

## SENATE BILL

No. 337

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**Introduced by Senators Bates and Nguyen**February 13, 2017

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An act to add and repeal Section 16342 of, and to add and repeal Chapter 4.6 (commencing with Section 14560) of Part 5.3 of Division 3 of Title 2 of, the Government Code, relating to transportation, and making an appropriation therefor.

## LEGISLATIVE COUNSEL'S DIGEST

SB 337, as introduced, Bates. Repatriation Infrastructure Fund.

Existing law provides various sources of funding for transportation purposes, including funding for the state highway system, the local street and road system, and public transportation.

This bill, until July 1, 2025, would require the Department of Finance, in consultation with the Franchise Tax Board, to estimate, on an annual basis by November 1 of each year, the amount of revenue to be received from state taxes in the next fiscal year as a consequence of enactment of a federal corporate repatriation statute pursuant to which foreign earnings of United States-based corporations that are currently invested abroad are moved to the United States.

The bill, until July 1, 2025, after reservation of appropriate amounts required to be allocated by the California Constitution for Proposition 98 education funding requirements and the Budget Stabilization Account, would require the remaining repatriation revenues to be transferred to the Repatriation Infrastructure Fund in the State Transportation Fund, which the bill would create. The bill would continuously appropriate the revenues in the Repatriation Infrastructure Fund to the California Transportation Commission. The bill would require 65% of available revenues to be allocated by the commission to trade corridor improvement projects, and would require the Controller

to apportion 30% of available revenues to cities and counties for local street and roads and 5% of available revenues to public transportation, as specified.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Chapter 4.6 (commencing with Section 14560)  
2 is added to Part 5.3 of Division 3 of Title 2 of the Government  
3 Code, to read:

4  
5 CHAPTER 4.6. REPATRIATION INFRASTRUCTURE FUND  
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7 14560. The Repatriation Infrastructure Fund is hereby created  
8 in the State Transportation Fund.

9 14561. The moneys in the fund, notwithstanding Section 13340,  
10 are hereby continuously appropriated without regard to fiscal years  
11 to the California Transportation Commission for the purposes of  
12 this chapter, and shall be allocated annually as follows:

13 (a) Sixty-five percent to be allocated by the commission to trade  
14 corridor improvement projects.

15 (b) Thirty percent for apportionment by the Controller to cities  
16 and counties for local streets and roads, pursuant to the formulas  
17 in subparagraph (C) of paragraph (3) of subdivision (a) of Section  
18 2103 of the Streets and Highways Code.

19 (c) Five percent for apportionment by the Controller to  
20 transportation planning agencies for allocation to transit operators  
21 for public transportation, pursuant to the formulas in Section  
22 99312.1 of the Public Utilities Code.

23 14562. This chapter shall become inoperative on July 1, 2025,  
24 and, as of January 1, 2026, is repealed.

25 SEC. 2. Section 16342 is added to the Government Code, to  
26 read:

27 16342. (a) The Department of Finance, in consultation with  
28 the Franchise Tax Board, shall estimate, on an annual basis on or  
29 before November 1 of each year, the amount of revenue to be  
30 received from state taxes in the next fiscal year as a consequence  
31 of enactment of a federal corporate repatriation statute pursuant  
32 to which foreign earnings of United States-based corporations that

1 are currently invested abroad are moved to the United States. For  
2 the 2018–19 fiscal year, the estimate shall be completed as soon  
3 as practicable after January 1, 2018.

4 (b) In each fiscal year beginning with the 2018–19 fiscal year,  
5 after reservation of appropriate amounts from the total revenues  
6 available pursuant to subdivision (a) for purposes of Section 8 of  
7 Article XVI of the California Constitution (Proposition 98) and  
8 Section 20 of Article XVI of the California Constitution (Budget  
9 Stabilization Account), the remaining revenues, notwithstanding  
10 any other provision of law, shall be transferred to the Repatriation  
11 Infrastructure Fund in the State Transportation Fund created  
12 pursuant to Section 14560. The amounts reserved for purposes of  
13 Proposition 98 and the Budget Stabilization Account in each fiscal  
14 year and included in each Budget Act, and the amounts transferred  
15 to the Repatriation Infrastructure Fund, shall be based on the  
16 revenue estimates made by the Department of Finance pursuant  
17 to subdivision (a), and shall be subject to adjustment in future  
18 fiscal years based on actual revenues received during the budget  
19 year.

20 (c) This section shall become inoperative on July 1, 2025, and,  
21 as of January 1, 2026, is repealed.

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