there are unmet transit needs, including needs that are reasonable to meet. The resolution shall include information developed pursuant to subdivisions (a), (b), and (c) which provides the basis for the finding.

(e) If the transportation planning agency adopts a finding that there are unmet transit needs, including needs that are reasonable to meet, then the unmet transit needs shall be funded before any allocation is made for streets and roads within the jurisdiction.

(f) The transportation planning agency shall not allocate funds for purposes of subdivision (f) of Section 99400 until all of the capital and operating funds necessary to meet unmet transit needs that are reasonable to meet are allocated. The transportation planning agency shall not reduce funding to existing public transportation services, specialized transportation services, or facilities for the exclusive use of pedestrians and bicycles in order to allocate funds for purposes of subdivision (f) of Section 99400. The transportation planning agency shall not allocate funds under subdivision (f) of Section 99400 if the allocation replaces other federal, state, or local funds used to fund commuter vanpools by a county, city, transportation planning agency, or transit district.

*Amended by Chapter 609, Statutes of 2009 (SB 716)*
*Amended by Chapter 877, Statutes of 1998 (AB 2132)*
*Amended by Chapter 146, Statutes of 1994 (AB 3601)*

## Unmet Transit Needs Finding Documentation

### *99401.6*

Upon adoption of a finding, pursuant to subdivision (d) of Section 99401.5 that there are no unmet transit needs or that there are no unmet transit needs that are reasonable to meet, the transportation-planning agency may allocate funds for local streets and roads. The allocation shall not become effective until 20 days after acknowledgment of receipt by the Department of Transportation of documents of the agency's finding. The transportation-planning agency shall, in any case, submit the documentation before August 15 of the fiscal year of the allocation or within 10 days after the adoption of the finding, whichever is later. The documentation shall include all of the following:

(a) A copy of the notice of hearing and proof of publication and a description of the actions taken to solicit citizen participation pursuant to Section 99238.5.

(b) A copy of the resolution or minutes documenting the transportation planning agency's definitions of "unmet transit needs" and "reasonable to meet," as determined pursuant to subdivision (c) of Section 99401.5.

(c) A copy of the resolution adopting the unmet needs finding described in subdivision (d) of Section 99401.5.

### Streets and Roads Claims

*99402*

Claims for streets and roads may include those purposes necessary and convenient to the development, construction, and maintenance of the city or county's streets and highways network, including planning and contributions to the transportation planning process, acquisition of real property, and construction of facilities and buildings.

### Streets and Roads Claims: Tuolumne County

*99403*

In the County of Tuolumne, claims by the county or by a city within the county for streets and roads may also include contributions to the state for the construction and development of State Highway Route 108 from Lime Kiln Road to Phoenix Lake Road, if the county transportation commission determines that it is in the best interest of the county or the city and serves the public interest of the county or city to contribute local transportation funds for the construction and development of that portion of Route 108. The Legislature recognizes that under Section 73 of the Streets and Highways Code that portion of Route 108 is required to be relinquished to local control upon completion of the Sonora Bypass and bypass extension.

### 50-Percent Allocation Limitation

*99405*

(a) Except as otherwise provided in this section, the allocation for any purpose specified in Section 99400 may in no year exceed 50 percent of the amount required to meet the city's or county's total proposed expenditures for that purpose.

(b) With respect to budgeted capital requirements for major new facilities, the transportation planning agency, notwithstanding the 50-percent limitation, may allocate up to the amount so budgeted, if the construction of the facilities has been found to be not inconsistent with the transportation planning agency's regional transportation plan.

(c) The 50-percent limitation shall not apply to the allocation to a city, county, or transit district for services under contract pursuant to subdivision (c) or (d) of Section 99400. The city, county, or transit district shall be subject to Section 99268.3, 99268.4, 99268.5, or 99268.9, as the case may be, and shall be deemed an operator for purposes of those sections, or shall be subject to regional, countywide, or county sub-area performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the transportation planning agency or the county transportation commission for those services.

(1) In adopting the performance criteria, local match requirements, or fare recovery ratios, the transportation planning agency or the county transportation commission may adopt

the criteria of Section 99268.3, 99268.4, 99268.5, or 99268.9, or any combination or all of them.

(2) If a transportation planning agency or county transportation commission has adopted performance criteria, local match requirements, or fare recovery ratios, the rules and regulations of the agency or commission shall apply, and Sections 99205.7 and 99241, subdivision (a) of Section 99247, and Section 99268.8 shall not apply.

(d) The 50-percent limitation shall not apply to funds allocated under this article to a city or county with a population of less than 5,000, and, notwithstanding Section 99400, the city or county may claim funds under this article for transportation services, including associated capital, planning, and administrative costs, without contracting with another entity.

(e) The 50-percent limitation shall not apply to funds allocated under this article for local street and road purposes.

### Report of Expenditures

*99406*

Expenditures of moneys received for streets and highways purposes under this article shall be reported to the Controller by way of inclusion of information regarding those expenditures in the report prepared pursuant to Chapter 4 (commencing with Section 2150) of Division 3 of the Streets and Highways Code.
The Controller shall also prepare a summary of those expenditures, which shall include a list of the jurisdictions for which funds have been allocated for streets and roads under this article, the amount of the allocations, and the total funds made available to each jurisdiction pursuant to Article 3 (commencing with Section 99230). The Controller shall submit the report annually to the Legislature commencing January 1, 1989.

### Pedestrian and Bicycle Facility Claims

*99407*

Notwithstanding any other provision of this chapter, the transportation-planning agency may approve claims filed by a city for the construction of facilities for the exclusive use of pedestrians and bicycles, if the city is not expected to be served by public transportation within three years of the filing of the claims.

### Review of Unmet Transit Needs Finding

*99408*

Any action to review, set aside, void, or annul the decision of a transportation planning agency made pursuant to Section 99401.5 shall be filed within 30 days after the agency makes its decision, or after the secretary has reviewed the decision pursuant to Section 99242, whichever is later. However, the action need not be filed until September 15 if the action is with respect to a decision made prior to August 15 for the fiscal year, which commenced on the July 1 immediately preceding such August 15.

## ARTICLE 9 - JOINT DEVELOPMENT AUTHORITY

### Joint Development Authority

*99420*

(a) Notwithstanding any other provision of law, a transit operator may enter into agreements with a public agency, public utility, or person or entity, to be performed within the district, or a transportation corridor or land that shall be acquired by the transit operator, for the joint use or joint development of any property or rights of the transit operator or of the public agency, public utility, or person or entity for the establishment of through routes, joint fares, transfer of passengers, pooling rights, sales or leasing, or for any other purpose necessary for, incidental to, or convenient for, the full exercise of the powers granted to transit operators.

(b) As used in this section, the following terms have the following meanings:

(1) "Joint development" or "jointly develop" means the joint planning, financing, construction, operation, or use of any land, building, facility, or equipment other than vehicles, or interest therein, either of the transit operator or adjacent to, physically related to, or functionally related to transit facilities of the transit operator. Joint development may be for public, commercial, residential, or mixed uses.

(2) "Transit operator" means an entity that qualifies as a claimant under Section 99203 and is eligible to receive allocations under this chapter, and includes a joint powers authority formed to operate a public transportation system.

(c) The purpose of any joint development project entered into in accordance with this section shall be to foster transit use, enhance the transit service, or foster the integration of land use and transportation.

(d) For purposes of this section, a transit operator is prohibited from engaging in agreements unrelated to the transportation purposes and mission of the transit operator.

(e) Any transit oriented joint development project undertaken pursuant to this section shall comply with the land use and zoning regulations of the city, county, or city and county in which the project is located in accordance with the Planning and Zoning Law (Chapter 1 (commencing with Section 65000) of Division 1 of Title 7 of the Government Code) relating to zoning.

(f) This section shall not supersede any existing authority of a transit operator for joint development.

*Added by Chapter 270, Statutes of 2002 (AB 1937).*

# CALIFORNIA CODE OF REGULATIONS
## TITLE 21. PUBLIC WORKS
## DIVISION 3. BUSINESS, TRANSPORTATION AND HOUSING AGENCY
## CHAPTER 2. TRANSPORTATION DEVELOPMENT
## ARTICLE 1 - PURPOSE AND AUTHORITY

### Purpose and Intent

*6600*

The rules and regulations of this Subchapter are intended to interpret, make specific, and implement provisions of the Mills-Alquist-Deddeh Act, also known as the Transportation Development Act, as contained in Chapter 4 (commencing with Section 99200) of Part 11 of Division 10 of the Public Utilities Code. They are not intended to establish any inconsistency with the Act. Any rule or regulation which in general or uniform application would be inconsistent with any provision of the Act establishing a separate rule for a limited area of the state or for a limited class of governmental entities applies only to the extent that it does not conflict with such provision.

Rules and regulations establishing times within which certain actions are to take place are intended to be administrative and not to cause an incapacity to perform the same actions at a later time, unless the context specifies otherwise.
Terms, which are used but not defined in this Subchapter, are intended to carry the identical meaning assigned them in the Act.

### Application

*6602*

References to “operator” or “public transportation system” or “transit service claimant”, under Article 4 (commencing with Section 6630), are not applicable to claims filed or allocations made for local streets and roads or for facilities provided for use by pedestrians and bicycles or bicycle safety education programs pursuant to Public Utilities Code sections 99234 and 99400(a).

The rules and regulations of this Subchapter are applicable to claims filed pursuant to Public Utilities Code section 99400(b) for payments of passenger rail service operations and capital improvements; section 99400(c) for payments to any entity which is under contract with a county, city or transit district for public transportation or for transportation services for any group as determined by the transportation planning agency, or county transportation commission requiring special transportation assistance; section 99400(d) for payments to counties, cities and transit districts for administrative and planning costs for transportation services provided under section 99400(c); section 99400(e) for payment of capital expenditures to acquire vehicles and related equipment; section 99400.5 to finance the construction and maintenance of multimodal transportation terminals; section 99400.6 for the County of San Diego to provide express bus service or van pool service; section 99405(d) for payment to cities and counties with populations of less than 5,000 for transportation services and section 99234.9 for payments of construction and maintenance of intermodal transportation facilities. It is the responsibility of the claimant to assure that such claims comply with all applicable laws, rules and regulations.

## ARTICLE 2 - DEFINITIONS

### Act

*6610*

The term "Act" has reference to the legislative act described in Section 6600.

### Fiscal Year

*6611*

The term "fiscal year" has reference to the year commencing July 1 and ending June 30 of the following year unless a different time period is authorized by the Director or a different period is selected, as allowed for the City of South Lake Tahoe and the City of Huntington Beach, pursuant to Public Utilities Code Section 99243(e).

### Operating Cost

*6611.1*

The term "operating cost" has the same meaning assigned to it in Public Utilities Code Section 99247(a). In the case of a transit service claimant that is allocated funds for payment to an entity, which is under contract with it to provide transportation services, "operating cost" also includes the amount of the fare revenues that are received by the entity providing the services and not transferred to the claimant.

### Fare Revenues

*6611.2*

The term "fare revenues" means all revenues in the following revenue account classes of the uniform system of accounts and records adopted by the State Controller pursuant to Public Utilities Code Section 99243:

- 401.000 Passenger Fares for Transit Service
- 402.000 Special Transit Fares
- 403.000 School Bus Service Revenues

In the case of a claimant that is allocated funds for payment to an entity, which is under contract with it to provide transportation services, "fare revenues" includes the amount of fare revenues that are received by the entity providing the services and not transferred to the claimant.

"Fare revenues" includes revenues earned under contractual arrangements with public or private entities, either (1) for transit fares for a specified group of employees, members, or clients, or (2) to guarantee minimum revenue on a line operated especially for the benefit of the paying entity (e.g. an employer, shopping center, university, etc.). "Fare revenues" may also include revenues from cash donations made by individual passengers in lieu of a prescribed fare. However, "fare revenues" does not include other donations or general operating assistance, whether from public or private sources.

## Local Support

*6611.3*

The term “local support” means all revenues in the following revenue account classes of the uniform system of accounts and records adopted by the State Controller pursuant to Public Utilities Code Section 99243:

- 406.000 Auxiliary Transportation Revenues
- 408.000 Taxes Levied Directly by Transit System
- 409.010 Local Cash Grants & Reimbursements - General Operating Assistance
- 410.000 Local Special Fare Assistance
- 440.000 Subsidy from other Sectors of Operation.

## Capital Requirements

*6611.4*

The term “capital requirements” means, for a fiscal year, the amount of all funds expended during the fiscal year by an operator for its public transportation system for those purposes specified in Public Utilities Code Section 99262, exclusive of all costs in the operating expense accounts of the uniform system of account and records adopted by the State Controller pursuant to Public Utilities Code Section 99243.

## Debt Service Requirements

*6611.5*

The term “debt service requirements” means, for a fiscal year, the amount of all funds expended during the fiscal year for payment of the principal and interest on bonds of an operator for its public transportation system, in accordance with Public Utilities Code Section 99263, exclusive of any such amount included in the operator's operating cost.

## Independent Auditor

*6611.6*

The term “independent auditor” means the State Controller or a certified public accountant or public accountant who is not an officer or employee of the claimant. The county auditor is not an “independent auditor” with reference to the county or to an operator for which the county auditor serves as a financial officer.

## Transit Service Claimant

*6612*

The term “transit service claimant” means:

(a) A claimant that files a claim for community transit services pursuant to article 4.5 of the Act.

(b) A claimant that files a claim for contract payments pursuant to Public Utilities Code section 99400(c).

(c) A city or county that is a member of a joint powers agency and that files a claim to provide or contract for services to elderly and handicapped persons pursuant to Public Utilities Code section 99260.7.

(d) The County of San Diego if it files a claim for express bus service or vanpool service pursuant to Public Utilities Code section 99400.6.

(e) A county, city, or county transportation commission that files a claim for rail passenger service operation and capital improvement expenditures.

(f) A city or county with a population of less than 5,000 that files a claim pursuant to section 99405(d).

A transit service claimant that is also an operator shall meet all requirements of the Act and these regulations for its service provided as a transit service claimant and for its other service as if the services were provided by separate claimants.

### Privately Owned Public Transportation System

*6613*

The term “privately owned public transportation system” as used in Section 99209 of the Public Utilities Code has reference to that entity defined as a “Passenger Stage Corporation” in Section 226, Chapter 1, Part 1, Division 1 of the Public Utilities Code and which is operating pursuant to the provisions of Article 2 (commencing with Section 1031), Chapter 5, Part 1, Division 1 of the Public Utilities Code or is specifically exempted from such provisions by virtue of operating 98 percent or more of its system's total route mileage exclusively within the limits of a single city. The claimant for such an operation, when otherwise qualified to receive financial support under this Act, shall be subject to all restrictions placed on claims and these rules and regulations.

### Serving an Urbanized Area

*6613.1*

The term “operator which is serving an urbanized area” as that term is used in Section 99268.3 of the Public Utilities Code means an operator or transit service claimant if 50 percent or more of the population of its area is located within the boundaries of an urbanized area. The application of this term, however, may be modified under the rules and regulations of the transportation-planning agency, as specified in Section 6645.

For the purpose of this section, if an operator serves an area that was first designated as an urbanized area in the 1980 or subsequent federal census, the transportation planning agency or the county transportation commission may grant the operator up to five (5) years from July 1 of the year following the year of the census to meet the ratio of fare revenues to operating cost required of an operator serving an urbanized area. The area of the operator or transit service claimant, for this purpose, is the area defined in Public Utilities Code Section 99231, with the following exceptions:

(a) The claimant's area does not include areas to which it provides services beyond its boundaries, as described in subdivision (f) of Section 99231.

(b) For a joint powers entity formed by a county and one or more cities, the area includes the corporate areas of the cities and excludes the unincorporated area of the county

(c) For a county that is located in part within a transit district or transit development board and that is claiming funds to provide or contract for services to, from, and between points outside the boundaries of the district or board, the area is the unincorporated area of the county not within the district or board.

(d) For the Golden Gate Bridge, Highway and Transportation District, the area includes the corporate areas of the cities and the unincorporated areas of the counties to which the district provides public transportation services.

(e) For a county that is claiming funds to provide or contract for services to, from, or between points within a local transportation zone established under guidelines adopted by a county transportation commission pursuant to Public Utilities Code Section 130259, the area includes only the unincorporated area within the local transportation zone.

### Serving a Non-urbanized Area

*6613.2*

The term "operator which is serving a non-urbanized area" as that term is used in Section 99268.4 of the Public Utilities Code means an operator or transit service claimant that is not an "operator which is serving an urbanized area," as defined in Section 6613.1.

### Services to Elderly and Handicapped Persons

*6613.3*

The term "services to elderly and handicapped persons" means transportation services provided using vehicles for the exclusive use of elderly and handicapped persons.

### Services to the General Public

*6613.4*

The term "services to the general public" means transportation services other than services provided using vehicles for the exclusive use of elderly and handicapped persons.

### Transportation Planning Process

*6614*

The term "transportation planning process" has reference to that joint effort of all governmental agencies with transportation responsibilities within a given region or metropolitan area by which plans are developed in a continuing and coordinated manner and which is documented annually by the adoption of an annual work program evidencing the respective contributions in monies and staff time of the respective agencies to that effort.

### Regional Transportation Plan

*6615*

The term “Regional Transportation Plan” means the adopted transportation plan of the transportation-planning agency for the area under its jurisdiction required in Chapter 2.5 (commencing with Section 65080) of Division 1 of Title 7 of the Government Code.

### County Transportation Commission

*6616*

The term “county transportation commission” means a commission created by Division 12 (commencing with Section 130000) of the Public Utilities Code.

### Local Transportation Commission

*6616.1*

The term “local transportation commission” means a commission created pursuant to Section 29535 or Section 29536 of the Government Code.

### Metropolitan Transit Development Board

*6616.2.*

The term “metropolitan transit development board” means a transit development board created by Division 11 (commencing with Section 120000) of the Public Utilities Code.

### Administer

*6617*

The term “administer” as that term is used in Section 99233.1 of the Public Utilities Code means to perform those procedural and ministerial responsibilities assigned to the transportation planning agency in the Act and does not include the performance of activities included in the annual work program for the transportation planning process.

### Local Transportation Fund

*6617.1*

The term “local transportation fund” means the fund established by a county under Article 11 (commencing with Section 29530) of Chapter 2 of Division 3 of Title 3 of the Government Code.

