

AMENDED IN ASSEMBLY APRIL 8, 1997

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1302**

**Introduced by Assembly Member Wayne**  
(Coauthor: Senator Alpert)

February 28, 1997

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An act to amend Section 30796.7 of, and to add Section 30796.10 to, the Streets and Highways Code, relating to highways.

LEGISLATIVE COUNSEL'S DIGEST

AB 1302, as amended, Wayne. Highways: toll bridges.

(1) Under existing law, tolls for the San Diego-Coronado Bridge are set by the San Diego Association of Governments. Existing law sets forth the purposes for which the toll revenues may be used, requires the association to adopt an expenditure plan by June 30 of every even-numbered year, and to submit copies of those plans to specified legislative committees, ~~and requires the association to perform an annual audit, as specified, of the toll revenues, to be funded solely with toll revenues.~~

This bill would instead require the association to include in the regional transportation improvement program the expenditure plan, as specified, and would delete the requirement that copies of the plan be submitted to the specified legislative committees ~~and would delete the requirement that the association perform the annual audit.~~

(2) Existing law sets forth the priority of expenditure of revenues derived from any tolls imposed on the bridge.

This bill would instead provide that the percent of revenues derived from tolls imposed on the bridge and ~~required to be~~ applied to the cost of retrofitting that bridge shall not be more than the average percent of revenues derived from state-owned toll bridges and applied to the cost of retrofitting those bridges. The bill would also authorize the San Diego Association of Governments to issue revenue bonds payable from the revenues derived from the tolls imposed on the bridge, as specified.

(3) The bill would provide that the provisions in (2) above would only become operative if an unspecified *Assembly Bill* or Senate bill is enacted and becomes effective on or before January 1, 1998, and requires all or a portion of revenues derived from state-owned toll bridges to be used for seismic safety retrofitting.

(4) The would set forth legislative findings and declarations regarding financing of state-owned toll bridges.

(5) To the extent that the bill would increase the level of service required by the association, the bill would impose a state-mandated local program.

(6) 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, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

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.

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



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

1 SECTION 1. The Legislature finds and declares that  
2 the first priority for financing seismic safety retrofitting  
3 of state-owned toll bridges shall be the six hundred fifty  
4 million dollars (\$650,000,000) from the 1996 Seismic  
5 Retrofit Account in the Seismic Retrofit Bond Fund of  
6 1996, as set forth in Section 8879.3 of the Government  
7 Code. ~~Thereafter, financing seismic safety retrofit~~  
8 ~~projects involving state-owned toll bridges shall be~~  
9 ~~derived from, first, the State Highway Account in the~~  
10 ~~State Transportation Fund and, lastly, from toll revenues~~  
11 ~~derived from state-owned toll bridges. Code.~~

12 SEC. 2. Section 30796.7 of the Streets and Highways  
13 Code is amended to read:

14 30796.7. (a) Notwithstanding any other provision of  
15 law, the San Diego Association of Governments, *on behalf*  
16 *of the state*, may impose a toll on vehicles crossing the San  
17 Diego-Coronado Bridge. The toll shall be established by  
18 the association after conducting at least one public  
19 hearing.

20 (b) The authority of the commission relative to tolls on  
21 the bridge is hereby transferred to the San Diego  
22 Association of Governments. All tolls on the bridge shall  
23 be at the rates established by the San Diego Association  
24 of Governments, except that at no time shall the rate of  
25 toll for Class 1 vehicles exceed one dollar and fifty cents  
26 (\$1.50) per vehicle.

27 (c) (1) The revenues from any tolls imposed on the  
28 bridge shall be used first for expenses related to the  
29 collection of tolls and operation of the bridge, including,  
30 but not limited to, reimbursement for any operating and  
31 maintenance costs and, second, for improvements to the  
32 bridge and its approaches. Tolls shall be established at an  
33 amount which will generate revenue sufficient to meet  
34 the requirements set forth in this paragraph, as  
35 determined by the department.

36 (2) The revenues from any tolls imposed on the bridge  
37 may also be used for costs incurred by the San Diego



1 Association of Governments in administering this section  
2 and for any of the following:

3 (A) Transportation services that either increase the  
4 capacity of the bridge and its approaches or reduce the  
5 demand for travel in the transportation corridor that  
6 includes the bridge.

