

**Government Code 14529.7. (AB 3090)**

- (a) A local jurisdiction may, with the concurrence of the appropriate transportation planning agency, the commission, and the department, advance a project included in the state transportation improvement program to an earlier fiscal year through the use of its own funds. A project advanced in this manner shall be deliverable by the state, or by the local jurisdiction pursuant to agreement, in the earlier year proposed by the local jurisdiction.

If a project is advanced pursuant to this subdivision, the state transportation improvement program shall be revised at the time of adoption or by amendment to show the project in the earlier fiscal year.

With the concurrence of the appropriate transportation planning agency, the commission, and the department, one or more replacement state transportation projects shall be identified and included in the state transportation improvement program for the equivalent escalated dollar value and at the originally scheduled fiscal year of the advanced project. If the project to be advanced is programmed with federal funds, the replacement project or projects shall not result in an increase in state matching funds. A replacement project or projects shall have no lower priority for funding and delivery than did the advanced project, as originally scheduled.

- (b) A local agency may enter into an agreement with the appropriate transportation planning agency, the department, and the commission to use its own funds to develop, purchase right-of-way for, and construct a transportation project within its jurisdiction if the project is one which is included in the adopted state transportation improvement program, funded by the Passenger Rail Bond Fund, as set forth in Section 2701.05 of the Streets and Highways Code, or if approved by the voters, the Passenger Rail Bond Fund created by, respectively, Section 2702.05 or 2703.05 of the Streets and Highways Code, the Clean Air and Transportation Improvement Fund created by Section 99610 of the Public Utilities Code, the State Highway Account, or the Transportation Planning and Development Account, or any combination thereof, pursuant to all of the following requirements:

- (1) Projects constructed pursuant to this subdivision shall conform to all applicable state and federal design and construction standards.
- (2) Pursuant to the agreement, and from funds allocated by the commission for the project in the year it was scheduled in the state transportation improvement program, subject to annual legislative appropriation, the department shall reimburse a local agency for the actual cost of constructing the project, including the acquisition of right-of-way, with local funds pursuant to this subdivision. Interest or other debt service costs incurred by local agencies to finance right-of-way acquisition or construction for the project are not reimbursable. Reimbursements made to a local agency pursuant to this subdivision shall be made from the funding source identified in the state transportation program. For purposes of Sections 188 and 188.8 of the Streets and Highways Code, the project shall be considered as an

expenditure in the year it was originally scheduled in the state transportation improvement program.

- (3) The amount actually reimbursed to the local agency under paragraph (2) shall be the amount expended by the local agency for right-of-way and construction, escalated by the actual construction cost index between the time of contract award and the time of commission allocation of reimbursement funding, but not to exceed the escalated amount programmed for expenditure for the project in the state transportation improvement program in the originally scheduled year. If the expenditure of local funds does not result in the completion of an operable segment of a transportation project, payback shall be limited only to the actual amount expended by the local agency for right-of-way or partial construction, with no escalation factor.
- (4) From funds appropriated to the department for project development work, the department shall reimburse the local agency for the actual cost of developing the project with local funds pursuant to this subdivision. Reimbursement of project development costs shall not exceed 20 percent of estimated construction costs. In no case shall this reimbursement exceed any lesser amount mutually agreed to by the department, commission, and local agency. Reimbursement shall occur at the earliest date the department has budget authority to do so, but not later than the year in which the department would have made those expenditures to deliver the project as originally scheduled in the state transportation improvement program.
- (5) The commission shall prepare a report on the progress and impact of the local transportation construction program authorized by this subdivision and shall include the report as an element of the annual report to the Legislature required pursuant to Sections 14535 and 14536 of the Government Code.
- (6) Reimbursements made to local agencies pursuant to this subdivision for expenditures of local voter approved sales and use tax revenues shall be used for the same purposes for which the imposition of the sales and use tax is authorized.
- (7) A project which is constructed pursuant to this subdivision is ineligible for funding from the State-Local Transportation Partnership Program established by Chapter 16 (commencing with Section 2600) of Division 3 of the Streets and Highways Code.
- (8) The commission, in consultation with the department and local transportation officials, shall develop and adopt guidelines to implement this subdivision.