### State Transit Assistance Fund

*6617.2*

The term “state transit assistance fund” means the fund created by a transportation planning agency, a county transportation commission, or the San Diego Metropolitan Transit Development Board pursuant to Section 99313.6 of the Public Utilities Code.

### Allocation

*6618*

The term “allocation” means:

(a) The claim approval or other action by a transportation planning agency setting apart moneys in the local transportation fund for a claimant, the transportation planning agency, the county

transportation commission, or the metropolitan transit development board for a purpose authorized under the Act. An allocation takes effect only by allocation instruction pursuant to Section 6659 and is subject to such terms and conditions as may be specified by the transportation-planning agency in accordance with the Act and these rules and regulations.

(b) The amount set apart by an allocation instruction pursuant to Section 6659.

## Franchise or License

*6619*

The term "operating under a franchise or license" as that term is used in the Act means operation under a certificate or permit granted by the California Public Utilities Commission pursuant to Article 2 (commencing with Section 1031) of Chapter 5, Part 1, Division 1 or Chapter 8 (commencing with Section 5351), Division 2 of the Public Utilities Code or if said operation does not require a certificate or permit, then as a licensed or regulated operation for transportation of persons by a city or county pursuant to an ordinance or resolution.

## Extension of Public Transportation Services

*6619.1*

The term "extension of public transportation services" as that term is used in Public Utilities Code Section 99268.8, applies collectively to any services that are eligible for funding from the local transportation fund and the State Transit Assistance Fund, including services provided by a new operator or transit service claimant, and means:

(a) Service established on a fixed route, including route deviation service, if over 50 percent of the route mileage, excluding mileage along freeway or express bus routes where passengers are neither received nor discharged, is on streets or other rights-of-way that did not have such service provided and funded under the Act at any time during the three-year period before the service was established.

(b) Service established on a new portion of an older fixed route if the new portion is on streets or other rights-of-way that did not have such service provided and funded under the Act at any time during the three-year period before the service was established.

(c) Demand responsive service established to, from, or within an area that did not have such service provided and funded under the Act at any time during the three-year period before the service was established.

## ARTICLE 3 - RESPONSIBILITIES OF THE COUNTY AUDITOR

### Estimate of Fund by County Auditor

*6620*

Prior to February 1 of each year, each county auditor shall furnish to the transportation-planning agency an estimate of moneys to be available for apportionment and allocation during the ensuing fiscal year. The estimate shall include those moneys anticipated to be deposited in the fund during the ensuing fiscal year and the unrestricted balance anticipated to be available in the fund at the end of the current fiscal year. The unrestricted balance is the balance that is neither allocated, reserved, nor retained in the fund as an unallocated apportionment pursuant to Section 6655.1. The county auditor shall make his estimate from such data as he may have including those, which may be furnished by the State Board of Equalization. The county auditor shall furnish a revised or updated estimate of funds available whenever requested to do so by the transportation-planning agency.

For a county for which there is more than one transportation planning agency, the county auditor shall report to each transportation planning agency only that portion of the fund which the population within the jurisdiction of the transportation planning agency bears to the total population of the county.

### Payment by County Auditor

*6621*

The county auditor shall make payments from the local transportation fund balance--available solely in accordance with allocation instructions received from the designated transportation-planning agency. The county auditor, in the event of uncertainty, shall immediately refer the matter to the transportation-planning agency, unless the designation of the transportation-planning agency is in doubt, in which case the auditor shall refer the matter to the Director for clarification. The county auditor shall make no payment for those allocation instructions, which he finds to be in conflict with the law, but shall refer such matters to the transportation-planning agency for resolution. If the auditor is unable to resolve the matter with the transportation-planning agency, he may refer the matter to the Secretary for an advisory opinion. The county auditor shall make no payments while in receipt of a notice from the Director of rescission of designation as a transportation-planning agency until the Director delivers a further designation to the auditor.

### Records by County Auditor

*6622*

The county auditor shall maintain accounting records of the fund in accordance with the State Controller's Manual of Accounting Standards and Procedures for Counties. At quarterly intervals, the county auditor shall report the status of the fund to the transportation planning agency and, where applicable, to the county transportation commission or the metropolitan transit development board. The report of the status of the fund shall include a statement that shows the beginning fund balance, the amount and source of revenues received, the amount and recipient of payments made identified by allocation instruction, the ending fund balance and any other information specified by the transportation planning agency. Portions of the fund balance held in reserve shall be identified by amount and purpose.

## Fund Interest, Income, and Investments

*6623*

The county auditor as fund trustee shall arrange with the county treasurer for investment of moneys in the local transportation fund of the county at the highest rate of return consistent with prudent fund management and the need to permit disbursement of funds in accordance with allocation instructions issued by the transportation planning agency.

Interest earned will be reported to the transportation-planning agency and disbursed only in accordance with allocation instructions issued by the transportation-planning agency. Such instructions shall be consistent with section 29530 of the Government Code and sections 99234.1, 99301, 99301.5, 99301.6, and 99304 of the Public Utilities Code.

# ARTICLE 4 - RESPONSIBILITIES OF OPERATORS

## Annual Claim Filed

*6630*

A claimant wishing to receive an allocation from a county's local transportation fund for any transit-related purpose shall file an annual claim with the transportation planning agency in accordance with the rules and regulations established by the transportation planning agency, pursuant to Public Utilities Code section 99261, or in the absence of such rules and regulations at least 90 days prior to the beginning of the fiscal year. Claims on the funds of different counties shall be filed separately, except that a multi-county transportation planning agency may permit a multi-county operator to file a single claim identifying and evidencing the operator's claim for each county separately.

The claim shall be filed in the form prescribed by the transportation planning agency and shall include the amount claimed, the fiscal year for which funds are claimed, and the purpose for which the claim is made, identified by the article and section of the Act which authorizes such claims.

For services to be provided by an operator outside its boundaries or for services to be provided by an entity under contract with the claimant, the transportation planning agency may evaluate and process the claim, but shall not authorize payment of moneys unless furnished with a copy of an executed contract pursuant to Public Utilities Code sections 99231.2, 99260.2, 99260.5, 99260.6, 99277, 99285.2, 99288, 99400 (b), 99400 (c), or 99400.6 or a copy of the Department's authorization pursuant to section 99288.

## Proposed Commitment

*6631*

An operator may, as part of its claim, propose that the transportation-planning agency make a commitment to allocate moneys annually for up to five years for installments on a long-term capital outlay. A commitment is neither an allocation nor a pledge of the security of anticipated allocations, and an operator shall not execute any document, which purports to evidence such an encumbrance. However, a commitment approved by the transportation-planning agency may thereafter be cited as available local matching moneys for the purpose of applying for federal transportation grants.

## Supplementary Information Required

*6632*

An operator or transit service claimant shall accompany its claim with the following statements, together with a statement signed by the chief financial officer of the claimant attesting to their reasonableness and accuracy:

(a) A budget or proposed budget for the fiscal year of the claim.

(b) A statement identifying and substantiating the reason or need for an increase in operating budget in excess of 15 percent above the preceding year or a substantial increase or decrease in scope of operations or capital budget provisions for major new fixed facilities.

(c) A certification by the Department of the California Highway Patrol verifying that the operator is in compliance with Section 1808.1 of the Vehicle Code, as required in Public Utilities Code Section 99251. The certification shall have been completed within the last 13 months, prior to filing claims. A statement of projected or estimated revenues and expenditures for the prior fiscal year.

The items in each statement shall be consistent with the uniform system of accounts and records adopted by the State Controller pursuant to Public Utilities Code Section 99243. The statement shall specifically identify the estimated amount of the claimant's maximum eligibility for moneys from the local transportation fund and the state transit assistance fund, as defined in Section 6634.

The claimant shall also accompany its claim with such other documents, operating statistics, and information as may be required by the transportation-planning agency.

## Revenue Qualification

*6633*

Beginning with the 1980-81 fiscal year, each operator and transit service claimant shall qualify for funding during the fiscal year as specified in this section and in sections 6633.1 to 6633.9.

(a) An operator that began operation before July 1, 1974, may qualify under either Public Utilities Code section 99268.1 (the 50-percent expenditure limitation) or 99268.2 (the fare and local support ratios), unless the operator was granted a waiver from the 50-percent expenditure limitation for 1978-79. The following operators were granted such a waiver: South Coast Area Transit (Ventura County), City of Banning, City of Auburn, and City of Napa.

(b) A transit service claimant that is filing a claim for community transit services pursuant to Article 4.5 of the Act or for contract services pursuant to Public Utilities Code section 99400(c) or a city or county with a population of less than 5,000 which provides transportation services may qualify in accordance with the performance criteria, local match requirements, or fare recovery ratios adopted by the transportation planning agency or county transportation commission pursuant to Public Utilities Code sections 99275.5(c)(4) and 99405(c).

(c) Except as specified in subdivisions (a) and (b), an operator or transit service claimant with services to the general public shall qualify under Public Utilities Code sections 99268.3 and 99268.4 or 99268.12 (the fare and local support ratios).

(d) In addition, an operator or transit service claimant that qualifies under Public Utilities Code sections 99268.2, 99268.3, or 99268.4, and that provides services to elderly and handicapped persons, shall meet the fare ratio specified in section 6633.5.

## 50-Percent Expenditure Limitation

*6633.1*

(a) For an operator qualifying under Public Utilities Code Section 99268.1, the funds received from the local transportation fund under Article 4 of the Act shall not, except as provided in subdivisions (b), (c), and (d), exceed 50 percent of the amount that is the sum of the operator's operating cost, capital requirements, and debt service requirements less the sum of the operator's revenues from federal grants and the state transit assistance fund. For this purpose, the operator's revenues from federal grants and the state transit assistance fund shall be the amounts formally recognized in the operator's accounts during the fiscal year in conformity with the uniform system of accounts and records.

(b) The operator may receive from the local transportation fund up to 100 percent, rather than 50 percent, of the amount representing its capital requirements for projects in one of the following categories:

  (1) Capital improvements to a grade-separated mass transit system, in accordance with the conditions of Public Utilities Code Sections 99268 and 99281.Capital intensive transit-related improvements, as specified in Public Utilities Code Section 99268.7, if the transportation planning agency finds that every effort has been made by the operator to obtain federal funds for such improvements.

(c) The operator may receive from the local transportation fund up to 100 percent, rather than 50 percent, of the amount representing the operating cost of an extension of its public transportation system if the extension is within the definition of Section 6619.1 and if all the conditions of Section 6633.8 are met.

## Fare and Local Support Ratios

*6633.2*

To qualify under Public Utilities Code section 99268.2, 99268.3, or 99268.4, an operator or transit service claimant shall meet each of the conditions contained in subdivision (a) and (b) for its services to the general public. To qualify under Public Utilities Code section 99268.5(c) or 99268.12 or 99405(c), an operator or transit service claimant shall meet the conditions contained in subdivision(c), (d) or (e) respectively.

(a) The ratio of fare revenues to operating cost shall be at least the greater of the following ratios:

  (1) Twenty percent if the claimant is serving an urbanized area, ten percent if the claimant is serving a non-urbanized area, or an intermediate percentage if determined by the transportation planning agency pursuant to its rules and regulations as adopted pursuant to section 6645. In a newly designated urbanized area, the transportation planning agency or county transportation commission may grant an operator up to 5 years from the July 1 of the year following the year of the census to meet the new farebox requirements.

  (2) The ratio of fare revenues to operating cost that the claimant had for such services during the 1978-79 fiscal years.

(b) The ratio of the sum of fare revenues and local support to operating cost shall be at least the ratio that the claimant had for its services to the general public during the 1978-79 fiscal year, unless the 1978-79 ratio was less than the ratio described in paragraph (a)(1) of this section.

(c) For a claimant in the Counties of Fresno, Riverside, and Ventura, the ratios described in paragraph (a) (2) and subdivision (b) of this section shall not apply. A claimant in one of these counties shall qualify as provided under Public Utilities Code section 99268.5(c) if it meets the ratio described in paragraph (a) (1) of this section.

(d) The ratio of fare revenues to operating cost of not less than fifteen (15%) percent may be set by the transportation planning agency or county transportation commission for an operator which operates in a county with a population of 500,000 or less and serving an urbanized area where funds may be allocated under section 99400 of the Public Utilities Code.

(e) Local guidelines for transit service claimants may be adopted to supersede this section by the transportation planning agency or county transportation commission pursuant to Public Utilities Code section 99405(c).

(f) In calculating the fare revenue to operating cost ratio, the following modifications pursuant to Public Utilities Code sections ~~99268.10~~, 99268.16 and 99268.17 should be used:

(1) The additional operating costs to a transit operator of providing comparable complementary paratransit services, pursuant to the Americans with Disabilities Act, that exceed operator's prior year costs as adjusted by the Consumer Price Index are excluded from operating costs.

(2) The costs of providing ridesharing services are excluded from operating costs.

(g) An operator may supplement its fare revenues with local funds pursuant to Public Utilities Code section 99268.19.

## Fare Ratio for Service to Elderly and Handicapped Persons

*6633.5*

(a) For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent or the ratio that the claimant had for the services in 1978-79, whichever is greater.

(b) For a claimant that provides both services to elderly and handicapped persons, and services to the general public, either

(1) Its services to elderly and handicapped persons shall meet the fare ratio specified in subdivision (a), or

(2) Its services combined shall meet the fare ratio specified in Section 6633.2(a).

## Base Year Ratios

*6633.6*

For the purpose of calculating the year ratios in Sections 6633.2 and 6633.5, the fare revenues and operating cost that a transit service claimant had in 1978-79 shall not include the amount of the fare revenues that were received by an entity which was under contract with the claimant to provide transportation services and that were not transferred to the claimant.

## Extension of Service Excluded

*6633.8*

In determining a claimant's compliance with the fare and local support ratios in Sections 6633.2, 6633.5 and 6633.9, the fare revenues and operating cost attributable to an extension of public transportation services, as defined in Section 6619.1, shall be excluded if all of the following conditions are met:

(a) The extension of services has been in operation for less than two full fiscal years. The two-year extension of services exclusion applies until two years after the end of the fiscal year in which the extension of services was put into operation.

(b) The claimant submits a report on the extension of services to the transportation planning agency and, where applicable, to the county transportation commission or metropolitan transit development board, within 90 days after the end of the fiscal year. The report shall include, but not be limited to, the following information:

(1) Description of the area served and the routes included.

(2) The amount of fare revenues generated by the extension and the method used to derive that amount.

(3) The amount of the operating cost for the extension and the method used to allocate costs between the extension of services and the claimant's other services.

## Non-compliance with Required Revenue Ratio

*6633.9*

(a) If an operator or transit service claimant fails to maintain, for a fiscal year, the ratio of fare revenues to operating cost it is required to maintain in accordance with Section 6633.2 and 6633.5 , and if it is not the first year for which the claimant has failed to maintain that ratio which is considered the one time grace year, the claimant's eligibility to receive Transportation Development Act funds would be determined as follows:

(1) In the fiscal year that the claimant fails to maintain the required ratio, which is the noncompliance year, there is no change in its eligibility.

(2) In the subsequent fiscal year or determination year there is no change in eligibility, however the audited amount of the difference between the required and actual fare revenue to operating cost ratio as reported in the claimant's fiscal and compliance audit for the fiscal year for which the required ratio was not met must be determined.

(3) In the third or penalty year, the operator's or transit service claimant's eligibility to receive monies from the local transportation and state transit assistance funds shall be reduced, for one year only, by the amount of the difference between the required fare revenues and the actual fare revenues for the fiscal year that the required ratio was not maintained.

(4) A claimant subject to the penalty in this section shall demonstrate to the transportation planning agency, the county transportation commission or the San Diego Metropolitan Transit Development Board how it will achieve the required ratio during any penalty year.

(b) Any increase in fare revenue to operating cost ratio as a result of this section prior to July 1, 1987 is no longer applicable.

(c) An example of the penalty process, which is calculated in accordance with Section 6634, is as follows:

**3-Year Penalty Cycle**

| | One-Time Grace Year | Non-compliance Year | Determination Year | Penalty Year for Non-compliance Year |
|---|---|---|---|---|
| **Operating Cost:** | **$100,000** | **$100,000** | **$100,000** | **$100,000** |
| **Required Fares at 20%:** | **$20,000** | **$20,000** | **$20,000** | **$20,000** |
| **Actual Fares:** | **$15,000** | **$18,000** | **$23,000** | **$28,000** |
| **Reduced Eligibility:** | **$0** | **$0** | **$0** | **($2,000)** |
| **TDA/STA Claimant's Eligibility:** | **$85,000** | **$82,000** | **$77,000** | **$70,000** |

### Eligibility for Funds

*6634*

(a) No operator or transit service claimant shall be eligible to receive moneys during the fiscal year from the local transportation fund and the state transit assistance fund for operating costs in an amount that exceeds its actual operating cost (including payments for disposition of claims arising out of the operator's liability) in the fiscal year less the sum of the following amounts:

(1) The actual amount of fare revenues received during the fiscal year.

(2) The amount of local support required to meet the ratios specified in section 6633.2.

(3) The amount of federal operating assistance received during the fiscal year.

(4) The amount received during the fiscal year from a city or county to which the operator provides service beyond its boundaries.

(5) The amount received during the fiscal year for operating costs from:

(A) Toll bridge revenues allocated by the Metropolitan Transportation Commission pursuant to Streets and Highways Code section 30892,

(B) Local sales tax revenues allocated within the San Francisco Bay Area Rapid Transit District by the Metropolitan Transportation Commission pursuant to Public Utilities Code section 29142.2(b),

(C) Local sales tax revenues made available by the Los Angeles County Metropolitan Transportation Authority pursuant to Public Utilities Code section 130354; and

(D) Local sales tax revenues made available for transit purposes by the Fresno County Transportation Authority pursuant to Public Utilities Code section 142257.

(6) The amount of any reduced eligibility under section 6633.9 applied to the current fiscal year.

(b) No operator shall be eligible to receive moneys during the fiscal year from the local transportation fund and the state transit assistance fund for capital and debt service purposes in an amount that exceeds the operator's actual capital requirements and actual debt service requirements during the fiscal year less the operator's revenues during the fiscal year for such purposes from other sources.

