

AMENDED IN ASSEMBLY MAY 1, 2007

AMENDED IN ASSEMBLY APRIL 10, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1295**

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**Introduced by Assembly Member Spitzer**

February 23, 2007

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An act to ~~add Section 130244 to~~ amend Section 130240 of, and to add Sections 130244, 130244.5, and 130245 to, the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1295, as amended, Spitzer. Transportation facilities: tolls: *Orange and Riverside County*. ~~County~~. *Counties*.

*Existing law provides for the Orange County Transportation Authority to assume responsibility for a toll lane on State Highway Route 91 in Orange and Riverside Counties under an assignment of a franchise agreement between the Department of Transportation and a private toll road operator. Existing law authorizes the authority to issue bonds and impose tolls relative to this toll lane, but not to extend beyond 2030, at which point the toll lane would revert to the department. Existing law requires toll revenues from the toll lane to be used for capital and operating expenses of the toll lane, including debt service, and for transportation purposes related to State Highway Route 91. Existing law creates an advisory committee to make recommendations to the authority regarding the toll lane and related issues.*

*This bill would authorize the Orange County Transportation Authority to eliminate its rights, interests, and obligations in the Riverside County portion of the State Highway Route 91 toll lane by partial assignment*

*to the Riverside County Transportation Commission or by amendment to the franchise agreement. The bill would delete the 2030 limitation on issuance of bonds and collection of tolls, and would provide for the reversion of the portion of the toll lane under the authority's control from the authority to the department at the expiration of the franchise agreement. The bill would authorize toll revenues to be used for transportation purposes in the State Highway Route 91 Corridor, defined to mean the area within 5 miles of the toll lane.*

*This bill would authorize the Riverside County Transportation Commission to impose tolls for 50 years on a toll lane on its portion of State Highway Route 91, subject to extension beyond that time if approved by the department, and would authorize toll revenues to be used for capital and operating expenses of the toll lane, including debt service, and for transportation purposes in the SR 91 Corridor, defined to mean the area within 5 miles of the Riverside County portion of the toll lane extending east to State Highway Route 215. The bill would authorize the commission, or a nonprofit corporation on the commission's behalf, to issue bonds for transportation facilities within that corridor. The bill would provide for reversion of the toll lane to the department at the request of the commission after bonds are repaid. The bill would enact alternative provisions to current law governing the payment bonds that the commission is to obtain for projects undertaken pursuant to these provisions. The bill would state that the commission is not entitled to compensation for the adverse affects on toll revenues from construction of competing facilities within the SR 91 Corridor by the department or a local agency. These and other related provisions would only apply if the responsibility for the Riverside County portion of the current Route 91 toll lane is transferred from the authority to the commission.*

*The bill would enact similar provisions applicable to the Riverside County Transportation Commission for construction of a toll lane on State Highway Route 15 in Riverside County. Toll revenues would be used for capital and operating expenses of the toll lane, including debt service, and for transportation purposes in this corridor, defined to mean the area within 5 miles of the toll lane.*

*The bill would delete the requirement for the existing State Highway Route 91 advisory committee and instead create a new advisory committee, with specified responsibilities. Members would be appointed by both the Orange County Transportation Authority and the Riverside County Transportation Commission, with costs of the committee to be*

*shared by both entities. The bill would also require both entities to conduct an annual audit of toll revenues and expenditures. The bill would thereby impose a state-mandated local program.*

*The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.*

~~Existing law authorizes regional transportation agencies, in cooperation with the Department of Transportation, to apply to the California Transportation Commission to develop and operate a value pricing program with high-occupancy toll (HOT) lanes, under which single-occupant vehicles may use designated high-occupancy vehicle lanes at certain times of day upon obtaining a permit and paying a fee. Toll revenues are used for the administration and operation of a value pricing program and exclusive or preferential lane facilities for public transit. Applications under these provisions are limited to 4 projects statewide and must be approved before January 1, 2012.~~

~~Existing law also authorizes the San Diego Association of Governments, the Sunol Smart Carpool Lane Joint Powers Authority, the Santa Clara Valley Transportation Authority, and the Alameda County Congestion Management Agency to undertake similar value pricing programs involving various other HOT lanes under the jurisdiction of these sponsoring agencies. Existing law requires a report to the Legislature within 3 years after the sponsoring agency first collects tolls under these specific provisions, and terminates the authority granted under these provisions 4 years after the first collection of tolls.~~

~~This bill would authorize the Riverside County Transportation Commission to contract for construction of transportation projects on State Highway Route 15 within the county, and would authorize the commission to impose tolls for 50 years, subject to extension by the department. The bill would authorize the commission to issue bonds in that regard to finance project and related costs. The bill would authorize the department to enter into agreements with the commission. The bill would enact alternative provisions to current law governing the payment bonds that the commission is to obtain for projects undertaken pursuant to these provisions. The bill would enact other related provisions.~~

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

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

1     SECTION 1. Section 130240 of the Public Utilities Code is  
2 amended to read:

3     130240. (a) “Transit” means as defined in Section 40005.

