

Senate Bill No. 916

CHAPTER 715

An act to amend Section 14531 of the Government Code, to amend Sections 182.5, 188.3, 188.4, 188.10, 30101, 30101.8, 30113, 30600, 30601, 30604, 30606, 30750, 30751, 30760, 30761, 30791, 30884, 30885, 30887, 30889.3, 30891, 30894, 30910, 30912, 30913, 30915, 30916, 30918, 30919, 30920, 30950, 30950.1, 30950.2, 30950.3, 30950.4, 30953, 30958, 30960, 30961, 31000, 31010, and 31071 of, to amend and renumber Section 188.10 of, to add Sections 188.53, 30881, 30910.5, 30914.5, and 30922 to, and to repeal Sections 30603, 30605, 30608.2, 30752, 30753, 30754, 30755, 30756, 30757, 30762, 30762.5, 30763, 30764, 30764.5, 30765, 30766, 30767, 30791.7, 30792, 30792.2, 30793, 30794, 30795, 30886, 30888, 30889, 30896, and 30956 of, to repeal Article 5 (commencing with Section 30200) and Article 7 (commencing with Section 30350) of Chapter 1 of Division 17 of, to repeal and add Sections 30102.5, 30890, 30911, 30914, 30917, 30921, and 30951 of, the Streets and Highways Code, and to amend Section 5205.5 of the Vehicle Code, and to amend Section 5 of Chapter 898 of the Statutes of 1997 relating to transportation, and making an appropriation therefor.

[Approved by Governor October 8, 2003. Filed with
Secretary of State October 9, 2003.]

LEGISLATIVE COUNSEL'S DIGEST

SB 916, Perata. Toll bridge revenues: Treasure Island Development Authority.

Existing law generally makes the California Transportation Commission responsible for establishing the rates charged vehicles for crossing the state-owned toll bridges. Under existing law, the Metropolitan Transportation Commission (MTC) is authorized to adopt a toll schedule in lieu of the one adopted by the California Transportation Commission for the state-owned toll bridges in the San Francisco Bay Area. Existing law makes the MTC and the Bay Area Toll Authority (BATA), which is defined as the same body as the MTC, responsible for the programming, administration, and allocation of the revenue from the base toll charge collected from these bridges. Under existing law, a portion of this revenue is continuously appropriated to the Controller who is required to disburse these funds to the MTC to expend for purposes that reduce vehicular congestion on the bridges.

This bill would define the BATA as a separate entity governed by the same governing board as the MTC. The bill would make the BATA responsible for the programming, administration, and allocation of toll revenues from the state-owned toll bridges in the San Francisco Bay Area and would authorize it to perform these functions with respect to the seismic retrofit surcharge once those projects are completed and provision is made for payment of the bonds issued for those purposes.

The bill would require the City and County of San Francisco and specified counties in the San Francisco Bay Area to conduct a special election on a proposed increase of \$1 in the amount of the base toll rate charged on the state-owned toll bridges in that area, and would identify the purposes for which revenues from the toll increase would be used. The bill would specify that, except to meet its bond obligations, the toll schedule adopted pursuant to the results of this election may not be changed without the statutory authorization of the Legislature. The bill would require the BATA to reimburse from toll revenues, as specified, the counties and the City and County of San Francisco for the cost of submitting the measure to the voters. By requiring this election, the bill would impose a state-mandated local program. Because the bill would specify that the revenue resulting from the increased toll charge would be continuously appropriated to the MTC for expenditure on specified projects, it would make an appropriation.

The bill would require the allocation of toll revenues for the operation and maintenance of the transbay transit terminal under specified conditions.

The bill additionally would make related changes and would repeal obsolete provisions relating to the operation of toll facilities.

The Treasure Island Conversion Act of 1997 authorizes the City and County of San Francisco to designate the Treasure Island Development Authority as a redevelopment agency under state law for purposes related to the Naval Station Treasure Island. Under these provisions, the employees of this authority are subject to the same civil service provisions as employees of the City and County of San Francisco.

This bill would provide that the director and deputy of this authority are not subject to these civil service provisions.

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.

Appropriation: yes.



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

SECTION 1. Section 14531 of the Government Code is amended to read:

14531. (a) The commission may amend the state transportation improvement program if the amendment meets both of the following conditions:

(1) The request for the amendment is made by the entity that submitted the project or projects that are in the program and are to be changed by the amendment.

(2) The total amount programmed in each county for regional improvements does not exceed the county's share prior to the amendment, or the total amount programmed in each county is treated as an adjustment to the share pursuant to Section 188.11 of the Streets and Highways Code.

(b) Public notice of the proposed amendments to the program or the plan shall be made at least 30 days before the commission takes formal action on the proposed amendments. The notice shall include the text and complete description of the proposed amendments.

SEC. 2. Section 182.5 of the Streets and Highways Code is amended to read:

182.5. (a) It is the intent of the Legislature that the transition to the new programs and procedures established in the bill enacting this section shall be fair and equitable and minimize disruptions in the delivery of projects. With specific reference to the transition from county minimums to county shares for regional improvement, no project should be counted twice, no project that would be counted under either the old or new procedures should escape being counted in the transition, shares should be sufficient to fund projects programmed in the 1996 State Transportation Improvement Program for the same period, no incentive or reward should be provided for delaying a project, and no incentive or reward should be provided for allocating funds to a project earlier than the year in which the funds are needed for the project.

(b) At the end of the fiscal year ending June 30, 1998, the county minimums and county minimum deficits shall be recalculated under the law as it existed prior to the enactment of the bill adding this section.

(c) Notwithstanding Section 164, there shall be set aside sufficient funding for every project that is included in the 1996 State Transportation Improvement Program. This funding shall be set aside in the fund estimate prior to and in addition to the distribution of funding between programs pursuant to Section 164.

(d) The amount of the cumulative county minimum deficit calculated for any county pursuant to subdivision (b) shall be carried forward as a



county share for the 1998 State Transportation Improvement Program, prior to and in addition to the computation of county shares pursuant to subdivision (a) of Section 188.8.

(e) The commission shall not allocate funds for any project unless the commission has programmed the state transportation improvement program in a manner that complies with the requirements of Sections 188, 188.8, and 188.11.

(f) Notwithstanding subdivision (a), for a county within the region defined by Section 66502 of the Government Code where funds were traded in the 1996 State Transportation Improvement Program to another county in that region, the county share for that county for the 1998 State Transportation Improvement Program shall be increased by the amount of the trade in the 1996 State Transportation Improvement Program, as if the share were a county minimum deficit under subdivision (d).

(g) In adopting the 1998 State Transportation Improvement Program, the commission shall, at a minimum, fund all intercity rail projects that are included in the adopted 1996 State Transportation Improvement Program. The amount of funds programmed for each project shall not be less than the amount in the 1996 State Transportation Improvement Program.

(h) The commission, after consulting with the department and the regional planning agencies, shall adopt interim guidelines and procedures relative to fund estimates and project selection in a manner that the first state transportation improvement program, pursuant to the provisions of the act adding this section, is adopted not later than June 1, 1998.

SEC. 3. Section 188.3 of the Streets and Highways Code is amended to read:

188.3. The cost of maintenance of all toll bridges under the jurisdiction of the commission shall be paid out of money in the State Highway Account.

SEC. 4. Section 188.4 of the Streets and Highways Code is amended to read:

188.4. (a) Maintenance expenditures on all toll facilities owned by the state shall, for accounting purposes, be classified as Category A or Category B expenditures. Notwithstanding any other provision of law, the cost of maintenance of toll facilities in the geographic jurisdiction of the Metropolitan Transportation Commission shall be paid in accordance with the following:

(1) Category A maintenance shall be paid from the State Highway Account and shall include all normal highway maintenance which



would be performed by the state according to state procedures as if the facility was a toll-free state facility.

(2) Category B maintenance shall be paid from toll revenues and shall include all maintenance and reconstruction work of those facilities such as toll facility administration buildings and toll booths which are constructed primarily for the purpose of collecting tolls.