(c) No transit service claimant shall be eligible to receive monies during the fiscal year from the local transportation fund or the state transit assistance fund for the cost of vehicle and related equipment, bus shelters, bus benches and communication equipment for transportation services, in an amount that exceeds the claimant's actual costs during the fiscal year less the claimant's revenues during the fiscal year for such purposes from other sources.

(d) No claimant shall be eligible to receive moneys during the fiscal year from the local transportation fund and the state transit assistance fund for rail passenger service purposes, pursuant to Public Utilities Code sections 99233.4, 99233.6, 99260.2(b), 99260.5, 99260.6 and 99400(b), in an amount that exceeds the claimant's expenditures for such purposes during the fiscal year less the claimant's revenues during the fiscal year for such purposes from other sources.

(e) No claimant under Public Utilities Code sections 99260.7, 99275, or 99400.6 shall be eligible to receive moneys during the fiscal year from the local transportation fund for purposes other than operating costs in an amount that exceeds its actual expenditures for the purchase of buses or vans, and, in the case of a consolidated transportation service agency, for the purchase of communications and data processing equipment essential to providing, consolidating, and coordinating social service transportation. For a claimant under Public Utilities Code section 99260.7 or 99275, this also includes monies received from the state transit assistance fund. Expenditures for the purchase of buses or vans include expenditures for equipment, parts, and accessories for the vehicles and for capitalized administrative and planning costs directly related to the purchase of the vehicles.

## Revising Allocation Instructions

*6636*

The operator or transit service claimant shall spend moneys received from the local transportation fund or the state transit assistance fund only in accordance with the terms and conditions of the allocations, as set forth in the allocation instruction for the local transportation fund and the allocation resolution for the state transit assistance fund. If unforeseen situations develop during the year such that the operator or transit service claimant cannot comply with the

terms and conditions of the allocations, the operator or transit service claimant shall request the transportation planning agency, county transportation commission, or metropolitan transit development board to consider a revised allocation instruction or allocation resolution.

### Records and Reports

*6637*

(a) Each operator and transit service claimant shall keep and maintain accurate and complete records and shall prepare an annual report of its operations in accordance with the uniform system of accounts and records adopted by the State Controller pursuant to Public Utilities Code Section 99243. The report shall be submitted to the transportation planning agency, to the State Controller and, where applicable, to the county transportation commission or the metropolitan transit development board within 90 days after the close of the fiscal year. The report shall specify (1) the amount of revenue generated from each source and its application for the preceding fiscal year and (2) the data necessary to determine whether the operator or transit service claimant is in compliance with Public Utilities Code Sections 99268.1, 99268.2, 99268.3, 99268.4, 99268.5, and 99268.9. The report shall contain the financial data reporting forms specified by the State Controller for that purpose. The report shall also include the non-financial operating data described in the federal "Uniform System of Accounts and Records and Reporting System," January 1977. The non-financial operating data shall be reported on the forms specified by the State Controller.

(b) In accordance with the instructions of the State Controller, the operator or transit service claimant shall file, with the report prepared pursuant to subdivision (a), a letter or statement signed by an auditor or financial officer attesting to the conformity, in all material respects, of the financial data reporting forms in the report with the uniform system of accounts and records adopted by the State Controller pursuant to Public Utilities Code Section 99243. The letter or statement shall also specify which, if any, of the reporting forms do not conform to the requirements of the uniform system and shall describe the discrepancies that exist.

(c) As a supplement to the annual report prepared pursuant to subdivision (a), each operator and transit service claimant shall include an estimate of revenues to be generated from each source and its proposed application for the next fiscal year.

(d) All fiscal and accounting records and other supporting papers shall be retained for a minimum of four years following the close of the fiscal year of expenditure.

## ARTICLE 5 - RESPONSIBILITIES OF TRANSPORTATION PLANNING AGENCY

### Designation

*6640*

The term "transportation planning agency" has reference to that entity or policy committee thereof responsible for the development of a regional transportation plan. It may derive such responsibility by statute or by delegation from local government together with delegation of accompanying responsibility for implementation of the transportation planning process in cooperation with the State pursuant to memorandum of understanding.

The term "transportation planning agency" also applies to county transportation commissions created pursuant to Division 12 (commencing with section 130000 of the Public Utilities Code

and also includes Imperial Valley Association of Governments for the purpose of administering Chapter 4 (commencing with section 99200) part 11, Division 10 of the Public Utilities Code.

For a county included entirely within the jurisdiction of a statutorily created regional comprehensive or transportation-planning agency, it is such agency. Where only a portion of the county is subject to such a jurisdiction, it is also such agency, but only for such portion of the fund as the population within the agency's jurisdiction bears to the population of the county.

For every other county, and for a county partially subject to the jurisdiction of a statutory agency for such portion of the fund as the population outside such agency bears to the population of the county, it is such regional comprehensive planning agency as is established pursuant to any of the following authorities, and references in the Act to a "Council of Government" means such agency:

(a) An agency organized pursuant to Chapter 5 (commencing with section 6500) of Division 7, Title 1 of the Government Code; or

(b) A regional planning district formed pursuant to Chapter 2 (commencing with section 65060) of Title 7 of the Government Code; or

(c) An area planning commission formed pursuant to Article 11 (commencing with section 65600) of Chapter 3 of Title 7 of the Government Code; or

(d) A planning district formed pursuant to Chapter 5 (commencing with section 66100) of Title 7 of the Government Code.

No moneys shall be allocated from the fund by the county or any other governmental entity except the one designated by the Director. In the event the county and the cities therein are neither subject to the jurisdiction of a statutorily created regional comprehensive or transportation planning agency nor within the area of or members of a locally created regional comprehensive planning agency, one must be established if moneys in the fund are to be disseminated, unless an option is made to establish only a single purpose local transportation commission pursuant to the Act.

## Designation of Local Transportation Commission

*6641*

The fact that the county may be within the area or a member of a locally created multicounty regional comprehensive planning agency shall not be construed as precluding its right additionally to form a local transportation commission pursuant to the Act, except that the Department shall designate such commission as the transportation planning agency only after its existence is ratified by action of the board of supervisors and the legislative bodies of at least 50 percent of the cities in the county including at least 50 percent of the county's incorporated population and it is signatory to the memorandum of understanding for transportation planning for the area or to a like memorandum with the regional agency stating an agreed upon division of transportation planning responsibilities for the area.

In a county where a commission is serving as the transportation-planning agency, the regional agency shall notify the commission and the county auditor of any objection it may have to a claim. If the commission has not received such notice within 60 days of filing, the approval of the regional agency shall be conclusively presumed. The commission may allocate funds only if

the regional agency has not objected to such allocation. Claims to which the regional agency has objected shall not be paid by the county auditor until the objection has been removed.

## Manner of Designation

*6642*

The Director's designation of an agency or commission as a transportation-planning agency shall take the form of a registered letter addressed to the executive director of the planning agency and an identical letter to the county auditor. Rescission of designation shall be served in like manner, and an agency's authority to serve as the transportation-planning agency shall terminate on receipt of a rescission notice.

## Local Review and Comment Responsibility

*6643*

A multi-county regional comprehensive planning agency may delegate to any given sub-regional policy committee or agency of its choice the responsibility to review and comment on claims against the fund in that respective county.

## Report of Apportionments

*6644*

(a) Prior to March 1, the transportation-planning agency shall determine and advise all prospective claimants of the amounts of all area apportionments from the local transportation fund for the following fiscal year. The transportation-planning agency shall make this determination using the estimate of funds available for apportionment and allocation furnished by the county auditor pursuant to section 6620. The transportation planning agency shall determine the amount subject to apportionment by determining the anticipated amounts to be allocated or made available for allocation pursuant to Public Utilities Code sections 99233.1, 99233.2, and 99233.3 and subtracting that amount from the county auditor's estimate.
Wherever the areas of two or more prospective claimants overlap, the transportation planning agency shall identify and determine the apportionments for the overlapping and non-overlapping areas separately so that the sum of the amounts of all area apportionments identified and reported does not exceed the total amount subject to apportionment.

(b) For the counties of Alameda, Contra Costa, Orange, San Diego, San Francisco, San Mateo, and Santa Clara, the transportation-planning agency shall determine the maximum amount, which may be made available for claims filed pursuant to article 4.5 of the Act. That amount, which shall be included in the report of apportionments, is five percent of the sum of the apportionments of the areas of all operators after subtracting any amounts allocated for those areas pursuant to Public Utilities Code sections 99233.4 and 99233.5. The amount made available for claims filed pursuant to article 4.5 shall be subtracted from the amounts of the apportionments of the areas of all operators in equal proportion after subtracting any

amounts allocated for purposes of higher priority. For the purpose of claims filed pursuant to article 4 of the Act, the amount of the apportionment of the area of an operator is the amount remaining after the adjustment for the proportion made available for article 4.5 allocations.

(c) For the Counties of Los Angeles and Sacramento, the transportation planning agency shall determine the maximum amount that may be made available for claims filed by cities, counties, and operators pursuant to article 4.5. That amount, which shall be included in the report of apportionments, is five percent of the sum of the apportionments of the areas where claims may not be filed pursuant to article B of the Act after subtracting any amounts allocated for rail services pursuant to Public Utilities Code sections 99233.4. The transportation planning agency may also make funds available for claims filed by consolidated transportation service agencies pursuant to article 4.5. The amount made available for claims filed by consolidated transportation service agencies shall be subtracted from the amounts of the apportionments of all areas in the county in equal proportion after subtracting any amounts allocated for purposes of higher priority. The amount made available for claims filed by cities, counties, and operators pursuant to article 4.5 shall be subtracted from the amounts of the apportionments of the areas of all operators in equal proportion after subtracting any amounts allocated for purposes of higher priority. For the purpose of claims filed pursuant to articles 4 and 8 of the Act, the amount of the apportionment of the area of a claimant is the amount remaining after the adjustment for the proportion made available for article 4.5 allocations. In no case shall that adjustment exceed five percent for any area.

(d) For every county not named in subdivisions (b) and (c), the transportation planning agency may make funds available for claims filed by consolidated transportation service agencies pursuant to article 4.5. The maximum amount that may be made available for such claims is five percent of the sum of the apportionments of all areas after subtracting any amounts allocated for rail services pursuant to Public Utilities Code sections 99233.4. The amount made available for claims filed by consolidated transportation service agencies shall be subtracted from the amounts of the apportionments of all areas in the county in equal proportion after subtracting any amounts allocated for purposes of higher priority, except in Santa Barbara County where pursuant to Public Utilities Code section 99233.10, these funds may be included in determining the apportionment to a city, county or operator. For the purpose of claims filed pursuant to articles 4 and 8 of the Act, the amount of the apportionment of the area of a claimant is the amount remaining after the adjustment for the proportion made available for article 4.5 allocations.

## Urbanized and Nonurbanized Areas

### *6645*

If there is an operator which is serving an urbanized area, as defined in Section 6613.1, within the area of a transportation planning agency, the transportation agency shall adopt rules and regulations in accordance with Public Utilities Code Section 99270.1. The transportation-planning agency shall submit the rules and regulations to the Department for approval no later than the April 1 preceding the fiscal year for which they will take effect. The transportation-planning agency may adopt amendments to the rules and regulations, and it shall submit amendments to the Department for approval no later than the April 1 preceding the fiscal year for which they shall take effect.

(a) The rules and regulations may incorporate the definitions of Sections 6613.1 and 6613.2, which classify each claimant either as serving an urbanized area or as serving a non-urbanized area.

(b) If the rules and regulations do not incorporate the definitions of Sections 6613.1 and 6613.2, they shall prescribe a method to determine what portion of each claimant's services to the general public serves urbanized areas and what portion serves non-urbanized areas. The rules and regulations shall provide that those portions be the basis for determining a single intermediate percentage to be applied, pursuant to Section 6633.2, in determining the ratios the claimant is required to maintain to comply with Public Utilities Code Sections 99268.2, 99268.3, 99268.4 and 99268.12.

(c) The rules and regulations shall provide that the determination of each claimant's required ratios for a fiscal year be made by the transportation planning agency prior to the beginning of the fiscal year and not be subject to change after that time.

(d) The Department shall approve or reject the proposed rules and regulations within 60 days after receiving them. If rules and regulations of the transportation planning agency are not approved by the Department before the beginning of a fiscal year, the definitions of Sections 6613.1 and 6613.2 shall be used to determine the required ratios for the fiscal year.

## Small Urbanized Areas

*6645.1*

If there is an operator, which is serving an urbanized area in a county with population less than 500,000, the transportation planning agency or county transportation commission may establish for that operator a required ratio of fare revenue to operating cost of no less than 15%. Prior to setting the required ratio, the transportation planning agency or county transportation commission shall make findings specifying the reasons for its actions. The transportation planning agency or county transportation commission shall ensure that the following factors, for the jurisdiction of the claimant, have been considered in the transportation planning process:

(a) The size and density of the urban area in which the services to the general public are provided.

(b) The proportion of the operator's ridership, which is transit dependent, including elderly, handicapped and low-income patrons, as appropriate.

## Claims for Transportation Planning Process

*6646*

The transportation-planning agency may allocate funds for implementation of the annual work program of the transportation planning process by such governmental agencies as the claimant designates. The transportation-planning agency may authorize the county auditor to pay funds from the claimant's allocation directly to such governmental agencies.

## Approval of Proposed Commitment

*6647*

The transportation-planning agency may approve by resolution a proposed commitment to allocate moneys annually for up to five years, if it is consistent with the required federal transportation planning elements and the adopted Regional Transportation Plan.

## Allocations Reserved in the Fund

*6648*

The transportation planning agency may specify that moneys allocated to a claimant be reserved in the local transportation fund for future payment to the claimant for a specific capital project. No allocation shall be reserved by the transportation-planning agency except in response to a claim for a specific capital project. However, unallocated moneys in the fund shall be retained for areas of apportionment as specified in Section 6655.1 and may be reserved for a general purpose as specified in Sections 6655.2 and 6655.3.

An allocation shall be reserved in the fund only by allocation instruction pursuant to Section 6659, and moneys that are reserved in the fund pursuant to an allocation made for a prior fiscal year shall be authorized for payment only by a separate allocation instruction. The transportation-planning agency may authorize the payment of moneys that are reserved in the fund pursuant to an allocation made for a prior fiscal year only to the claimant to which they were allocated and only for the specific capital project for which they were reserved. However, moneys that are reserved in the fund pursuant to an allocation made for the current fiscal year may be reallocated and authorized for payment for any eligible expenditure in the same fiscal year by amending the allocation instruction.

Any moneys allocated and reserved in the local transportation fund and not authorized for payment within three years after the date of allocation shall cease to be allocated or reserved and shall become and be treated as an unallocated apportionment retained in the fund in accordance with Section 6655.1. Such moneys may be reallocated to the same claimant for the same project, to the same claimant for a different purpose, or to another claimant in the same area of apportionment pursuant to Section 6655.1. At least 30 days before the end of any three-year reserve period, the transportation planning agency shall give written notification to the claimant specifying the date on which the moneys cease to be allocated or reserved, and the transportation planning agency shall not reallocate any such moneys to any other claimant until 30 days after such notification. At any time within three years after the date of allocation, the transportation-planning agency, with the consent of the claimant, may rescind or revise an allocation of moneys reserved in the fund. Any such moneys that cease to be allocated shall then become and be treated as an unallocated apportionment retained in the fund in accordance with Section 6655.1.

The transportation planning agency shall not authorize any payment to a claimant from an allocation reserved in the fund if the claimant is holding in its own accounts sufficient moneys originally allocated in a previous fiscal year from the local transportation fund and reserved for the specific capital project or reserved for unspecified capital outlay.

## Payments Limited to Claimant Eligibility

*6649*

The transportation planning agency, county transportation commission, or metropolitan transit development board shall not authorize the payment of moneys from the local transportation fund or the state transit assistance fund in excess of the amount that the claimant is eligible to receive during the fiscal year for which an allocation is made, as evidenced by the claim filed, the budgets and financial statements of the claimant, the audits of the claimant, and any other information available to the agency, commission, or board.

Any amount paid to a claimant in excess of the amount that the claimant actually was eligible to receive in accordance with Sections 6633.1 and 6634 and the allocation instructions or allocation resolution shall be recovered by the agency, commission, or board in either of the following ways:

(a) The agency, commission, or board may demand repayment of the amount. In that case, the claimant shall repay the amount on demand.
(b) The agency, commission, or board may deduct the amount from the amount the claimant is eligible to receive during the following fiscal year.

The transportation planning agency shall promptly authorize the payment of moneys allocated and reserved for a claimant pursuant to Section 6648 whenever the claimant demonstrates that such moneys are needed for the specific capital project, as evidenced by a claim or amended claim filed, the budgets and financial statements of the claimant, the audits of the claimant, and any other information available to the transportation planning agency.

### Conformity with Plan

*6651*

The transportation-planning agency shall allocate funds only in accordance with a finding that the proposed expenditures are in conformity with the Regional Transportation Plan.

### Limitation of Allocation to Apportionment

*6655*

The transportation-planning agency shall allocate to all claimants for a given area collectively only such moneys as represent that area's apportionment.
The transportation planning agency shall allocate to a claimant no moneys in excess of the apportionment of the claimant's area, except that the transportation planning agency, with the approval of the county, may allocate moneys from the apportionment of the county's area to an operator which is serving an unincorporated area pursuant to a contract with the county, even if the amount so allocated exceeds the apportionment of the overlapping area within one-half mile of any route which extends beyond the operator's boundaries. This exception does not apply in the County of Los Angeles.

### Unallocated Apportionments Retained in Fund

*6655.1*

The transportation-planning agency may allocate to claimants in an area an amount less than the apportionment of the area. However, the amount of the apportionment, which is not allocated, shall be retained in the local transportation fund for later allocation only to claimants in the same area on such terms and conditions as the transportation-planning agency may determine.
In a county with a population of 500,000 or more but excluding counties with more than 4,500 miles of maintained county roads:

(1) An unallocated apportionment for the area of a single operator shall be retained in the fund for later allocation only to the same operator or to a succeeding operator in the same area on such terms and conditions as the transportation-planning agency may determine.

(2) An unallocated apportionment for the overlapping area of two or more operators shall be retained in the fund for later allocation only to the same operators or to succeeding operators in the same area in such division among the operators and on such terms and conditions as the transportation planning agency may determine, except that the

Southern California Rapid Transit District shall be allocated no more than 85 percent of the apportionment of its area.