4     (b) (1) The Orange County Transportation Authority may  
5 acquire, construct, develop, lease, jointly develop, own, operate,  
6 maintain, control, use, jointly use, or dispose of rights-of-way, rail  
7 lines, monorails, guideways, buslines, stations, platforms, switches,  
8 yards, terminals, parking lots, air rights, land rights, development  
9 rights, entrances and exits, and any and all other facilities for,  
10 incidental to, necessary for, or convenient for transit service,  
11 including, but not limited to, facilities and structures physically or  
12 functionally related to transit service, within or partly without the  
13 county, underground, upon, or above the ground and under, upon  
14 or over public streets, highways, bridges, or other public ways or  
15 waterways, together with all physical structures necessary for,  
16 incidental to, or convenient for the access of persons and vehicles  
17 thereto, and may acquire, lease, sell, or otherwise contract with  
18 respect to any interest in or rights to the use or joint use of any or  
19 all of the foregoing. However, installations on state freeways are  
20 subject to the approval of the Department of Transportation and  
21 installations in other state highways are subject to Article 2  
22 (commencing with Section 670) of Chapter 3 of Division 1 of the  
23 Streets and Highways Code.

24     (2) With respect to the segment of State Highway Route 91  
25 between ~~Interstate~~ State Highway Route 15 and State Highway  
26 Route 55 only, the Orange County Transportation Authority may  
27 exercise all of the powers contained in paragraph (1) that apply to  
28 streets, highways, bridges, and connector roads.

29     (3) The exercise of the powers provided to the Orange County  
30 Transportation Authority in paragraph (2) is subject to approval  
31 by the Board of Supervisors of Riverside County and the Riverside  
32 County Transportation Commission and in consultation with the  
33 advisory committee described in paragraph (1) of subdivision (h)  
34 as it relates to the use of those powers in Riverside County under  
35 the terms of the franchise agreement described in subdivision (c).

1 (c) If the Orange County Transportation Authority requests, the  
2 department shall approve the assignment to the Orange County  
3 Transportation Authority of the Amended and Restated  
4 Development Franchise Agreement, as amended, between the  
5 department and the California Private Transportation Company,  
6 L.P. (CPTC) for the State Highway Route 91 median improvements  
7 as authorized by Section 143 of the Streets and Highways Code,  
8 subject to the requirement that subdivisions (a) to (f), inclusive,  
9 of Section 2 of Article 3 of the restated franchise agreement be  
10 deleted in their entirety in the event that CPTC and the authority  
11 agree to the assignment of all of CPTC's interests in the franchise  
12 agreement to the authority.

13 (d) The Orange County Transportation Authority shall have the  
14 authority to impose tolls for use of the State Highway Route 91  
15 facilities as authorized by the franchise agreement. ~~After the bonds~~  
16 ~~issued pursuant to subdivision (f) are paid in their entirety or on~~  
17 ~~December 31, 2030, whichever occurs earlier, the Orange County~~  
18 ~~Transportation Authority shall have no further authority to impose~~  
19 ~~or to collect a toll for the use of the segment of State Highway~~  
20 ~~Route 91 between Interstate Highway Route 15 and State Highway~~  
21 ~~Route 55.~~

22 (e) Toll revenues from the use of State Highway Route 91  
23 ~~facilities between Interstate Highway Route 15 and State Highway~~  
24 ~~Route 55 shall only be used by the Orange County Transportation~~  
25 ~~Authority for capital and operating expenses, including payment~~  
26 ~~of purchase costs, debt service, and satisfaction of other covenants~~  
27 ~~and obligations relating to indebtedness, and for transportation~~  
28 ~~related to purposes related to, necessary for, incidental to, or~~  
29 ~~convenient for transportation in the State Highway Route 91~~  
30 ~~Corridor, which shall mean the area within five miles of State~~  
31 ~~Highway Route 91 between Interstate State Highway Route 15~~  
32 ~~and State Highway Route 55, excluding other toll roads. Prior to~~  
33 ~~July 1, 2003, the~~ The Orange County Transportation Authority, in  
34 consultation with the department and the Riverside County  
35 Transportation Commission, shall issue a plan and a proposed  
36 completion schedule for ~~the transportation improvements on~~ in  
37 ~~the State Highway Route 91 between Interstate Highway Route~~  
38 ~~15 and State Highway Route 55 Corridor.~~ The Orange County  
39 Transportation Authority shall update the plan on an annual basis  
40 until all improvements described in the plan have been completed.

