

AMENDED IN ASSEMBLY JUNE 1, 2015

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 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~~ *costs* and ~~expense~~ *expenses* incurred in processing the application. Before submitting an application to the commission, the bill would require a regional transportation agency to consult with ~~a~~ *every* local transportation ~~authority~~ *authority, or every congestion management agency*, 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 *or congestion management agency*, 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 *or congestion management agency* to be the lead agency for those construction projects or segments.

This bill would additionally authorize the 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. The Legislature finds and declares that*
2 *high-occupancy toll lanes, express lanes, and toll roads provide*
3 *an opportunity to more effectively manage state highways in order*
4 *to increase passenger throughput and to reduce delays for freight*
5 *shipments and travelers, especially those traveling by carpool,*
6 *vanpool, or bus.*

7 ~~SECTION 1.~~

8 *SEC. 2.* Section 149.2 is added to the Streets and Highways
9 Code, to read:

10 149.2. (a) The department, in cooperation with a regional
11 transportation agency, as applicable, may apply to the commission
12 to develop and operate high-occupancy toll lanes or other toll
13 facilities, including the administration and operation of a value
14 pricing program and exclusive or preferential lane facilities for
15 public transit or freight.

16 (b) Each application for the development and operation of the
17 facilities described in subdivision (a) shall be subject to review
18 and approval by the commission pursuant to eligibility criteria
19 established by the commission. For each eligible application, the
20 commission shall conduct at least one public hearing.

21 (c) The commission shall establish guidelines for the
22 development and operation of facilities described in subdivision
23 (a) and approved by the commission pursuant to this section,
24 subject to the following minimum requirements:

25 (1) The department shall develop and operate the facilities in
26 cooperation with regional transportation agencies, as applicable,
27 and with the active participation of the Department of the California
28 Highway Patrol.

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

1 (3) The department shall be responsible for paying for the
2 maintenance of the facilities.

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

7 (5) All remaining revenue generated by the facilities shall be
8 used in the corridor from which the revenue was generated pursuant
9 to an expenditure plan developed by the department and approved
10 by the commission.

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

16 (d) The department shall provide any information or data
17 requested by the commission or the Legislative Analyst relating
18 to a facility that the department develops or operates pursuant to
19 this section. The commission, in cooperation with the Legislative
20 Analyst, shall annually prepare a report on the progress of the
21 development and operation of a facility authorized under this
22 section. The commission may submit this report as a section in its
23 annual report to the Legislature required pursuant to Section 14535
24 of the Government Code.

25 (e) Nothing in this section shall authorize or prohibit the
26 conversion of any existing nontoll or nonuser-fee lanes into tolled
27 or user-fee lanes, except that a high-occupancy vehicle lane may
28 be converted into a high-occupancy toll lane.

29 ~~SEC. 2.~~

30 *SEC. 3.* Section 149.7 of the Streets and Highways Code is
31 amended to read:

32 149.7. (a) A regional transportation agency, as defined in
33 subdivision (h), in cooperation with the department, may apply to
34 the commission to develop and operate high-occupancy toll lanes
35 or other toll facilities, including the administration and operation
36 of a value pricing program and exclusive or preferential lane
37 facilities for public transit or freight.

38 (b) Each application for the development and operation of the
39 facilities described in subdivision (a) shall be subject to review
40 and approval by the commission pursuant to eligibility criteria

1 established by the commission. For each eligible application, the
2 commission shall conduct at least one public hearing.

3 (c) A regional transportation agency that applies to the
4 commission to develop and operate facilities described in
5 subdivision (a) shall reimburse the commission for all of the
6 commission's costs and expenses incurred in processing the
7 application.

8 (d) The commission shall establish guidelines for the
9 development and operation of facilities described in subdivision
10 (a) and approved by the commission on or after January 1, 2016,
11 pursuant to this section, subject to the following minimum
12 requirements:

13 (1) The regional transportation agency shall develop and operate
14 the facilities in cooperation with the department, and the active
15 participation of the Department of the California Highway Patrol,
16 pursuant to an agreement that addresses all matters related to
17 design, construction, maintenance, and operation of state highway
18 system facilities in connection with the facilities.

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

21 (3) The regional transportation agency shall be responsible for
22 paying for the maintenance of the facilities, pursuant to an
23 agreement between the department and the regional transportation
24 agency.

25 (4) The revenue generated from the operation of the facilities
26 shall be available to the regional transportation agency for the
27 direct expenses related to the maintenance, administration, and
28 operation of the facilities, including toll collection and enforcement.

29 (5) All remaining revenue generated by the facilities shall be
30 used in the corridor from which the revenue was generated pursuant
31 to an expenditure plan adopted by the regional transportation
32 agency.

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

38 (e) A regional transportation agency that develops or operates
39 a facility, or facilities, described in subdivision (a) shall provide
40 any information or data requested by the commission or the

1 Legislative Analyst. The commission, in cooperation with the
2 Legislative Analyst, shall annually prepare a report on the progress
3 of the development and operation of a facility authorized under
4 this section. The commission may submit this report as a section
5 in its annual report to the Legislature required pursuant to Section
6 14535 of the Government Code.

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

15 (2) ~~Any bond~~ *A bond, refunding bond, or bond anticipation*
16 *note* issued pursuant to this subdivision shall contain on its face a
17 statement to the following effect:
18

19 “Neither the full faith and credit nor the taxing power of the
20 State of California is pledged to the payment of principal of, or
21 the interest on, this ~~bond~~” *instrument.*”
22

23 (g) (1) Before submitting an application pursuant to subdivision
24 (a), a regional transportation agency shall consult with ~~any~~ *every*
25 local transportation authority designated pursuant to Division 12.5
26 (commencing with Section 131000) or Division 19 (commencing
27 with Section 180000) of the Public Utilities ~~Code~~ *Code, or every*
28 *congestion management agency*, whose jurisdiction includes the
29 facility that the regional transportation agency proposes to develop
30 and operate.

31 (2) A regional transportation agency shall give a local
32 transportation authority *or congestion management agency*
33 described in paragraph (1) the option to enter into agreements, as
34 needed, for project development, engineering, financial studies,
35 and environmental documentation for each construction project
36 or segment that is part of the facility. The local transportation
37 authority *or congestion management agency* may be the lead
38 agency for these construction projects or segments.

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

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

3 (2) A county transportation commission established under
4 Section 130050, 130050.1, or 130050.2 of the Public Utilities
5 Code.

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

8 (4) A joint exercise of powers authority established pursuant to
9 Chapter 5 (commencing with Section 6500) of Division 7 of Title
10 1 of the Government Code, with the consent of a transportation
11 planning agency or a county transportation commission for the
12 jurisdiction in which the transportation project will be developed.

13 (5) The Santa Clara Valley Transportation Authority established
14 pursuant to Part 12 (commencing with Section 100000) of Division
15 10 of the Public Utilities Code.

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

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