(b) In no event shall the Category A maintenance expenditures for the toll bridges in the geographic jurisdiction of the Metropolitan Transportation Commission be funded at a lower percentage than was established in accordance with procedures for funding Category A maintenance of the toll bridges during the 1986–87 fiscal year.

SEC. 4.1. Section 188.10 of the Streets and Highways Code is amended to read:

188.10. (a) The Toll Bridge Seismic Retrofit Account is hereby created in the State Transportation Fund. The money in the account is hereby appropriated, without regard to fiscal years, to the department for the purpose of funding seismic retrofit or replacement of the bridges listed in Section 188.5. Notwithstanding Section 11012 of the Government Code, the department, in consultation with the Department of Finance and the Office of the State Treasurer, may authorize the investment of bond proceeds or commercial paper proceeds deposited into the account in obligations permitted by the Treasurer. Those invested amounts may be held by a trustee who is either the Treasurer or who is selected by the Treasurer. Authorized investments made pursuant to this section shall be included as cash balance for purposes of reporting the condition of the account in the Governor’s proposed budget or pursuant to the reporting requirement contained in subdivision (b) of Section 14556.9 of the Government Code.

(b) The Department of Finance shall provide notification to the Joint Legislative Budget Committee and to the transportation policy committee in each house in the form of a financing plan or pro forma at least 60 days prior to the initial issuance of any commercial paper or the issuance of any bonds for purposes of the toll bridge seismic retrofit program. The financing plan or pro forma shall include all of the following components:

(1) The amount and form of the debt issuance or issuances, the term of the issuance or issuances, repayment and security provisions, the amount and structure of any reserve funds, and all other details of the proposed financing.

(2) All necessary information with respect to the sources and uses of funds to construct the projects identified in the toll bridge seismic retrofit program and the timing of expenditures by each fund source by fiscal year.



(3) An assessment of funding available for the Bay Area Toll Authority for authorized projects as a result of the financing.

(c) The Department of Finance is not required to provide additional notification to the Legislature after meeting the requirements of subdivision (b) unless additional bonds are issued or changes are made to existing bonds that alter the content of the financing plan it submitted under subdivision (b). The Department of Finance shall notify the Legislature within 60 days of the closing of a refunding or an advance refunding of an existing bond but is not required to include this information in its report under subdivision (b).

(d) No interest income earned as a result of investments made pursuant to subdivision (a), or from reserve funds created to support the financing, shall be used to pay project costs that are in excess of four billion six hundred thirty-seven million dollars (\$4,637,000,000). No reserve funds, other than a required debt service reserve fund, shall be in place subsequent to the completion of the seismic retrofit projects.

(e) Notwithstanding any other provision of law, the Department of Finance may establish the accounting and reporting system used to determine the expenditures, cash needs, and balance of the account.

SEC. 5. Section 188.10 of the Streets and Highways Code, as amended by Chapter 596 of the Statutes of 1998, is amended and renumbered to read:

188.11. (a) The commission, with assistance from the department and regional agencies, shall maintain a long-term balance of shares, shortfalls, and surpluses for regional improvement programs.

(b) The balance shall include all of the following:

(1) Shares from the fund estimate for each state transportation improvement program pursuant to Section 14525 of the Government Code.

(2) Amounts programmed in each state transportation improvement program pursuant to Section 14529 of the Government Code.

(3) Surpluses or shortfalls due to reservations or advancements pursuant to subdivision (j) of Section 188.8.

(4) Amounts deducted or added because of changes in project development costs or a cost increase or savings in the final engineering estimate or the final right-of-way certification estimate at the time of allocation for construction, pursuant to subdivisions (d) and (e) of Section 188.8.

(5) Any supplemental project allocations during or following construction.

(6) Amounts deducted or added because of amendments to the state transportation improvement program that add, delete, or change the



scope and cost of regional improvement projects, pursuant to Section 14531 of the Government Code.

(c) The balance through the preceding fiscal year shall be made available for review by all regional agencies at the time of each fund estimate, and by not later than August 15 of each year.

(d) The commission, through the fund estimate, shall restore for the next state transportation improvement program the interregional improvement program level specified in subdivision (a) of Section 164.

SEC. 5.1. Section 188.53 is added to the Streets and Highways Code, to read:

188.53. Notwithstanding any other provision of law, it is the intent of the Legislature that the programming authorization described in subparagraph (B) of paragraph (8) of subdivision (b) of Section 188.5 is available for any and all state-owned toll bridge retrofit projects identified in paragraph (4) of subdivision (a) of Section 188.5.

SEC. 6. Section 30101 of the Streets and Highways Code is amended to read:

30101. Except as otherwise provided by statute for the commission and the Bay Area Toll Authority, the commission shall fix the rates of toll and other charges for all toll bridges, tubes, or other toll highway crossings acquired or built pursuant to this chapter. Notwithstanding this section or any other provision of law, neither the commission nor the Bay Area Toll Authority may change the seismic retrofit surcharge described in Section 31010.

SEC. 7. Section 30101.8 of the Streets and Highways Code is amended to read:

30101.8. (a) The commission may grant toll-free and reduced-rate passage on all toll bridges under its jurisdiction to class I vehicles occupied by three or more persons, including the driver, and to buses. For bridges within the area under the jurisdiction of the Metropolitan Transportation Commission, the Bay Area Toll Authority may grant toll-free and reduced-rate passage.

(b) Notwithstanding subdivision (a), tolls on the bridges shall be maintained at rates sufficient to meet any obligation to the holders of bonds secured by a pledge of bridge toll revenues, as set forth in any bond resolution, indenture, or covenants, and the commission shall revise or eliminate any toll-free or reduced-rate toll schedule adopted pursuant to subdivision (a) as necessary to ensure compliance with those obligations.

(c) If the commission grants toll-free and reduced-rate passage pursuant to subdivision (a), the commission shall also grant the same toll-free and reduced-rate passage to class I vehicles designed by the manufacturer to be occupied by no more than two persons, including the



driver, if these vehicles are occupied by two persons, including the driver.

SEC. 8. Section 30102.5 of the Streets and Highways Code is repealed.

SEC. 9. Section 30102.5 is added to the Streets and Highways Code, to read:

30102.5. Consistent with Section 30918, the Bay Area Toll Authority shall fix the rates of the toll charge, except as provided in Section 30921, and may grant reduced-rate and toll-free passage on the state-owned toll bridges within the jurisdiction of the Metropolitan Transportation Commission.

SEC. 10. Section 30113 of the Streets and Highways Code is amended to read:

30113. (a) The commission may utilize net revenues from toll bridges in order to finance research on high technology motion control devices to be used on the bridges.

(b) If the Metropolitan Transportation Commission allocates toll bridge net revenues as defined in Section 30884, it may utilize net revenues from the bridges under its jurisdiction to finance the research referred to in subdivision (a).

SEC. 11. Article 5 (commencing with Section 30200) of Chapter 1 of Division 17 of the Streets and Highways Code is repealed.

SEC. 12. Article 7 (commencing with Section 30350) of Chapter 1 of Division 17 of the Streets and Highways Code is repealed.

SEC. 13. Section 30600 of the Streets and Highways Code is amended to read:

30600. As used in this article, the following definitions apply:

(a) "Authority" means the Bay Area Toll Authority created pursuant to Chapter 4.3 (commencing with Section 30950).

(b) "Toll bridge" means that certain bridge across San Francisco Bay known as the San Francisco-Oakland Bay Bridge and the approaches thereto.

SEC. 14. Section 30601 of the Streets and Highways Code is amended to read:

30601. The toll bridge and the approaches to it are a primary state highway. No law providing that state highways shall be free highways affects the power or duty of the authority to fix the rates of toll for the toll bridge or the power and duty of the department to collect the tolls so fixed by the authority for the use of the toll bridge.

SEC. 15. Section 30603 of the Streets and Highways Code is repealed.

