

AMENDED IN ASSEMBLY AUGUST 4, 2014

AMENDED IN ASSEMBLY JUNE 30, 2014

AMENDED IN ASSEMBLY JUNE 15, 2014

AMENDED IN SENATE MAY 21, 2014

SENATE BILL

No. 983

Introduced by Senator Hernandez

February 11, 2014

An act to amend Section 149.7 of, and to add Section 149.2 to, the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 983, as amended, Hernandez. High-occupancy toll lanes.

Existing law provides that the Department of Transportation has full possession and control of the state highway system. Existing law authorizes the department to construct exclusive or preferential lanes for buses only or for buses and other high-occupancy vehicles.

Existing law authorizes a regional transportation agency, as defined, in cooperation with the department 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 consistent with established standards, requirements, and limitations that apply to specified facilities. Existing law limits the number of approved facilities to not more than 4, 2 in northern California and 2 in southern California, and provides that no applications may be approved on or after January 1, 2012.

This bill would delete the requirement that the above-described facilities be consistent with the established standards, requirements,

and limitations that apply to specified facilities and would instead require the commission to establish guidelines for the development and operation of the facilities *approved by the commission on or after January 1, 2015*, subject to specified minimum requirements. *The bill would provide that these provisions do not authorize the conversion of any existing nontoll or nonuser-fee lanes into tolled or user-fee lanes, except that a high-occupancy vehicle lane may be converted into a high-occupancy toll lane pursuant to its provisions. The bill would authorize a regional transportation agency to issue bonds, refunding bonds, or bond anticipation notes backed by revenues generated from the facilities.* The bill would additionally authorize ~~specified local transportation authorities~~ and the Santa Clara Valley Transportation Authority to apply to the commission for purposes of the above-described provisions. The bill would remove the limitations on the number of approved facilities and would delete the January 1, 2012, deadline for HOT lane applications. The bill would provide that each application is subject to the review and approval of the commission and would require a regional transportation agency that applies to the commission to reimburse the commission for all of the commission's cost and expense incurred in processing the application.

This bill would additionally authorize the department to apply to the commission to develop and operate HOT lanes and associated facilities. *The bill would also authorize the department to issue bonds, refunding bonds, or bond anticipation notes backed by revenues generated from the facilities.*

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. Section 149.2 is added to the Streets and
- 2 Highways Code, to read:
- 3 149.2. (a) The department may apply to the commission to
- 4 develop and operate high-occupancy toll lanes, including the
- 5 administration and operation of a value pricing program and
- 6 exclusive or preferential lane facilities for public transit.
- 7 (b) Each application for the development and operation of the
- 8 facilities described in subdivision (a) shall be subject to review
- 9 and approval by the commission pursuant to eligibility criteria
- 10 established by the commission. For each eligible application, the

1 commission shall conduct at least one public hearing in northern
2 California and one in southern California.

3 ~~(e) The department shall reimburse the commission for all of~~
4 ~~the commission's costs and expenses incurred in processing the~~
5 ~~application.~~

6 ~~(d)~~

7 (c) The commission shall establish guidelines for the
8 development and operation of facilities described in subdivision
9 (a) and approved by the commission pursuant to this section,
10 subject to the following minimum requirements:

11 (1) The department shall develop and operate the facilities in
12 cooperation with regional transportation agencies, as applicable,
13 and with the active participation of the Department of the California
14 Highway Patrol.

15 (2) The department shall be responsible for establishing,
16 collecting, and administering tolls.

17 (3) The department shall be responsible for paying for the
18 maintenance of the facilities from net toll revenue.

19 (4) The revenue generated from the operation of the facilities
20 shall be available to the department for the direct expenses related
21 to the maintenance, administration, and operation, including
22 collection and enforcement, of the facilities.

23 (5) All remaining revenue generated by the facilities shall be
24 used in the corridor from which the revenue was generated pursuant
25 to an expenditure plan developed by the department and approved
26 by the commission.

27 (6) This section shall not prevent any *regional transportation*
28 *agency or* local agency from constructing facilities that compete
29 with the facilities approved by the commission and the department
30 shall not be entitled to compensation for the adverse effects on toll
31 revenue due to those competing facilities.

32 ~~(e)~~

33 (d) The department shall provide any information or data
34 requested by the commission or the Legislative Analyst relating
35 to a facility that the department develops or operates pursuant to
36 this section. The commission, in cooperation with the Legislative
37 Analyst, shall annually prepare a report on the progress of the
38 development and operation of a facility authorized under this
39 section. The commission may submit this report as a section in its

1 annual report to the Legislature required pursuant to Section 14535
2 of the Government Code.