7 (B) Alternative forms of transportation, within the  
8 transportation corridor that includes the bridge, that  
9 reduce congestion and air pollution, including, but not  
10 limited to, ferry service and public transit.

11 (C) Capital improvements and related expenditures  
12 within the transportation corridor for construction and  
13 maintenance of bikeways.

14 (d) For the purposes of this section, “transportation  
15 corridor” means the San Diego-Coronado Bridge and its  
16 approaches which extend from Route 5 in the City of San  
17 Diego to the North Island Naval Air Station via Route 282,  
18 and to the Naval Amphibious Base via Route 75 in the City  
19 of Coronado.

20 (e) All money deposited in the San Diego-Coronado  
21 Toll Bridge Revenue Fund prior to March 26, 1992, and  
22 not expended, encumbered, or programmed before  
23 January 1, 1994, is appropriated to the Controller for  
24 allocation to the San Diego Association of Governments  
25 for the purposes of paragraph (2) of subdivision (c).

26 (f) The San Diego Association of Governments shall  
27 include in the regional transportation improvement  
28 program, and every update thereof, an expenditure plan  
29 specifying the projects and programs that are to be  
30 funded with toll revenues.

31 (g) If the San Diego Association of Governments, *on*  
32 *behalf of the state*, imposes tolls pursuant to subdivision  
33 (a), it shall reimburse the department for costs incurred  
34 by the department in operating the bridge, collecting  
35 tolls, and performing other related services. The  
36 association and the department shall enter into an  
37 agreement which provides for the full reimbursement of  
38 the department for all operating and maintenance costs.

39 (h) *The San Diego Association of Governments shall*  
40 *prepare an annual audit of expenditures that are funded*



1 *with toll revenues. The audit shall be funded solely with*  
2 *toll revenues and shall not include expenditures made by*  
3 *the department. The association shall review the annual*  
4 *financial report on state-owned toll bridges that is*  
5 *prepared by the department for revenues collected*  
6 *under this section.*

7 SEC. 3. Section 30796.7 of the Streets and Highways  
8 Code is amended to read:

9 30796.7. (a) Notwithstanding any other provision of  
10 law, the San Diego Association of Governments, *on behalf*  
11 *of the state*, may impose a toll on vehicles crossing the San  
12 Diego-Coronado Bridge. The toll shall be established by  
13 the association after conducting at least one public  
14 hearing.

15 (b) The authority of the commission relative to tolls on  
16 the bridge is hereby transferred to the San Diego  
17 Association of Governments. All tolls on the bridge shall  
18 be at the rates established by the San Diego Association  
19 of Governments.

20 ~~(c) (1) The percent of revenues derived from tolls~~  
21 ~~imposed on the bridge and required to be applied to the~~  
22 ~~cost of retrofitting that bridge shall not be more than the~~  
23 ~~average percent of revenues derived from all~~  
24 ~~state-owned toll bridges and applied to the cost of~~  
25 ~~retrofitting those bridges.~~

26 (c) (1) *The percentage of the total cost of retrofitting*  
27 *the San Diego-Coronado Bridge that is financed by toll*  
28 *revenues from that bridge shall not exceed the*  
29 *percentage of the total cost of retrofitting all other*  
30 *state-owned bridges that is financed by toll revenues from*  
31 *those other bridges. A finding by the San Diego*  
32 *Association of Governments as to the percentage of*  
33 *retrofit costs financed by toll revenues on the San*  
34 *Diego-Coronado Bridge or on other state-owned toll*  
35 *bridges shall be conclusive as evidence of compliance*  
36 *with this paragraph.*

37 (2) The revenues from any tolls imposed on the bridge  
38 may also be used for costs incurred by the San Diego  
39 Association of Governments in administering this section  
40 and for any of the following:

1 (A) Transportation services that either increase the  
2 capacity of the bridge and its approaches or reduce the  
3 demand for travel in the transportation corridor that  
4 includes the bridge.

5 (B) Alternative forms of transportation, within the  
6 transportation corridor that includes the bridge, that  
7 reduce congestion and air pollution, including, but not  
8 limited to, ferry service and public transit.

9 (C) Capital improvements and related expenditures  
10 within the transportation corridor for construction and  
11 maintenance of bikeways.