1 (f) The Orange County Transportation Authority may incur  
2 indebtedness and obligations, and may issue bonds, refund bonds,  
3 and assume existing bonds for purposes authorized by this section  
4 ~~for a period not to extend beyond the year 2030~~. Indebtedness and  
5 bonds issued under this section do not constitute a debt or liability  
6 of the state or any other public agency, other than the authority,  
7 or a pledge of the faith and credit of the state or any other public  
8 agency, other than the authority. Bonds issued under this section  
9 shall not be deemed to constitute a debt or liability of the state or  
10 any political subdivision thereof, other than the bank and the  
11 authority, or a pledge of the faith and credit of the state or of any  
12 political subdivision, but shall be payable solely from the revenues  
13 and assets pledged to the repayment of the bonds. All bonds issued  
14 under this section shall contain on the face of the bond a statement  
15 to the same effect.

16 (g) Notwithstanding Section 143 of the Streets and Highways  
17 Code, the State Highway Route 91 facility constructed and operated  
18 under the authority of a franchise agreement approved pursuant  
19 to that section shall revert to the state at the expiration of the lease  
20 or termination of the franchise agreement at no cost to the state.

21 ~~(h) (1) An advisory committee shall be created to review issues  
22 and make recommendations to the Orange County Transportation  
23 Authority regarding the transportation facilities acquired from  
24 CPTC, including tolls imposed, operations, maintenance, and use  
25 of toll revenues, and improvements in the area of State Highway  
26 Route 91 between Interstate Highway Route 15 and State Highway  
27 Route 55, including the identification and siting of alternative  
28 highways. The committee shall consist of 10 voting members and  
29 three nonvoting members, as follows:~~

30 ~~(A) Five members of the board of directors of the Orange  
31 County Transportation Authority appointed by that board.~~

32 ~~(B) Five members of the Riverside County Transportation  
33 Commission appointed by that commission.~~

34 ~~(C) One member of the San Bernardino Associated Governments  
35 appointed by that body and the district directors of Districts 8 and  
36 12 of the Department of Transportation, all of whom shall be  
37 nonvoting members.~~

38 ~~(2) When reviewing the initial toll structure proposed by the  
39 Orange County Transportation Authority or any changes to the  
40 toll structure, the advisory committee shall place an information~~

1 item on a regularly scheduled agenda for due public comment and  
2 consideration of the advisory committee.

3 ~~(3) The Orange County Transportation Authority shall conduct~~  
4 ~~an audit on an annual basis of the toll revenues collected and~~  
5 ~~expenditures made during the term of franchise agreement. The~~  
6 ~~audit shall review revenues and expenditures for consistency with~~  
7 ~~the provisions of this section and shall be provided to the advisory~~  
8 ~~committee.~~

9 ~~(4) The Orange County Transportation Authority shall pay all~~  
10 ~~costs associated with the requirements of this subdivision.~~

11 ~~(i)~~

12 *(h)* The Orange County Transportation Authority shall not  
13 impose tolls for the use of nor construct and operate State Highway  
14 Route 91 facilities in the County of Riverside without prior  
15 approval by the Board of Supervisors of the County of Riverside,  
16 the Riverside County Transportation Commission, and the advisory  
17 committee.

18 ~~(j)~~

19 *(i)* The Orange County Transportation Authority shall not sell  
20 or assign its interest in the franchise agreement without approval  
21 by the Legislature by enactment of a statute provided that approval  
22 shall not be required in connection with granting rights and  
23 remedies to lenders under Article 16 of the restated franchise  
24 agreement.

25 ~~(k) After the bonds issued pursuant to this section are paid off~~  
26 ~~in their entirety, or on December 31, 2030, whichever occurs~~  
27 ~~earlier, that segment of State Highway Route 91 between Interstate~~  
28 ~~Highway Route 15 and State Highway Route 55 shall revert to the~~  
29 ~~department.~~

30 *(j)* Upon expiration of the franchise agreement, that segment  
31 of State Highway Route 91 between State Highway Route 15 and  
32 State Highway Route 55 shall revert to the department.

33 ~~(t)~~

34 *(k)* In the event that the Orange County Transportation Authority  
35 decides to sell or assign its interest in the franchise agreement, the  
36 Orange County Transportation Authority shall provide written  
37 notice at least 90 days in advance of the date they submit their  
38 request for approval by the department pursuant to this subdivision.  
39 The written notice shall be provided to the advisory committee

1 created pursuant to Section 130245 and the Riverside County  
 2 Transportation Commission.

