

AMENDED IN ASSEMBLY APRIL 7, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 194

Introduced by Assembly Member Frazier

January 28, 2015

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

AB 194, as amended, Frazier. 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 requires the commission to conduct at least one public hearing in northern California and one in southern California for each eligible application submitted by the regional transportation agency.* 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 also authorize a regional transportation agency, in cooperation with the department, to apply to the commission to develop

other toll facilities, as specified. The 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, 2016, subject to specified minimum requirements. The bill would provide that these provisions do not authorize or prohibit 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 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 delete the requirement that the commission conduct at least one public hearing in northern California and one in southern California for each eligible application and would instead require the commission to conduct at least one public hearing. 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. Before submitting an application to the commission, the bill would require a regional transportation agency to consult with a local transportation authority whose jurisdiction includes the facility that the regional transportation agency proposes to develop and operate pursuant to the above-described provisions. The bill would require the regional transportation agency to give a local transportation authority, as specified, the option of entering into agreements, as needed, for project development, engineering, financial studies, and environmental documentation for each construction project or segment, and would authorize the local transportation authority to be the lead agency for those construction projects or segments.

This bill would additionally authorize the ~~department~~ department, in cooperation with a regional transportation agency, as applicable, to

apply to the commission to develop and operate HOT lanes *or other toll facilities* and associated facilities pursuant to similar 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. Section 149.2 is added to the Streets and
2 Highways Code, to read:

3 149.2. (a) ~~The department~~ *department, in cooperation with a*
4 *regional transportation agency, as applicable,* may apply to the
5 commission to develop and operate high-occupancy toll ~~lanes,~~
6 *lanes or other toll facilities,* including the administration and
7 operation of a value pricing program and exclusive or preferential
8 lane facilities for public ~~transit.~~ *transit or freight.*

9 (b) Each application for the development and operation of the
10 facilities described in subdivision (a) shall be subject to review
11 and approval by the commission pursuant to eligibility criteria
12 established by the commission. For each eligible application, the
13 commission shall conduct at least one public ~~hearing in northern~~
14 ~~California and one in southern California.~~ *hearing.*

15 (c) The commission shall establish guidelines for the
16 development and operation of facilities described in subdivision
17 (a) and approved by the commission pursuant to this section,
18 subject to the following minimum requirements:

19 (1) The department shall develop and operate the facilities in
20 cooperation with regional transportation agencies, as applicable,
21 and with the active participation of the Department of the California
22 Highway Patrol.

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

25 (3) The department shall be responsible for paying for the
26 maintenance of the ~~facilities from net toll revenue.~~ *facilities.*

27 (4) The revenue generated from the operation of the facilities
28 shall be available to the department for the direct expenses related
29 to the maintenance, administration, and operation of the facilities,
30 including toll collection and enforcement.

31 (5) All remaining revenue generated by the facilities shall be
32 used in the corridor from which the revenue was generated pursuant

1 to an expenditure plan developed by the department and approved
 2 by the commission.

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

8 (d) The department shall provide any information or data
 9 requested by the commission or the Legislative Analyst relating
 10 to a facility that the department develops or operates pursuant to
 11 this section. The commission, in cooperation with the Legislative
 12 Analyst, shall annually prepare a report on the progress of the
 13 development and operation of a facility authorized under this
 14 section. The commission may submit this report as a section in its
 15 annual report to the Legislature required pursuant to Section 14535
 16 of the Government Code.

17 (e) Nothing in this section shall authorize *or prohibit* the
 18 conversion of any existing nontoll or nonuser-fee lanes into tolled
 19 or user-fee lanes, except that a high-occupancy vehicle lane may
 20 be converted into 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 (h), in cooperation with the department, may apply to
 25 the commission to develop and operate high-occupancy toll lanes,
 26 lanes or other toll facilities, including the administration and
 27 operation of a value pricing program and exclusive or preferential
 28 lane facilities for public transit. *transit or freight.*

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. *hearing.*

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 costs and expenses 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, 2016,
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 *facilities*, pursuant to an agreement between the department and
17 the regional 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 of the facilities, including toll collection and enforcement.

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 (g) (1) Before submitting an application pursuant to subdivision
 17 (a), a regional transportation agency shall consult with any local
 18 transportation authority designated pursuant to Division 12.5
 19 (commencing with Section 131000) or Division 19 (commencing
 20 with Section 180000) of the Public Utilities Code whose
 21 jurisdiction includes the facility that the regional transportation
 22 agency proposes to develop and operate.

23 (2) *A regional transportation agency shall give a local*
 24 *transportation authority described in paragraph (1) the option to*
 25 *enter into agreements, as needed, for project development,*
 26 *engineering, financial studies, and environmental documentation*
 27 *for each construction project or segment that is part of the facility.*
 28 *The local transportation authority may be the lead agency for*
 29 *these construction projects or segments.*

30 (h) Notwithstanding Section 143, for purposes of this section,
 31 “regional transportation agency” means any of the following:

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

34 (2) A county transportation commission established under
 35 Section 130050, 130050.1, or 130050.2 of the Public Utilities
 36 Code.

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

39 (4) A joint exercise of powers authority established pursuant to
 40 Chapter 5 (commencing with Section 6500) of Division 7 of Title

1 1 of the Government Code, with the consent of a transportation
2 planning agency or a county transportation commission for the
3 jurisdiction in which the transportation project will be developed.

4 (5) The Santa Clara Valley Transportation Authority established
5 pursuant to Part 12 (commencing with Section 100000) of Division
6 10 of the Public Utilities Code.

7 (i) Nothing in this section shall authorize *or prohibit* the
8 conversion of any existing nontoll or nonuser-fee lanes into tolled
9 or user-fee lanes, except that a high-occupancy vehicle lane may
10 be converted into a high-occupancy toll lane.

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