### Funds Reserved for Pedestrian and Bicycle Facilities.

*6655.2*

The transportation planning agency may reserve moneys in the fund for later allocation to claimants for pedestrian and bicycle facilities or bicycle safety education programs pursuant to Public Utilities Code Section 99233.3 without designating the claimants to receive allocations from the amount. Such moneys may be allocated to claimants on such terms and conditions as the transportation-planning agency may determine in accordance with Public Utilities Code Section 99234. Whenever the transportation-planning agency finds that the amount, or any portion of the amount, so reserved could be used to better advantage for other purposes, that amount shall be added to the apportionments determined in accordance with Section 6644.

### Funds Reserved for Community Transit Services

*6655.3*

The transportation-planning agency may reserve moneys in the fund for claims filed pursuant to Article 4.5 of the Act without designating the claimants to receive allocations from the amount. However, any amount so reserved which either the transportation planning agency, the county transportation commission or the metropolitan transit development board later finds may be used to better advantage for Article 4 purposes shall cease to be available for Article 4.5 purposes and shall be restored to the apportionments determined in accordance with Section 6644.

### Revised Determination of Apportionments

*6655.5*

The transportation-planning agency may, at any time before the close of the fiscal year, issue a revised determination of apportionments based on a revised or updated estimate furnished by the county auditor pursuant to Section 6620. The transportation-planning agency may, at any time, request a revised or updated estimate from the county auditor.

Any revenues to the fund for the fiscal year in excess of all moneys allocated, reserved, or retained in the fund as unallocated apportionments pursuant to Section 6655.1 shall be carried over and be available for apportionment and allocation in the following fiscal year.

The transportation-planning agency may, at any time before the conveyance of initial allocation instructions pursuant to Section 6659, issue a revised determination of apportionments based on a revised determination of populations.

### Notification of an Appeal

*6656*

Upon receipt of notice of an appeal filed by a claimant pursuant to Public Utilities Code Section 99242, the transportation-planning agency shall immediately transmit to the Secretary a copy of its rules and regulations along with any staff reports and other data considered by the transportation-planning agency in taking its action. The transportation-planning agency may request a public hearing before the Secretary or his designated representative to hear additional evidence concerning the appeal.

### Restriction to County of Origin

*6657*

The transportation planning agency shall allocate moneys for a claim only insofar as it evidences benefit to each of the several counties in the operator's service area commensurate with the extent of service provided therein, appropriate consideration having been given to administrative, maintenance and other costs which serve to benefit the transit system as a whole.

## Allocation Instruction

*6659*

The transportation-planning agency shall convey allocation instructions to the county auditor by written memorandum of its executive director accompanied by a certified copy of the resolution authorizing the action. No allocation is made or shall take effect except by such allocation instruction.
The transportation-planning agency shall convey at least one allocation instruction annually and prior to the beginning of the fiscal year for each operator and transit service claimant, which has filed an annual claim pursuant to Section 6630. The transportation-planning agency may, however, delay an allocation instruction until after the beginning of the fiscal year with the consent of the operator or transit service claimant.

Each allocation instruction shall be numbered or otherwise identified for record keeping and reporting purposes. Allocations made to the same claimant for purposes authorized under different sections of the Act shall be identified separately. Each allocation instruction shall include the date of the instruction and shall designate the fiscal year for which the allocation is made, the section of the Act under which the allocation is authorized, the amount allocated, and the terms and conditions of the allocation. If an allocation is authorized for payment, the allocation instruction may call for a single payment, for payment as moneys become available, or for payment by installments, monthly, quarterly, or otherwise. If an allocation is to be reserved in the fund, the allocation instruction shall also designate the specific capital project for which moneys are reserved.

Once an allocation instruction has been made, it may be rescinded and revised by the transportation planning agency only under one of the following circumstances:

(a) An appeal affecting the allocation has been filed;

(b) The claimant is found to be spending, or unless enjoined to be about to spend, moneys otherwise than in accordance with the terms of the allocation instruction;

(c) An adjustment is proved to be necessary to reconcile the estimates on which the allocation was based with actual figures or revised estimates, including a revised determination of apportionments issued in accordance with Section 6655.5; or
(d) The financial needs of the claimant differ from those at the time of the allocation due to changed circumstances.

## Report to the Controller

*6660*

Each transportation planning agency, county transportation commission and the San Diego Metropolitan Transit development Board shall submit, within 90 days after the end of the fiscal year an annual financial transactions report to the Controller pursuant to Public Utilities Code Section 99406. The report shall include:
(a) A summary of the local transportation fund pursuant to Article 3 commencing with Public Utilities Code Section 99230 and the state transit assistance fund pursuant to Article 6.5 including:
    (1) The apportionment of each area as determined pursuant to Section 6644.

(2) A listing of final allocations identified by claimant and purpose, for the local transportation and state transit assistance funds.

(3) The beginning fund balances, the amounts and sources of revenues, the amount of expenditures from the funds, including the expenditure of earned interest transferred out of the fund and the analysis of the ending fund balances.

(4) The report shall contain the financial data in the time, manner and form prescribed by the Controller for this purpose.

(b) The Controller shall compile the information contained in these reports into an annual report to the Legislature as required in Public Utilities Code Section 99406

(1) This annual report in subdivision (b) may be combined with the State Controller's annual report pursuant to Public Utilities Code Section 99243.5.

## Audit of Local Transportation Fund

*6661*

Annually and within 180 days after the end of the fiscal year, the county auditor shall submit a report of a fiscal and compliance audit of the financial statements of the county local transportation fund to the transportation planning agency, to the State Controller and, where applicable, to the county transportation commission or the metropolitan transit development board. The audit shall be conducted in accordance with generally accepted auditing standards by the State Controller or by a certified public accountant or public accountant who is not an officer or employee of the transportation planning agency or of any city, county, operator, or county transportation commission within the area of the transportation planning agency and shall include a determination of compliance with the Act and the Administrative rules and regulations. If the county auditor and the regional entity responsible for submitting the audit report for the state transit assistance fund (pursuant to Section 6751) so agree, the audits of the local transportation fund and the state transit assistance fund may be conducted by the same auditor and may be submitted together in one audit report to the State Controller and to the transportation planning agency

The financial statements shall be prepared by the county auditor in accordance with generally accepted accounting principles. The statements shall include, but not be limited to, (a) a balance sheet, (b) a statement of revenues and expenditures during the fiscal year, (c) a statement of changes in the fund balance, and (d) supplementary schedules as necessary to list or identify (1) the net amounts allocated and the net amounts disbursed during the fiscal year for each of the allocation purposes specified in the Act, (2) any portion of the fund balance that is allocated or reserved, and (3) any interest or other income earned by investment of the fund during the fiscal year. In the financial statements, the local transportation fund shall not be commingled with state transit assistance fund, nor with planning subventions from the Transportation Planning and Development Account, nor with any other revenues or funds of the transportation planning agency or of any city, county, or other agency.

All fiscal and accounting records and other supporting papers related to the local transportation fund shall be maintained for a minimum of four fiscal years following the close of the fiscal year and shall be available for inspection and audit by the State Controller.

## ARTICLE 5.5 - AUDIT AND EXPENDITURE REPORTS

### Fiscal Audits of Transportation Planning and Programming Entities

*6662*

Each transportation planning agency, county transportation commission, and metropolitan transit development board shall transmit to the State Controller, annually and within 12 months of the end of the fiscal year, a report of an audit of its accounts and records by the appropriate county auditor, a certified public accountant, or a public accountant pursuant to Sections 6505 and 26909 of the Government Code. The audit shall be performed in accordance with the Basic Audit Program and Reporting Guidelines for California Special Districts prescribed by the State Controller pursuant to Section 26909 of the Government Code and shall include a determination of compliance with the Act and the administrative rules and regulations. In the financial statements, of the transportation planning agency, county transportation commission and metropolitan transit development board, the local transportation fund, the state transit assistance fund, and other revenues or funds of any city, county or other agency shall not be commingled. All fiscal and accounting records and other supporting papers shall be maintained for a minimum of four years following the close of the fiscal year of expenditure and shall be available for inspection and audit by the State Controller.

### Performance Audits of Transportation Planning and Programming Entities

*6662.5*

(a) Each transportation planning agency, county transportation commission and metropolitan transit development board shall designate an independent entity to make a performance audit of its activities with respect to the Act pursuant to Public Utilities Code section 99246. The performance audit shall be submitted to the Director by July 1 triennially, in accordance with a schedule established by the transportation planning agency, county transportation commission and metropolitan transit development board.

(b) If the transportation planning agency or county transportation commission, or metropolitan transit development board fails to transmit a performance audit report of its activities within one year after the date on which the report was due, the agency, commission, or board shall not be eligible to receive funds allocated for administration or planning until the audit report is transmitted or unless prior approval is granted by the Director.

(c) The performance audit prepared pursuant to this section shall be made available to the public pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code.)

### Entities Responsible for Fiscal and Performance Audits of Claimants

*6663*

(a) The transportation planning agency, county transportation commission or metropolitan transit development board shall be responsible to ensure that each claimant under its jurisdiction receiving an allocation submits to it the annual certified fiscal audit described in section 6664. Each claimant shall also transmit a copy of the audit report to the State Controller.

(b) The transportation planning agency, county transportation commission or metropolitan transit development board, after consultation with the operator, shall designate an entity other than itself to conduct the triennial performance audit described in section 6664.5. The

performance audit shall be submitted to the transportation planning agency, county transportation commission or metropolitan transit development board as the case may be.

(1) Each transportation planning agency, county transportation commission and metropolitan transit development board shall certify, in writing to the Director, that any performance audits of operators under its jurisdiction due that fiscal year have been completed.

(2) The performance audit prepared pursuant to this section shall be made available to the public pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code.)

## Fiscal and Compliance Audits of All Claimants

*6664*

In accordance with Public Utilities Code Section 99245, a report of a fiscal and compliance audit made by an independent auditor shall be submitted by each claimant within 180 days after the end of the fiscal year, except that the responsible entity, as defined in Section 6663, may grant an extension of up to 90 days as it deems necessary. No allocation shall be made to any claimant that is delinquent in its submission of a fiscal and compliance audit report. The audit shall be conducted in accordance with generally accepted auditing standards of the claimant's financial statements for the fiscal year, which shall be prepared in accordance with generally accepted accounting principles. The audit shall also be directed toward obtaining knowledge of the claimant's compliance or noncompliance with the Act, and the auditor shall perform the tasks specified in Section 6666 or 6667, whichever is appropriate.
The audit report shall include, with the financial statements for the fiscal year that is the subject of the audit, the corresponding amounts from the claimant's audited financial statements for the fiscal year prior to the year that is the subject of the audit.

The audit report shall include a certification of compliance with the Act. The certification shall take the form of a statement that the funds allocated to and received by the claimant pursuant to the Act were, with any exceptions specifically noted, expended in conformance with the applicable statutes, rules and regulations of the Act and the allocation instructions and resolutions of the transportation planning agency and, where applicable, the county transportation commission or metropolitan transit development board. An unqualified negative statement (e.g., “no violation of the law was brought to our attention”) shall not be accepted. The certification may take the form of negative assurance, however, if it makes reference to the performance by the independent auditor of each of the tasks specified in Section 6666 or 6667. The transportation planning agency shall provide to the independent auditor, or specify the means by which the auditor may obtain, such information and documents, other than the financial records of the claimant, as may be required to conduct the compliance portion of the audit. The documents shall include, but not be limited to, (a) the allocation instructions or resolutions stating the purposes for which the funds were allocated, (b) the text of the Act and the administrative rules and regulations, (c) the rules, regulations, and procedures of the transportation planning agency, and (d) in the case of transit claimants, the uniform system of accounts and records adopted by the State Controller pursuant to Public Utilities Code Section 99243 including, as necessary, the detailed definitions included in the federal “Uniform System of Accounts and Records and Reporting System,” January 1977.

## Expanded Fiscal Audits of all Claimants

*6664.1*

A transit district, transit operator, transit service claimant or other provider may expand the scope of its audit pursuant to Public Utilities Code section 99245.2 to meet the audit requirements of other funding sources. An audit done pursuant to the Federal Single Audit Act of 1984 may be used to meet the requirements of Public Utilities Code section 99245 providing it meets the requirements of section 99245 including a certification of compliance with the Act.

## Performance Audits of Operators

*6664.5*

(a) A performance audit shall be conducted triennially pursuant to Public Utilities Code section 99246, on a schedule determined by the transportation planning agency, county transportation commission or metropolitan transit development board having jurisdiction over the operator, for each operator that has operated its public transportation system for one year or longer. The transportation planning agency, county transportation commission or the metropolitan transit development board, as appropriate, shall provide to the Director and the Controller prior to September 1 of each fiscal year:

(1) A schedule of performance audit reports to be submitted during that fiscal year.

(2) A list of all entities, which are subject to performance, audits pursuant to Public Utilities Code section 99246.

(b) Each transportation planning agency, county transportation commission, or metropolitan transit development board, as appropriate, shall provide a written certification to the director that the scheduled performance audit of operators located in the area under its jurisdiction has been completed.

(c) No operator shall be eligible to receive an allocation under article 4 of the Act until the entity, which determines the allocation to the operator, has received the operator's performance audit pursuant to Public Utilities Code section 99248.

(d) The City of South Lake Tahoe's performance audit shall be completed 12 months after the end of the fiscal year selected pursuant to Public Utilities Code Section 99243(e) triennially on a schedule determined by its planning agency.

## Operators Performance Audit Certification

*6664.6*

(a) The transportation planning agency, county transportation commission or transit development board, as the case may be, shall certify in writing to the Director that a triennial performance audit of an operator pursuant to Public Utilities Code section 99246 has been completed. The certification shall include:

(1) The name of the audited operator,

(2) The time and period covered by the performance audit, and

(3) The name of the auditor conducting the audit.

## State Controller Reports

*6665*

Expenditures of moneys received for streets and roads purposes under Section 99400(a) of the Public Utilities Code shall be reported to the State Controller on or before October 1 or within 90 days after the close of the fiscal year pursuant to Section 99406 of the Public Utilities Code. Expenditures of moneys received under Sections 99233.3, 99233.4, 99233.5, 99400(b), and 99400.5 shall be reported to the State Controller within 90 days after the close of the fiscal year pursuant to Section 12463 of the Government Code.

## Compliance Audit Tasks--Non-transit Claimants

*6666*

In conducting the compliance portion of the audit specified in section 6664 for a non-transit claimant, the independent auditor shall perform at least the following tasks:

(a) Determine whether the funds received by the claimant pursuant to the Act were expended in conformance with those sections of the Act specifying the qualifying purposes, including Public Utilities Code section 99402 for streets and roads claimants and section 99233.3 for claimants under that section for pedestrian and bicycle facilities and bicycle safety education programs.

(b) Determine whether the funds received by the claimant pursuant to the Act were expended in conformance with the applicable rules, regulations, and procedures of the transportation-planning agency and in compliance with the allocation instructions.

(c) Determine whether interest earned on funds received by the claimant pursuant to the Act were expended only for those purposes for which the funds were allocated, in accordance with Public Utilities Code sections 99301 and 99301.5.

## Compliance Audit Tasks--Transit Claimants

*6667*

In conducting the compliance portion of the audit specified in section 6664 for an operator or transit service claimant, the independent auditor shall perform at least the following tasks:

(a) Determine whether the claimant was an entity eligible to receive the funds allocated to it. This determination should be made with reference to the section of the Act under which the funds were allocated and to the definitions in article 1 of the Act.

(b) Determine whether the claimant is maintaining its accounts and records on an enterprise fund basis and is otherwise in compliance with the uniform system of accounts and records adopted by the State Controller pursuant to Public Utilities Code section 99243.

(c) Determine whether the funds received by the claimant pursuant to the Act were expended in conformance with those sections of the Act specifying the qualifying purposes, including Public Utilities Code sections 99262 and 99263 for operators receiving funds under article 4, sections 99275, 99275.5 and 99277 for article 4.5 claimants, and section 99400(c), (d) and (e) for article 8 claimants for service provided under contract, and section 99405(d) for transportation services provided by cities and counties with populations of less than 5,000.

(d) Determine whether the funds received by the claimant pursuant to the Act were expended in conformance with the applicable rules, regulations, and procedures of the transportation-planning agency and in compliance with the allocation instructions and resolutions.

(e) Determine whether interest earned on funds received by the claimant pursuant to the Act were expended only for those purposes for which the funds were allocated, in accordance with Public Utilities Code sections 99234.1, 99301, 99301.5 and 99301.6.

(f) Verify the amount of the claimant's operating cost (as defined by section 6611.1) for the fiscal year, the amount of fare revenues required to meet the ratios specified in sections 6633.2 and 6633.5 and the amount of the sum of fare revenues and local support required to meet the ratios specified in section 6633.2.

(g) Verify the amount of the claimant's actual fare revenues (as defined by section 6611.2 and by Public Utilities Code section 99205.7) for the fiscal year.

(h) Verify the amount of the claimant's actual local support (as defined by section 6611.3) for the fiscal year.

(i) Verify the maximum amount the claimant was eligible to receive under the Act during the fiscal year in accordance with sections 6634 and 6649.

(j) (j) Verify, if applicable, the amount of the operator's expenditure limitation in accordance with section 6633.1.

(k) In the case of an operator, determine whether the operator's employee retirement system or private pension plan is in conformance with the provisions of Public Utilities Code sections 99271, 99272, and 99273.

(l) In the case of an operator, determine whether the operator has had a certification by the Department of the California Highway Patrol verifying that the operator is in compliance with section 1808.1 of the Vehicle Code, as required in Public Utilities Code section 99251.

(m) In the case of an operator, verify, if applicable, its State Transit Assistance eligibility pursuant to Public Utilities Code section 99314.6 or 99314.7.

(n) In the case of a claimant for community transit services, determine whether it is in compliance with Public Utilities Code sections 99155 and 99155.5.

## ARTICLE 6 - RESPONSIBILITIES OF APPELLANTS

### Appeal by Claimants

*6670*

A claimant is an eligible appellant under this section whether it has filed a claim or not.
In the event that a claimant is not satisfied with its allocation or other action taken by the transportation-planning agency, the claimant may within sixty days thereafter file an appeal to the Secretary.