12 (d) For the purposes of this section, “transportation  
13 corridor” means the San Diego-Coronado Bridge and its  
14 approaches which extend from Route 5 in the City of San  
15 Diego to the North Island Naval Air Station via Route 282,  
16 and to the Naval Amphibious Base via Route 75 in the City  
17 of Coronado.

18 (e) All money deposited in the San Diego-Coronado  
19 Toll Bridge Revenue Fund prior to March 26, 1992, and  
20 not expended, encumbered, or programmed before  
21 January 1, 1994, is appropriated to the Controller for  
22 allocation to the San Diego Association of Governments  
23 for the purposes of paragraph (2) of subdivision (c).

24 (f) The San Diego Association of Governments shall  
25 include in the regional transportation improvement  
26 program, and every update thereof, an expenditure plan  
27 specifying the projects and programs that are to be  
28 funded with toll revenues.

29 (g) *If the San Diego Association of Governments*  
30 *imposes tolls under subdivision (a), it shall reimburse the*  
31 *department for any costs incurred by the department for*  
32 *collecting those tolls.*

33 (h) *The San Diego Association of Governments shall*  
34 *prepare an annual audit of expenditures that are funded*  
35 *with toll revenues. The audit shall be funded solely with*  
36 *toll revenues and shall not include expenditures made by*  
37 *the department. The association shall review the annual*  
38 *financial report on state-owned toll bridges that is*  
39 *prepared by the department for revenues collected*  
40 *under this section.*



1 SEC. 4. Section 30796.10 is added to the Streets and  
2 Highways Code, to read:

3 30796.10. (a) The San Diego Association of  
4 Governments may issue bonds payable from the  
5 revenues derived from the tolls imposed on the bridge.  
6 The bonds may be issued by the San Diego Association of  
7 Governments at any time, and from time to time payable  
8 from the revenues from the tolls. The bonds shall be  
9 ~~referred to as "toll bridge revenue bonds."~~ *referred to as*  
10 *"toll bridge revenue bonds."* *The association shall be an*  
11 *instrumentality of the state for the purposes of those*  
12 *issuances.*

13 (b) The revenues from the tolls on the bridge shall be  
14 subject to a *statutory* lien in favor of the bondholders to  
15 secure all amounts due on the bonds and in favor of any  
16 provider of credit enhancement for the bonds to secure  
17 all amounts due to the provider with respect to those  
18 bonds. The lien shall immediately attach to the toll  
19 revenues and be effective, binding, and enforceable  
20 against the San Diego Association of Governments, its  
21 successors, creditors, and all others asserting the rights  
22 therein, irrespective of whether those parties have notice  
23 of the lien and without the need for any physical delivery,  
24 recordation, filing, or further act. The toll revenues shall  
25 remain subject to the lien until all bonds are paid in full  
26 or provisions are made therefor. The bridge shall not  
27 become a free public bridge until that time.

28 (c) The liens on toll revenues created by this section  
29 shall be subject to expenditures for ~~operation and~~  
30 ~~maintenance of the bridge and to expenses related to the~~  
31 collection of tolls, if those expenditures are not otherwise  
32 provided for by statute, but shall have priority over the  
33 use of any of the toll revenues for improvements  
34 undertaken pursuant to the authorization contained in  
35 subdivision (c) of Section 30796.7.

36 (d) Toll bridge revenue bonds shall be issued pursuant  
37 to a resolution adopted at any time, and from time to time,  
38 by the San Diego Association of Governments by a  
39 majority vote of all members of the association.

1 The San Diego Association of Governments may from  
 2 time to time, issue bonds in accordance with the Revenue  
 3 Bond Law of 1941 (Chapter 6 (commencing with Section  
 4 54300) of Part 1 of Division 2 of Title 5 of the Government  
 5 Code), for the purpose of constructing, improving, or  
 6 equipping the bridge, or for any of the purposes  
 7 authorized by Section 30796.7 for the expenditure of toll  
 8 revenues. Operation of the bridge shall constitute an  
 9 “enterprise” within the meaning of Section 54309 of the  
 10 Government Code, and the San Diego Association of  
 11 Governments shall constitute a “local agency” within the  
 12 meaning of Section 54307 of the Government Code.  
 13 Article 3 (commencing with Section 54380) of Chapter 6  
 14 of Part 1 of Division 2 of Title 5 of the Government Code  
 15 shall not apply to the issuance and sale of bonds pursuant  
 16 to this section. Instead, the San Diego Association of  
 17 Governments shall authorize the issuance of bonds by  
 18 resolution, which resolution shall specify all of the  
 19 following:

