

REFORM CALIFORNIA

18-0010

September 25, 2018

RECEIVED

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Anabel Renteria
Initiative Coordinator
Office of the Attorney General
1300 I Street, 17th Floor
Sacramento, CA 95814

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Re: Request for Title and Summary for Initiative Constitutional Amendment – “Citizens’ Lockbox for Road Repairs and Infrastructure Improvements”

Dear Ms. Renteria:

Pursuant to Elections Code 9001(a), I hereby request that the Attorney General prepare a circulating title and summary of the chief purpose and points of the following proposed initiative measure. Enclosed please find a check for \$2000 for the fee required to initiate this process.

Any correspondence regarding this initiative should be directed to Reform California, Attention Carl DeMaio at PO Box 27227 San Diego CA 92198 (telephone: 619-786-8019) – email carl@cardemaio.com

Thank you for your anticipated cooperation.

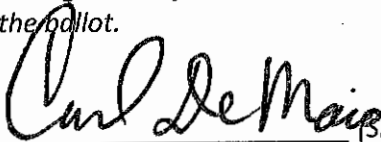
Sincerely,



Carl DeMaio

Proponent of Enclosed Initiative

I, Carl DeMaio, declare under penalty of perjury that I am a citizen of the United States, 18 years of age or older, and a resident of San Diego county, California. (Elec. Code, § 9001.) I, Carl DeMaio, acknowledge that it is a misdemeanor under state law (Section 18650 of the Elections Code) to knowingly or willfully allow the signatures on an initiative petition to be used for any purpose other than qualification of the proposed measure for the ballot. I certify that I will not knowingly or willfully allow the signatures for this initiative to be used for any purpose other than qualification of the measure for the ballot.



(Signature of Proponent)

Dated this 25th day of September, 2018

Section 1. Title.

This Act shall be known, and may be cited as, the **Citizens' Lockbox for Road Repairs and Infrastructure Improvements**.

Section 2. Findings & Declarations.

(a) California's taxpayers already pay some of the highest gas taxes in the country but are forced to suffer with some of the worst roads and infrastructure in the country because politicians have diverted, stolen, and wasted the funds. California taxpayers desire to end the diversion of tax funds that should properly go to fund roads and infrastructure.

(b) Due to lack of accountability and efficient management, infrastructure projects cost far more in California than projects implemented in other states.

(c) Therefore, the people hereby amend the Constitution to impose accountability on the allocation and use of tax funds for road repairs and infrastructure improvements.

Section 3. Article XIX E of the California Constitution is added to read:

ARTICLE XIX E

Citizens' Lock Box and Accountability Reforms for Infrastructure

SECTION 1. Notwithstanding Articles XIX to XIX D, inclusive, all revenues collected on and after January 1, 2021, from taxes imposed by the State on motor vehicle fuels for use in motor vehicles upon public streets and highways shall be deposited into the Citizens' Lock Box for Road Repairs, Maintenance, and Improvement, which is hereby created and declared to be a trust fund, and shall be allocated monthly in accordance with Section 4 and shall be used solely for the following purposes:

(a) Capital outlay for public streets and highways, provided that the entity carrying out the capital outlay project is a private, non-governmental entity. For purposes of this subdivision, "capital outlay" means the expenditure of funds for the acquisition of land or other real property, major construction, improvements, equipment, designs, specifications, and equipment necessary in connection with a construction or improvement project on a public street or highway.

Yes on Prop 6 Campaign Offers "Replacement" Initiative to Fund Roads/Infrastructure

(b) Repairs and maintenance of public streets and highways, which are intended to keep a facility functional at its designed level of services and life expectancy, provided that the entity carrying out the repairs and maintenance is a private, non-governmental entity.

SECTION 2. (a) Notwithstanding Articles XIX to XIX D, inclusive, and Section 15 of Article XI, all revenues collected on and after January 1, 2021, from taxes imposed by the State on the purchase, use, or operation of vehicles, including taxes and fees imposed pursuant to the Sales and Use Tax Law or the Vehicle License Fee Law and taxes imposed on insurance for motor vehicles used upon the public streets and highways, and all amendments and additions now or hereafter made to such statutes, shall be deposited into the Citizens' Lock Box for Transportation Infrastructure Repair, Maintenance, Operation, and Improvement, which is hereby created and declared to be a trust fund, and shall be allocated monthly in accordance with Section 4 and shall be used solely for the research, planning, construction, improvement, maintenance, and operation of public streets and highways (and their related public facilities for nonmotorized traffic), public mass transit guideways (and their related fixed facilities), including the mitigation of their environmental effects, the payment for property taken or damaged for such purposes, and state administration and enforcement.

(b) Notwithstanding Articles XIX to XIX D, inclusive, all revenues collected on and after January 1, 2021, from fines and penalties imposed for violation of traffic and vehicle laws and from fees imposed by the State upon motor vehicles or their use or operation, including license fees, and all amendments and additions now or hereafter made to such statutes governing those penalties, fines, and fees, shall be deposited into the Citizens' Lock Box for Transportation Infrastructure Repair, Maintenance, Operation, and Improvement, and shall be used solely for the state administration and enforcement of laws regulating the use, operation or registration of vehicles used upon the public streets and highways of this state, including the enforcement of traffic and vehicle laws by state agencies, support for courts with regard to costs incurred for cases relating to the enforcement of traffic and vehicle laws, and the mitigation of the environmental effects of motor vehicle operation due to air and sound emissions.