SEC. 16. Section 30604 of the Streets and Highways Code is amended to read:



30604. The department shall at all times cause the toll bridge to comply with all lawful orders of the United States Secretary of Defense, the Chief of Engineers of the United States Army, and of any other governmental agency or authority having jurisdiction thereof.

SEC. 17. Section 30605 of the Streets and Highways Code is repealed.

SEC. 18. Section 30606 of the Streets and Highways Code is amended to read:

30606. The cost of operating and maintaining the architectural lights on the toll bridge shall be paid by the department from toll bridge revenue funds available for the operation of the toll bridge.

SEC. 19. Section 30608.2 of the Streets and Highways Code is repealed.

SEC. 20. Section 30750 of the Streets and Highways Code is amended to read:

30750. As used in this article:

(a) “Carquinez Bridge” means those certain bridge spans on Interstate Route 80 across the Carquinez Straits near Crockett, together with any existing or new and additional approaches thereto, necessary or desirable to connect with the present spans or any additional spans and the toll collection facilities to serve both the existing bridge span and any additional spans.

(b) “Benicia-Martinez Bridge” means the toll bridge across the Carquinez Straits on Interstate Route 680 connecting the Cities of Benicia and Martinez, together with any existing or new and additional approaches thereto, necessary or desirable with respect to the present span or any spans and toll collection facilities for the bridge and any additional spans.

SEC. 21. Section 30751 of the Streets and Highways Code is amended to read:

30751. The department is authorized to lay out, acquire, and construct the Carquinez Bridge and the Benicia-Martinez Bridge and to make any modification, improvement, and reconstruction of the bridges as is necessary to adequately handle anticipated traffic and permit the collection of tolls.

SEC. 22. Section 30752 of the Streets and Highways Code is repealed.

SEC. 23. Section 30753 of the Streets and Highways Code is repealed.

SEC. 24. Section 30754 of the Streets and Highways Code is repealed.

SEC. 25. Section 30755 of the Streets and Highways Code is repealed.



SEC. 26. Section 30756 of the Streets and Highways Code is repealed.

SEC. 27. Section 30757 of the Streets and Highways Code is repealed.

SEC. 28. Section 30760 of the Streets and Highways Code is amended to read:

30760. As used in this article, “Antioch Bridge” means the high-level fixed-span bridge across the San Joaquin River near Antioch together with the approaches thereto and the toll collection facilities for the bridge.

SEC. 29. Section 30761 of the Streets and Highways Code is amended to read:

30761. The department is authorized to modify, improve, reconstruct, and remodel the Antioch Bridge as is necessary to adequately handle anticipated traffic and permit the collection of tolls.

SEC. 30. Section 30762 of the Streets and Highways Code is repealed.

SEC. 31. Section 30762.5 of the Streets and Highways Code is repealed.

SEC. 32. Section 30763 of the Streets and Highways Code is repealed.

SEC. 33. Section 30764 of the Streets and Highways Code is repealed.

SEC. 34. Section 30764.5 of the Streets and Highways Code is repealed.

SEC. 35. Section 30765 of the Streets and Highways Code is repealed.

SEC. 36. Section 30766 of the Streets and Highways Code is repealed.

SEC. 37. Section 30767 of the Streets and Highways Code is repealed.

SEC. 38. Section 30791 of the Streets and Highways Code is amended to read:

30791. The department is authorized to modify, improve, reconstruct, and remodel the San Mateo-Hayward Bridge and the Dumbarton Bridge as is necessary to adequately handle anticipated traffic and permit the collection of tolls.

SEC. 39. Section 30791.7 of the Streets and Highways Code is repealed.

SEC. 40. Section 30792 of the Streets and Highways Code is repealed.

SEC. 41. Section 30792.2 of the Streets and Highways Code is repealed.



SEC. 42. Section 30793 of the Streets and Highways Code is repealed.

SEC. 43. Section 30794 of the Streets and Highways Code is repealed.

SEC. 44. Section 30795 of the Streets and Highways Code is repealed.

SEC. 45. Section 30881 is added to the Streets and Highways Code, to read:

30881. “Authority” means the Bay Area Toll Authority.

SEC. 46. Section 30884 of the Streets and Highways Code is amended to read:

30884. (a) “Net transit revenues” means those revenues of the San Francisco-Oakland Bay Bridge, the San Mateo-Hayward Bridge, and the Dumbarton Bridge determined by the authority as derived from the toll increase instituted by the commission in 1977. The calculation of the amount of the net transit revenues is equal to 16 percent of the revenue generated each year from the collection of the base toll at its level in existence for the 2001–02 fiscal year on the San Francisco-Oakland Bay Bridge, the San Mateo-Hayward Bridge, and the Dumbarton Bridge.

(b) The net transit revenues are subordinate to all of the following:

(1) The obligation to pay necessary costs of toll collection operation.

(2) The obligations of the authority under any bond resolution or indenture applicable to the toll bridges issued by the authority.

(3) The obligation to repay any advances made to the department from any other source for studies and work preliminary to the financing of any toll bridge project.

SEC. 47. Section 30885 of the Streets and Highways Code is amended to read:

30885. “Toll bridge” means any state-owned bridge, including the approaches to the toll bridge from the nearest highway that is not for the exclusive use of toll bridge traffic, located within the region under the jurisdiction of the commission.

SEC. 48. Section 30886 of the Streets and Highways Code is repealed.

SEC. 49. Section 30887 of the Streets and Highways Code is amended to read:

30887. The authority may increase the toll rates specified in the adopted toll schedule only if this is necessary in order to enable the authority to meet its obligations under any bond resolution or indenture.

SEC. 50. Section 30888 of the Streets and Highways Code is repealed.

SEC. 51. Section 30889 of the Streets and Highways Code is repealed.



SEC. 52. Section 30889.3 of the Streets and Highways Code is amended to read:

30889.3. (a) The authority may grant toll-free passage or may adopt a reduced-rate schedule of tolls for vehicles occupied by three or more persons, including the driver, and for buses crossing the bridges. The reduced-rate toll for those vehicles shall be determined by the authority in consultation with the department, and may consist of reduced daily tolls or payment in lieu of daily tolls. If the authority grants toll-free passage or adopts a reduced-rate toll schedule under this subdivision, it shall grant toll-free passage or adopt the same schedule for class I vehicles designed by the manufacturer to be occupied by not more than two persons, including the driver, if these vehicles are occupied by two persons, including the driver.

(b) Tolls on the bridges shall be maintained at rates sufficient to meet any obligations to the holders of bonds secured by the bridge toll revenues, as set forth in any bond resolution or indenture or obligation contained in bonds issued pursuant to the bond resolution or indenture, and the authority shall revise or eliminate the reduced-rate toll schedule adopted pursuant to subdivision (a) as necessary to ensure compliance with those obligations.

(c) The authority may also vary, as it deems advisable, the toll rates applicable to a vehicle operated on the bridges for the carriage of passengers by any municipal or public corporation, transit district, public utility district, political subdivision, or by a transportation company operating under a certificate of public convenience and necessity. The authority shall consult with the affected operators prior to adopting any toll rate pursuant to this subdivision.

SEC. 53. Section 30890 of the Streets and Highways Code is repealed.

SEC. 54. Section 30890 is added to the Streets and Highways Code, to read:

30890. The authority shall transfer the net transit revenues, as defined in Section 30884, to the commission on a regularly scheduled basis as set forth in the authority's annual budget resolution.

SEC. 55. Section 30891 of the Streets and Highways Code is amended to read:

30891. The commission may retain, for its cost in administering this article, an amount not to exceed one-quarter of 1 percent of the revenues allocated by it pursuant to Section 30892 and of the revenues allocated by it pursuant to Sections 30913 and 30914.

SEC. 56. Section 30894 of the Streets and Highways Code is amended to read:



30894. The commission shall adopt and distribute procedures for the submission of applications for funding and allocation of funds. Only those applications for projects that will implement the commission's transportation planning objectives in the vicinity of toll bridges as set forth in its adopted regional transportation plan or the commission's objectives with respect to ferry systems shall be approved.

