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AMENDED IN ASSEMBLY APRIL 10, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 901

Introduced by Assembly Member Nunez

February 22, 2007

~~An act to add Section 14033 to the Government Code, relating to An act to add Section 149.9 to the Streets and Highways Code, relating to transportation.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 901, as amended, Nunez. ~~Transportation: Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. High-occupancy toll (HOT) lanes.~~

Existing law authorizes a regional transportation agency, in cooperation with the Department of Transportation, to apply to the California Transportation Commission to develop and operate high-occupancy toll (HOT) lanes, including administration and operation of a value-pricing program and exclusive or preferential lane facilities for public transit. Existing law requires the commission to review these applications and submit an eligible application to the Legislature for approval or rejection. Existing law requires approval

to be achieved by enactment of a statute. Existing law prohibits approval of an application on or after January 1, 2012.

This bill would authorize a value-pricing and transit development demonstration program involving HOT lanes to be conducted, administered, developed, and operated on State Highway Route 110 and Interstate 10 in Los Angeles County by the Los Angeles County Metropolitan Transportation Authority (LACMTA). The bill would require the LACMTA and the Department of Transportation to implement the program pursuant to a cooperative agreement that addresses specified matters in connection with the program and to establish appropriate traffic flow guidelines, as specified. The bill would authorize the LACMTA to establish, collect, and administer the toll and to use the revenues for administrative costs, as specified. The bill would require the LACMTA and the department to report to the Legislature by December 31, 2012, on the demonstration program.

~~Existing law, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B), authorizes \$19.925 billion of state general obligation bonds for specified purposes. The act requires that, among other things, \$3.6 billion of the proceeds from those bonds be deposited in the Public Transportation Modernization, Improvement, and Service Enhancement Account for allocation to public transit operators and transportation planning agencies by formula.~~

~~This bill would require the Department of Transportation to provide the Department of Finance and the Assembly and Senate budget committees by September 30 of each year with information describing the total amount of verified project funding needed in the budget year and the amount required by each agency seeking funding. The bill would also require the department, on a quarterly basis, to provide the Controller with instructions regarding funds to be allocated to each sponsoring entity and would require the Controller to allocate those funds accordingly. The bill would define “sponsoring entity” and “eligible project” for purposes of allocating these funds. The bill would require the California Transportation Commission to include information in its annual report to the Legislature regarding its activities relative to these funds. The bill would also impose specified auditing requirements and enact other related provisions.~~

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

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

1 *SECTION 1. The Legislature finds and declares all of the*
2 *following:*

3 *(a) For two decades, the Los Angeles region has led the nation*
4 *in traffic congestion and has been identified as the region with the*
5 *worst air quality and congestion in the United States.*

6 *(b) The region's population is expected to increase by another*
7 *2.4 million by 2030, while the number of registered vehicles in the*
8 *county has surpassed 7 million.*

9 *(c) The population growth and economic demands on the region*
10 *will only continue to deteriorate the air quality and transportation*
11 *infrastructure within Los Angeles County.*

12 *(d) The Los Angeles region must find innovative ways to use its*
13 *current transportation infrastructure in a manner consistent with*
14 *trying to reduce vehicle miles traveled, and must help the state*
15 *meet its greenhouse gas reduction goals and air quality*
16 *improvement goals while increasing its investment in public*
17 *transportation.*

18 *(e) The United States Department of Transportation has entered*
19 *into a memorandum of understanding with the Los Angeles County*
20 *Metropolitan Transportation Authority (LACMTA) and the*
21 *Department of Transportation to award \$213.6 million in federal*
22 *transit funding for the purpose of enabling LACMTA to carry out*
23 *a demonstration program where high-occupancy vehicle lanes on*
24 *selected freeways in Los Angeles County would be converted into*
25 *high-occupancy toll lanes during the demonstration period.*

26 *(f) Value-pricing is an important tool that will allow the Los*
27 *Angeles region to use its current highway system more efficiently*
28 *by allowing solo commuters to use designated high-occupancy*
29 *vehicle lanes on State Highway Route 110 and Interstate 10 where*
30 *capacity exists to absorb added commuters.*

31 *SEC. 2. Section 149.9 is added to the Streets and Highways*
32 *Code, to read:*

33 *149.9. (a) Pursuant to Section 149.7 and the memorandum of*
34 *understanding between the Los Angeles County Metropolitan*
35 *Transportation Authority (LACMTA), the United States Department*
36 *of Transportation, and the department, the LACMTA may operate*
37 *a value-pricing and transit development demonstration program*
38 *involving high-occupancy toll (HOT) lanes to be conducted,*

1 *administered, developed, and operated on State Highway Route*
2 *110 and Interstate Highway 10 in Los Angeles County by the*
3 *LACMTA.*

4 *(b) The LACMTA may implement the program in cooperation*
5 *with the department pursuant to a cooperative agreement that*
6 *addresses all matters related to design, construction, maintenance,*
7 *and operation of state highway system facilities in connection with*
8 *the value-pricing and transit program. With the assistance of the*
9 *department, the LACMTA may establish appropriate traffic flow*
10 *guidelines for the purpose of ensuring optimal use of the express*
11 *lanes by high-occupancy vehicles without adversely affecting other*
12 *traffic on the state highway system.*

