15-0109

RECEIVED
NOV 16 2015
INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Date: November 09, 2015

Initiative Coordinator
Office of the Attorney General
State of California
PO Box 994255
Sacramento, CA 94244-25550

Re: Request for Title and Summary for Proposed Initiative

Dear Initiative Coordinator:

With this letter I submit a proposed statewide ballot measure ("Stop the Train-to-Nowhere Act of 2016") in accordance with Article II of Section 10(d) of the California Constitution. I am the proponent of the measure and a registered voter in the State of California. Please prepare a circulating title and summary of the measure as provided by law.

Enclosed with this letter and text of the proposed measure is a check in the amount of $200 and the affidavits required by the Elections Code.

For purposes of inquiries from the public and the media, please direct them as follows:

Charles H. Bell, Jr.
BELL, McANDREWS & HILTACHK, LLP
455 Capitol Mall, Suite 600
Sacramento, CA 95814

Thank you for your time and attention processing my request.

Sincerely,

GEORGE RUNNER

November 12, 2015

Initiative Coordinator
Office of the Attorney General
State of California
PO Box 994255
Sacramento, CA 94244-25550

Re: Request for Title and Summary for Proposed Initiative

Dear Initiative Coordinator:

With this letter we submit a proposed statewide ballot measure ("Stop the Train-to-Nowhere Act of 2016") in accordance with Article II of Section 10(d) of the California Constitution. We are the proponents of the measure and a registered voter in the State of California. Please prepare a circulating title and summary of the measure as provided by law.

Enclosed with this letter and text of the proposed measure is a check in the amount of $200 and the affidavits required by the Elections Code.

For purposes of inquiries from the public and the media, please direct them as follows:

Charles H. Bell, Jr.
BELL, McANDREWS & HILTACHK, LLP
455 Capitol Mall, Suite 600
Sacramento, CA 95814

Thank you for your time and attention processing this request.

Sincerely,

Robert Huff

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

SECTION 1. Title

This initiative shall be known and may be referred to as the Stop the Train-to-Nowhere Act of 2016.

SECTION 2. Findings and Purposes

A. Findings

(1) In 2008, the voters approved Proposition 1A, which authorized the State of California to issue up to $9.95 billion in bonds to construct a high-speed train system and established the framework and requirements that the system would be required to achieve.

(2) Since the passage of Proposition 1A, the voters have learned that the high-speed train system will not be able to meet any of the requirements of that measure.

(a) estimated construction costs for the project have more than doubled;

(b) promised travel times will be significantly longer;

(c) travel speeds will be significantly slower than the "high speed" 200 miles-an-hour speeds;

(d) train routes will have intrusive impacts on communities and the environment; and,

(e) the project has obtained no commitments of private financing and will not be financially viable without significant ongoing public subsidies in the tens of billions of dollars.

(f) technology advances have made obsolete the design concept approved by voters.

(3) Despite claims by the High-Speed Rail Authority that "California high-speed rail will connect the mega-regions of the state, contribute to economic development and a cleaner environment, create jobs and preserve agricultural and protected lands,"

(a) the train currently is programmed only to connect the rural farm communities of Chowchilla and Shafter in Central California;

(b) it will take longer to travel the distance between these rural communities by train than by auto;

(c) the most efficient use of the train between Chowchilla and Shafter may be to transport prisoners between the state prisons currently located in or near those communities;

(d) the project will seize long-established family farmland throughout the region.

(e) the current design targets low-income agricultural communities unfairly and disproportionally leaving those communities to bear the burden of the environmental and economic impacts.

(f) the U.S. Congress has committed to provide no further federal funding for the project; and,

(4) After the High-Speed Rail Authority solicited potential private and foreign government investment interest, these investors resoundingly expressed skepticism the project would ever be funded without substantial public subsidies and cast doubt upon further private financing of the venture.

B. Purposes

(1) Amend the Safe, Reliable High-Speed Passenger Train Bond Act to provide that no further bonds shall be sold for high-speed rail and rail-related purposes;

(2) Allow the High-Speed Rail Authority to continue to study the feasibility of completing the full route from San Francisco to Los Angeles with connections to Sacramento and San Diego, that would meet the specifications set forth in Proposition 1A, including design work, environmental studies, approvals, permitting, and research and development activities for the entire project, not for discrete segments of it, but may only carry out such activities if funded by continuing annual appropriations by the Legislature from state general funds and not from Proposition 1A bond funds.

(3) If such activities are not completed by December 31, 2025, or if the activities do not demonstrate both the originally-designed and voter-approved project's feasibility and budget, or both, the California High Speed Rail Authority shall be wound down and terminated.

(4) Explicitly authorize the net proceeds received from outstanding bonds issued and sold prior to the effective date of the initiative to be redirected from high-speed rail purposes to any other purpose authorized by the voters in a separate vote at the same election as this measure; and

(5) If voters approve this initiative but fail to adopt, at the same election, another initiative redirecting high-speed rail bond net proceeds, require that any such bond net proceeds be redirected to retiring the debt incurred from the issuance and sale of those outstanding bonds.