SEC. 57. Section 30896 of the Streets and Highways Code is repealed.

SEC. 58. Section 30910 of the Streets and Highways Code is amended to read:

30910. (a) The state-owned toll bridges within the geographic jurisdiction of the Metropolitan Transportation Commission are the following bridges:

- (1) Antioch Bridge.
- (2) Benicia-Martinez Bridge.
- (3) Carquinez Bridges.
- (4) Dumbarton Bridge.
- (5) Richmond-San Rafael Bridge.
- (6) San Mateo-Hayward Bridge.
- (7) San Francisco-Oakland Bay Bridge.

(b) The Antioch Bridge, the Benicia-Martinez Bridge, the Carquinez Bridges, and the Richmond-San Rafael Bridge are at times classified as the northern bridge unit, and the Dumbarton Bridge, the San Mateo-Hayward Bridge, and the San Francisco-Oakland Bay Bridge are at times classified as the southern bridge unit. For purposes of operation, rehabilitation, maintenance, and financing, all of the bridges are classified as a single enterprise.

SEC. 58.5. Section 30910.5 is added to the Streets and Highways Code, to read:

30910.5. "Authority" means the Bay Area Toll Authority.

SEC. 59. Section 30911 of the Streets and Highways Code is repealed.

SEC. 60. Section 30911 is added to the Streets and Highways Code, to read:

30911. (a) The authority shall control and maintain the Bay Area Toll Account and other subaccounts it deems necessary and appropriate to document toll revenue and operating expenditures in accordance with generally accepted accounting principles.

(b) (1) After the requirements of any bond resolution or indenture of the authority for any outstanding revenue bonds have been met, the authority shall transfer on a regularly scheduled basis as set forth in the authority's annual budget resolution, the revenues defined in subdivision (b) of Section 30913 and Section 30914 to the commission.



The funds transferred are continuously appropriated to the commission to expend for the purposes specified in subdivision (b) of Section 30913 and Section 30914.

(2) For the purposes of paragraph (1), the revenues defined in subdivision (b) of Section 30913 and subdivision (a) of Section 30914 include all revenues accruing since January 1, 1989.

SEC. 61. Section 30912 of the Streets and Highways Code is amended to read:

30912. (a) Revenue derived from tolls on all bridges may be expended, subject to the adopted annual budget of the authority, for any of the following purposes:

(1) Safety and operational costs, including toll collection.

(2) Costs of bridge construction and improvement projects, including debt service and sinking fund payments on bonds issued by the authority for those projects. The repayment of any advances from other state funds may be made from the toll revenue or bond proceeds.

(b) The revenue determined by the authority as derived from the toll increase approved in 1988, and authorized by Section 30917 for class I vehicles on the San Francisco-Oakland Bay Bridge shall be used, to the extent specified in paragraph (4) of subdivision (a) of Section 30914, for the construction of rail extensions specified in Section 30914 or for payment of the principal of, and interest on, bonds issued for those projects, including payments into a sinking fund maintained for that purpose.

(c) Maintenance of the bridges specified in Section 30910 shall be funded in accordance with procedures for funding maintenance of the southern bridge unit during the 1986–87 fiscal year.

SEC. 62. Section 30913 of the Streets and Highways Code is amended to read:

30913. (a) In addition to any other authorized expenditure of toll bridge revenues, the following major projects may be funded from toll revenues:

(1) Benicia-Martinez Bridge: Widening of the existing bridge.

(2) Benicia-Martinez Bridge: Construction of an additional span parallel to the existing bridge.

(3) Carquinez Bridge: Replacement of the existing western span.

(4) Richmond-San Rafael Bridge: Major rehabilitation of the bridge, and development of a new easterly approach between the toll plaza and Route 80, near Pinole, known as the Richmond Parkway.

(b) The toll increase approved in 1988, which authorized a uniform toll of one dollar (\$1) for two-axle vehicles on the bridges and corresponding increases for multi-axle vehicles, resulted in the following toll increases for two-axle vehicles on the bridges:



Bridge	1988 Increase (Two-axle vehicles)
Antioch Bridge	\$0.50
Benicia-Martinez Bridge	.60
Carquinez Bridge	.60
Dumbarton Bridge	.25
Richmond-San Rafael Bridge	.00
San Francisco-Oakland Bay Bridge	.25
San Mateo-Hayward Bridge	.25

Portions of the 1988 toll increase were dedicated to transit purposes, and these amounts shall be calculated as up to 2 percent of the revenue generated each year by the collection on all bridges of the base toll at the level established by the 1988 toll increase. The Metropolitan Transportation Commission shall allocate two-thirds of these amounts for transportation projects, other than those specified in Sections 30912 and 30913 and in subdivision (a) of Section 30914, which are designed to reduce vehicular traffic congestion and improve bridge operations on any bridge, including, but not limited to, bicycle facilities and for the planning, construction, operation, and acquisition of rapid water transit systems. The commission shall allocate the remaining one-third solely for the planning, construction, operation, and acquisition of rapid water transit systems. The plans for the projects may also be funded by these moneys.

(c) The department shall not include, in the plans for the new Benicia-Martinez Bridge, toll plazas, highways, or other facilities leading to or from the Benicia-Martinez Bridge, any construction that would result in the net loss of any wetland acreage.

(d) With respect to the Benicia-Martinez and Carquinez Bridges, the department shall consider the potential for rail transit as part of the plans for the new structures specified in paragraphs (2) and (3) of subdivision (a).

(e) At the time the first of the new bridges specified in paragraphs (2) and (3) of subdivision (a) is opened to the public, there shall be a lane for the exclusive use of pedestrians and bicycles available on at least, but not limited to, the original span at Benicia or Carquinez, or the additional or replacement spans planned for those bridges. The design of these bridges shall not preclude the subsequent addition of a lane for the exclusive use of pedestrians and bicycles.

SEC. 63. Section 30914 of the Streets and Highways Code is repealed.



SEC. 64. Section 30914 is added to the Streets and Highways Code, to read:

30914. (a) In addition to any other authorized expenditures of toll bridge revenues, the following major projects may be funded from toll revenues of all bridges:

(1) Dumbarton Bridge: Improvement of the western approaches from Route 101 if affected local governments are involved in the planning.

(2) San Mateo-Hayward Bridge and approaches: Widening of the bridge to six lanes, construction of rail transit capital improvements on the bridge structure, and improvements to the Route 92/Route 880 interchange.

(3) Construction of West Grand connector or an alternate project designed to provide comparable benefit by reducing vehicular traffic congestion on the eastern approaches to the San Francisco-Oakland Bay Bridge. Affected local governments shall be involved in the planning.

(4) Not less than 90 percent of the revenues determined by the authority as derived from the toll increase approved in 1988 for class I vehicles on the San Francisco-Oakland Bay Bridge authorized by Section 30917 shall be used exclusively for rail transit capital improvements designed to reduce vehicular traffic congestion on that bridge. This amount shall be calculated as 21 percent of the revenue generated each year by the collection of the base toll at the level established by the 1988 increase on the San Francisco-Oakland Bay Bridge.

(b) Notwithstanding any funding request for the transbay bus terminal pursuant to Section 31015, the Metropolitan Transportation Commission shall allocate toll bridge revenues in an annual amount not to exceed three million dollars (\$3,000,000), plus a 3.5-percent annual increase, to the department or to the Transbay Joint Powers Authority after the department transfers the title of the Transbay Terminal Building to that entity, for operation and maintenance expenditures. This allocation shall be payable from funds transferred by the Bay Area Toll Authority. This transfer of funds is subordinate to any obligations of the authority, now or hereafter existing, having a statutory or first priority lien against the toll bridge revenues. The first annual 3.5 percent increase shall be made on July 1, 2004. The transfer is further subject to annual certification by the department or the Transbay Joint Powers Authority that the total Transbay Terminal Building operating revenue is insufficient to pay the cost of operation and maintenance without the requested funding.