13 *(c) The LACMTA and the department may implement the*
14 *demonstration program under the following conditions:*

15 *(1) The value-pricing program may be operated on State*
16 *Highway Route 110 and Interstate 10 in Los Angeles County on*
17 *designated high-occupancy vehicle lanes.*

18 *(2) Single-occupant vehicles may be authorized to enter and*
19 *use high-occupancy vehicle lanes in the identified corridors, under*
20 *conditions as determined by the LACMTA.*

21 *(3) As part of the demonstration program, each proposed HOT*
22 *lane shall have nontolled alternative lanes available for public*
23 *use in the same corridor as the proposed HOT lanes.*

24 *(4) The LACMTA shall implement a public outreach and*
25 *communications plan in order to solicit public input into the*
26 *development of the demonstration program.*

27 *(5) In implementing the program, the LACMTA shall identify*
28 *the affected communities in the respective corridors and work with*
29 *those communities to identify impacts and develop mitigation*
30 *measures.*

31 *(6) The amount of the toll shall be established by the LACMTA,*
32 *and collected and administered in a manner determined by the*
33 *LACMTA. The LACMTA shall conduct a public hearing 30 days*
34 *prior to setting or increasing the toll.*

35 *(7) The LACMTA shall assess the impacts of the program on*
36 *commuters of low income and shall provide mitigation to those*
37 *impacted commuters. Mitigation measures may include, but are*
38 *not limited to, reduced toll charges and toll credits for transit*
39 *users. Eligible commuters for reduced toll charges or toll credits*
40 *for transit users shall meet the eligibility requirements for*

1 assistance programs under Chapter 2 (commencing with Section
2 11200) or Chapter 3 (commencing with Section 12000) of Part 3
3 of, Part 5 (commencing with Section 17000) of, or Chapter 10
4 (commencing with Section 18900), Chapter 10.1 (commencing
5 with Section 18930), or Chapter 10.3 (commencing with Section
6 18937) of Part 6 of, Division 9 of the Welfare and Institutions
7 Code.

8 (8) Toll paying commuters shall have the option to purchase
9 any necessary toll paying equipment, prepay tolls, and renew toll
10 payments by cash or by using a credit card.

11 (9) The LACMTA may operate the demonstration program until
12 January 15, 2013, during which time it may not issue bonds for
13 the demonstration program.

14 (10) The LACMTA and the department shall report to the
15 Legislature by December 31, 2012. The report shall include, but
16 not be limited to, a summary of the demonstration program, a
17 survey of its users, the impact on carpoolers, revenues generated,
18 how transit service or alternative modes of transportation were
19 impacted, and a description of the mitigation measures on the
20 affected communities and commuters in this demonstration
21 program.

22 (11) Pursuant to Section 149.7, the revenue generated from the
23 program may be available to the LACMTA for the direct expenses
24 related to the maintenance, administration, and operation,
25 including collection and enforcement, of the demonstration
26 program. Administrative expenses shall not exceed 3 percent of
27 the revenues.

28 (12) All remaining revenue generated by the demonstration
29 program shall be used in the corridor from which the revenue was
30 generated exclusively for preconstruction, construction, and other
31 related costs of high-occupancy vehicle facilities and the
32 improvement of transit service in the corridor, including, but not
33 limited to, support for transit operations pursuant to an expenditure
34 plan adopted by the LACMTA.

35 ~~SECTION 1. The Legislature hereby finds and declares all of~~
36 ~~the following:~~

37 ~~(a) The Highway Safety, Traffic Reduction, Air Quality, and~~
38 ~~Port Security Bond Act of 2006 provides a comprehensive~~
39 ~~approach to transportation investment.~~

- 1 ~~(b) California's transportation system is multimodal and~~
2 ~~interconnected by design.~~
- 3 ~~(c) Highways, freeways, local streets and roads, and public~~
4 ~~transportation are all integral parts of California's transportation~~
5 ~~system.~~
- 6 ~~(d) The state's investment in public transportation helps advance~~
7 ~~important goals and policies, including protecting the environment~~
8 ~~and public health, conserving energy, reducing congestion, and~~
9 ~~providing alternative mobility choices for Californians.~~
- 10 ~~(e) Public transportation reduces the contribution to global~~
11 ~~warming by reducing carbon dioxide emissions by more than 7.4~~
12 ~~million tons a year nationally.~~
- 13 ~~(f) For every passenger mile traveled, public transportation~~
14 ~~produces only a fraction of the harmful pollution created by~~
15 ~~automobile traffic, prompting less smog and cleaner air for our~~
16 ~~children, adults with respiratory disease, and seniors.~~
- 17 ~~(g) On average, a person who uses one of the 25 largest bus or~~
18 ~~rail transportation systems in California consumes 53 percent less~~
19 ~~energy per mile than a person who travels by private vehicle.~~
- 20 ~~(h) Californians depend heavily on public transportation. In~~
21 ~~2001-02, the public transportation system in California provided~~
22 ~~close to 1.4 billion passenger trips.~~
- 23 ~~(i) Public transportation carries 38 percent of all trips on the~~
24 ~~San Francisco-Oakland Bay Bridge Corridor, 30 percent of all~~
25 ~~trips into central Los Angeles, and 18 percent of all trips to~~
26 ~~downtown San Diego.~~
- 27 ~~(j) A recent study found that without public transportation, Los~~
28 ~~Angeles would have to build 1,400 new lane-miles of freeway to~~
29 ~~handle the increased traffic, the San Francisco Bay Area would~~
30 ~~need to increase its freeway capacity by 50 percent, and San Diego~~
31 ~~would see an additional 35,000 cars on its roads and highways.~~
- 32 ~~(k) California benefits from its investment in public~~
33 ~~transportation and Californians depend on a balanced transportation~~
34 ~~system.~~
- 35 ~~(l) Therefore, it is the intent of the Legislature that projects~~
36 ~~funded from the Public Transportation Modernization,~~
37 ~~Improvement, and Service Enhancement Account shall help~~
38 ~~advance the state's policy goals of providing mobility choices for~~
39 ~~all residents, reducing congestion, and protecting the environment.~~