SECTION 3. Stop the Train-to-Nowhere Act of 2016

A. Amendments to the Streets and Highways Code

(1) Section 2704.045 is added to the Streets and Highways Code to read as follows:

2704.045. Notwithstanding Section 2704.04, it is the intent of the people of California that no further bonds shall be issued and sold for purposes of Sections 2704.06 and 2704.095 on and after the effective date of this section.

(2) Section 2704.096 is added to the Streets and Highways Code to read as follows:

2704.096.

(a) Notwithstanding any other provision of this chapter, no further bonds shall be issued and sold for purposes of Sections 2704.06 and 2704.095 on and after the effective date of this section.

(b) Notwithstanding any other provision of this chapter, the net proceeds received from outstanding bonds issued and sold pursuant to Sections 2704.06 and 2704.095 prior to the effective date of this section may be redirected from those high-speed rail purposes for:

(1) Any other purpose or use upon appropriation by the voters approving an initiative measure voted on at the same election as the initiative measure adopting this section; or

(2) If the voters fail to appropriate the net proceeds by adopting an initiative measure at the same election as the initiative measure adopting this section, then <u>such</u> net proceeds shall be used to retire the debt incurred from the issuance and sale of those outstanding bonds.

(3) Section 2704.78 is added to the Streets and Highways Code to read as follows:

2704.78.

(a) Notwithstanding any other provision of law, bond funds made available pursuant to Chapter 20 (commencing with Section 2704) shall not be expended for high-speed rail purposes, and no additional bonds shall be issued or sold pursuant to that chapter, on and after the effective date of this section.

(b) This subsection shall not preclude the use of bond proceeds for any other use appropriated by the voters in adopting an initiative measure at the same election as the initiative measure adopting this section.

(c) This subdivision shall not preclude the use of bond proceeds to retire high-speed rail bond debt to the extent authorized by law.

B. Amendments to the Public Utilities Code

(1) Chapter 6 is added to Division 19.5 of the Public Utilities Code to read as follows:

Chapter 6. Restrictions on Authority Operations

Article 1. Definitions

185600. Definitions.

For purposes of this Chapter:

(a) "Net proceeds" means the proceeds of bonds issued and sold pursuant to Sections 2704.06 and 2704.095 of the Streets and Highways Code and deposited in the High-Speed Passenger Train Bond Fund created by Section 2704.05 of the Streets and Highways Code.

(b) "Enforceable obligation" means:

(1) bonds issued pursuant to Sections 2704.06 and 2704.095 of the Streets and Highways Code, including the required debt service, reserve set-asides and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the Authority;

(2) loans of money borrowed by the Authority for a lawful purpose;

(3) payments required by the federal government, preexisting obligations to the state or obligations imposed by state law, or legally enforceable payments required in connection with the Authority's employees, including but not limited to, pension payments, pension obligation debt service, and unemployment payments;

(4) judgments or settlements entered by a competent court of law or binding arbitration decision against the Authority;

(5) any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy;

(6) contracts or agreements necessary for the continued administration and operation of the Authority, to the extent permitted by this Chapter.

Article 2. Suspension of Authority Activities

185610. Notwithstanding any other provision of law, including but not limited to Chapters 1 through 5 of this Code, and Chapter 20 of Division 3 of the Streets and Highways Code, except as provided in Section 185614, commencing on the effective date of this Chapter, the Authority shall not have the authority to, and shall not, do any of the following:

(a) incur new or expand existing monetary or legal obligations;

(b) incur indebtedness, including but not limited to issuing or selling bonds, taking out or accepting loans or advances, executing trust deeds or mortgages on any real or personal property, pledging or encumbering any revenues or assets;

(c) make loans or advances or enter into agreements to provide financial assistance of any sort to any entity or person for any purpose;

(d) enter into any contracts with, incur obligations, or make commitments to any entity, whether governmental or private, or any individual or groups of individuals, for any purpose;

(e) amend or modify existing agreements, obligations or commitments with any entity or individual for any purpose;

(f) dispose of assets by sale, long-term lease, gift, grant, exchange, transfer, assignment, or otherwise, for any purpose;

(g) acquire real property by any means for any purpose;

(h) transfer, assign, vest, or delegate any of its assets, funds, rights, powers, ownership interests, or obligations for any purpose to any entity or individual;

(i) enter into new partnerships, become a member in a joint powers authority, create new entities, or take on or agree to any new duties or obligations as a member or otherwise of any entity to which the Authority belongs or with which it is in any way associated;

(j) increase the pay, benefits or contributions of any sort for any officer, employee, consultant, contractor, or any other goods or service provider that had not previously been contracted;

(k) provide optional or discretionary bonuses to any officers, employees, consultants, contractors, or any other service or goods providers;

(l) increase numbers of staff employed by the Authority beyond the number required as of the effective date of this Chapter;

(m) begin any condemnation proceeding or begin the process to acquire real property by eminent domain;

(n) prepare or have prepared a draft environmental impact report; and

(o) any other action, except as explicitly authorized by this Chapter.