(c) If the voters approve a toll increase in 2004 pursuant to Section 30921, the authority shall, consistent with the provisions of subdivisions (d) and (f), fund the projects described in this subdivision and in



subdivision (d) that shall collectively be known as the Regional Traffic Relief Plan by bonding or transfers to the Metropolitan Transportation Commission. These projects have been determined to reduce congestion or to make improvements to travel in the toll bridge corridors, from toll revenues of all bridges:

(1) BART/MUNI Connection at Embarcadero and Civic Center Stations. Provide direct access from the BART platform to the MUNI platform at the above stations and equip new fare gates that are TransLink ready. Three million dollars (\$3,000,000). The project sponsor is BART.

(2) MUNI Metro Third Street Light Rail Line. Provide funding for the surface and light rail transit and maintenance facility to support MUNI Metro Third Street Light Rail service connecting to Caltrain stations and the E-Line waterfront line. Thirty million dollars (\$30,000,000). The project sponsor is MUNI.

(3) MUNI Waterfront Historic Streetcar Expansion. Provide funding to rehabilitate historic street cars and construct trackage and terminal facilities to support service from the Caltrain Terminal, the Transbay Terminal, and the Ferry Building, and connecting the Fisherman's Wharf and northern waterfront. Ten million dollars (\$10,000,000). The project sponsor is MUNI.

(4) East to West Bay Commuter Rail Service over the Dumbarton Rail Bridge. Provide funding for the necessary track and station improvements and rolling stock to interconnect the BART and Capitol Corridor at Union City with Caltrain service over the Dumbarton Rail Bridge, and interconnect and provide track improvements for the ACE line with the same Caltrain service at Centerville. Provide a new station at Sun Microsystems in Menlo Park. One hundred thirty-five million dollars (\$135,000,000). The project is jointly sponsored by the San Mateo County Transportation Authority, Capitol Corridor, the Alameda County Congestion Management Agency, and the Alameda County Transportation Improvement Authority.

(5) Vallejo Station. Construct intermodal transportation hub for bus and ferry service, including parking structure, at site of Vallejo's current ferry terminal. Twenty-eight million dollars (\$28,000,000). The project sponsor is the City of Vallejo.

(6) Solano County Express Bus Intermodal Facilities. Provide competitive grant fund source, to be administered by BATA. Eligible projects are Curtola Park and Ride, Benicia Intermodal Facility, Fairfield Transportation Center and Vacaville Intermodal Station. Priority to be given to projects that are fully funded, ready for construction, and serving transit service that operates primarily on existing or fully funded high-occupancy vehicle lanes. Twenty million



dollars (\$20,000,000). The project sponsor is Solano Transportation Authority.

(7) Solano County Corridor Improvements near Interstate 80/Interstate 680 Interchange. Provide funding for improved mobility in corridor based on recommendations of joint study conducted by the Department of Transportation and the Solano Transportation Authority. Cost-effective transit infrastructure investment or service identified in the study shall be considered a high priority. One hundred million dollars (\$100,000,000). The project sponsor is Solano Transportation Authority.

(8) Interstate 80: Eastbound High-Occupancy Vehicle (HOV) Lane Extension from Route 4 to Carquinez Bridge. Construct HOV-lane extension. Fifty million dollars (\$50,000,000). The project sponsor is the Department of Transportation.

(9) Richmond Parkway Transit Center. Construct parking structure and associated improvements to expand bus capacity. Sixteen million dollars (\$16,000,000). The project sponsor is Alameda-Contra Costa Transit District, in coordination with West Contra Costa Transportation Advisory Committee, Western Contra Costa Transit Authority, City of Richmond, and the Department of Transportation.

(10) Sonoma-Marin Area Rail Transit District (SMART) Extension to Larkspur or San Quentin. Extend rail line from San Rafael to a ferry terminal at Larkspur or San Quentin. Thirty-five million dollars (\$35,000,000). Up to five million dollars (\$5,000,000) may be used to study, in collaboration with the Water Transit Authority, the potential use of San Quentin property as an intermodal water transit terminal. The project sponsor is SMART.

(11) Greenbrae Interchange/Larkspur Ferry Access Improvements. Provide enhanced regional and local access around the Greenbrae Interchange to reduce traffic congestion and provide multimodal access to the Richmond-San Rafael Bridge and Larkspur Ferry Terminal by constructing a new full service diamond interchange at Wornum Drive south of the Greenbrae Interchange, extending a multiuse pathway from the new interchange at Wornum Drive to East Sir Francis Drake Boulevard and the Cal Park Hill rail right-of-way, adding a new lane to East Sir Francis Drake Boulevard and rehabilitating the Cal Park Hill Rail Tunnel and right-of-way approaches for bicycle and pedestrian access to connect the San Rafael Transit Center with the Larkspur Ferry Terminal. Sixty-five million dollars (\$65,000,000). The project sponsor is Marin County Congestion Management Agency.

(12) Direct High-Occupancy Vehicle (HOV) lane connector from Interstate 680 to the Pleasant Hill or Walnut Creek BART stations or in close proximity to either station or as an extension of the southbound



Interstate 680 High-Occupancy Vehicle Lane through the Interstate 680/State Highway Route 4 interchange from North Main in Walnut Creek to Livorna Road. The County Connection shall utilize up to one million dollars (\$1,000,000) of the funds described in this paragraph to develop options and recommendations for providing express bus service on the Interstate 680 High-Occupancy Vehicle Lane south of the Benicia Bridge in order to connect to BART. Upon completion of the plan, the Contra Costa Transportation Authority shall adopt a preferred alternative provided by the County Connection plan for future funding. Following adoption of the preferred alternative, the remaining funds may be expended either to fund the preferred alternative or to extend the high-occupancy vehicle lane as described in this paragraph. Fifteen million dollars (\$15,000,000). The project is sponsored by the Contra Costa Transportation Authority.

(13) Rail Extension to East Contra Costa/E-BART. Extend BART from Pittsburg/Bay Point Station to Byron in East Contra Costa County. Ninety-six million dollars (\$96,000,000). Project funds may only be used if the project is in compliance with adopted BART policies with respect to appropriate land use zoning in vicinity of proposed stations. The project is jointly sponsored by BART and Contra Costa Transportation Authority.

(14) Capital Corridor Improvements in Interstate 80/Interstate 680 Corridor. Fund track and station improvements, including the Suisun Third Main Track and new Fairfield Station. Twenty-five million dollars (\$25,000,000). The project sponsor is Capital Corridor Joint Powers Authority and the Solano Transportation Authority.

(15) Central Contra Costa Bay Area Rapid Transit (BART) Crossover. Add new track before Pleasant Hill BART Station to permit BART trains to cross to return track towards San Francisco. Twenty-five million dollars (\$25,000,000). The project sponsor is BART.

(16) Benicia-Martinez Bridge: New Span. Provide partial funding for completion of new five-lane span between Benicia and Martinez to significantly increase capacity in the I-680 corridor. Fifty million dollars (\$50,000,000). The project sponsor is the Bay Area Toll Authority.

(17) Regional Express Bus North. Competitive grant program for bus service in Richmond-San Rafael Bridge, Carquinez, Benicia-Martinez and Antioch Bridge corridors. Provide funding for park and ride lots, infrastructure improvements, and rolling stock. Eligible recipients include Golden Gate Bridge Highway and Transportation District, Vallejo Transit, Napa VINE, Fairfield-Suisun Transit, Western Contra Costa Transit Authority, Eastern Contra Costa Transit Authority, and Central Contra Costa Transit Authority. The Golden Gate Bridge Highway and Transportation District shall receive a minimum of one



million six hundred thousand dollars (\$1,600,000). Napa VINE shall receive a minimum of two million four hundred thousand dollars (\$2,400,000). Twenty million dollars (\$20,000,000). The project sponsor is the Metropolitan Transportation Commission.