1 SEC. 2. ~~Section 14033 is added to the Government Code, to~~
2 ~~read:~~

3 14033. (a) ~~For purposes of this section, the following terms~~
4 ~~shall have the following meanings:~~

5 (1) ~~“Sponsoring entity” means a transit operator eligible to~~
6 ~~receive an allocation of funds under the State Transit Assistance~~
7 ~~Program pursuant to Sections 99314 and 99314.3 of the Public~~
8 ~~Utilities Code as of November 7, 2006, or a local agency, including~~
9 ~~a transportation planning agency, county transportation~~
10 ~~commission, or the San Diego Metropolitan Transit Development~~
11 ~~Board, eligible to receive an allocation of funds under the State~~
12 ~~Transit Assistance Program pursuant to Section 99313 of the Public~~
13 ~~Utilities Code as of November 7, 2006.~~

14 (2) ~~“Commission” means the California Transportation~~
15 ~~Commission.~~

16 (3) ~~“Department” means the Department of Transportation.~~

17 (4) ~~“Eligible project” means a transit capital project, including~~
18 ~~a bus, rail, or ferry capital project, that is consistent with the~~
19 ~~sponsoring entity’s most recently publicly adopted short-range~~
20 ~~transit plan, or other applicable plan approved by the sponsoring~~
21 ~~entity’s governing board, or the state transportation improvement~~
22 ~~program, the transportation congestion relief program, or a regional~~
23 ~~transportation plan.~~

24 (b) (1) ~~Each sponsoring entity shall provide information to the~~
25 ~~department no later than July 1 of each year regarding the eligible~~
26 ~~project or projects it intends to undertake in a given fiscal year~~
27 ~~from funds available from the Public Transportation Modernization,~~
28 ~~Improvement, and Service Enhancement Account pursuant to~~
29 ~~paragraph (3) of subdivision (f) of Section 8879.23. The department~~
30 ~~shall annually compile a list of eligible projects for each fiscal~~
31 ~~year, and by September 30 of each year, shall provide the~~
32 ~~Department of Finance and the budget committees of the Assembly~~
33 ~~and Senate with information describing the total amount of verified~~
34 ~~project funding that can reasonably be expected to be expended~~
35 ~~in the budget year and the amount of each individual agency’s~~
36 ~~share of total available funds for that year needed in the budget~~
37 ~~year. Upon the review and verification by the department of all~~
38 ~~projects, the department shall, on a quarterly basis, provide the~~
39 ~~Controller with instructions describing the total amount verified~~
40 ~~and the amount of each individual sponsoring entity’s total amount~~

1 of funds to be allocated pursuant to the formula in paragraph (3)
2 of subdivision (f) of Section 8879.23, which is based on the
3 formula in Sections 99313 and 99314 of the Public Utilities Code.
4 The Controller, on a quarterly basis, shall accordingly allocate the
5 funds to each sponsoring entity.

6 (2) ~~The audit of public transportation operator finances already
7 required under the Transportation Development Act pursuant to
8 Section 99245 of the Public Utilities Code shall be expanded to
9 include verification of receipt and appropriate expenditure of bond
10 funds pursuant to this section. Each sponsoring entity receiving
11 bond funds from this account in a fiscal year for which an audit is
12 conducted shall transmit a copy of the audit to the department, and
13 the department shall make the audits available to the Legislature
14 and the Controller for review on request.~~

15 (e) ~~The department and sponsoring entities shall cooperate with
16 the commission in the preparation of the summary required under
17 this subdivision. The commission shall include in its annual report
18 to the Legislature, required by Section 14535, a summary of state
19 activities related to the administration of these funds. The summary,
20 based on the information submitted by each sponsoring entity
21 pursuant to subdivision (b), at a minimum, shall include a
22 description and the location of the projects contained in the
23 program for that year, the amount of funds allocated to each project,
24 the status of each project, and a description of the mobility,
25 congestion reduction, air quality, or other benefits or improvements
26 the program is achieving.~~