3 (l) The Orange County Transportation Authority shall be  
 4 authorized to eliminate its rights, interests, and obligations relative  
 5 to State Highway Route 91 in Riverside County, either by partial  
 6 assignment to the Riverside County Transportation Commission,  
 7 or by amendment to the restated franchise agreement, as amended.  
 8 In the event of a partial assignment or amendment, the department  
 9 shall consent and the term of the restated franchise agreement, as  
 10 amended by the partial assignment or amendment, shall be  
 11 extended to a date determined by the authority, which date shall  
 12 be no later than December 31, 2065.

13 (m) In the event the Riverside County Transportation  
 14 Commission constructs and operates toll facilities on State  
 15 Highway Route 91 between the Orange County border and State  
 16 Highway Route 15, then it is the intent of the Legislature that the  
 17 Riverside County Transportation Commission and the Orange  
 18 County Transportation Authority enter into an agreement providing  
 19 for the coordination of the respective toll facilities operated by  
 20 each entity on State Highway Route 91.

21 SEC. 2. Section 130244 is added to the Public Utilities Code,  
 22 to read:

23 130244. (a) For the purposes of this section, the following  
 24 terms shall have the following meanings:

25 (1) "Authority" means the Orange County Transportation  
 26 Authority.

27 (2) "Bonds" means bonds, notes, or other evidences of  
 28 indebtedness authorized to be issued pursuant to paragraph (2)  
 29 of subdivision (b).

30 (3) "Commission" means the Riverside County Transportation  
 31 Commission.

32 (4) "Department" means the Department of Transportation.

33 (5) "Franchise agreement" means the franchise agreement  
 34 assigned to the authority pursuant to subdivision (c) of Section  
 35 130240.

36 (6) "SR 91 Corridor" means the area within five miles of State  
 37 Highway Route 91 between State Highway Route 15 and State  
 38 Highway Route 55.

39 (7) "Transportation facilities" means one or more of the  
 40 following: (A) general purpose toll lanes, (B) lanes or facilities

1 where the tolls may be levied and may vary according to levels of  
2 congestion anticipated or experience or according to the occupancy  
3 of the vehicle, (C) facilities or lanes utilizing combinations of or  
4 variations on (A) or (B), or other strategies the commission may  
5 determine appropriate on a facility-by-facility basis, and (D)  
6 nontolled facilities, structures, onramps, connector roads, bridges,  
7 and roadways that are incidental to, related to, or desirable for  
8 the design, construction, operation, maintenance, or financing of  
9 any of the items in (A), (B), or (C).

10 (8) "Transportation project" means the planning, design,  
11 development, financing, construction, reconstruction,  
12 rehabilitation, improvement, acquisition, lease, operation, or  
13 maintenance, or any combination of these, with respect to  
14 transportation facilities within the SR 91 Corridor between the  
15 border of Orange and Riverside Counties to the west and State  
16 Highway Route 215 to the east.

17 (b) Pursuant to subdivision (m) of Section 130240, the authority  
18 may amend, assign, or terminate the Riverside County portion of  
19 the franchise agreement in the interest of advancing the  
20 transportation project described in paragraph (8) of subdivision  
21 (a). The department, upon request of the authority, shall approve  
22 an amendment to the franchise agreement to eliminate any portion  
23 of the SR 91 Corridor within Riverside County from the franchise  
24 agreement.

25 (c) (1) The commission shall have the authority to set, levy,  
26 and collect tolls, user fees, or other similar charges payable for  
27 use of the transportation project, and any other incidental or  
28 related fees or charges, in amounts as required to (A) pay capital  
29 costs (including, but not limited to, design, construction,  
30 right-of-way acquisition, and utility adjustment costs), operations  
31 and maintenance costs (including, but not limited to, toll collection,  
32 operation, and administration costs), and rehabilitation, repair,  
33 expansion, and upgrade costs, (B) repay indebtedness incurred as  
34 a result of or relating to the transportation project and related  
35 financing costs, including, but not limited to, indebtedness  
36 authorized pursuant to paragraph (2), (C) establish reserves, (D)  
37 pay for the commission's administration of the transportation  
38 project, including the toll system and toll enforcement costs, and  
39 (E) pay for any other transportation purposes that the commission

1 *is otherwise authorized to pay for or to contribute funds to within*  
2 *the SR 91 Corridor.*

3 *(2) The commission, or a nonprofit public benefit corporation*  
4 *formed on behalf of the commission, is authorized to issue bonds*  
5 *to finance the costs of the transportation project, including the*  
6 *costs of issuing the bonds and paying credit enhancement and*  
7 *other fees related to the bonds, which bonds are payable from the*  
8 *tolls authorized pursuant to paragraph (1), sales tax revenues,*  
9 *development impact fees, state and federal grant funds, or any*  
10 *other source of revenues available to the commission that may be*  
11 *used for these purposes. The bonds may be sold pursuant to the*  
12 *terms and conditions set forth in a resolution adopted by the*  
13 *governing board of the commission.*