(18) TransLink. Integrate the bay area's regional smart card technology, TransLink, with operator fare collection equipment and expand system to new transit services. Twenty-two million dollars (\$22,000,000). The project sponsor is the Metropolitan Transportation Commission.

(19) Real-Time Transit Information. Provide a competitive grant program for transit operators for assistance with implementation of high-technology systems to provide real-time transit information to riders at transit stops or via telephone, wireless, or Internet communication. Priority shall be given to projects identified in the commission's connectivity plan adopted pursuant to subdivision (d) of Section 30914.5. Twenty million dollars (\$20,000,000). The funds shall be administered by the Metropolitan Transportation Commission.

(20) Safe Routes to Transit: Plan and construct bicycle and pedestrian access improvements in close proximity to transit facilities. Priority shall be given to those projects that best provide access to regional transit services. Twenty-two million five hundred thousand dollars (\$22,500,000). City Car Share shall receive two million five hundred thousand dollars (\$2,500,000) to expand its program within approximately one-quarter mile of transbay regional transit terminals or stations. The project is jointly sponsored by the East Bay Bicycle Coalition and the Transportation and Land Use Coalition. These sponsors must identify a public agency cosponsor for purposes of specific project fund allocations.

(21) BART Tube Seismic Strengthening. Add seismic capacity to existing BART tube connecting the east bay with San Francisco. One hundred forty-three million dollars (\$143,000,000). The project sponsor is BART.

(22) Transbay Terminal/Downtown Caltrain Extension. A new Transbay Terminal at First and Mission Streets in San Francisco providing added capacity for transbay, regional, local, and intercity bus services, the extension of Caltrain rail services into the terminal, and accommodation of a future high speed passenger rail line to the terminal and eventual rail connection to the east bay. Eligible expenses include project planning, design and engineering, construction of a new terminal and its associated ramps and tunnels, demolition of existing structures, design and development of a temporary terminal, property and right-of-way acquisitions required for the project, and associated project-related administrative expenses. A bus- and train-ready terminal



facility, including purchase and acquisition of necessary rights-of-way for the terminal, ramps, and rail extension, is the first priority for toll funds for the Transbay Terminal/Downtown Caltrain Extension Project. The temporary terminal operation shall not exceed five years. One hundred fifty million dollars (\$150,000,000). The project sponsor is the Transbay Joint Powers Authority.

(23) Oakland Airport Connector. New transit connection to link BART, Capitol Corridor and AC Transit with Oakland Airport. The Port of Oakland shall provide a full funding plan for the connector. Thirty million dollars (\$30,000,000). The project sponsors are the Port of Oakland and BART.

(24) AC Transit Enhanced Bus-Phase 1 on Telegraph Avenue, International Boulevard, and East 14th Street (Berkeley-Oakland-San Leandro). Develop enhanced bus service on these corridors, including bus bulbs, signal prioritization, new buses, and other improvements. Priority of investment shall improve the AC connection to BART on these corridors. Sixty-five million dollars (\$65,000,000). The project sponsor is AC Transit.

(25) Commute Ferry Service for Alameda/Oakland/Harbor Bay. Purchase two vessels for ferry services between Alameda and Oakland areas and San Francisco. Second vessel funds to be released upon demonstration of appropriate terminal locations, new transit oriented development, adequate parking, and sufficient landside feeder connections to support ridership projections. Twelve million dollars (\$12,000,000). The project sponsor is Water Transit Authority. If the Water Transit Authority demonstrates to the Metropolitan Transportation Commission that it has secured alternative funding for the two vessel purchases described in this paragraph, the funds may be used for terminal improvements.

(26) Commute Ferry Service for Berkeley/Albany. Purchase two vessels for ferry services between the Berkeley/Albany Terminal and San Francisco. Parking access and landside feeder connections must be sufficient to support ridership projections. Twelve million dollars (\$12,000,000). The project sponsor is Water Transit Authority. If the Water Transit Authority demonstrates to the Metropolitan Transportation Commission that it has secured alternative funding for the two vessel purchases described in this paragraph, the funds may be used for terminal improvements. If the Water Transit Authority does not have an entitled terminal site within the Berkeley/Albany catchment area by 2010 that meets its requirements, the funds described in this paragraph and the operating funds described in paragraph (7) of subdivision (d) shall be transferred to another site in the east bay. The City of Richmond shall be given first priority to receive this transfer of



funds if it has met the planning milestones identified in its special study developed pursuant to paragraph (28).

(27) Commute Ferry Service for South San Francisco. Purchase two vessels for ferry services to the peninsula. Parking access and landside feeder connections must be sufficient to support ridership projections. Twelve million dollars (\$12,000,000). The project sponsor is Water Transit Authority. If the Water Transit Authority demonstrates to the Metropolitan Transportation Commission that it has secured alternative funding for the two vessel purchases described in this paragraph, the funds may be used for terminal improvements.

(28) Water Transit Facility Improvements, Spare Vessels, and Environmental Review Costs. Provide two backup vessels for Water Transit Authority services, expand berthing capacity at the Port of San Francisco, and expand environmental studies and design for eligible locations. Forty-eight million dollars (\$48,000,000). The project sponsor is Water Transit Authority. Up to one million dollars (\$1,000,000) of the funds described in this paragraph shall be made available for the Water Transit Authority to study accelerating development and other milestones that would potentially increase ridership at the City of Richmond ferry terminal.

(29) Regional Express Bus Service for San Mateo, Dumbarton, and Bay Bridge Corridors. Expand park and ride lots, improve HOV access, construct ramp improvements, and purchase rolling stock. Twenty-two million dollars (\$22,000,000). The project sponsors are AC Transit and Alameda County Congestion Management Agency.

(30) I-880 North Safety Improvements. Reconfigure various ramps on I-880 and provide appropriate mitigations between 29th Avenue and 16th Avenue. Ten million dollars (\$10,000,000). The project sponsors are Alameda County Congestion Management Agency, City of Oakland, and Department of Transportation.

(31) BART Warm Springs Extension . Extension of the existing BART system from Fremont to Warm Springs in southern Alameda County. Ninety-five million dollars (\$95,000,000). Up to ten million dollars (\$10,000,000) shall be used for grade separation work in the City of Fremont necessary to extend BART. The project would facilitate a future rail service extension to the Silicon Valley. The project sponsor is BART.

(32) I-580 (Tri Valley) Rapid Transit Corridor Improvements. Provide rail or High-Occupancy Vehicle lane direct connector to Dublin BART and other improvements on I-580 in Alameda County for use by express buses. Sixty-five million dollars (\$65,000,000). The project sponsor is Alameda County Congestion Management Agency.



(33) Regional Rail Master Plan. Provide planning funds for integrated regional rail study pursuant to subdivision (f) of Section 30914.5. Six million five hundred thousand dollars (\$6,500,000). The project sponsors are Caltrain and BART.

(34) Integrated Fare Structure Program. Provide planning funds for the development of zonal monthly transit passes pursuant to subdivision (e) of Section 30914.5. One million five hundred thousand dollars (\$1,500,000). The project sponsor is the Translink Consortium.

(35) Transit Commuter Benefits Promotion. Marketing program to promote tax-saving opportunities for employers and employees as specified in Section 132(f)(3) of the Internal Revenue Code. Goal is to increase the participation rate of employers offering employees a tax-free benefit to commute to work by transit. The project sponsor is the Metropolitan Transportation Commission. Five million dollars (\$5,000,000).

(36) Caldecott Tunnel Improvements. Provide funds to plan and construct a fourth bore at the Caldecott Tunnel between Contra Costa and Alameda Counties. The fourth bore will be a two-lane bore with a shoulder or shoulders north of the current three bores. The County Connection shall study all feasible alternatives to increase transit capacity in the westbound corridor of State Highway Route 24 between State Highway Route 680 and the Caldecott Tunnel, including the study of the use of an express lane, high-occupancy vehicle lane, and an auxiliary lane. The cost of the study shall not exceed five hundred thousand dollars (\$500,000) and shall be completed not later than January 15, 2006. Fifty million five hundred thousand dollars (\$50,500,000). The project sponsor is the Contra Costa Transportation Authority.

