

Department of Finance		Fund: 3116a
STATE OF CALIFORNIA MANUAL OF STATE FUNDS		PAGE 1 Renumbered From:
<u>Legal Title</u> Mass Transportation Fund		
<u>Legal Citation/Authority</u> Chapter 173, Statutes of 2007 (SB 79) Revenue & Taxation Code section 7102 (a)(1)(G), (H), (I)		
<u>Fund Classification</u> <u>GAAP Basis</u> Governmental/Special Revenue Funds	<u>Fund Classification</u> <u>Legal Basis</u> Governmental/Other Governmental Cost Funds	
<u>Purpose</u> Moneys in the Mass Transportation Fund may be used for, but shall not necessarily be limited to, the following transportation purposes: (1) Payment of debt service on transportation bonds, or reimbursement to the General Fund for past debt service payments on transportation bonds. (2) Funding of the Department of Developmental Services for regional center transportation. (3) Reimbursement to the General Fund for payments made by the General Fund pursuant to subdivision (f) of Section 1 of Article XIX B of the California Constitution. (4) Funding of home-to-school transportation, pursuant to Article 10 (commencing with Section 41850) of Chapter 5 of Part 24 of the Education Code, and Small School District Transportation, pursuant to Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of the Education Code.		
<u>Administering Agency/Organization Code</u> Department of Transportation/Org 2660		
<u>Major Revenue Source</u> Sales taxes on gasoline and diesel fuel; however, the Mass Transportation Fund no longer receives revenue.		
<u>Disposition of Fund (upon abolishment)</u> Pursuant to Government Code section 16346, in the absence of language that identifies a successor fund, any balance remaining in this fund upon abolishment, shall be transferred to the General Fund.		
<u>Appropriation Authority</u> Upon appropriation by the Legislature.		
<u>State Appropriations Limit</u> Always Excluded – The major revenue source is transferred from another fund which has already been counted or will be counted in an included or always excluded fund and should not be double counted.		
<u>Comments/Historical Information</u> For 2007-08 fiscal year, the first \$155,491,837 in estimated revenue each quarter shall be transferred to the Mass Transportation Fund.		

Chapter 173, Statutes of 2007 (SB 79) added this fund under Revenue and Taxation Code section 7102(a)(1)(G) and (H).

Chapter 173, Statutes of 2007 (SB 79) created the fund, effective August 24, 2007 under the Revenue and Taxation Code section 7103.

Chapter 313, Statutes of 2007 repealed the fund effective October 8, 2007, and then re-created it in the Revenue and Taxation Code section 7103.

For the 2008-09 fiscal year and every fiscal year thereafter, 50 percent of the estimated revenue each quarter shall be transferred to the Mass Transportation Fund.

On June 30, 2009, the California Third Appellate Court ruled that PTA spillover gas tax revenues are restricted in use to the purpose of transportation planning and mass transportation pursuant to Public Utilities Code section 99310.5. As a result, continuous transfer of spillover gas tax revenue to the Mass Transportation Fund to pay debt services obligations in 2008-09 and each fiscal year thereafter are invalid.

On March 24, 2010, Assembly Bills 6 and 9 of the eighth extraordinary session (ABX8 6 and ABX8 9) were enacted, which created a fuel tax swap. ABX8 6 eliminated the state portion of sales tax on gasoline and “swapped” it with a 17.3 cent/gallon increase to excise tax on gasoline (adjusted each year based on consistency with the state sales on gasoline) effective July 1, 2010. Therefore, no revenues will be transferred to the Mass Transportation Fund after FY 2009-10.

Chapter 12, Statutes of 2009-2010 (AB 9XXXXXXXXX) repealed the Revenue and Taxation Code section 7103 which was related to the transportation fund creation.