14 *(3) The department is authorized to enter into any lease,*  
15 *easement, permit, or other agreement with the commission*  
16 *necessary to accomplish the purposes of this section.*

17 *(4) The commission shall have the authority to impose tolls for*  
18 *use of the transportation project for 50 years following the*  
19 *completion and opening of the transportation project for public*  
20 *use, after which the commission shall have no further authority to*  
21 *impose or to collect a toll for use of the transportation project,*  
22 *unless approved by the department. If requested by the commission,*  
23 *the transportation project may revert to the department after the*  
24 *bonds issued pursuant to this section are paid off in their entirety.*

25 *(d) Transportation projects developed pursuant to this section*  
26 *shall be considered a public work project for purposes of Section*  
27 *3109 of the Civil Code. Notwithstanding anything to the contrary*  
28 *in subdivision (a) of Section 3247 of the Civil Code, the payment*  
29 *bond required under that subdivision may be obtained from the*  
30 *entity with primary responsibility for construction, even though*  
31 *that entity may not have a direct contractual relationship with the*  
32 *commission, and, if the executive director of the commission*  
33 *determines that it is impracticable to obtain a 100 percent bond,*  
34 *the payment bond amount may be reduced to an amount determined*  
35 *sufficient by the executive director to protect the interests of the*  
36 *commission and the persons identified in subdivision (b) of Section*  
37 *3247 of the Civil Code.*

38 *(e) This section shall be supplemental and in addition to any*  
39 *other authority of the commission to undertake the transportation*  
40 *project. The commission may procure services, award and enter*

1 into agreements, and administer tolls, user fees, and revenues as  
2 authorized in this section notwithstanding any other requirement  
3 of state law or regulation or county ordinance or regulation  
4 relating to public bidding or other procurement procedures or  
5 other provisions otherwise applicable to public works, services,  
6 or utilities.

7 (f) This section shall not prevent the department or any local  
8 agency from constructing facilities within the SR 91 Corridor that  
9 compete with the transportation project, and in no event shall the  
10 commission be entitled to compensation for the adverse effects on  
11 toll revenues due to those facilities.

12 (g) If any provision of this section or the application thereof is  
13 held invalid, that invalidity shall not affect other provisions or  
14 applications of this section that can be given effect without the  
15 invalid provision or application, and to this extent the provisions  
16 of this section are severable.

17 (h) This section shall not apply to State Highway Route 91  
18 between the Orange County border and State Highway Route 215  
19 unless the authority amends or partially assigns the restated  
20 franchise agreement, as amended, between the department and  
21 the authority to exclude that portion of State Highway Route 91  
22 from the restated franchise agreement, as amended.

23 SEC. 3. Section 130244.5 is added to the Public Utilities Code,  
24 to read:

25 130244.5. (a) For the purposes of this section, the following  
26 terms shall have the following meanings:

27 (1) "Bonds" means bonds, notes, or other evidences of  
28 indebtedness authorized to be issued pursuant to paragraph (2)  
29 of subdivision (b).

30 (2) "Commission" means the Riverside County Transportation  
31 Commission.

32 (3) "Department" means the Department of Transportation.

33 (4) "Transportation facilities" means one or more of the  
34 following: (A) general purpose toll lanes, (B) lanes or facilities  
35 where the tolls may be levied and may vary during the course of  
36 the day or week or according to levels of congestion anticipated  
37 or experience or according to the occupancy of the vehicle, (C)  
38 facilities or lanes utilizing combinations of or variations on (A)  
39 or (B), or other strategies the commission may determine  
40 appropriate on a facility-by-facility basis, and (D) nontolled

1 facilities, structures, onramps, connector roads, bridges, and  
2 roadways that are incidental to, related to, or desirable for the  
3 design, construction, operation, maintenance, or financing of any  
4 of the items in (A), (B), or (C).

5 (5) “Transportation project” means the planning, design,  
6 development, financing, construction, reconstruction,  
7 rehabilitation, improvement, acquisition, lease, operation, or  
8 maintenance, or any combination of these, with respect to  
9 transportation facilities within the Interstate 15 Corridor between  
10 the border of San Bernardino and Riverside Counties to the north  
11 and San Diego and Riverside Counties to the south.

12 (6) “Interstate 15 Corridor” means the area within five miles  
13 of State Highway Route 15 in Riverside County between the border  
14 of San Bernardino and Riverside Counties to the north and San  
15 Diego and Riverside Counties to the south.