SECTION 3. (a) For the purposes of this section, "transportation project" means any project or expenditure of state or local funds for activities related to the construction, improvement, maintenance, or operation of highways, roads, bridges, rail, transit, airport, port, or supporting infrastructure facilitating movement of people and things.

(b) State or local government resources shall not be used to fund any transportation project that limits the rights of any contractor or worker from participating on the project because of their union or non-union status, including any limitations imposed by a project labor agreement binding any contractor hired or funded by a state or local government entity.

(c) The State or a local government shall not impose any requirement regarding the amount of compensation and benefits that an employer or entity must pay to employees working on a transportation project that is greater than the requirements expressly mandated by federal law or regulation or a requirement imposed by the federal government as a condition for receipt of federal funds for that transportation project.

Yes on Prop 6 Campaign Offers "Replacement" Initiative to Fund Roads/Infrastructure

(d) The Legislature shall not enact a law, and state government agencies shall not take any action, to prohibit or limit the ability of a local government to use competitive bidding or outsourcing as a means of carrying out work on a transportation project.

(e) (1) The Governor and Legislature shall terminate any funding for the project known as California High-Speed Rail, which is a project funded by in part by bonds authorized by Proposition 1A that was approved by voters at the November 4, 2008, general election. The state government shall cease all activities on the California High-Speed Rail project carried out or funded in whole or in part by public funds. The Governor may only expend such minimal funds as is necessary to effect the orderly and complete termination of the project no later than June 30, 2021. The Governor and the Legislature shall not take any action that would have the effect of extending activity or supporting the successful completion of this project.

(2) No further bonds shall be issued and sold for purposes of Section 2704.06 of the Streets and Highways Code on and after the effective date of this section. The unspent proceeds received from outstanding bonds issued and sold pursuant to Section 2704.06 of the Streets and Highways Code prior to the effective date of this section shall be redirected from high-speed rail purposes for use in retiring the debt incurred from the issuance and sale of those outstanding bonds.

(f) (1) The State Auditor shall conduct an annual program of transportation project performance and efficiency audits on transportation projects funded by revenues covered by Sections 1 and 2 that examines the quality of projects, the cost of projects, internal management efficiency, and contractor performance. The Legislative Analyst's Office (LAO) or its successor shall select the projects that are to be audited each year by the State Auditor. The LAO shall select one-quarter of the projects based on proposals from the majority party of the State Senate, one-quarter of the projects based on proposals from the minority party of the State Senate, one-quarter of the projects based on proposals from submissions from city and county governments, and one-quarter of projects based on proposals of citizens of California.

(2) By January 1, 2024, and at least every three years thereafter, the State Auditor shall conduct a performance and efficiency audit of the Department of Motor Vehicles or its successor that examines customer service, quality of projects, cost of projects, internal management efficiency, and contractor performance.

SECTION 4. (a) (1) All revenues described in Section 1 and in subdivision (a) of Section 2 shall be allocated to cities and counties. Each city and county shall receive a percentage of these revenues corresponding to the percentage of funds they received under any formulas or allocations governing transportation funding for cities and counties that were in place as of January 1, 2018.

(2) A statute enacted by the Legislature modifying the allocations required by paragraph (1) must be by a bill passed in each house of the Legislature by rollcall vote entered in the journal, two-thirds of the membership concurring, provided that the bill does not contain any other unrelated provision.

Yes on Prop 6 Campaign Offers "Replacement" Initiative to Fund Roads/Infrastructure

(b) The revenues allocated by statute to cities and counties pursuant to this article may be used solely by the city or county to which they are allocated, and solely for the purposes described in Sections 1 and 2 and subject to the restrictions established in Section 3.

(c) Cities and counties are responsible for maintaining and constructing local streets and roads and the portions of state highways located within their jurisdiction. This section does not limit the ability of the state government to regulate the use, condition, or safety of local streets and roads and state highways.

(d) The Governor or the Legislature may not take any action that permanently or temporarily does any of the following: (1) changes the status of the Citizens' Lock Boxes established by this article as trust funds; (2) borrows, diverts, or appropriates these revenues for purposes other than those described in this article; or (3) delays, defers, suspends, or otherwise interrupts the payment, allocation, distribution, disbursal, or transfer of revenues from taxes described in this article to cities and counties.

(e) If the Legislature reduces or repeals the taxes described in this article and adopts an alternative source of revenue to replace the moneys derived from those taxes, the replacement revenue shall be deposited into the trust funds established by this article and dedicated to the purposes listed in this article, and allocated to cities and counties pursuant to this article. All other provisions of this article shall apply to any revenues adopted by the Legislature to replace the moneys derived from the taxes described in this article.