The appeal shall take the form of a registered letter addressed to the Secretary with a registered copy to the transportation-planning agency. The appeal may be for an amount over and above the allocation but no more than the claimant's maximum allocation as prescribed by Sections 99231 and 99231.2 of the Public Utilities Code. At the time of filing an appeal the appellant may

request or the Secretary, upon his own motion, may set a public hearing before the Secretary or his designated representative to hear additional evidence concerning the appeal.

The appeal shall be accompanied by the disputed claim or claims and accompanying information and data as required by the transportation planning agency and any other supporting information submitted with the claim or subsequently to the transportation planning agency for its consideration.

## ARTICLE 7 - CONSOLIDATED TRANSPORTATION SERVICE AGENCIES

### Designation

*6680*

Consolidated transportation service agencies shall be designated by the transportation-planning agency, except that within the area of the Southern California Association of Governments, they shall be designated by the county transportation commissions and the County of Imperial. ~~and that for the area of the San Diego Metropolitan Transit Development Board, they shall be designated by the Board.~~ The consolidated transportation service agencies shall be designated in accordance with the action plan adopted pursuant to section 15975 of the Government Code. Each consolidated transportation service agency shall be an entity other than the transportation planning agency and shall be one of the following:

(a) A public agency, including a city, county, operator, any state department or agency, public corporation, or public district, or a joint powers entity created pursuant to Chapter 5 (commencing with section 6500) of division 7, title 1 of the Government Code.

(b) A common carrier of persons as defined in section 211 of the Public Utilities Code, engaged in the transportation of persons, as defined in section 208.

(c) A private entity operating under a franchise or license.

(d) A nonprofit corporation organized pursuant to division 2 (commencing with section ~~9000~~ 5000) of title 1 of the Corporations Code.

The transportation planning agency or other designating agency may designate one or more consolidated transportation service agencies. The geographic areas of consolidated transportation service agencies may be overlapping. For the purpose of filing claims, the division of responsibility between designated consolidated transportation service agencies shall be by the transportation service provided (i.e., by geographic area, route, time, clientele, etc.) and not by service function (i.e., operation, maintenance, marketing, etc.). This does not preclude a consolidated transportation service agency from contracting with various contractors to perform different service functions.

The transportation planning agency or other designating agency may rescind the designation of a consolidated transportation service agency if it finds that the agency has failed substantially to comply with the terms of its allocations, with the Act or with the action plan. The rescission of the designation of the consolidated transportation service agency may be appealed pursuant to Public Utilities Code section 99242 by any claimant, including the consolidated transportation service agency, even where the designating agency is not the transportation planning agency. Whenever the designation of a consolidated transportation service agency is rescinded or a new agency is designated, other than in the text of the action plan originally submitted, the transportation planning agency or other designating agency shall notify the Department within ten (10) days.

## Claimant Eligibility

*6681*

A consolidated transportation service agency may file claims under article 4.5 of the Act for its operating costs, to the extent specified in section 6634(a), and for its costs in purchasing vehicles and communications and data processing equipment, to the extent specified in section 6634 (f). Claims may also be filed by a consolidated transportation service agency for state transit assistance funds as specified in section 6731.1.

A consolidated transportation service agency may provide transportation services itself or contract with one or more other entities to provide service in accordance with section 6683. In either case, the consolidated transportation service agency alone is the claimant for funds under the Act and bears all the responsibilities of a claimant under the Act. These include, but are not limited to, the filing of claims, the maintaining of complete and accurate records in accordance with the uniform system of accounts and records, complying with fare revenue requirements, and the submittal of fiscal and compliance audit reports. The consolidated transportation service agency shall meet all requirements of the Act and these regulations as a single claimant, even where it is responsible for services provided by more than one contractor. For example, the fare revenue requirements shall apply to all of the agency's transportation services jointly, not separately. The consolidated transportation service agency's responsibilities as a claimant may not be delegated or assigned to its contract services providers.

## Vehicles and Equipment

*6682*

The consolidated transportation service agency may be allocated funds to purchase vehicles and equipment to be used either for transportation services that the agency provides itself or for transportation services provided by a service contractor. In either case, legal title to the vehicles and equipment (other than equipment included in operating cost) shall be vested in the consolidated transportation service agency, if it is a public agency, or in a public agency specified by the transportation-planning agency.

The consolidated transportation service agency may also be allocated funds to be used as the local match for a grant made for the purchase of vehicles under Section 16 (b)(2) of the Urban Mass Transportation Act of 1964, as amended, provided that the grant is to the consolidated transportation service agency or to an organization under contract to the agency to provide transportation services. Legal title to the vehicles shall be vested in accordance with the requirements of the grant program.

Vehicles and equipment purchased with funds allocated to a consolidated transportation service agency shall be used only for transportation services provided by or under contract to a consolidated transportation service agency.

## Contract Service Providers

*6683*

The consolidated transportation service agency may contract with any entity to provide service. The contract shall be awarded on the basis of competitive bidding.

### Competitive Bidding

*6684*

The award of a service contract pursuant to Section 6683 shall be made on the basis of the procurement procedures of the county or other competitive bidding procedures approved by the transportation-planning agency.
At a minimum, the opportunity to submit a bid shall be afforded to any entity that has made its availability and interest known to the consolidated transportation service agency.

## CHAPTER 2.5 - STATE TRANSIT ASSISTANCE PROGRAM
## ARTICLE 1 - PURPOSE AND AUTHORITY

### Applicability of General Regulations

*6700*

Claimants receiving funding under the State Transit Assistance Program shall also be subject to the provisions of Subchapter 2 (commencing with Section 6600), except for Article 3 (commencing with Section 6620 ) and those other provisions that are, by their terms, applicable only to local transportation funds or are superseded by the provisions of this subchapter. All terms defined in the Act or in Subchapter 2 have the same meaning when used in this subchapter.

## ARTICLE 2 - DEFINITIONS

### Account

*6710*

"Account" means the Transportation Planning and Development Account in the State Transportation Fund, as created pursuant to Section 99310 of the Public Utilities Code.

### Regional Entity

*6711*

"Regional entity" means each transportation-planning agency designated by the Director pursuant to Section 29532 of the Government Code, each county transportation commission created by Division 12 (commencing with Section 130000) of the Public Utilities Code, and the San Diego Metropolitan Transit Development Board.

### Area of Regional Entity

*6712*

The "area" of a regional entity means:

(a) For a county transportation commission, all of the area within the county in which the commission is created, pursuant to Public Utilities Code Section 130050.
(b) For the San Diego Metropolitan Transit Development Board, the area within the jurisdiction of the board, as that area is defined by Public Utilities Code Sections 120052 and 120054.
(c) For a transportation planning agency, the area for which it is the designated agency pursuant to Government Code Section 29532, but excluding those areas also under the jurisdiction of the county transportation commissions or the San Diego Metropolitan Transit Development Board.

## State Transit Assistance Program

*6713*

"State Transit Assistance Program" means the provisions of the Act related directly to the state transit assistance funds, including Public Utilities Code sections 99312 to 99314.7, inclusive.

## Allocation

*6714*

"Allocation," with respect to the State Transit Assistance Program, means:

(a) An action by the State Controller setting apart moneys in the Account for a regional entity pursuant to Public Utilities Code Sections 99313 and 99314.

(b) An action by a regional entity setting apart moneys in its state transit assistance fund for a claimant for a purpose authorized in the Act and taking effect by resolution, pursuant to Section 6753.

# ARTICLE 3 - ALLOCATIONS TO REGIONAL ENTITIES

## Population Basis for Allocations

*6720*

For the purpose of allocating funds appropriated in each fiscal year pursuant to Public Utilities Code Section 99313, the State Controller shall rely on the annual population estimates prepared prior to the beginning of the fiscal year by the Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code. The funds shall be allocated quarterly.

## Operator Apportionments

*6721*

From the funds appropriated pursuant to Public Utilities Code section 99314, the State Controller shall make quarterly allocations to each regional entity for the operators that operate primarily in the area under its jurisdiction. The amount or proportion for each operator shall be identified separately by the State Controller, and that amount or proportion shall constitute an apportionment for each operator within the regional entity's state transit assistance fund. The amount of an operator's apportionment shall be allocated to that operator upon the filing of a claim unless the regional entity finds that the operator does not qualify, pursuant to Public Utilities Code section 99314.6 or 99314.7, or section 6634, to receive the funds, or that the operator is otherwise not in compliance with the Act. Any amount of an operator's apportionment that is not allocated to that operator shall be retained in the state transit assistance fund for later allocation to the same operator or to a succeeding operator on such terms and conditions as the regional entity may determine, except for funds not allocated pursuant to sections 99314.6 or 99314.7, which shall be reallocated in accordance with the provisions in those sections.

## Revenue Basis for Allocations

*6722*

(a) For the purpose of allocating funds appropriated in each fiscal year pursuant to section 99314, an operator's revenue for the prior fiscal year shall be determined by the State Controller from the annual report submitted to the Legislature by the State Controller pursuant to Section 99243.5 of the Public Utilities Code. Allocations made before the State Controller's report becomes available shall be made on the basis of estimates as deemed most appropriate by the State Controller. Subsequent allocations shall be adjusted accordingly.

(b) For the purpose of this section:

(1) "Qualifying revenues," means revenues in the following or like revenues classes, as included in the annual report submitted by the State Controller pursuant to Public Utilities Code section 99243.5:

- Passenger Fares
- Special Transit Fares
- School Bus Service Revenue
- Auxiliary Transportation Revenue
- Non-transportation Revenue
- Property Tax
- Sales Tax Revenue
- Local General Operating Assistance
- Special Districts Augmentation Fund
- Local Special Fare Assistance
- Homeowner Property Tax Relief
- Special Supplemental Subvention
- Local Sales Tax
- Subsidy--Other Sectors of Operations
- Income From Other Activities

(2) "Non-qualifying revenues" means all other revenues, as included in the State Controller's annual report.

1. "Operating Cost" means the sum of the operator's operating expenses less depreciation and amortization, as included in the State Controller's annual report.

(c) An operator's revenue, for this purpose, shall be determined:

(1) As the operator's operating cost less the sum of its non qualifying revenues; or, at a minimum, as the sum of the operator's fare revenues; or, at a maximum, as the sum of the operator's qualifying revenues.

## ARTICLE 4 - ROLE OF CLAIMANTS

### Claims of Operators

*6730*

Claims may be filed for allocations from the state transit assistance fund by an operator for the following purposes:

(a) The operating cost of the operator's public transportation system.
(a) The capital requirements of the operator's public transportation system.
(b) Subsidy of passenger rail services, either by bulk purchases of passenger tickets or by direct payments to a railroad corporation, pursuant to Public Utilities Code sections 99260.2(b) and 99260.5, or for rail passenger service operation and capital improvement expenditures pursuant to Public Utilities Code section 99260.6 and construction and maintenance of intermodal transportation facilities pursuant to Public Utilities Code section 99234.9.
(c) Community transit service purposes pursuant to Public Utilities Code section 99275.

### Claims of Cities, Counties or Transit Districts

*6731*

Claims may be filed for allocations from the state transit assistance fund by a city or county, or transit district for the following purposes, if it is eligible for allocations from the local transportation fund for such purposes:

(a) Payments for passenger rail service operations and capital improvements pursuant to Public Utilities Code section 99400(b) and construction and maintenance of intermodal transportation facilities pursuant to Public Utilities Code section 99234.9.

(b) Payment to an entity under contract with the city, county or transit district, for transportation services or payment for the claimant's related administrative and planning cost, pursuant to Public Utilities Code sections 99400(c) and 99400(d).

(c) To provide or contract for transportation services to elderly and handicapped persons, if the city, county, or transit district is a member of a joint powers entity operating a public transportation system, pursuant to Public Utilities Code section 99260.7
(d) Community transit service purposes pursuant to Public Utilities Code section 99275

(e) Transportation services provided by cities or counties with populations of less than 5,000 pursuant to Public Utilities Code section 99405(d).

### Claims of Consolidated Transportation Service Agencies

*6731.1*

Claims may be filed for allocations from the state transit assistance fund by consolidated transportation service agencies for purposes specified in Public Utilities Code section 99275.

### Claim Filing

*6732*

A claimant wishing to receive an allocation from a regional entity's state transit assistance fund at the beginning of the fiscal year shall file an annual claim with the regional entity, in accordance with the rules and regulations established by the transportation planning agency, or in the absence of such rules and regulations at least 90 days prior to the beginning of the fiscal year.

Claims may also be filed at any time before the close of the fiscal year. However, claims that are not filed 90 days prior to the beginning of the fiscal year shall be considered only for such moneys as may remain unallocated and available in the state transit assistance fund after action is taken on claims earlier submitted.

If the regional entity is the San Diego Metropolitan Transit Development Board, the claimant shall also file a copy of the claim on the same day with the transportation-planning agency. If the regional entity is a local transportation commission within the area of a multicounty regional agency, the claimant shall file a copy of the claim on the same day with the regional agency. Claims on the funds of different regional entities shall be filed separately.

The claim shall be filed in the form prescribed by the regional entity and shall include the fiscal year for which funds are claimed and the amounts claimed for the purposes identified in each of the subdivisions of sections 6730 and 6731.

## Delinquent Reports

*6733*

The regional entity shall take no action on a claim at any time that the claimant is delinquent in submitting to the regional entity either the annual report of its operation required pursuant to Public Utilities Code Section 99243 or the annual certified fiscal audit report required pursuant to Public Utilities Code Section 99245.

## Supplementary Information Required

*6734*

A claimant shall accompany its claim with the following statements, together with a statement signed by the chief financial officer of the claimant attesting to their reasonableness and accuracy:

(a) A budget or proposed budget for the fiscal year of the claim.
(b) A statement of projected or estimated revenues and expenditures for the prior fiscal year.

(c) A certification by the Department of the California Highway Patrol verifying that the operator is in compliance with section 1808.1 of the Vehicle Code, as required in Public Utilities Code section 99251. The certification shall have been completed within the last 13 months, prior to filing claims.

(d) Additional information required to determine the operator's eligibility pursuant to Public Utilities Code section 99314.6 or 99314.7.

The items in each statement shall be consistent with the uniform system of accounts and records adopted by the State Controller pursuant to Public Utilities Code section 99243. The statements shall specifically identify the estimated amount of the claimant's maximum eligibility for moneys from the local transportation fund and the state transit assistance fund, as defined in section 6634.

## Reversion of Excess Funds

*6735*

Whenever the regional entity finds that the claimant has received more from the state transit assistance fund than it is eligible to receive, the claimant shall repay the excess amount to the state transit assistance fund upon demand by the regional entity.

## ARTICLE 5 - ROLE OF REGIONAL ENTITIES

### State Transit Assistance Fund

*6750*

(a) Each regional entity shall create a state transit assistance fund and shall deposit in such fund all moneys allocated and transmitted to it by the State Controller pursuant to Sections 99313 and 99314 of the Public Utilities Code.

(b) The state transit assistance fund shall be established as a trust fund in the county treasury. In the case of a multicounty regional entity, the regional entity's former designation of a county treasurer to be the depositary of the state transit assistance fund shall not be changed without the agreement of the State Controller.

(c) The regional entity shall arrange with the county treasurer for investment of moneys in the state transit assistance fund at the highest rate of return consistent with prudent fund management and the need to permit disbursement of funds allocated to claimants.

(d) Any interest or other income earned by investment of the state transit assistance fund shall accrue to and be a part of the fund. Interest earned during a fiscal year shall be treated in the same manner as funds allocated to the regional entity by the State Controller during that fiscal year.

(e) The state transit assistance fund shall not be commingled with the local transportation fund, nor with planning subventions from the Account, nor with any other revenues or funds of the regional entity or of any city, county, or operator. Where there are two regional entities in the same county, their state transit assistance funds shall not be commingled with each other.

### Audit of State Transit Assistance Fund

*6751*

Each regional entity shall submit to the State Controller, annually and within 180 days after the end of the fiscal year, a report of a fiscal and compliance audit of the financial statements of its state transit assistance fund. If the regional entity is a county transportation commission or the San Diego Metropolitan Transit Development Board, a copy of the audit report shall be transmitted at the same time to the transportation-planning agency. The audit shall be conducted in accordance with generally accepted auditing standards by the State Controller or by a certified public accountant or public accountant who is not an officer or employee of the regional entity or of any city, county, or operator within the area of the regional entity and shall include a determination of compliance with the Act and the administrative rules and regulations. If the regional entity and the county auditor so agree, the audits of the local transportation fund (pursuant to Section 6661) and the state transit assistance fund may be conducted by the same auditor and may be submitted together in one audit report to the State Controller and to the transportation planning agency. The State Controller shall not authorize the payment of any allocation to a regional entity that is delinquent in its submission of a fiscal audit report.
The financial statements shall be prepared in accordance with generally accepted accounting principles. The statements shall include, but not be limited to:

(a) A balance sheet,
(b) A statement of the revenues and expenditures during the fiscal year,

(c) A statement of changes in the fund balance, and

(d) Supplemental schedules as necessary to list or identify

(1) The net amounts allocated and net amounts disbursed during the fiscal year for each of the allocation purposes specified in Sections 6730 and 6731,

(2) Any portion of the fund balance that is allocated or reserved,

(3) Any interest or other income earned by investment of the fund during the fiscal year,

(4) Any amounts included in the fund balance that are apportioned to an operator pursuant to Section 6721, and

(5) Any amounts that have been transferred or that have been received as a result of a transfer as authorized by Section 99313.1.

All fiscal and accounting records and other supporting papers related to the state transit assistance fund shall be maintained for a minimum of four fiscal years following the close of the fiscal year and shall be available for inspection and audit by the State Controller.

## Allocations to Claimants

*6752*

Prior to the beginning of the fiscal year, the regional entity shall take action on all claims submitted at least 90 days prior to the beginning of the fiscal year in accordance with section 6732, and such allocations shall take effect on the first day of the fiscal year. The regional entity may allocate to all claimants in its area collectively an amount not to exceed the sum of the State Controller's most recent estimate of the amount to be allocated to the regional entity during the fiscal year and the balance available from the State Controller's allocations to the regional entity in the prior two fiscal years.