(d) Not more than 38 percent of the revenues generated from the toll increase shall be made available annually for the purpose of providing operating assistance for transit services as set forth in the authority's annual budget resolution. The funds shall be made available to the provider of the transit services subject to the performance measures described in Section 30914.5. If the funds cannot be obligated for operating assistance consistent with the performance measures, these funds shall be obligated for other operations consistent with this chapter.

Except for operating programs that do not have planned funding increases and subject to the 38-percent limit on total operating cost funding in any single year, following the first year of scheduled operations, an escalation factor, not to exceed 1.5 percent per year, shall be added to the operating cost funding through fiscal year 2015–16, to partially offset increased operating costs. The escalation factors shall be contained in the operating agreements described in Section 30914.5.



Subject to the limitations of this paragraph, the Metropolitan Transportation Commission may annually fund the following operating programs as another component of the Regional Traffic Relief Plan:

(1) Golden Gate Express Bus Service over the Richmond Bridge (Route 40). Two million one hundred thousand dollars (\$2,100,000).

(2) Napa Vine Service terminating at the Vallejo Intermodal Terminal. Three hundred ninety thousand dollars (\$390,000).

(3) Regional Express Bus North Pool serving the Carquinez and Benicia Bridge Corridors. Three million four hundred thousand dollars (\$3,400,000).

(4) Regional Express Bus South Pool serving the Bay Bridge, San Mateo Bridge, and Dumbarton Bridge Corridors. Six million five hundred thousand dollars (\$6,500,000).

(5) Dumbarton Rail. Five million five hundred thousand (\$5,500,000).

(6) Water Transit Authority, Alameda/Oakland/Harbor Bay. A portion of the operating funds may be dedicated to landside transit operations. Six million four hundred thousand dollars (\$6,400,000).

(7) Water Transit Authority, Berkeley/Albany. A portion of the operating funds may be dedicated to landside transit operations. Three million two hundred thousand dollars (\$3,200,000).

(8) Water Transit Authority, South San Francisco. A portion of the operating funds may be dedicated to landside operations. Three million dollars (\$3,000,000).

(9) Vallejo Ferry. Two million seven hundred thousand dollars (\$2,700,000).

(10) Owl Bus Service on BART Corridor. One million eight hundred thousand dollars (\$1,800,000).

(11) MUNI Metro Third Street Light Rail Line. Two million five hundred thousand dollars (\$2,500,000) without escalation.

(12) AC Transit Enhanced Bus Service on Telegraph Avenue, International Boulevard, and East 14th Street in Berkeley-Oakland-San Leandro. Three million dollars (\$3,000,000) without escalation.

(13) TransLink, three-year operating program. Twenty million dollars (\$20,000,000) without escalation.

(14) Water Transit Authority, regional planning and operations. Three million dollars (\$3,000,000) without escalation.

(e) For all projects authorized under subdivision (c), the project sponsor shall submit an initial project report to the Metropolitan Transportation Commission before July 1, 2004. This report shall include all information required to describe the project in detail, including the status of any environmental documents relevant to the project, additional funds required to fully fund the project, the amount,



if any, of funds expended to date, and a summary of any impediments to the completion of the project. This report, or an updated report, shall include a detailed financial plan and shall notify the commission if the project sponsor will request toll revenue within the subsequent 12 months. The project sponsor shall update this report as needed or requested by the commission. No funds shall be allocated by the commission for any project authorized by subdivision (c) until the project sponsor submits the initial project report, and the report is reviewed and approved by the commission.

If multiple project sponsors are listed for projects listed in subdivision (c), the commission shall identify a lead sponsor in coordination with all identified sponsors, for purposes of allocating funds. For any projects authorized under subdivision (c), the commission shall have the option of requiring a memorandum of understanding between itself and the project sponsor or sponsors that shall include any specific requirements that must be met prior to the allocation of funds provided under subdivision (c).

(f) The Metropolitan Transportation Commission shall annually assess the status of programs and projects and shall allocate a portion of funding made available under Section 30921 or 30958 for public information and advertising to support the services and projects identified in subdivisions (c) and (d). If an operating program or project cannot achieve its performance objectives described in subdivision (a) of Section 30914.5 or if a program or project cannot be completed or cannot continue due to delivery or financing obstacles making the completion or continuation of the program or project unrealistic, the commission shall consult with the program or the project sponsor. After consulting with the sponsor, the commission shall hold a public hearing concerning the project. After the hearing, the commission may vote to modify the program or the project's scope, decrease its level of funding, or to reassign all of the funds to another or an additional regional transit program or project within the same corridor. If a program or project does not meet the required performance measures, the commission shall give the sponsor a time certain to achieve the performance measures or have its funding reassigned.

(g) If the voters approve a toll increase pursuant to Section 30921, the authority shall within 24 months of the election date, include the projects in a long-range plan that are consistent with the commission's findings required by this section and Section 30914.5. The authority shall update its long-range plan as required to maintain its viability as a strategic plan for funding projects authorized by this section. The authority shall by January 1, 2007, submit its updated long-range plan to the transportation policy committee of each house of the Legislature for review.



(h) If the voters approve a toll increase pursuant to Section 30921, and if additional funds from this toll increase are available following the funding obligations of subdivisions (c) and (d), the authority may set aside a reserve to fund future rolling stock replacement to enhance the sustainability of the services enumerated in subdivision (d). The authority shall, by January 1, 2020, submit a 20-year toll bridge expenditure plan to the Legislature for adoption. This expenditure plan shall have, as its highest priority, replacement of transit vehicles purchased pursuant to subdivision (c).

SEC. 65. Section 30914.5 is added to the Streets and Highways Code, to read:

30914.5. (a) Prior to the allocation of revenue for transit operating assistance under subdivision (d) of Section 30914, the Metropolitan Transportation Commission shall adopt performance measures related to fare-box recovery, ridership, and other performance measures as needed. The performance measures shall be developed in consultation with the affected transit operators and the commission's advisory council.

(b) The Metropolitan Transportation Commission shall execute an operating agreement with the sponsors of the projects described in subdivision (d) of Section 30914. This agreement shall include, at a minimum, a fully funded operating plan that conforms to and is consistent with the adopted performance measures. The agreement shall also include a schedule of projected fare revenues or other operating revenues to indicate that the service is viable in the near-term and is expected to meet the adopted performance measures in future years. For any individual project sponsor, this operating agreement may include additional requirements, as determined by the commission, to be met prior to the allocation of transit assistance under subdivision (d) of Section 30914.

(c) Prior to the annual allocation of transit operating assistance funds by the Metropolitan Transportation Commission pursuant to subdivision (d) of Section 30914, project sponsors shall present an audited annual report to the commission that contains audited financial information, including an opinion of the independent auditors on the status and cost of the project and its compliance with the approved performance measures.

(d) The Metropolitan Transportation Commission shall adopt a regional transit connectivity plan by December 1, 2005. The connectivity plan shall be incorporated into the commission's Transit Coordination Implementation Plan pursuant to Section 66516.5 of the Government Code. The connectivity plan shall require operators to comply with the plan utilizing commission authority pursuant to Section



66516.5 of the Government Code. The commission shall consult with the Partnership Transit Coordination Council in developing a plan that identifies and evaluates opportunities for improving transit connectivity and shall include, but not be limited to, the following components:

(1) A network of key transit hubs connecting regional rapid transit services to one another, and to feeder transit services. “Regional rapid transit” means long-haul transit service that crosses county lines, and operates mostly in dedicated rights-of-way, including freeway high-occupancy vehicle lanes, crossing a bridge, or on the bay. The identified transit hubs shall operate either as a timed transfer network or as pulsed hub connections, providing regularly scheduled connections between two or more transit lines.

