

Assembly Bill No. 1302

Passed the Assembly September 11, 1997

Chief Clerk of the Assembly

Passed the Senate September 9, 1997

Secretary of the Senate

This bill was received by the Governor this ____ day
of _____, 1997, at ____ o'clock __M.

Private Secretary of the Governor



CHAPTER _____

An act to amend Section 30796.7 of, and to add Sections 30796.9 and 30796.10 to, the Streets and Highways Code, relating to highways.

LEGISLATIVE COUNSEL'S DIGEST

AB 1302, 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. The provisions of Chapter 327 of the Statutes of 1997 require the association to deposit \$33,000,000 in the Toll Bridge Seismic Retrofit Account in the State Transportation Fund and to submit to the Legislature and the Department of Transportation a prescribed financial plan on or before January 1, 1998. Those provisions also require the maintenance of the bridge to be funded by the state pursuant to a specified provisions of law.

This bill would, instead, require the association to include the expenditure plan in the regional transportation improvement program, as specified, and would delete the requirement that copies of the plan be submitted to the specified legislative committees. The bill would require not less than \$10,000,000 of the \$33,000,000 to be paid from local toll revenue reserve funds, and the balance to be paid from toll bridge revenue bonds, as prescribed.

The bill would 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.

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



(3) 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.

(4) 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 no reimbursement is required by this act for a specified reason.

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

SECTION 1. The Legislature finds and declares that the first priority for financing seismic safety retrofitting of state-owned toll bridges shall be the six hundred fifty million dollars (\$650,000,000) from the 1996 Seismic Retrofit Account in the Seismic Retrofit Bond Fund of 1996, as set forth in Section 8879.3 of the Government Code.

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

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

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

(c) (1) The revenues from any tolls imposed on the bridge shall be used first for expenses related to the collection of tolls and operation of the bridge, including, but not limited to, reimbursement for any operating and retrofitting costs and, second, for improvements to the bridge and its approaches. Tolls shall be established at an



amount which will generate revenue sufficient to meet the requirements set forth in this paragraph, as determined by the department. Maintenance of the bridge shall be funded by the state under Section 188.4.

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

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

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

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

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

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

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

(g) If the San Diego Association of Governments, on behalf of the state, imposes tolls pursuant to subdivision (a), it shall reimburse the department for costs incurred by the department in operating the bridge, collecting



tolls, and performing other related services. The association and the department shall enter into an agreement which provides for the full reimbursement of the department for all operating costs.

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

SEC. 3. Section 30796.9 of the Streets and Highways Code, as added by Chapter 327 of the Statutes of 1997, is amended to read:

30796.9. (a) The San Diego Association of Governments shall deposit thirty-three million dollars (\$33,000,000) in the Toll Bridge Seismic Retrofit Account in the State Transportation Fund.

(b) On or before January 1, 1998, the San Diego Association of Governments shall submit to the Legislature and the department a financial plan for the transfer of thirty-three million dollars (\$33,000,000) on or before July 1, 2000, to the Toll Bridge Seismic Retrofit Account in the State Transportation Fund.

(c) Maintenance of the San Diego-Coronado Bridge shall be funded by the state pursuant to Section 188.4.

(d) Of the thirty-three million dollars (\$33,000,000) in local funds to be paid by the San Diego Association of Governments as the local toll authority for the San Diego-Coronado Bridge, not less than ten million dollars (\$10,000,000) shall be paid from local toll revenue reserve funds. The balance of funds shall be paid from toll bridge revenue bonds, as specified in Section 30796.10, supported by toll revenue. This revenue shall consist of the net toll revenue gained from shifting the cost of bridge maintenance to be funded by the state pursuant to Section 188.4 and by all or part of the remaining toll revenues.



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

30796.10. (a) The San Diego Association of Governments may issue bonds payable from the revenues derived from the tolls imposed on the bridge. The bonds may be issued by the San Diego Association of Governments at any time, and from time to time payable from the revenues from the tolls. The bonds shall be referred to as “toll bridge revenue bonds.” The association shall be an instrumentality of the state for the purposes of those issuances.

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

(c) The liens on toll revenues created by this section shall be subject to expenditures for the collection of tolls, if those expenditures are not otherwise provided for by statute, but shall have priority over the use of any of the toll revenues for improvements undertaken pursuant to the authorization contained in subdivision (c) of Section 30796.7.

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

The San Diego Association of Governments may from time to time, issue bonds in accordance with the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section



54300) of Part 1 of Division 2 of Title 5 of the Government Code), for the purpose of constructing, improving, or equipping the bridge, or for any of the purposes authorized by Section 30796.7 for the expenditure of toll revenues. Operation of the bridge shall constitute an “enterprise” within the meaning of Section 54309 of the Government Code, and the San Diego Association of Governments shall constitute a “local agency” within the meaning of Section 54307 of the Government Code. Article 3 (commencing with Section 54380) of Chapter 6 of Part 1 of Division 2 of Title 5 of the Government Code shall not apply to the issuance and sale of bonds pursuant to this section. Instead, the San Diego Association of Governments shall authorize the issuance of bonds by resolution, which resolution shall specify all of the following:

- (1) The purposes for which the bonds are to be issued.
- (2) The maximum principal amount of the bonds.
- (3) The maximum term for the bonds.

(e) The maximum rate of interest to be payable upon the bond which interest rates shall not exceed the maximum rate specified in Section 53531 of the Government Code. The rate may be either fixed or variable and shall be payable at the times and in the manner specified in the resolution.

(f) Interest on any bonds issued pursuant to this section shall at all times be free from state personal income tax and corporate income tax.

(g) Any bonds issued pursuant to this section are a legal investment for all trust funds; for the funds of insurance companies, commercial and savings banks, and trust companies; and for state school funds. Whenever any money or funds may, by any law now or hereafter enacted, be invested in bonds of cities, counties, school districts, or other districts within the state, those funds may be invested in the bonds issued pursuant to this section, and whenever bonds of cities, counties, school districts, or other districts within this state may, by any law now or hereafter enacted, be used as security for the performance of any act or the deposit of any public



money, the bonds issued pursuant to this section may be so used. The provisions of this section are in addition to all other laws relating to legal investments and shall be controlling as the latest expression of the Legislature with respect thereto.

(h) The State of California pledges and agrees with the holders of the bonds issued pursuant to this chapter, and with those parties who may enter into contracts with the San Diego Association of Governments pursuant to the provisions of this chapter, that the state will not limit, alter, or restrict the rights hereby vested in the San Diego Association of Governments to finance the toll bridge improvements and other projects and programs authorized by this chapter. The State of California pledges and agrees not to impair the terms of any agreements made with the holders of bonds, and with the parties who may enter into contracts with the San Diego Association of Governments pursuant to this chapter, and pledges and agrees not to impair the rights or remedies of the holders of any revenue bonds or any parties until the bonds, together with interest, are fully paid and discharged and any contracts are fully performed on the part of the San Diego Association of Governments.

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

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district are the result of a program for which legislative authority was requested by that local agency or school district, within the meaning of Section 17556 of the Government Code and Section 6 of Article XIII B of the California Constitution.

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



Approved _____, 1997

Governor