## Allocation Resolution and Instruction

*6753*

Allocations to claimants shall be made and take effect by resolution adopted by the governing board of the regional entity. Each allocation shall be numbered or otherwise identified for record keeping and reporting purposes. Allocations made to the same claimant for different purposes, as defined in Sections 6730 and 6731, shall be identified separately. Each allocation instruction shall designate (1) the fiscal year for which the allocation is made, (2) the amount allocated to the claimant for each of the purposes defined in Sections 6730 and 6731 , and (3) any other terms and conditions of the allocation. The allocation instruction shall also specify conditions of payment and may call for a single payment, for payments as moneys become available, or for payment by installments monthly, quarterly, or otherwise. The transportation-planning agency shall convey allocation instructions to the county auditor by written memorandum of its executive director accompanied by a certified copy of the resolution authorizing the action. No allocation is made or shall take effect except by such allocation instruction. The transportation planning agency shall convey at least one allocation instruction annually and prior to the beginning of the fiscal year for each operator or city, county or transit district, which has filed an

annual claim pursuant to Sections 6730 and 6731. The transportation-planning agency may, however, delay an allocation instruction until after the beginning of the fiscal year with the consent of the claimant.
The amount of a regional entity's allocation for a fiscal year that is not allocated to claimants for that fiscal year shall be available to the regional entity for allocation in the following fiscal year.

## Required Findings

*6754*

(a) The regional entity may allocate funds to an operator or a transit service claimant only if, in the resolution allocating the funds, it finds all of the following:

(1) The claimant's proposed expenditures are in conformity with the Regional Transportation Plan.

(2) The level of passenger fares and charges is sufficient to enable the operator or transit service claimant to meet the fare revenue requirements of Public Utilities Code sections 99268.2, 99268.3, 99268.4, 99268.5, and 99268.9, as they may be applicable to the claimant.

(3) The claimant is making full use of federal funds available under the Urban Mass Transportation Act of 1964, as amended.

(4) The sum of the claimant's allocations from the state transit assistance fund and from the local transportation fund does not exceed the amount the claimant is eligible to receive during the fiscal year.

(5) Priority consideration has been given to claims to offset reductions in federal operating assistance and the unanticipated increase in the cost of fuel, to enhance existing public transportation services, and to meet high priority regional, countywide, or area wide public transportation needs.

(b) The regional entity may allocate funds to an operator for the purposes specified in section 6730 only if, in the resolution allocating the funds, it also finds the following:

(1) The operator has made a reasonable effort to implement the productivity improvements recommended pursuant to Public Utilities Code section 99244. This finding shall make specific reference to the improvements recommended and to the efforts made by the operator to implement them.

(2) A certification by the Department of the California Highway Patrol verifying that the operator is in compliance with section 1808.1 of the Vehicle Code, as required in Public Utilities Code section 99251. The certification shall have been completed within the last 13 months, prior to filing claims.

(3) The operator is in compliance with the eligibility requirements of Public Utilities Code section 99314.6 or 99314.7.

(c) The regional entity may authorize an operator to exchange funds pursuant to Public Utilities Code section 99314.4(b) only if, in the resolution allocating the funds made available

pursuant to Public Utilities Code section 99231, it finds that the operator is eligible to receive state transit assistance funds.

## Revised Allocations

*6756*

Once an allocation has been made to a claimant by the regional entity, it may be rescinded or revised only under one of the following circumstances:

(a) A revised claim has been filed by the claimant or an appeal affecting the allocation has been filed.

(a) The claimant is found to be spending, or unless enjoined to be about to spend, moneys otherwise than in accordance with the terms of the allocation.

(b) An adjustment is proved to be necessary to reconcile the estimates on which the allocation was based with the actual figures or revised estimates

(c) The financial needs of the claimant differ from those at the time of the allocation due to changed circumstances.

# NON-TDA TRANSIT-RELATED CODES
# PUBLIC UTILITIES CODE
## DIVISION 10. PART 11, CHAPTER 3- MISCELLANEOUS

### Planning Requirements for Transit Facilities

*99150*

In locating its bus stops, park and ride service facilities, and special service terminal points and stations, a transit district shall consult with, and consider the recommendations of, the city if such transit facilities are to be located therein, or the county if such transit facilities are to be located in the unincorporated area thereof, on the proposed locations.

The city or county, as the case may be, in making its recommendations to the transit district on the proposed location of any such transit facilities, shall consider whether the proposed location is consistent with the circulation element of its general plan.

### Contract Requirements for Prospective Bidders

*99154*

Any transit district or operator may require from prospective bidders for any contract answers to questions contained in a standard questionnaire and financial statement, including a complete statement of the prospective bidder's financial ability and experience in performing public contracts. When completed, the questionnaire and financial statement shall be verified under oath by the bidder in the manner in which pleadings are verified in civil actions.

The questionnaires and financial statements are not public records and shall not be open to public inspection.

### Reduced Transit Fares

*99155*

(a) Each transit operator, whether publicly or privately funded all or in part, nonprofit or profit, which offers reduced fares to senior citizens shall honor the federal Medicare identification card as sufficient identification to receive reduced fares. A transit operator, which offers reduced fares to those senior citizens who are less than 65 years old shall also honor the senior citizen identification card issued pursuant to subdivision (b) of Section 13000 of the Vehicle Code.

(b) Each transit operator, whether publicly or privately funded, in whole or in part, nonprofit or for profit, which offers reduced fares pursuant to subdivision (a) shall also offer reduced fares to handicapped persons, as defined by Section 99206.5, disabled persons, as defined by Section 295.5 of the Vehicle Code, and disabled veterans, as defined by Section 295.7 of the Vehicle Code, at the same rate established for senior citizens. A transit operator shall honor the handicapped person, disabled person, or disabled veteran placard identification card issued pursuant to Section 22511.55 of the Vehicle Code.

(c) Every transit operator that offers reduced fares to handicapped or disabled persons shall honor any current identification card that is valid for the type of transportation service or discount requested and that has been issued to an individual with a handicap or disability by another transit operator.

(d) This section also applies to any dial-a-ride, paratransit, or non-fixed route operator, which serves the handicapped or disabled, but, does not apply to a private, nonprofit entity, which serves the handicapped, disabled, or elderly.

(e) Nothing in this section prohibits a transit operator from issuing its own identification card, except that no such card shall be required to be presented in addition to either a federal Medicare card or a card issued pursuant to Section 22511.55 of the Vehicle Code.

(f) A transit operator, as defined in subdivision (b), which receives funds pursuant to the Mills-Alquist-Deddeh Act (Chapter 4 (commencing with Section 99200)), shall not require that a person requesting transportation be a resident of that transit operator's service area.

### Transit Providers Coordination with County Welfare Departments

*99155.1*

(a) There shall be close coordination between local transit providers and county welfare departments in order to ensure that transportation moneys available for purposes of assisting recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code are expended efficiently for the benefit of that population.

(1) In areas where public transit service is available, local transit providers shall give priority, in the use of funds allocated under the CalWORKs program and made available by the county, to the enhancement of public transportation services for welfare-to-work purposes.

(2) In areas where public transit services are unavailable, local transit providers shall give priority, in the use of funds allocated under the CalWORKs program and made available by the county, to the enhancement of transportation alternatives, such as, but not limited to, subsidies or vouchers, van pools, and contract paratransit operations, in order to promote welfare-to-work purposes.

(b) In areas where public transit service is available, local transit providers shall consider giving priority in the use of transit funds to the enhancement of public transportation services for welfare-to-work purposes.

### Dial-A-Ride and Paratransit Services

*99155.5*

(a) The Legislature intends that dial-a-ride and paratransit services be accessible to handicapped persons, as defined in Section 99206.5. It is intended that transportation service be provided for employment, education, medical, and personal reasons.

Transportation for individuals with disabilities is a necessity, and allows these persons to fully participate in our society.

The Legislature finds and declares that the term "paratransit," as used in the Americans with Disabilities Act of 1990 (Public Law 101-336), refers to transportation services with specific criteria of quality and quantity, and which are required to be made available to limited classes of

persons based on eligibility categories; this is often referred to as "ADA paratransit" or "complementary paratransit."

The Legislature finds and declares that the terms "paratransit" and "dial-a-ride," as used in the laws of this state, apply to a broader range of transportation services and that not all individuals with disabilities under the laws of this state are eligible for "ADA paratransit" under the federal law.

(b) Each transit operator, profit or nonprofit, which provides, or contracts for the provision of, dial-a-ride or paratransit service for individuals with disabilities and which receives public funding pursuant to the Mills-Alquist-Deddeh Act (Chapter 4 (commencing with Section 99200)) for that service shall provide the service without regard to either of the following:

(1) Whether the person is a member of a household, which owns a motor vehicle.

(2) The place of residence of the person who requests transportation service within the service area of the provider. To the extent that they are eligible for the specified service requested, all persons requesting transportation service in the service area of the provider shall be provided service on the same terms and at the same price that service is provided to other persons residing within the service area of the provider.

(c) Subdivision (b) does not preclude a provider from offering a subscription service, and does not require a reduction in the amount the provider charges other public or private agencies.

(d) Except as required by the Americans with Disabilities Act of 1990 (Public Law 101-336) and federal regulations adopted pursuant thereto or by higher standards prescribed by the laws of this state, nothing in this section requires any transit operator which provides service to individuals with disabilities in a manner consistent with subdivision (b) to make those services available outside the operator's established operating service area, or requires the operator to make the presentation of identification a condition to using the service.

(e) A transit operator shall honor any current identification card, which is valid for the type of transportation service or discount requested and which has been issued to an individual with disabilities by another transit operator.

(f) Any person who believes an operator has violated Section 99155 or 99155.5 may file a report of the alleged violation with the transportation planning agency or county transportation commission. Any individual with disabilities may request the Attorney General to resolve any dispute as to compliance with Section 99155 or this section.

## Ticket Vending Machines; Requirements for Audio Instructions

*99163*

On and after January 1, 2005, whenever a transit operator improves or replaces a ticket vending machine at a public transit station to include video instructions, the transit operator shall also equip the ticket vending machine with audio instructions that will enable visually impaired persons to follow the visual prompts. State funds made available to the operator through the State Transportation Assistance Program under Section 99312 shall be available for the purposes of this section.

## Transit Agency Requirements for Installing New Security Systems

*99164*

(a) When installing new security systems, a transit agency operated by an operator as defined in Section 99210 shall only purchase and install equipment capable of storing recorded images for at least one year, unless all of the following conditions apply:

(1) The transit agency has made a diligent effort to identify a security system that is capable of storing recorded data for one year.

(2) The transit agency determines that the technology to store recorded data in an economically and technologically feasible manner for one year is not available.

(3) The transit agency purchases and installs the best available technology with respect to storage capacity that is both economically and technologically feasible at that time.

(b) Notwithstanding any other provision of law, videotapes or recordings made by security systems operated as part of a public transit system shall be retained for one year, unless one of the following conditions applies:

(1) The videotapes or recordings are evidence in any claim filed or any pending litigation, in which case the videotapes or recordings shall be preserved until the claim or the pending litigation is resolved.

(2) The videotapes or recordings recorded an event that was or is the subject of an incident report, in which case the videotapes or recordings shall be preserved until the incident is resolved.

(3) The transit agency utilizes a security system that was purchased or installed prior to January 1, 2004, or that meets the requirements of subdivision (a), in which case the videotapes or recordings shall be preserved for as long as the installed technology allows.

# NON-TDA TRANSIT-RELATED CODES
# PUBLIC UTILITIES CODE
## DIVISION 12. COUNTY TRANSPORTATION COMMISSIONS
## CHAPTER 1. GENERAL PROVISIONS, FINDINGS, AND DEFINITIONS

### County Transportation Commissions Act

*130000*

This division shall be known and may be cited as the County Transportation Commissions Act.

### Transportation Policy of the Southern California Region

*130001*

The Legislature hereby finds and declares that:
(a) Public demand for an efficient public transportation system in the southern California region resulting from population sprawl, the concentration of many transit dependent citizens in the large urban areas, and increasing mobility requirements indicates a need for improved, as well as more innovative, policy and decision-making institutions to resolve these problems.

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

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

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

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

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

(g) The transportation decision-making process should be responsive to public values, and provide for the continuing involvement of the public in the preparation, revision, and discussion of transportation plans and services.

(h) Transportation planning should recognize that transportation systems have significant effect on the physical and socioeconomic characteristics of the areas served, and emphasis should be given to the protection and enhancement of the environment and the restoration of blighted neighborhoods near community centers. Los Angeles County, in particular, is a multi-centered

area with diverse socioeconomic levels and travel patterns, and a majority of the trips in the county are four miles or less.

### Commission

*130002*

As used in this division, "commission" means a county transportation commission created pursuant to Chapter 2 (commencing with Section 130050).

### Local Transportation Zones

*130003*

As used in this division, "local transportation zones" means cities or unincorporated areas, which contain at least one economic center or major trip generator in which there is a large percentage of short- and medium-length transit trips. Local transportation zones shall be coordinated with regional transit operations as appropriate relative to consumer need and efficient operations.

### Multi-county Designated Transportation Planning Agency

*130004*

As used in this division, "multicounty designated transportation planning agency" means the Southern California Association of Governments.

### Meeting Rules

*130005*

The multicounty designated transportation-planning agency shall conduct its meetings in the manner prescribed by the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950), Part 1, Division 2, Title 5 of the Government Code).

A majority of the members of the executive committee of the agency shall constitute a quorum for the transaction of business. All official acts of the executive committee shall require the affirmative vote of a majority of the members of the executive committee present, with not less than a quorum present.

### Orange County Transit District and the Orange County Transportation Authority

*130010*

Except as otherwise provided in subdivision (c) of Section 130109, all provisions of the Orange County Transit District Act of 1965 (Part 4 (commencing with Section 40000) of Division 10), regarding employer-employee relations, employee benefits, and conditions of employment for the Orange County Transit District are equally applicable to the Orange County Transportation Authority as if set forth in this division, and govern employer-employee relations, employee benefits, and conditions of employment for the Orange County Transportation Authority.

## The Department's Requirements for Vehicle Registration

*1800*

(a) The department shall file each application received for the registration of a vehicle and shall keep a record of each as follows:

(1) Under a distinctive registration number assigned to the vehicle.

(2) Alphabetically, under the name of the owner.

(3) Under the motor or a permanent identifying number of the vehicle as may be determined by the department.

(4) In the discretion of the department, in any other manner it may deem desirable.

(b) The department shall file every application for a license to operate a motor vehicle received by it and maintain all of the following:

(1) A suitable index containing, in alphabetical order, all applications denied. On the applications shall be noted the reasons for the denial.

(2) A suitable index containing, in alphabetical order, all applications granted.

(3) A suitable index containing, in alphabetical order, the name of every licensee whose license has been suspended or revoked by the department or by a court and after each name notes the reasons for the action and the period of revocation or suspension.

## Court Clerks Requirement to Certify Abstracts for Complaint Dismissals

*1803.5*

Every clerk of a court or hearing officer, when a person who receives a notice to appear at a court or board proceeding for a violation of any statute relating to the safe operation of vehicles is granted a continuance of the proceeding in consideration for attendance at a school for traffic violators, a licensed driving school, or any other court-approved program of driving instruction, and which results in a dismissal of the complaint in consideration for that attendance, shall prepare an abstract of the record of the court or board proceeding, certify the abstract to be true and correct, and cause the abstract to be forwarded to the department at its office at Sacramento within 10 days after the complaint is dismissed.

## Abstract Requirements

*1804*

(a) The abstract shall be made upon a form furnished or approved by the department and shall contain all necessary information to identify the defendant, including, but not limited to, the person's driver's license number, name, and date of birth, the date and nature of the offense, the vessel number, if any, of the vessel involved in the offense, the license plate number of

the vehicle involved in the offense, the date of hearing, and the judgment, except that in the case of infractions where the court has not directed the department to suspend or restrict the defendant's driver's license, only the conviction and not the judgment need be set forth in the abstract. The abstract shall also indicate whether the vehicle involved in the offense is a commercial motor vehicle, as defined in subdivision (b) of Section 15210, whether the vehicle was of a type requiring the driver to have a certificate issued pursuant to Section 2512, 12517, 12519, 12523, or 12523.5 or any endorsement issued pursuant to paragraph (2) or (4) of subdivision (a) of Section 15278, and whether the vehicle was transporting hazardous material at the time of the offense, or whether the vessel involved in the offense was a recreational vessel, as defined in subdivision (bb) of Section 651 of the Harbors and Navigation Code.

(b) As to any abstract for which the original arrest and final conviction was for a violation of subdivision (b), (c), (d), (e), or (f) of Section 655 of the Harbors and Navigation Code or Section 23152 or 23153 of this code, the abstract shall contain a statement indicating the percentage of alcohol, by weight, in the person's blood whenever that percentage was determined by a chemical test.

The information regarding the chemical test shall be compiled if it is available to the clerk of the court. All information required to be compiled pursuant to this subdivision shall be kept confidential in the records of the department pursuant to Section 1808.5. The department may use the information for research and statistical purposes and for determining the eligibility of any person to operate a motor vehicle on the highways of this state. The information shall not be released to any other public or private agency, except for research and statistical summary purposes and, for those purposes, the name and address of the person and any other identifying information shall not be disclosed.

(c) The Legislature finds and declares that blood-alcohol percentages have valuable research potential in providing statistical summary information on impaired drivers but that a specific blood-alcohol percentage is only an item of evidence for purposes of criminal and licensing sanctions imposed by law. The Legislature recognizes that the accuracy of the determination of a specific blood-alcohol percentage is not the critical determination in a conviction for driving under the influence of an alcoholic beverage if the blood-alcohol percentage exceeds the statutory amount.

## The Department's Responsibilities for Accident Reports and Conviction Records

*1806*

(a) The department shall file all accident reports and abstracts of court records of convictions received under this code, and in connection therewith, shall maintain convenient records or make suitable notations in order that an individual record of each license showing the convictions of the licensee and all traffic accidents in which the individual was involved, except those where, in the opinion of a reporting officer, another individual was at fault, are readily ascertainable. At its discretion the department may file and maintain these accident reports and abstracts by electronic recording and storage media and after transcribing electronically all available data from the accident reports and abstracts of conviction may destroy the original documents.

Notwithstanding any other provisions of law, the recorded facts from any electronic recording and storage device maintained by the department shall constitute evidence of the facts in any administrative actions instituted by the department.
When the department receives notification pursuant to subdivision (c) of Section 1872.45 of the Insurance Code, the department shall remove from the license record of each victim any record of his or her involvement in the accident which is the subject of the criminal complaint.

