



CALIFORNIA TRANSPORTATION COMMISSION

**FOURTH CYCLE AB 1012 – REDIRECTION OF “USE IT OR LOSE IT” FUNDS
DUE TO STATE USE OF LOCAL OBLIGATION AUTHORITY**

Resolution G-03-17

WHEREAS Streets and Highways Code Section 182.6 and Section 182.7 (AB 1012, Torlakson, Chapter 783, Statutes of 1999-2000), established the “use it-or-lose-it” provisions for Congestion Management and Air Quality (CMAQ), Regional Surface Transportation Program (RSTP) and Regional Transportation Enhancement Activity (R-TEA) funds in order to boost delivery; and

WHEREAS the annual notice to regional agencies for Cycle 4 of AB 1012 “use-it-or-lose-it” provisions was released on December 9, 2002; and

WHEREAS the provision of AB 1012 require regions to obligate all funds noticed in Cycle 4 by December 9, 2003; and

WHEREAS, the State Highway Account is experiencing a cash shortage; and

WHEREAS, in order to bring additional cash into the State Highway Account, on July 18, 2003, the Department of Transportation borrowed \$200 million in obligation authority from the local agencies; and

WHEREAS, the decrease in obligation authority available to local agencies has limited their ability to meet the AB 1012 Cycle 4 deadlines; and

WHEREAS repayment of the obligation authority loan is anticipated to take place by June 30, 2004.

NOW THEREFORE BE IT RESOLVED that the Commission redirects the funds under “use-it-or-lose-it” provisions of AB 1012, Cycle 4, back to the “at risk” agencies until adequate obligation authority becomes available.