- 20 (1) The purposes for which the bonds are to be issued.
- 21 (2) The maximum principal amount of the bonds.
- 22 (3) The maximum term for the bonds.
- 23 (e) The maximum rate of interest to be payable upon  
 24 the bond which interest rates shall not exceed the  
 25 maximum rate specified in Section 53531 of the  
 26 Government Code. The rate may be either fixed or  
 27 variable and shall be payable at the times and in the  
 28 manner specified in the resolution.
- 29 (f) Interest on any bonds issued to this section shall at  
 30 all times be free from state personal income tax and  
 31 corporate income tax.
- 32 (g) Any bonds issued pursuant to this section are a  
 33 legal investment for all trust funds; for the funds of  
 34 insurance companies, commercial and savings banks, and  
 35 trust companies; and for state school funds. Whenever  
 36 any money or funds may, by any law now or hereafter  
 37 enacted, be invested in bonds of cities, counties, school  
 38 districts, or other districts within the state, those funds  
 39 may be invested in the bonds issued pursuant to this  
 40 section, and whenever bonds of cities, counties, school



1 districts, or other districts within this state may, by any  
2 law now or hereafter enacted, be used as security for the  
3 performance of any act or the deposit of any public  
4 money, the bonds issued pursuant to this section may be  
5 so used. The provisions of this section are in addition to all  
6 other laws relating to legal investments and shall be  
7 controlling as the latest expression of the Legislature with  
8 respect thereto.

9 *(h) The State of California pledges and agrees with the*  
10 *holders of the bonds issued pursuant to this chapter, and*  
11 *with those parties who may enter into contracts with the*  
12 *San Diego Association of Governments pursuant to the*  
13 *provisions of this chapter, that the state will not limit,*  
14 *alter, or restrict the rights hereby vested in the San Diego*  
15 *Association of Governments to finance the toll bridge*  
16 *improvements and other projects and programs*  
17 *authorized by this chapter. The State of California*  
18 *pledges and agrees to fulfill the terms of any agreements*  
19 *made with the holders of bonds, and with the parties who*  
20 *may enter into contracts with the San Diego Association*  
21 *of Governments pursuant to this chapter, and pledges*  
22 *and agrees not to impair the rights or remedies of the*  
23 *holders of any revenue bonds or any parties until the*  
24 *bonds, together with interest, are fully paid and*  
25 *discharged and any contracts are fully performed on the*  
26 *part of the San Diego Association of Governments.*

27 *(i) The San Diego Association of Governments may*  
28 *include the pledges made under this section in its*  
29 *revenue bonds.*

30 SEC. 5. Section 3 of this act, amending Section 30796.7  
31 of the Streets and Highways Code and Section 4 of this act,  
32 adding Section 30796.10 to the Streets and Highways  
33 Code, shall only become operative if *Assembly Bill*  
34 *\_\_\_\_\_ or Senate Bill \_\_\_\_\_* is also enacted and  
35 becomes effective on or before January 1, 1998, and  
36 *Assembly Bill \_\_\_\_\_ or Senate Bill \_\_\_\_\_* requires all  
37 or a portion of the revenues derived from state-owned toll  
38 bridges to be used for seismic safety retrofitting. If  
39 *Assembly Bill \_\_\_\_\_ or Senate Bill \_\_\_\_\_* is enacted,



1 as described in this section, Section 2 of this act shall not  
2 become operative.

3 SEC. 6. Notwithstanding Section 17610 of the  
4 Government Code, if the Commission on State Mandates  
5 determines that this act contains costs mandated by the  
6 state, reimbursement to local agencies and school  
7 districts for those costs shall be made pursuant to Part 7  
8 (commencing with Section 17500) of Division 4 of Title  
9 2 of the Government Code. If the statewide cost of the  
10 claim for reimbursement does not exceed one million  
11 dollars (\$1,000,000), reimbursement shall be made from  
12 the State Mandates Claims Fund.

13 Notwithstanding Section 17580 of the Government  
14 Code, unless otherwise specified, the provisions of this act  
15 shall become operative on the same date that the act  
16 takes effect pursuant to the California Constitution.