16 (b) (1) The commission shall have the authority to set, levy,  
17 and collect tolls, user fees, or other similar charges payable for  
18 use of the transportation project, and any other incidental or  
19 related fees or charges, in amounts as required to (A) pay capital  
20 costs (including, but not limited to, design, construction,  
21 right-of-way acquisition, and utility adjustment costs), operations  
22 and maintenance costs (including, but not limited to, toll collection,  
23 operation, and administration costs), and rehabilitation, repair,  
24 expansion, and upgrade costs, (B) repay indebtedness incurred as  
25 a result of or relating to the transportation project and related  
26 financing costs, including, but not limited to, indebtedness  
27 authorized pursuant to paragraph (2), (C) establish reserves, and  
28 (D) pay for the commission’s administration of the transportation  
29 project, including the toll system and toll enforcement costs. Toll  
30 revenues from the use of the Interstate 15 Corridor facilities  
31 between State Highway Route 74 and the San Bernardino County  
32 border shall only be used by the commission for capital and  
33 operating expenses, including payment of purchase costs, debt  
34 service, and satisfaction of other covenants and obligations related  
35 to indebtedness, and for purposes related to, necessary for,  
36 incidental to, or convenient for transportation in the Interstate 15  
37 Corridor.

38 (2) The commission, or a nonprofit public benefit corporation  
39 formed on behalf of the commission, is authorized to issue bonds  
40 to finance the costs of the transportation project, including the

1 *costs of issuing the bonds, and paying credit enhancement and*  
2 *other fees related to the bonds, which bonds are payable from the*  
3 *tolls authorized pursuant to paragraph (1), sales tax revenues,*  
4 *development impact fees, state and federal grant funds, or any*  
5 *other source of revenues available to the commission that may be*  
6 *used for these purposes. The bonds may be sold pursuant to the*  
7 *terms and conditions set forth in a resolution adopted by the*  
8 *governing board of the commission.*

9 *(3) The department is authorized to enter into any lease, license,*  
10 *easement, permit, or other agreement with the commission*  
11 *necessary to accomplish the purposes of this section.*

12 *(4) The commission shall have the authority to impose tolls for*  
13 *use of the transportation project for 50 years following the*  
14 *completion and opening of the transportation project for public*  
15 *use, after which the commission shall have no further authority to*  
16 *impose or to collect a toll for use of the transportation project,*  
17 *unless approved by the department. If requested by the commission,*  
18 *the transportation project may revert to the department after the*  
19 *bonds issued pursuant to this section are paid off in their entirety.*

20 *(c) Transportation projects developed pursuant to this section*  
21 *shall be considered a public work project for purposes of Section*  
22 *3109 of the Civil Code. Notwithstanding anything to the contrary*  
23 *in subdivision (a) of Section 3247 of the Civil Code, the payment*  
24 *bond required under that subdivision may be obtained from the*  
25 *entity with primary responsibility for construction, even though*  
26 *that entity may not have a direct contractual relationship with the*  
27 *commission, and, if the executive director of the commission*  
28 *determines that it is impracticable to obtain a 100 percent bond,*  
29 *the payment bond amount may be reduced to an amount determined*  
30 *sufficient by the executive director to protect the interests of the*  
31 *commission and the persons identified in subdivision (b) of Section*  
32 *3247 of the Civil Code.*

33 *(d) This section shall be supplemental and in addition to any*  
34 *other authority of the commission to undertake the transportation*  
35 *project. The commission may procure services, award and enter*  
36 *into agreements, and administer tolls, user fees, and revenues as*  
37 *authorized in this section notwithstanding any other requirement*  
38 *of state law or regulation or county ordinance or regulation*  
39 *relating to public bidding or other procurement procedures or*

1 *other provisions otherwise applicable to public works, services,*  
 2 *or utilities.*

3 *(e) This section shall not prevent the department or any local*  
 4 *agency from constructing facilities within the Interstate 15*  
 5 *Corridor that compete with the transportation project, and in no*  
 6 *event shall the commission be entitled to compensation for the*  
 7 *adverse effects on toll revenues due to those facilities.*

8 *(f) If any provision of this section or the application thereof is*  
 9 *held invalid, that invalidity shall not affect other provisions or*  
 10 *applications of this section that can be given effect without the*  
 11 *invalid provision or application, and to this extent the provisions*  
 12 *of this section are severable.*

13 *SEC. 4. Section 130245 is added to the Public Utilities Code,*  
 14 *to read:*