3 (e) (1) *The department may issue bonds, refunding bonds, or*
4 *bond anticipation notes, at any time, to finance construction of,*
5 *and construction-related expenditures for, facilities approved*
6 *pursuant to this section, and construction and construction-related*
7 *expenditures that are included in the expenditure plan adopted*
8 *pursuant to paragraph (5) of subdivision (c), payable from the*
9 *revenues generated from the respective facilities.*

10 (2) *Any bond issued pursuant to this subdivision shall contain*
11 *on its face a statement to the following effect:*

12
13 *“Neither the full faith and credit nor the taxing power of the*
14 *State of California is pledged to the payment of principal of, or*
15 *the interest on, this bond.”*

16
17 (f) *Nothing in this section shall authorize the conversion of any*
18 *existing nontoll or nonuser-fee lanes into tolled or user-fee lanes,*
19 *except that a high-occupancy vehicle lane may be converted into*
20 *a high-occupancy toll lane.*

21 SEC. 2. Section 149.7 of the Streets and Highways Code is
22 amended to read:

23 149.7. (a) A regional transportation agency, as defined in
24 subdivision ~~(f)~~, (g), in cooperation with the department, may apply
25 to the commission to develop and operate high-occupancy toll
26 lanes, including the administration and operation of a value pricing
27 program and exclusive or preferential lane facilities for public
28 transit.

29 (b) Each application for the development and operation of the
30 facilities described in subdivision (a) shall be subject to review
31 and approval by the commission pursuant to eligibility criteria
32 established by the commission. For each eligible application, the
33 commission shall conduct at least one public hearing in northern
34 California and one in southern California.

35 (c) A regional transportation agency that applies to the
36 commission to develop and operate facilities described in
37 subdivision (a) shall reimburse the commission for all of the
38 commission’s cost and expense incurred in processing the
39 application.

1 (d) The commission shall establish guidelines for the
2 development and operation of facilities described in subdivision
3 (a) and approved by the commission *on or after January 1, 2015*,
4 pursuant to this section, subject to the following minimum
5 requirements:

6 (1) The regional transportation agency shall develop and operate
7 the facilities in cooperation with the department, and the active
8 participation of the Department of the California Highway Patrol,
9 pursuant to an agreement that addresses all matters related to
10 design, construction, maintenance, and operation of state highway
11 system facilities in connection with the facilities.

12 (2) The regional transportation agency shall be responsible for
13 establishing, collecting, and administering tolls.

14 (3) The regional transportation agency shall be responsible for
15 paying for the maintenance of the facilities from net toll revenue,
16 pursuant to an agreement between the department and the regional
17 transportation agency.

18 (4) The revenue generated from the operation of the facilities
19 shall be available to the regional transportation agency for the
20 direct expenses related to the maintenance, administration, and
21 operation, including collection and enforcement, of the facilities.

22 (5) All remaining revenue generated by the facilities shall be
23 used in the corridor from which the revenue was generated pursuant
24 to an expenditure plan adopted by the regional transportation
25 agency.

26 (6) This section shall not prevent the department or any local
27 agency from constructing facilities that compete with the facilities
28 approved by the commission and the regional transportation agency
29 shall not be entitled to compensation for the adverse effects on toll
30 revenue due to those competing facilities.

31 (e) A regional transportation agency that develops or operates
32 a facility, or facilities, described in subdivision (a) shall provide
33 any information or data requested by the commission or the
34 Legislative Analyst. The commission, in cooperation with the
35 Legislative Analyst, shall annually prepare a report on the progress
36 of the development and operation of a facility authorized under
37 this section. The commission may submit this report as a section
38 in its annual report to the Legislature required pursuant to Section
39 14535 of the Government Code.

1 (f) (1) A regional transportation agency may issue bonds,
 2 refunding bonds, or bond anticipation notes, at any time, to finance
 3 construction of, and construction-related expenditures for, facilities
 4 approved pursuant to this section, and construction and
 5 construction-related expenditures that are included in the
 6 expenditure plan adopted pursuant to paragraph (5) of subdivision
 7 (d), payable solely from the revenues generated from the respective
 8 facilities.

9 (2) Any bond issued pursuant to this subdivision shall contain
 10 on its face a statement to the following effect:

11
 12 “Neither the full faith and credit nor the taxing power of the
 13 State of California is pledged to the payment of principal of, or
 14 the interest on, this bond.”

15
 16 (f)

17 (g) Notwithstanding Section 143, for purposes of this section,
 18 “regional transportation agency” means any of the following:

19 (1) A transportation planning agency described in Section 29532
 20 or 29532.1 of the Government Code.

21 (2) A county transportation commission established under
 22 Section 130050, 130050.1, or 130050.2 of the Public Utilities
 23 Code.

24 (3) Any other local or regional transportation entity that is
 25 designated by statute as a regional transportation agency.

26 (4) A joint exercise of powers authority established pursuant to
 27 Chapter 5 (commencing with Section 6500) of Division 7 of Title
 28 1 of the Government Code, with the consent of a transportation
 29 planning agency or a county transportation commission for the
 30 jurisdiction in which the transportation project will be developed.

31 ~~(5) A local transportation authority designated pursuant to~~
 32 ~~Division 12.5 (commencing with Section 131000) or Division 19~~
 33 ~~(commencing with Section 180000) of the Public Utilities Code.~~

34 (6)

35 (5) The Santa Clara Valley Transportation Authority established
 36 pursuant to Part 12 (commencing with Section 100000) of Division
 37 10 of the Public Utilities Code.

38 (h) Nothing in this section shall authorize the conversion of any
 39 existing nontoll or nonuser-fee lanes into tolled or user-fee lanes,

- 1 *except that a high-occupancy vehicle lane may be converted into*
- 2 *a high-occupancy toll lane.*

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