

**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 introduced, 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 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, 2016, 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 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. 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.

This bill would additionally authorize the department to apply to the commission to develop and operate HOT lanes 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 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
- 11 commission shall conduct at least one public hearing in northern
- 12 California and one in southern California.

1 (c) The commission shall establish guidelines for the  
2 development and operation of facilities described in subdivision  
3 (a) and approved by the commission pursuant to this section,  
4 subject to the following minimum requirements:

5 (1) The department shall develop and operate the facilities in  
6 cooperation with regional transportation agencies, as applicable,  
7 and with the active participation of the Department of the California  
8 Highway Patrol.

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

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

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

17 (5) All remaining revenue generated by the facilities shall be  
18 used in the corridor from which the revenue was generated pursuant  
19 to an expenditure plan developed by the department and approved  
20 by the commission.

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

26 (d) The department shall provide any information or data  
27 requested by the commission or the Legislative Analyst relating  
28 to a facility that the department develops or operates pursuant to  
29 this section. The commission, in cooperation with the Legislative  
30 Analyst, shall annually prepare a report on the progress of the  
31 development and operation of a facility authorized under this  
32 section. The commission may submit this report as a section in its  
33 annual report to the Legislature required pursuant to Section 14535  
34 of the Government Code.

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

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

1 149.7. (a) A regional transportation agency, as defined in  
2 ~~Section 143, subdivision (h)~~, in cooperation with the department,  
3 may apply to the commission to develop and operate  
4 high-occupancy toll lanes, including the administration and  
5 operation of a value pricing program and exclusive or preferential  
6 lane facilities for public transit, ~~consistent with the established~~  
7 ~~standards, requirements, and limitations that apply to those facilities~~  
8 ~~in Sections 149, 149.1, 149.3, 149.4, 149.5, and 149.6.~~ *transit.*

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

16 (c) *A regional transportation agency that applies to the*  
17 *commission to develop and operate facilities described in*  
18 *subdivision (a) shall reimburse the commission for all of the*  
19 *commission's costs and expenses incurred in processing the*  
20 *application.*

21 (e)

22 (d) ~~The number~~ *commission shall establish guidelines for the*  
23 *development and operation of facilities described in subdivision*  
24 *(a) and approved under by the commission on or after January 1,*  
25 *2016, pursuant to this section shall not exceed four, two in northern*  
26 ~~California and two in southern California.~~ *section, subject to the*  
27 *following minimum requirements:*

28 (1) *The regional transportation agency shall develop and*  
29 *operate the facilities in cooperation with the department, and the*  
30 *active participation of the Department of the California Highway*  
31 *Patrol, pursuant to an agreement that addresses all matters related*  
32 *to design, construction, maintenance, and operation of state*  
33 *highway system facilities in connection with the facilities.*

34 (2) *The regional transportation agency shall be responsible for*  
35 *establishing, collecting, and administering tolls.*

36 (3) *The regional transportation agency shall be responsible for*  
37 *paying for the maintenance of the facilities from net toll revenue,*  
38 *pursuant to an agreement between the department and the regional*  
39 *transportation agency.*

1     (4) *The revenue generated from the operation of the facilities*  
2 *shall be available to the regional transportation agency for the*  
3 *direct expenses related to the maintenance, administration, and*  
4 *operation of the facilities, including toll collection and*  
5 *enforcement.*

6     (5) *All remaining revenue generated by the facilities shall be*  
7 *used in the corridor from which the revenue was generated*  
8 *pursuant to an expenditure plan adopted by the regional*  
9 *transportation agency.*

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

15    ~~(d)~~

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

25    (f) (1) *A regional transportation agency may issue bonds,*  
26 *refunding bonds, or bond anticipation notes, at any time, to finance*  
27 *construction of, and construction-related expenditures for, facilities*  
28 *approved pursuant to this section, and construction and*  
29 *construction-related expenditures that are included in the*  
30 *expenditure plan adopted pursuant to paragraph (5) of subdivision*  
31 *(d), payable solely from the revenues generated from the respective*  
32 *facilities.*

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

35

36     *“Neither the full faith and credit nor the taxing power of the*  
37 *State of California is pledged to the payment of principal of, or*  
38 *the interest on, this bond.”*

39

- 1 (g) Before submitting an application pursuant to subdivision
- 2 (a), a regional transportation agency shall consult with any local
- 3 transportation authority designated pursuant to Division 12.5
- 4 (commencing with Section 131000) or Division 19 (commencing
- 5 with Section 180000) of the Public Utilities Code whose
- 6 jurisdiction includes the facility that the regional transportation
- 7 agency proposes to develop and operate.
- 8 (h) Notwithstanding Section 143, for purposes of this section,
- 9 “regional transportation agency” means any of the following:
- 10 (1) A transportation planning agency described in Section 29532
- 11 or 29532.1 of the Government Code.
- 12 (2) A county transportation commission established under
- 13 Section 130050, 130050.1, or 130050.2 of the Public Utilities
- 14 Code.
- 15 (3) Any other local or regional transportation entity that is
- 16 designated by statute as a regional transportation agency.
- 17 (4) A joint exercise of powers authority established pursuant to
- 18 Chapter 5 (commencing with Section 6500) of Division 7 of Title
- 19 1 of the Government Code, with the consent of a transportation
- 20 planning agency or a county transportation commission for the
- 21 jurisdiction in which the transportation project will be developed.
- 22 (5) The Santa Clara Valley Transportation Authority established
- 23 pursuant to Part 12 (commencing with Section 100000) of Division
- 24 10 of the Public Utilities Code.
- 25 ~~(e) No applications may be approved under~~
- 26 (i) ~~Nothing in this section on shall authorize the conversion of~~
- 27 ~~any existing nontoll or after January 1, 2012, nonuser-fee lanes~~
- 28 ~~into tolled or user-fee lanes, except that a high-occupancy vehicle~~
- 29 ~~lane may be converted into a high-occupancy toll lane.~~

O