15 *130245. (a) An advisory committee shall be created to review*  
 16 *issues and make recommendations to the Orange County*  
 17 *Transportation Authority and the Riverside County Transportation*  
 18 *Commission regarding the facilities authorized pursuant to*  
 19 *Sections 130240 and 130244, including tolls imposed, operations,*  
 20 *maintenance, interoperability, and use of toll revenues, and*  
 21 *improvements in the SR 91 Corridor as defined in paragraph (6)*  
 22 *of subdivision (a) of Section 130244, including the identification*  
 23 *and siting of alternative highways. The committee shall consist of*  
 24 *10 voting members and three nonvoting members, as follows:*

25 *(1) Five members of the Board of Directors of the Orange*  
 26 *County Transportation Authority appointed by that board.*

27 *(2) Five members of the Riverside County Transportation*  
 28 *Commission appointed by that commission.*

29 *(3) One member of the San Bernardino Associated Governments*  
 30 *appointed by that body, and the district directors of Districts 8*  
 31 *and 12 of the Department of Transportation, all of whom shall be*  
 32 *nonvoting members.*

33 *(b) The advisory committee shall establish rules for the conduct*  
 34 *of committee meetings, which rules shall be approved by both the*  
 35 *Orange County Transportation Authority and the Riverside County*  
 36 *Transportation Commission. The authority and the commission*  
 37 *may appoint alternates to the committee.*

38 *(c) When reviewing the initial toll structure proposed by the*  
 39 *Orange County Transportation Authority and the Riverside County*  
 40 *Transportation Commission or any changes to the toll structure,*

1 *the advisory committee shall place an information item on a*  
2 *regularly scheduled agenda for public comment and consideration*  
3 *of the advisory committee.*

4 *(d) The Orange County Transportation Authority shall conduct*  
5 *an audit on an annual basis of the toll revenues collected and*  
6 *expenditures made during its operation of the facilities authorized*  
7 *in Section 130240. The audit shall review revenues and*  
8 *expenditures related to those facilities for consistency with that*  
9 *section and shall be provided to the advisory committee.*

10 *(e) The Riverside County Transportation Commission shall*  
11 *conduct an audit on an annual basis of the toll revenues collected*  
12 *and expenditures made during its operation of the facilities*  
13 *authorized in Section 130244. The audit shall review revenues and*  
14 *expenditures related to those facilities for consistency with that*  
15 *section and shall be provided to the advisory committee.*

16 *(f) The Orange County Transportation Authority and the*  
17 *Riverside County Transportation Commission shall equally share*  
18 *all costs associated with this section.*

19 *SEC. 4. If the Commission on State Mandates determines that*  
20 *this act contains costs mandated by the state, reimbursement to*  
21 *local agencies and school districts for those costs shall be made*  
22 *pursuant to Part 7 (commencing with Section 17500) of Division*  
23 *4 of Title 2 of the Government Code.*

24 ~~SECTION 1. Section 130244 is added to the Public Utilities~~  
25 ~~Code, to read:~~

26 ~~130244. (a) For the purposes of this section, the following~~  
27 ~~terms shall have the following meanings:~~

28 ~~(1) "Bonds" means bonds, notes, or other evidences of~~  
29 ~~indebtedness authorized to be issued pursuant to paragraph (2) of~~  
30 ~~subdivision (b).~~

31 ~~(2) "Commission" means the Riverside County Transportation~~  
32 ~~Commission.~~

33 ~~(3) "Department" means the Department of Transportation.~~

34 ~~(4) "Transportation facilities" means one or more of the~~  
35 ~~following: (A) general purpose toll lanes, (B) high-occupancy~~  
36 ~~vehicle lanes that may be used by single-occupant vehicles at~~  
37 ~~certain times of day upon obtaining a permit and paying a fee,~~  
38 ~~otherwise known as high-occupancy toll lanes, (C) lanes or~~  
39 ~~facilities where the tolls may vary during the course of the day or~~  
40 ~~week or according to levels of congestion anticipated or experience,~~

1 ~~(D) facilities or lanes utilizing combinations of or variations on~~  
2 ~~(A), (B), and (C), or other strategies the commission may determine~~  
3 ~~appropriate on a facility-by-facility basis, and (E) nontolled~~  
4 ~~facilities, structures, onramps, connector roads, bridges, and~~  
5 ~~roadways that are incidental to, related to, or desirable for the~~  
6 ~~design, construction, operation, maintenance, or financing of any~~  
7 ~~of the items in this paragraph.~~

8 ~~(5) “Transportation project” means the planning, design,~~  
9 ~~development, financing, construction, reconstruction, rehabilitation,~~  
10 ~~improvement, acquisition, lease, operation, or maintenance, or any~~  
11 ~~combination of these, with respect to transportation facilities within~~  
12 ~~the State Highway Route 15 (Interstate 15) corridor in Riverside~~  
13 ~~County between San Bernardino County and San Diego County.~~