## Public Inspection of Registration Records

*1808*

(a) Except where a specific provision of law prohibits the disclosure of records or information or provides for confidentiality, all records of the department relating to the registration of vehicles, other information contained on an application for a driver's license, abstracts of convictions, and abstracts of accident reports required to be sent to the department in Sacramento, except for abstracts of accidents where, in the opinion of a reporting officer, another individual was at fault, shall be open to public inspection during office hours. All abstracts of accident reports shall be available to law enforcement agencies and courts of competent jurisdiction.

(b) The department shall make available or disclose abstracts of convictions and abstracts of accident reports required to be sent to the department in Sacramento, as described in subdivision (a), if the date of the occurrence is not later than the following:

(1) Seven years for any violation designated as two points pursuant to Section 12810.

(2) Three years for accidents and all other violations.

(c) The department shall make available or disclose suspensions and revocations of the driving privilege while the suspension or revocation is in effect and for three years following termination of the action or reinstatement of the privilege, except that driver's license suspension actions taken pursuant to Sections 13202.6 and 13202.7, or Section 256 or 11350.6 of the Welfare and Institutions Code shall be disclosed only during the actual time period in which the suspension is in effect.

(d) The department shall not make available or disclose any suspension or revocation that has been judicially set aside or stayed.

(e) The department shall not make available or disclose personal information about any person unless the disclosure is in compliance with the Driver's Privacy Protection Act of 1994 (18 U.S.C. Sec. 2721 et seq.). However, any disclosure is subject to the prohibition in paragraph (2) of subdivision (a) of Section 12800.5.

(f) The department shall make available or disclose to the courts and law enforcement agencies any conviction of Section 23152, 23153, or paragraph (1) of subdivision (c) of Section 192 of the Penal Code, punished as a felony for a period of 10 years from the date of the offense for the purpose of imposing penalties mandated by Section 23550.5, or by any other applicable provisions of California law.

(g) The department shall make available or disclose to the courts and law enforcement agencies any conviction of Section 191.5, or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, punished as a felony, for the purpose of imposing penalties mandated by Section 23550.5, or by any other applicable provisions of California law.

## Drivers Pull Notice Participation

*1808.1*

(a) The prospective employer of a driver who drives any vehicle specified in subdivision (k) shall obtain a report showing the driver's current public record as recorded by the department.

For purposes of this subdivision, a report is current if it was issued less than 30 days prior to the date the employer employs the driver. The report shall be reviewed, signed, and dated by the employer and maintained at the employer's place of business until receipt of the pull-notice system report pursuant to subdivisions (b) and (c). These reports shall be presented upon request to any authorized representative of the Department of the California Highway Patrol during regular business hours.

(b) The employer of a driver who drives any vehicle specified in subdivision (k) shall participate in a pull-notice system, which is a process for the purpose of providing the employer with a report showing the driver's current public record as recorded by the department, and any subsequent convictions, failures to appear, accidents, driver's license suspensions, driver's license revocations, or any other actions taken against the driving privilege or certificate, added to the driver's record while the employer's notification request remains valid and uncanceled. As used in this section, participation in the pull-notice system means obtaining a requester code and enrolling all employed drivers who drive any vehicle specified in subdivision (k) under that requester code.

(c) The employer of a driver of any vehicle specified in subdivision (k) shall, additionally, obtain a periodic report from the department at least every 12 months. The employer shall verify that each employee's driver's license has not been suspended or revoked, the employee's traffic violation point count, and whether the employee has been convicted of a violation of Section 23152 or 23153. The report shall be signed and dated by the employer and maintained at the employer's principal place of business. The reports shall be presented upon demand to any authorized representative of the Department of the California Highway Patrol during regular business hours.

(d) Upon the termination of a driver's employment, the employer shall notify the department to discontinue the driver's enrollment in the pull-notice system.

(e) For the purposes of the pull-notice system and periodic report process required by subdivisions (b) and (c), owners, other than owner-operators as defined in Section 34624, and employers who drive vehicles described in subdivision (k) shall be enrolled as if they were employees. Family members and volunteer drivers who drive vehicles described in subdivision (k) shall also be enrolled as if they were employees.

(f) An employer who, after receiving any driving record pursuant to this section, employs or continues to employ as a driver any person against whom a disqualifying action has been taken regarding his or her driving privilege or required driver's certificate, is guilty of a

public offense, and upon conviction thereof, shall be punished by confinement in a county jail for not more than six months, by a fine of not more than one thousand dollars ($1,000), or by both that confinement and fine.

(g) As part of its inspection of bus maintenance facilities and terminals required at least once every 13 months pursuant to subdivision (c) of Section 34501, the Department of the California Highway Patrol shall determine whether each transit operator, as defined in Section 99210 of the Public Utilities Code, is then in compliance with this section and Section 12804.6, and shall certify each operator found to be in compliance. No funds shall be allocated under Chapter 4 (commencing with Section 99200) of Part 11 of Division 10 of the Public Utilities Code to a transit operator, which the Department of the California Highway Patrol has not certified under this section.

(h) A request to participate in the pull-notice system established by this section shall be accompanied by a fee determined by the department to be sufficient to defray the entire actual cost to the department for the notification service. For the receipt of subsequent reports, the employer shall also be charged a fee established by the department pursuant to Section 1811. Any employer who qualifies under Section 1812 shall be exempt from any fee required under this section. Failure to pay the fee shall result in automatic cancellation of the employer's participation in the notification services.

(i) The department, as soon as feasible, may establish an automatic procedure to provide the periodic reports to employers by mail or via an electronic delivery method, as required by subdivision (c), on a regular basis without the need for individual requests.

(j)

(1) The employer of a driver who is employed as a casual driver is not required to enter that driver's name in the pull-notice system, as otherwise required by subdivision (a). However, the employer of a casual driver shall be in possession of a report of the driver's current public record as recorded by the department, prior to allowing a casual driver to drive any vehicle specified in subdivision (k). A report is current if it was issued less than six months prior to the date the employer employs the driver.

(2) For the purposes of this subdivision, a driver is employed as a casual driver when the employer has employed the driver less than 30 days during the preceding six months. "Casual driver" does not include any driver who operates a vehicle that requires a passenger transportation endorsement.

(k) This section applies to any vehicle for the operation of which the driver is required to have a class 1, class 2, class A, or class B driver's license, a class C license with a hazardous materials endorsement, a class C license issued pursuant to Section 12814.7, or a certificate issued pursuant to Section 12512, 12517, 12519, 12520, 12523, or 12523.5, or any passenger vehicle having a seating capacity of not more than 10 persons, including the driver, operated for compensation by a charter-party carrier of passengers or passenger stage corporation pursuant to a certificate of public convenience and necessity or a permit issued by the Public Utilities Commission.

(l) This section shall not be construed to change the definition of "employer," "employee," or "independent contractor" for any purpose.

(m) A motor carrier who contracts with any person to drive any vehicle described in subdivision (k) which is owned by, or leased to, that motor carrier, shall be subject to subdivisions (a), (b), (c), (d), (f), (j), (k), and (l) and the employer obligations therein.

### Confidential Home Addresses of Inspectors or Investigators

*1808.2*

In addition to those specified in Section 1808.4, the home address of any inspector or investigator regularly employed and paid as such in the office of a district attorney or any peace officer employee of the Board of Prison Terms appearing in any record of the department is confidential.

### Confidentiality Records of Persons with Convictions Involving Controlled Substances

*1808.5*

Except as provided in Section 22511.58, all records of the department relating to the physical or mental condition of any person, and convictions of any offense involving the use or possession of controlled substances under Division 10 (commencing with Section 11000) of the Health and Safety Code not arising from circumstances involving a motor vehicle, are confidential and not open to public inspection.

### Database of People Prosecuted for Driving under the Influence of Alcohol or Drugs

*1822*

The Legislature finds that driving under the influence of alcohol or drugs continues to be a primary safety issue on the state's highways, and the major cause of traffic deaths. It is imperative that violators who drive while under the influence of alcohol or drugs be fully prosecuted under the law. The Legislature also finds that too often violators have not had their driving records at the Department of Motor Vehicles appropriately updated.

Therefore, it is the intent of the Legislature that the department, working with the courts, establish and maintain a data and monitoring system to track violations of driving under the influence of alcohol or drugs, including, but not limited to, violations of Article 1.3 (commencing with Section 23136), Article 1.5 (commencing with Section 23140), and Article 2 (commencing with Section 23152), of Chapter 12 of Division 11. The system shall match arrests for driving under the influence of alcohol or drug violations with convictions reported to the department.

## DIVISION 6 - ISSUANCE AND RENEWAL OF LICENSES
## CHAPTER 1, ARTICLE 3

### Transit Bus drivers; Required Certification; Qualifications; Employee Records

*12804.6*

(a) No person shall operate a transit bus transporting passengers unless that person has received from the department a certificate to operate a transit bus or is certified to drive a school bus or school pupil activity bus pursuant to Section 12517.

(b) All transit bus drivers shall comply with standards established in Section 40083 of the Education. The Department of Motor Vehicles shall establish an implementation program for transit bus drivers to meet these requirements. Any transit bus driver who was employed as a bus driver on or before July 1, 1990, shall comply with Section 40085.5 of the Education Code instead of Section 44083 of that code in order to receive his or her original certificate.

(c) Implementation procedures for the issuance of transit bus drivers' certificates may be established by the Department of Motor Vehicles as necessary to implement an orderly transit bus driver-training program.

(d) The department shall issue a transit bus driver certificate to any person who provides either of the following:

(1) Proof that he or she has complied with Section 40083 of the Education Code.

(2) Proof that he or she has complied with Section 40085.5 of the Education Code.

(e) The department may charge a fee of ten dollars ($10) to an applicant for an original or a duplicate or renewal certificate under this section.

(f) The department shall issue a certificate to the applicant. The status of the certificate shall also become part of the pull notice and periodic reports issued pursuant to Section 1808.1. The certificate or the pull notice or periodic reports shall become part of, the person's employee records for the purpose of inspection pursuant to Sections 1808.1 and 34501. It shall be unlawful for the employer to permit a person to drive a transit bus who does not have a valid certificate.

(g) The term of a certificate shall be a period not to exceed five years, and shall expire with the driver's license.

*Amended by Chapter 1043 Statutes of 1996 (AB 2352)*

## DIVISION 2 – REVENUE & TAXATION CODE
## CHAPTER 9- DISPOSITION OF PROCEEDS

### Retail Sales Tax Fund; Withdrawal and Transfer of Funds

*7102*

The money in the fund shall, upon order of the Controller, be drawn there from for refunds under this part, credits or refunds pursuant to section 60202 and refunds pursuant to Section 1793.25 of the Civil Code, or be transferred in the following manner:

(a)

(1) All revenues, less refunds, derived under this part at the 4 3/4-percent rate, including the imposition of sales and use taxes with respect to the sale, storage, use, or other consumption of motor vehicle fuel which would not have been received if the sales and use tax rate had been 5 percent and if motor vehicle fuel, as defined for purposes of the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301)), had been exempt from sales and use taxes, shall be estimated by the State Board of

Equalization, with the concurrence of the Department of Finance, and shall be transferred quarterly to the Transportation Planning and Development Account, a trust fund in the State Transportation Fund.

(2) All revenues, less refunds, derived under this part at the 4 3/4-percent rate, resulting from increasing after December 31, 1989, the rate of tax imposed pursuant to the Motor Vehicle Fuel License Tax Law on motor vehicle fuel, as defined for purposes of that law, shall be transferred quarterly to the Transportation Planning and Development Account, a trust fund in the State Transportation Fund.

(3) All revenues, less refunds, derived under this part at the 4 3/4-percent rate from the imposition of sales and use taxes on fuel, as defined for purposes of the Use Fuel Tax Law (Part 3 (commencing with Section 8601)), and the Diesel Fuel Tax Law (Part 31 (commencing with Section 60001)) shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and shall be transferred quarterly to the Transportation Planning and Development Account, a trust fund in the State Transportation Fund.

(4) All revenues, less refunds, derived under this part from a rate of more than 4 3/4-percent pursuant to Sections 6051.1 and 6201.1 for the period December 1, 1989, to June 5, 1990, inclusive, shall be transferred to the Disaster Relief Fund created by Section 16419 of the Government Code.

(5) All revenues, less refunds, derived under this part from a rate of more than 4 3/4-percent pursuant to Sections 6051.1 and 6201.1 for the period June 6, 1990, to December 31, 1990, inclusive, which is attributable to the imposition of sales and use taxes with respect to the sale, storage, use, or other consumption of tangible personal property other than fuel, as defined for purposes of the Use Fuel Tax Law (Part 3 (commencing with Section 8601)), shall be transferred to the Disaster Relief Fund created by Section 16419 of the Government Code.

(6) All revenues, less refunds, derived under this part from a rate of more than 4 3/4-percent pursuant to Sections 6051.1 and 6201.1 for the period June 6, 1990, to December 31, 1990, inclusive, which is attributable to the imposition of sales and use taxes with respect to the sale, storage, use, or other consumption of fuel, as defined for purposes of the Use Fuel Tax Law (Part 3(commencing with Section 8601)), shall be transferred to the Disaster Relief Fund created by Section 16419 of the Government Code.

(7) All revenues, less refunds, derived under this part from the taxes imposed pursuant to Sections 6051.2 and 6201.2 shall be transferred to the Sales Tax Account of the Local Revenue Fund for allocation to cities and counties as prescribed by statute.

(8) All revenues, less refunds, derived under this part from the taxes imposed pursuant to Sections 6051.6 and 6201.6 shall be transferred to the Interim Public Safety Account in the Local Public Safety Fund created in Section 30051 of the Government Code for allocation to counties as prescribed by statute.

(9) All revenues, less refunds, derived from the taxes imposed pursuant to Section 35 of Article XIII of the California Constitution shall be transferred to the Public Safety Account in the Local Public Safety Fund created in Section 30051 of the Government Code for allocation to counties as prescribed by statute.

(10) An amount equal to all revenues, less refunds, derived under this part at a 4 3/4-percent rate for the period between January 1, 1994, and July 1, 1994, from the increase in sales and use tax revenue attributable to the increase in the rate of the federal motor vehicle fuel tax between January 1, 1993, and the rate in effect on January 1, 1994, shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and an amount equal to that amount, but not exceeding seven million five hundred thousand dollars ($7,500,000) shall be transferred from the Retail Sales Tax Fund to the Small Business Expansion Fund created by Article 5 (commencing with Section 14030) of Chapter 1 of Part 5 of Division 3 of Title 1 of the Corporations Code.

(b) The balance shall be transferred to the General Fund.

(c) The estimates required by subdivision (a) shall be based on taxable transactions occurring during a calendar year, and the transfers required by subdivision (a) shall be made during the fiscal year that commences during that same calendar year. Transfers required by paragraphs (1), (2), and (3) of subdivision (a) shall be made quarterly.

(d) Notwithstanding the designation of the Transportation Planning and Development Account as a trust fund pursuant to subdivision (a), the Controller may use the Transportation Planning and Development Account for loans to the General Fund as provided in Sections 16310 and 16381 of the Government Code. The loans shall be repaid with interest from the General Fund at the Pooled Money Investment Account rate.

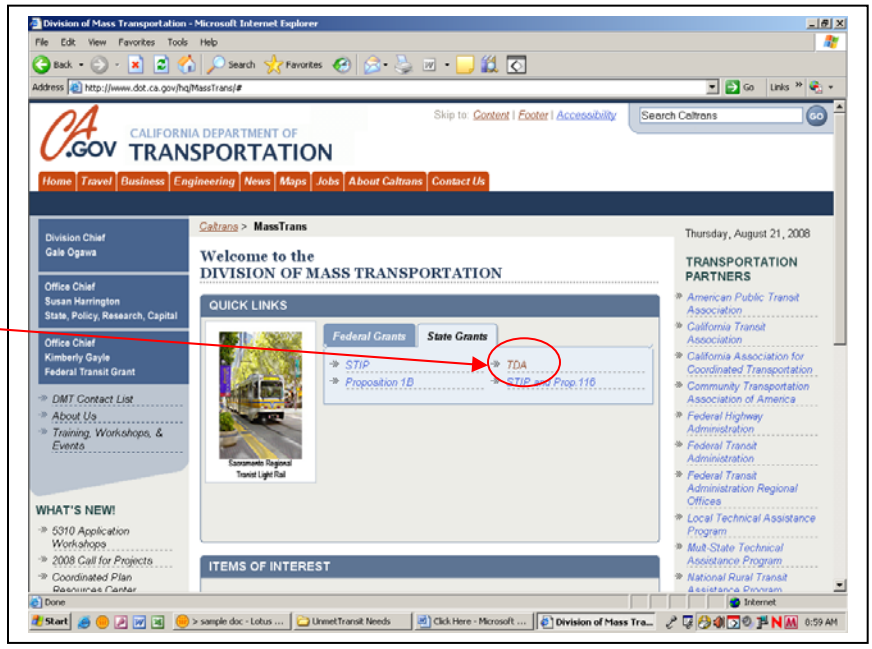
(e) The Legislature may amend this section, by statute passed in each house of the Legislature by roll call vote entered in the journal, two-thirds of the membership concurring, if the statute is consistent with, and furthers the purposes of this section.

# APPENDIX I. TDA ONLINE

Where Can I Find Additional Information?

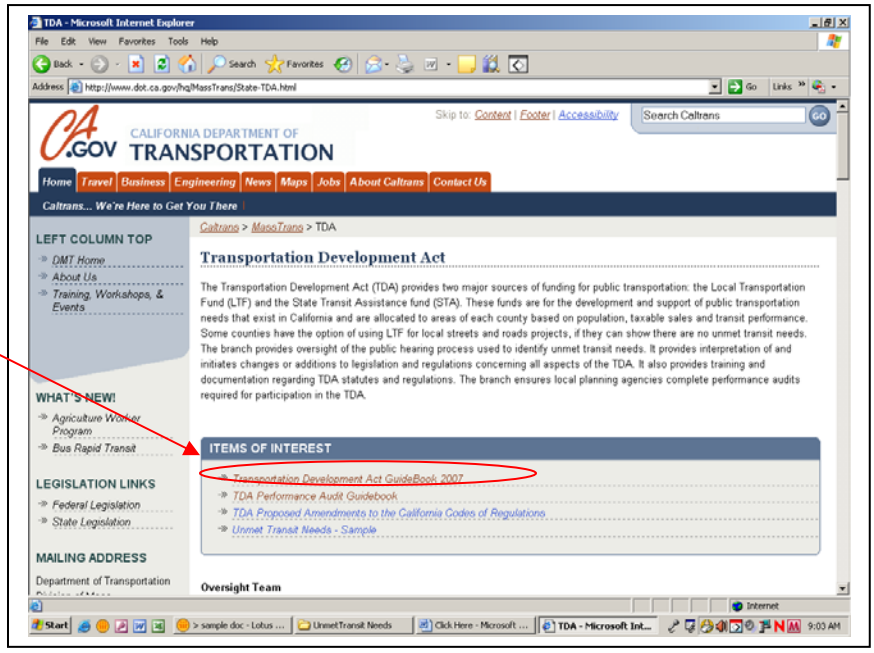
Enter the following web address
http:/www.dot.ca.gov/hq/MassTrans

Put cursor on 'State Grants' tab. Then glide to 'TDA' and left click.




