

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: April 27, 2011
POSITION: Oppose

BILL NUMBER: AB 286
AUTHOR: B. Berryhill

BILL SUMMARY: State Highways: Routes 108 and 120

This bill would require the proceeds from the sale of excess properties acquired by the Department of Transportation (Caltrans) for improvements to State Highway Route 120 (SR 120) to be used for improvements to State Highway Route 108 (SR 108) in Stanislaus County, beginning July 1, 2013.

FISCAL SUMMARY

The proceeds from the sale of excess property have historically been deposited into the State Highway Account (SHA) and then transferred each year to the Public Transportation Account. Chapter 6, Statutes of 2011 (AB 105), required the transfer of these proceeds, also known as non-Article XIX revenues, to the Transportation Debt Service Fund to reimburse the General Fund for debt service payments made on Proposition 116 transportation bonds through 2012-13. Beginning in 2013-14, the proceeds from the sale of excess property would remain in the SHA for future appropriation by the Legislature. The sale of excess property has ranged between \$12 million and \$60 million annually over the past five years.

This bill would deposit the proceeds from the sale of excess properties acquired by Caltrans for improvements to SR 120 into a special account created in the Special Deposit Fund. Although the excess properties along SR 120 have not been appraised, Caltrans estimates proceeds of approximately \$3 million from the sale.

While the California Transportation Commission deleted all programming for the SR 120 Oakdale Bypass in the 2008 State Transportation Improvement Program, it adopted a resolution stating its support for Caltrans' commitment to the development and delivery of the North County Corridor, an alternative to the SR 120 Oakdale Bypass, and acknowledges Caltrans' intent to nominate up to \$91 million in the 2010 Interregional Transportation Improvement Program for programming of an eligible project segment.

COMMENTS

The Department of Finance is opposed to this bill for the following reasons:

- This bill could encourage other local communities to pursue the retention of the proceeds from Caltrans' excess land sales within their jurisdictions to go towards local projects instead of being directed to the SHA.
This bill would reduce the state's authority to use non-Article XIX revenues from the sale of excess property to reimburse the General Fund for debt service payments made on Proposition 116 bonds beyond July 1, 2013, by \$3 million.

Finance also notes that this bill does not provide for any reimbursement that Caltrans may owe to the federal government for the initial purchase of SR 108 properties.

Analyst/Principal Date Program Budget Manager Date
(0751) M. Tollefson Mark Hill

Department Deputy Director Date

Governor's Office: By: Date: Position Approved
Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

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Chapter 1391, Statutes of 1982, and Chapter 791, Statutes of 2008, contained similar provisions, which required Caltrans to deposit proceeds from the sale of surplus properties in the State Highway Route 84 (SR 84) and State Highway Route 238 (SR 238) corridors into a special account to be used for improvements along those corridors, consistent with the local alternative transportation program, instead of depositing the proceeds in the SHA. The requirement to deposit revenue from the sale of surplus properties to transportation projects within the same corridor is unique to the SR 84 and SR 238 corridors.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2010-2011	FC	2011-2012	FC	2012-2013	
2660/Caltrans	SO	No		-----	See Fiscal Summary	-----			0042
2660/Caltrans	SO	No		-----	See Fiscal Summary	-----			0942
2660/Caltrans	SO	No		-----	See Fiscal Summary	-----			0942
<u>Fund Code</u>	<u>Title</u>								
0042	Highway Account, State, STF								
0942	Special Deposit Fund								