14 ~~(b) (1) The commission shall have the authority to set and~~  
15 ~~collect tolls, user fees, or other similar charges payable for use of~~  
16 ~~a transportation project, and any other incidental or related fees or~~  
17 ~~charges, in an amount as required to (A) pay capital costs,~~  
18 ~~operations and maintenance costs, and rehabilitation, repair, and~~  
19 ~~upgrade costs, (B) repay indebtedness incurred as a result of or~~  
20 ~~relating to the transportation project and related financing costs,~~  
21 ~~including, but not limited to, indebtedness authorized pursuant to~~  
22 ~~paragraph (2), (C) establish reserves, (D) pay for the commission’s~~  
23 ~~administration of the transportation project, including the toll~~  
24 ~~system and toll enforcement costs, and (E) pay for any other~~  
25 ~~transportation purposes that the commission is otherwise authorized~~  
26 ~~to pay for or to contribute funds to.~~

27 ~~(2) The commission, or a nonprofit public benefit corporation~~  
28 ~~formed on behalf of the commission, is authorized to issue bonds~~  
29 ~~to finance the costs of a transportation project, including the costs~~  
30 ~~of issuing the bonds, and paying credit enhancement and other~~  
31 ~~fees related to the bonds, which bonds are payable from the tolls~~  
32 ~~authorized pursuant to paragraph (1), sales tax revenues,~~  
33 ~~development impact fees, state and federal funds, or any other~~  
34 ~~source of revenues available to the commission that may be used~~  
35 ~~for these purposes. The bonds may be sold pursuant to the terms~~  
36 ~~and conditions set forth in a resolution adopted by the governing~~  
37 ~~board of the commission.~~

38 ~~(3) The department is authorized to enter into any lease,~~  
39 ~~easement, permit, or other agreement with the commission~~  
40 ~~necessary to accomplish the purposes of this section.~~

1 ~~(4) The commission shall have the authority to impose tolls for~~  
2 ~~use of the transportation project for 50 years following the~~  
3 ~~completion and opening of the transportation project for public~~  
4 ~~use, after which the commission shall have no further authority to~~  
5 ~~impose or to collect a toll for use of the transportation project,~~  
6 ~~unless approved by the department. If requested by the commission,~~  
7 ~~the transportation project may revert to the department after the~~  
8 ~~bonds issued pursuant to this section are paid off in their entirety.~~

9 ~~(e) (1) The commission is authorized to contract for a~~  
10 ~~transportation project. These contracts may be entered into~~  
11 ~~separately or may be combined to include any or all tasks necessary~~  
12 ~~for completion of the transportation project and subsequent~~  
13 ~~operations and maintenance. Notwithstanding Section 130232, all~~  
14 ~~contracts awarded by the commission shall be awarded based on~~  
15 ~~criteria established by the commission, which may include price,~~  
16 ~~qualifications, technical merit, or competitive negotiation, or any~~  
17 ~~combination of these.~~

18 ~~(2) Transportation projects developed pursuant to this section~~  
19 ~~shall be considered a public work project for purposes of Section~~  
20 ~~3109 of the Civil Code. Notwithstanding anything to the contrary~~  
21 ~~in subdivision (a) of Section 3247 of the Civil Code, the payment~~  
22 ~~bond required under that subdivision may be obtained from the~~  
23 ~~entity with primary responsibility for construction, even though~~  
24 ~~that entity may not have a direct contractual relationship with the~~  
25 ~~commission, and, if the executive director of the commission~~  
26 ~~determines that it is impracticable to obtain a 100 percent bond,~~  
27 ~~the payment bond amount may be reduced to an amount determined~~  
28 ~~sufficient by the executive director to protect the interests of the~~  
29 ~~commission and the persons identified in subdivision (b) of Section~~  
30 ~~3247 of the Civil Code.~~

31 ~~(d) This section shall be supplemental and in addition to any~~  
32 ~~other authority of the commission to undertake a transportation~~  
33 ~~project. The commission may procure services, award and enter~~  
34 ~~into agreements, and administer tolls, user fees, and revenues as~~  
35 ~~authorized in this section notwithstanding any other requirement~~  
36 ~~of state law or regulation or county ordinance or regulation relating~~  
37 ~~to public bidding or other procurement procedures or other~~  
38 ~~provisions otherwise applicable to public works, services, or~~  
39 ~~utilities.~~

1     ~~(e) If any provision of this section or the application thereof is~~  
2 ~~held invalid, that invalidity shall not affect other provisions or~~  
3 ~~applications of this section that can be given effect without the~~  
4 ~~invalid provision or application, and to this extent the provisions~~  
5 ~~of this section are severable.~~

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