

AMENDED IN SENATE APRIL 26, 2005

SENATE BILL

No. 561

Introduced by ~~Senator Runner~~ *Senators Runner and Torlakson*
(Principal coauthor: Assembly Member Canciamilla)

February 18, 2005

~~An act to amend Section 143 of the Streets and Highways Code, An act relating to transportation.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 561, as amended, ~~Runner. Toll roads.~~ *Transportation projects.*

Existing law provides that the Department of Transportation has full possession and control of all state highways and all property and rights in property acquired for state highway purposes. Existing law authorizes the department to enter into contracts required for the performance of its duties.

This bill would state the intent of the Legislature to authorize the Department of Transportation to enter into agreements with public and private entities for transportation projects.

~~Existing law, until January 1, 2003, authorized the Department of Transportation to solicit proposals and enter into agreements with private entities or consortia for the construction and lease of no more than 2 toll road projects, and specified the terms and requirements applicable to those projects. Existing law provides for operation of the toll road project by a private entity for up to 35 years, at which point the facility reverts to state ownership and control and becomes toll-free.~~

~~This bill would delete the January 1, 2003, deadline for the department to enter into agreements for privately financed toll road projects, and would also delete the limit on the number of authorized projects.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~yes~~-no.
State-mandated local program: no.

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

1 SECTION 1. It is the intent of the Legislature to authorize the
2 Department of Transportation to enter into agreements with
3 public and private entities for transportation projects, including,
4 but not limited to, dedicated exclusive truck roads and toll roads.

5 SECTION 1. ~~Section 143 of the Streets and Highways Code~~
6 is amended to read:

7 ~~143. (a) The department may solicit proposals and enter into~~
8 ~~agreements with private entities, or consortia thereof, for the~~
9 ~~construction by, and lease to, private entities of toll road projects.~~

10 ~~(b) For the purpose of facilitating those projects, the~~
11 ~~agreements may include provisions for the lease of rights-of-way~~
12 ~~in, and airspace over or under, state highways, for the granting of~~
13 ~~necessary easements, and for the issuance of permits or other~~
14 ~~authorizations to enable the private entity to construct~~
15 ~~transportation facilities supplemental to existing state-owned~~
16 ~~transportation facilities. Facilities constructed by a private entity~~
17 ~~pursuant to this section shall, at all times, be owned by the state.~~
18 ~~The agreement shall provide for the lease of those facilities to the~~
19 ~~private entity for up to 35 years. In consideration therefor, the~~
20 ~~agreement shall provide for complete reversion of the privately~~
21 ~~constructed facility to the state at the expiration of the lease at no~~
22 ~~charge to the state.~~

23 ~~(c) The department may exercise any power possessed by it~~
24 ~~with respect to the development and construction of state~~
25 ~~transportation projects to facilitate the development and~~
26 ~~construction of transportation projects pursuant to this section.~~
27 ~~Agreements for maintenance and police services entered into~~
28 ~~pursuant to this section shall provide for full reimbursement for~~
29 ~~services rendered by the department or other state agencies. The~~
30 ~~department may provide services for which it is reimbursed with~~
31 ~~respect to preliminary planning, environmental certification, and~~
32 ~~preliminary design of the demonstration projects.~~

33 ~~(d) (1) Agreements entered into pursuant to this section shall~~
34 ~~authorize the private entity to impose tolls for use of a facility~~
35 ~~constructed by it, and shall require that over the term of the lease~~

1 the toll revenues be applied to payment of the private entity's
2 capital outlay costs for the project, the costs associated with
3 operations, toll collection, administration of the facility,
4 reimbursement to the state for the costs of maintenance and
5 police services, and a reasonable return on investment to the
6 private entity. The agreement shall require that any excess toll
7 revenue either be applied to any indebtedness incurred by the
8 private entity with respect to the project or be paid into the State
9 Highway Account, or both.

10 (2) The authority to collect tolls for the use of these facilities
11 shall terminate at the expiration of the franchise agreement.

12 (c) The plans and specifications for each project constructed
13 pursuant to this section shall comply with the department's
14 standards for state transportation projects. A facility constructed
15 by and leased to a private entity shall, during the term of the
16 lease, be deemed to be a part of the state highway system for
17 purposes of identification, maintenance, enforcement of traffic
18 laws, and for the purposes of Division 3.6 (commencing with
19 Section 810) of Title 1 of the Government Code.

20 (f) The assignment authorized by subdivision (c) of Section
21 130240 of the Public Utilities Code is consistent with this
22 section.