185611. This Chapter is intended to preserve, to the maximum extent possible, the revenues and assets of the Authority so that those assets and revenues that are not needed to pay for enforceable obligations may be used only (a) for a purpose explicitly approved by voters adopting a separate measure voted on at the same election as this measure, or, (b) if no such measure described in subdivision (a) is on the ballot at the same election as this measure, to retire high-speed rail bond debt received from outstanding bonds issued and sold, pursuant to Sections 2704.06 and 2704.095 of the Streets and Highways Code, prior to the effective date of this Chapter. It is the intent of the People that the Authority take no actions that would further deplete the corpus of the Authority's funds regardless of their original source. All provisions of this Chapter shall be construed as broadly as possible to support this intent and to restrict the expenditure of funds to the fullest extent possible.

185612. Nothing in this Chapter shall be construed to interfere with the Authority's authority, pursuant to enforceable obligations as defined in this Chapter, to make payments due, enforce existing covenants and obligations, or perform its obligations.

185613. Except as provided in section 185614, and after the effective date of this Chapter, the Authority shall only do the following:

(a) Within 60 days of the effective date of this Chapter, the Authority shall adopt an enforceable obligation payment schedule, which includes the following information about each obligation:

(1) the project name associated with the obligation;

(2) the payee;

(3) a short description of the nature of the work, product, service, facility, or other thing of value for which payment is to be made;

(4) the amount of payments obligated to be made, both the aggregate total of the obligation and the monthly amount required to be paid;

(5) any other information the Authority or the Controller deems appropriate.

(b) Upon adoption of the enforceable obligation payment schedule, the Authority shall make payments to completely satisfy the obligation as soon as possible, based on the availability of funds. Payment schedules may be aggregated as appropriate. The Authority shall not make a payment unless it is listed in an adopted enforceable obligation payment

schedule, other than payments required to meet obligations with respect to bonded indebtedness.

(c) Perform obligations required pursuant to any enforceable obligation.

(d) Set aside or maintain reserves in the amount required by indentures, trust indentures, or similar documents governing the issuance of bonds;

(e) Consistent with the intent declared in Section 185611, preserve all assets, minimize all liabilities, and preserve all records of the Authority;

(f) Take all reasonable measures to avoid triggering an event of default under any enforceable obligation.

185614.

(a) The Authority may study the feasibility of completing the full route from San Francisco to Los Angeles with connections to Sacramento and San Diego, that would meet the specifications set forth in Proposition 1A, including design work, environmental studies, approvals, permitting, and research and development activities for the entire project, not for discrete segments of it.

(b) The activities authorized in subsection (a) may only be funded by continuing annual appropriations by the Legislature from state general funds, and not from Proposition 1A bond funds.

(c) If the activities authorized in subsection (a) are not completed by December 31, 2025, or at any earlier date if the activities do not demonstrate both the originally-designed and voter-approved project's feasibility and budget, or both, the California High Speed Rail Authority shall be wound down and dissolved as provided for in Article 3 of this Chapter.

Article 3. Winding Down and Dissolution of Authority

185620. Upon satisfaction of all enforceable obligations identified in the enforceable obligation payment schedule, and upon the occurrence set forth in subsection (c) of Section 185614 of this Chapter, the Authority shall be dissolved and shall no longer exist as a public body, corporate or politic.

SECTION 4. Implementation and Interpretation

A. Severability

If any part of this measure or the application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications which can reasonably be given effect without the invalid provision or application, and to this end, the provisions of this measure are severable.

B. Conflicting measures

This measure is intended to be comprehensive. It is the intent of the People that in the event this measure or measures relating to the same subject shall appear on the same statewide election ballot, the provisions of the other measure or measures shall be deemed to be in conflict with this measure. In the event that this measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and all provisions of the other measure or measures shall be null and void.

C. Interpretation

This measure shall not be interpreted or applied to interfere with or supplant any valid contracts or other binding obligations pre-existing the adoption of this measure by the voters.

D. Proponent Standing

The People of the State of California declare that the proponent of this measure has a direct and personal stake in defending this measure and grant formal authority to the proponent to defend this measure in any legal proceeding, either by intervening in such legal proceeding, or by defending the measure on behalf of the people and the State in the event that the State declines to defend the measure or declines to appeal an adverse judgment against the measure.

In the event that the proponent is defending this measure in a legal proceeding because the State has declined to defend it or to appeal an adverse judgment against it, the proponent shall: act as an agent of the people and the State; be subject to all ethical, legal, and fiduciary duties applicable to such parties in such legal proceedings; take and be subject to the Oath of Office prescribed by Article XX, section 3 of the California Constitution for the limited purpose of acting on behalf of the people and the State in such legal proceeding; and be entitled to recover reasonable legal fees and related costs from the State.