Under 'Items of Interest', right click on the first selection 'Transportation Development Act Guidebook 2008' and right click.

This should link you right into the TDA Guidebook.



## APPENDIX II. LIST OF ACRONYMS

**AITS** - Agriculture Industry Transportation Services
pilot program in the San Joaquin Valley to utilize public transportation services, including vans and buses, for use by farm workers.

**APTA** - American Public Transportation Association
National organization that represents the interests of all transit providers.

**CALACT**- California Association for Coordinated Transportation
Represents the interests of small transit and paratransit providers.

**CBO** - Community Based Organization

**CTA** - California Transit Association
Represents the interests of large urban transit providers

**CTC** - California Transportation Commission

**FTA** - Federal Transit Administration

**FTA** - Fund Transfer Agreement

**FSTIP** - Federal State Transportation Improvement Program

**LTF** - Local Transportation Fund

**MPO** - Metropolitan Planning Organization
A federal designation for planning areas with a population of over 50,000.

**MTDB** - Metropolitan Transit Development Board

**OTS** - Office of Traffic Safety

**RTPA** - Regional Transportation Planning Agency
A California designation, RTPAs program transportation funds

**Section 5307** - Federal grants for small-urbanized transit providers

**Section 5310** - Federal grants for elderly and disabled transportation providers

**Section 5311** - Federal grants for non-urban transit providers

**SOV** - Single Occupant Vehicle

**STA** - State Transit Assistance

**TCRP** - Transportation Congestion Relief Program
$2.6 billion of the TCRP is for transit projects.

**TDA** - Transportation Development Act

**TPA** - Transportation Planning Agency

**TOD** - Transit Oriented Development
Are mixed use developments of houses, businesses, and services to encourage transit use.

## APPENDIX III. GLOSSARY OF TERMS

**Actual Vehicle Revenue Hours**
The hours that vehicles travel while in revenue service. Vehicle revenue hours include layover/recovery time but exclude deadhead, training operators prior to revenue service and road tests, as well as school bus and charter services.

**Actual Vehicle Revenue Miles**
The miles that vehicles travel while in revenue service. Vehicle revenue miles exclude deadhead, training operators prior to revenue service and road as well as school bus and charter services.

**Americans with Disabilities Act (ADA) Complementary Paratransit Service**
The ADA requires that public transportation operators supply complementary paratransit service to disabled customers who are within ¾ miles of a regular transit route but unable to access the route. Many transit operators purchase demand response transportation to supply the needs of the disabled. Under ADA, the complementary paratransit service fare may be up to twice the cash fare as the regular public transportation fare.

The Americans with Disabilities Act has transformed the way in which transit is provided to all riders, including those with disabilities. Fixed-route operators must provide fully accessible services, ranging from on-board announcements and accessible signage to maintenance of operable wheelchair lifts. Fixed-route services are forever linked to paratransit, challenging operators to provide demand-responsive service that is cost-efficient, meets the ADA requirements and meets the needs of disabled riders.

**Commuter rail**
Urban passenger train service for short-distance travel between a central city and adjacent suburb. Does not include rapid rail transit or light rail transit service.

**Controller**
The State of California Controller

**Demand responsive**
Transit service provided without a fixed-route and without a fixed schedule that operates in response to calls from passengers or their agents to the transit operator or dispatcher. Service is usually provided using cars, vans, or buses with fewer than 25 seats.

**Department**
The California Department of Transportation (Caltrans).

**Director**
Director of the California Department of Transportation.

**Exclusive right-of-way**
Lanes reserved at all times for transit use and other high occupancy vehicles (HOVs).

**Ferryboat (transit)**
Vessels that carry passengers and/or vehicles over a body of water. Generally steam or diesel-powered, ferryboats may also be hovercraft, hydrofoil, and other high-speed vessels. The vessel is limited in its use to the carriage of deck passengers or vehicles or both, operates on a short run on a frequent schedule between two points over the most direct water routes other than in ocean or coastwise service, and is offered as a public service of a type normally attributed to a bridge or tunnel.

**Heavy rail**
A railway with the capacity to transport a heavy volume of passenger traffic and characterized by exclusive rights-of-way, multi-car trains, high speed, rapid acceleration, sophisticated signaling, and high-platform loading. Also known as "subway," "elevated (railway)", “urban” or metropolitan railway (metro)."

**Incident**
Safety and security incidents (e.g., accidents and crimes) as reported to the Federal Transit Administration to be included in the National Transit Database.

**Light rail**
A streetcar-type vehicle operated on city streets, semi-exclusive rights-of-way, or exclusive rights-of-way. Service may be provided by step-entry vehicles or by level boarding.

**Minor arterial**
In rural areas, roads that link cities to larger towns. In urban areas, roads that distribute trips to small geographic areas, but not penetrating identifiable neighborhoods.

**Minor collector highway**
In rural areas, routes that serve intra-county rather than statewide travel. In urban areas, streets that provide direct access to neighborhoods and arterials.

**Mixed right-of-way**
Lanes used for general automobile traffic.

**Motor bus**
A rubber-tired, self-propelled, manually steered bus with fuel supplies onboard the vehicle. Motor bus types include intercity, school, and transit.

**Passenger Miles**
The total number of miles traveled by transit passengers (e.g., a bus that carries 5 passengers for a distance of 3 miles incurs 15 passenger miles).

**Principal arterial highway**
Major streets or highways, many have multilane or freeway design, serving high-volume traffic corridor movements that connect major generators of travel.

**Regional Entity**
TPA, CTC, LTC, AOG, COG, and MTDB

**Revenue Vehicle Mile**
A mile a transit vehicle travels while in service.

**Secretary**
The Secretary of the Business, Transportation and Housing Agency

**Trolley bus**
Rubber-tired, electric transit vehicle, operated on city streets drawing power from overhead lines with trolleys.

**Unlinked passenger trips**
The number of passengers who board public transportation vehicles. Passengers are counted each time they board the transit vehicle.

**Urbanized Area**
Comprises an incorporated place and adjacent densely settled surrounding area that together have a minimum population of 50,000.

**Vanpool**
Public-sponsored commuter service operating under prearranged schedules for previously formed groups of riders in 8- to 18-seat vehicles. Drivers are also commuters who receive little or no compensation besides the free ride.

**Vehicle-miles traveled (highway)**
Miles of travel by all types of motor vehicles as determined by the states on the basis of actual traffic counts and established estimating procedures.

## APPENDIX IV. FAREBOX RECOVERY

*Summary of What's Included*

*(Public Utilities Code Section 99243 & 99247)*

### REVENUE – (6611.2 & 6611.3)

***Fare Revenues***

401: Passenger Fares for Transit Services

Full adult, senior, student, child, handicapped, park & ride lot revenues (must be operated of transit operator), special and reduced fares collected from passengers.

402: Special Transit Fares

Includes guaranteed revenues collected by an organization rather than a rider for rides given along special routes.

403: School Bus Service

Revenues collected from schools for providing service to children to and from school.

***Local Funds***

408: Taxes Levied Directly by Transit System (99268.19)

Tax revenues collected from independent local, state, or federal taxing Transportation Commission authorities.

***Specialized Service***

410: Local Special Fare Assistance

Subsidies collected from local governments to help offset the difference between full adult fares and special reduced fares.

440: Subsidy From Other Sector of Operation

Funds collected from non-transit sectors to help cover the cost of operating a transit system.

HTTP://WWW.FTA.DOT.GOV/LIBRARY/LEGAL/ADA/PREAMBLE.HTML

### EXPENSE – (6611.1)

***Operating Costs***

501: Labor - Operator/Other Salaries & Wages (.010 & .020)
502: Fringe Benefits
503: Services
504: Materials & Supplies – Fuels, Lubricants, Tires, Tubes, Other (.010, .020, .990)
505: Utilities
506: Casualty & Liability Costs
507: Taxes
508: Purchased Transportation Service
509: Miscellaneous
510: Expense Transfers
511: Interest
512: Leases & Rentals – Vehicles, Other Capital Assets (.040 & .990)

## APPENDIX V. TRANSPORTATION DEVELOPMENT ACT ALLOCATIONS

*(California Totals: 1971-2009)*

| FY | LTF | STA |
|---|---|---|
| 1972/1973 | $137,885,000 | N/A |
| 1973/1974 | $158,086,952 | N/A |
| 1974/1975 | $172,343,452 | N/A |
| 1975/1976 | $190,350,018 | N/A |
| 1976/1977 | $219,315,598 | N/A |
| 1977/1978 | $241,154,689 | N/A |
| 1978/1979 | $309,241,666 | N/A |
| 1979/1980 | $340,921,559 | $43,072,187 |
| 1980/1981 | $288,400,437 | $75,864,568 |
| 1981/1982 | $392,755,547 | $65,212,234 |
| 1982/1983 | $391,367,435 | $69,902,779 |
| 1983/1984 | $447,670,862 | $87,898,420 |
| 1984/1985 | $500,230,330 | $78,630,000 |
| 1985/1986 | $535,271,552 | $69,339,830 |
| 1986/1987 | $557,862,682 | $5,942,000 |
| 1987/1988 | $604,476,706 | $1,881,500 |
| 1988/1989 | $645,804,571 | $1,881,500 |
| 1989/1990 | $704,781,401 | $5,589,750 |
| 1900/1991 | $717,814,203 | $43,177,500 |
| 1991/1992 | $666,357,529 | $57,336,000 |
| 1992/1993 | $690,039,768 | $54,922,000 |
| 1993/1994 | $694,918,294 | $55,224,750 |
| 1994/1995 | $727,435,456 | $61,572,125 |
| 1995/1996 | $775,984,306 | $70,920,479 |
| 1996/1997 | $814,176,933 | $76,020,479 |
| 1997/1998 | $870,584,164 | $84,720,479 |
| 1998/1999 | $917,197,484 | $100,176,088 |
| 1999/2000 | $1,024,042,874 | $100,176,088 |
| 2000/2001 | $1,127,749,788 | $100,910,613 |
| 2001/2002 | $1,095,008,457 | $170,909,613 |
| 2002/2003 | $1,084,000,000 | $97,927,613 |
| 2003/2004 | $1,200,042,239 | $104,439,432 |

*Source: * For LTF, Board of Equalization*

*For STA, State Controllers Office.*

## Appendix V. Transportation Development Act Allocations

*(California Totals: 1971-2007, cont.)*

| FY | LTF | STA |
|---|---|---|
| 2004/2005 | $1,284,596,911 | $117,253,507 |
| 2005/2006 | $1,381,853,454 | $200,615,657 |
| 2006/2007 | $1,413,205,060 | $623,567,744 |
| 2007/2008 | $1,396,036,000 | $315,744,000 |
| 2008/2009 | $1,381,897,000 | $153,069,000 |

*Source: *For LTF, Board of Equalization*
*For STA, State Controllers Office.*

## APPENDIX VI. LOCAL TRANSPORTATION FUND ALLOCATIONS

*(Source: State Board of Equalization)*

| Regional Entity | Total Allocation 2006-2007 | Total Allocation 2007-2008 |
|---|---|---|
| Alameda | $63,964,249 | $63,798,885 |
| Alpine | 75,193 | 54,278 |
| Amador | 1,205,137 | 1,211,934 |
| Butte | 7,052,364 | 6,866,331 |
| Calaveras | 906,469 | 874,216 |
| Colusa | 756,015 | 740,301 |
| Contra Costa | 35,532,468 | 34,942,868 |
| Del Norte | 587,003 | 590,984 |
| El Dorado | 4,771,066 | 4,737,590 |
| Fresno | 31,416,771 | 30,374,723 |
| Glenn | 798,335 | 801,432 |
| Humboldt | 4,330,148 | 4,338,881 |
| Imperial | 5,442,376 | 5,577,686 |
| Inyo | 826,563 | 828,408 |
| Kern | 29,956,678 | 29,697,268 |
| Kings | 3,279,843 | 3,355,374 |
| Lake | 1,449,100 | 1,398,639 |
| Lassen | 740,469 | 716,203 |
| Los Angeles | 346,144,181 | 343,639,445 |
| Madera | 3,711,134 | 3,531,685 |
| Marin | 10,907,525 | 10,983,053 |
| Mariposa | 425,844 | 425,530 |
| Mendocino | 3,221,557 | 3,217,742 |
| Merced | 6,480,568 | 6,301,902 |
| Modoc | 223,115 | 230,483 |
| Mono | 692,112 | 674,774 |
| Monterey | 14,270,833 | 11,025,396 |
| Napa | 6,361,673 | 6,462,468 |
| Nevada | 3,405,972 | 3,222,820 |

## Local Transportation Fund Allocations - *CONTINUED*

| Regional Entity | Total Allocation 2006-2007 | Total Allocation 2007-2008 |
|---|---|---|
| Orange | 145,238,710 | $142,833,143 |
| Placer | 18,933,341 | 18,198,187 |
| Plumas | 632,319 | 599,978 |
| Riverside | 74,147,445 | 70,960,047 |
| Sacramento | 52,707,362 | 50,934,236 |
| San Benito | 1,352,562 | 1,384,561 |
| San Bernardino | 77,629,762 | 74,914,195 |
| San Diego | 120,193,885 | 118,012,646 |
| San Francisco | 35,958,525 | 37,157,122 |
| San Joaquin | 23,740,063 | 23,162,598 |
| San Luis Obispo | 10,549,278 | 10,463,591 |
| San Mateo | 33,309,772 | 34,574,058 |
| Santa Barbara | 15,646,714 | 15,253,362 |
| Santa Clara | 83,038,979 | 85,012,840 |
| Santa Cruz | 8,101,740 | 7,851,632 |
| Shasta | 7,294,425 | 7,006,274 |
| Sierra | 61,734 | 60,654 |
| Siskiyou | 1,310,405 | 1,302,268 |
| Solano | 15,862,760 | 15,375,389 |
| Sonoma | 20,058,440 | 19,532,709 |
| Stanislaus | 19,261,128 | 17,562,193 |
| Sutter | 3,635,610 | 3,467,873 |
| Tehama | 1,890,546 | 1,853,428 |
| Trinity | 196,786 | 187,735 |
| Tulare | 12,234,435 | 12,205,312 |
| Tuolumne | 1,638,740 | 1,599,933 |
| Ventura | 31,208,211 | 31,299,917 |
| Yolo | 7,967,888 | 8,271,617 |
| Yuba | 1,468,474 | 1,322,911 |
| | | |
| **State Total** | **$1,414,204,800** | **$1,392,981,708** |

## APPENDIX VII. STATE TRANSIT ASSISTANCE FUND ALLOCATIONS

*(Source: California State Controller's Office)*

| Regional Entity | Total Allocation 2007-2008 | Total Allocation 2008-2009 |
|---|---|---|
| TRPA | $400,248 | $193,676 |
| MTC | 111,512,232 | 55,320,780 |
| SACOG | 11,433,636 | 5,851,085 |
| Alpine | 5,286 | 2,458 |
| Amador | 173,519 | 83,110 |
| Butte | 955,456 | 465,030 |
| Calaveras | 192,938 | 92,782 |
| Colusa | 98,024 | 46,958 |
| Del Norte | 122,990 | 75,571 |
| El Dorado | 669,429 | 325,176 |
| Fresno | 4,338,929 | 2,165,758 |
| Glenn | 121,204 | 58,724 |
| Humboldt | 652,946 | 282,558 |
| Imperial | 723.799 | 354,334 |
| Inyo | 96,129 | 51,075 |
| Kern | 3,638,342 | 1,797,063 |
| Kings | 778,755 | 373,220 |
| Lake | 284,109 | 136,316 |
| Lassen | 160,439 | 76,712 |
| Los Angeles | 96,570,048 | 45,435,325 |
| Madera | 623,402 | 303,503 |
| Mariposa | 77,309 | 37,429 |
| Mendocino | 413,999 | 196,547 |
| Merced | 1,101,104 | 540,808 |
| Modoc | 40,748 | 19,515 |
| Mono | 58,622 | 27,676 |
| Monterey | 2,099,212 | 1,029,123 |
| Nevada | 443,658 | 210,998 |

## STATE TRANSIT ASSISTANCE FUND ALLOCATIONS - *continued*

| Regional Entity | Total Allocation 2007-2008 | Total Allocation 2008-2009 |
|---|---|---|
| Orange | 18,487,162 | 8,401,979 |
| Placer | 1,215,056 | 596,125 |
| Plumas | 88,563 | 42,074 |
| Riverside | 9,774,050 | 4,889,912 |
| San Benito | 242,296 | 116,230 |
| San Bernardino | 10,136,657 | 5,019,495 |
| SANDAG | 4,482,849 | 2.240.092 |
| San Diego MTDB | 14,622,782 | 7,037,119 |
| San Joaquin | 3,519,008 | 1,775,745 |
| San Luis Obispo | 1,269,118 | 551,585 |
| Santa Barbara | 2,263,946 | 1,117,437 |
| Santa Cruz | 2,270,625 | 1,057,364 |
| Shasta | 800,533 | 392,350 |
| Sierra | 14,608 | 6,799 |
| Siskiyou | 201,641 | 100,741 |
| Stanislaus | 2,351,185 | 1,139,270 |
| Tehama | 258,941 | 125,553 |
| Trinity | 60,644 | 28,773 |
| Tulare | 1,882,337 | 921,762 |
| Tuolumne | 239,865 | 114,249 |
| Ventura | 3,775,753 | 1,841,770 |
| **State Total** | **$315,744,131** | **$153,069,734** |

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