(2) Physical infrastructure and right-of-way improvements necessary to improve system reliability and connections at transit hubs. Physical infrastructure improvements may include, but are not limited to, improved rail-to-rail transfer facilities, including cross-platform transfers, and intermodal transit improvements that facilitate rail-to-bus, rail-to-ferry, ferry-to-ferry, ferry-to bus, and bus-to-bus transfers. Capital improvements identified in the plan shall be eligible for funding in the commission’s regional transportation plan.

(3) Regional standards and procedures to ensure maximum coordination of schedule connections to minimize transfer times between transit lines at key transit hubs, including, but not limited to, the following:

(A) Policies and procedures for improved fare collection.

(B) Enhanced trip-planning services, including Internet-based programs, telephone information systems, and printed schedules.

(C) Enhanced schedule coordination through the implementation of real-time transit-vehicle location systems that facilitate communication between systems and result in improved timed transfers between routes.

(D) Performance measures and data collection to monitor the performance of the connectivity plan.

The connectivity plan shall focus on, but not be limited to, feeder transit lines connecting to regional rapid transit services, and the connection of regional rapid transit services to one another. The connectivity plan shall be adopted following a Metropolitan Transportation Commission public hearing at least 60 days prior to adoption. The commission shall adopt performance measures and collect appropriate data to monitor the performance of the connectivity plan. The plan shall be evaluated every three years by the commission as part of the update to its regional transportation plan. No agency shall be eligible to receive funds under this section unless the agency is a



participant operator in the commission's regional transit connectivity plan.

The provisions of this subdivision shall only be effective if the voters approve the toll increase as set forth in Section 30921, and the expenditures incurred by the Metropolitan Transportation Commission up to five hundred thousand dollars (\$500,000) that are related to the requirements of this subdivision, including any study, shall be reimbursed from toll revenues identified in paragraph (33) of subdivision (c) of Section 30914.

(e) The TransLink Consortium, per the TransLink Interagency Participation Agreement, shall by July 1, 2007, develop a plan for an integrated fare program covering all regional rapid transit trips funded in full or in part by this section. "Regional rapid transit" means long-haul transit services that cross county lines, and operate mostly in dedicated rights-of-way, including freeway high-occupancy vehicle lanes, crossing a bridge, or on the bay. Interregional rail services, originating or terminating from outside the bay area, shall not be considered regional rapid transit. The purpose of the integrated fare program is to encourage greater use of the region's transit network by making it easier and less costly for transit riders whose regular commute involves multizonal travel and may involve the transfer between two or more transit agencies, including regional-to-regional and regional-to-local transfers. The integrated fare program shall include a zonal fare system for the sole purpose of creating a monthly zonal pass (monthly pass), allowing for unlimited or discounted fares for transit riders making a minimum number of monthly transit trips between two or more zones. The number of minimum trips shall be established by the plan. The integrated fare program shall not apply to fare structures that are not purchased on a monthly basis. For the purposes of these zonal fares, geographic zones shall be created in the bay area. To the extent practical, zone boundaries for overlapping systems shall be in the same places and shall correspond to the boundaries of the local transit service areas. A regional rapid transit zone may cover more than one local service area, or may subdivide an existing local service area. The monthly pass shall be created in at least the following two forms:

(1) For the use of interzonal regional rapid transit trips without local transit discounts.

(2) For the use of interzonal regional rapid transit trips with local transit discounts. The plan may recommend the elimination of existing transit pass arrangements to simplify the marketing of the monthly pass. The integrated fare program shall establish a monitoring program to evaluate the impact of the integrated fare program on the operating finances of the participating agencies. The integrated fare program shall



be adjusted as necessary to ensure that the program does not jeopardize the viability of local or regional rapid transit routes impacted by the program, and to the extent feasible, provide an equitable revenue sharing arrangement among the participating agencies. This subdivision shall only be effective if the voters approve the toll increase as set forth in Section 30921, and any expenditures related to the implementation of this subdivision incurred by the TransLink Consortium shall be reimbursed by toll revenues designated in paragraph (35) of subdivision (c) of Section 30914.

(f) The Metropolitan Transportation Commission (MTC) shall, by July 1, 2006, adopt a Bay Area Regional Rail Plan (plan) for the development of passenger rail services in the San Francisco Bay area over the short, medium, and long term. The plan shall formulate strategies to integrate passenger rail systems, improve interfaces with connecting services, expand the regional rapid transit network, and coordinate investments with transit-supportive land use. The plan shall be governed by a steering committee consisting of appointees from the Department of Transportation (Caltrans), the San Francisco Bay Area Rapid Transit District (BART), Caltrain, the National Railroad Passenger Corporation (Amtrak), the Capitol Corridor Joint Powers Authority, the Altamont Commuter Express, the California High-Speed Rail Authority, the Metropolitan Transportation Commission (MTC), the Sonoma-Marín Area Rail Transit District (SMART), the Santa Clara Valley Transportation Authority, the Solano Transportation Authority, and the owners of standard gauge rail. Congestion management agencies and other agencies as determined by the steering committee shall be invited as nonvoting members. Under policy guidance from the steering committee and with input from bay area transit agencies, Caltrain and BART shall provide day-to-day management and technical support for the development of this plan. The plan proposals shall be evaluated using performance criteria, including, but not limited to, transit-supportive land use and access, ridership, cost-effectiveness, regional network connectivity, and capital and operating financial stability. Additional performance criteria shall be developed as necessary. The plan shall include, but not be limited to, all of the following:

(1) Identification of issues in connectivity, access, capacity, operations and cost-effectiveness.

(2) Identification of opportunities to enhance rail connectivity and to maximize passenger convenience when transferring between systems. Up to five hundred thousand dollars (\$500,000) of the funds described in paragraph (33) of subdivision (c) of Section 30914 may be expended by BART or Caltrain, or by both, to study the feasibility and construction of, an intermodal transfer hub at the Niles (Shinn Street) Junction.



(3) Recommendation of improvements to the interface with shuttles, buses, other rail systems, and other feeder modes.

(4) Identification of potential impacts on capacity constraints and operations on existing passenger and freight carriers.

(5) Identification of bottlenecks where added capacity could cost-effectively increase performance.

(6) Recommendation of potential efficiency improvements through economies of scale, such as through joint vehicle procurement and maintenance facilities.

(7) Recommendation of strategies to acquire right-of-way and station property to preserve future service options.

(8) Identification of potential capital and operating funding sources for proposed actions.

(9) Identification of locations where the presence of passenger rail could stimulate redevelopment and thereby direct growth to the urban core.

(10) Recommendation of technology-appropriate service expansion in specific corridors. Technologies to be considered include conventional rail transit modes, bus rapid transit, and emerging rail technologies. Identify phasing strategies for the implementation of rail services where appropriate.

(11) Examination of how recommendations would integrate with proposed high-speed rail to the Central Valley and southern California. Up to two million five hundred thousand dollars (\$2,500,000) of the funds described in paragraph (33) of subdivision (c) of Section 30914 may be expended by BART or Caltrain, or by both, to study bay area access to the high-speed rail system. The High-Speed Rail Authority, or its successor, shall collaborate with the steering committee established in this subdivision in conducting this study, if funds are expended for the study pursuant to this paragraph.

(12) Recommendation of a governance strategy to implement and operate future regional rapid transit services.

This subdivision shall only be effective if the voters approve the toll increase as set forth in Section 30921. Any expenditures incurred by the Metropolitan Transportation Commission or the project sponsors identified in paragraph (33) of subdivision (c) of Section 30914 related to the requirements of this subdivision, including any study and administration, shall be appropriate charges against toll revenue to be reimbursed from toll revenues.

SEC. 66. Section 30915 of the Streets and Highways Code is amended to read:

30915. With respect to all construction and improvement projects specified in Sections 30913 and 30914, project sponsors and the



department shall seek funding from all other potential sources, including, but not limited to, the State Highway Account and federal matching funds. The project sponsors and department shall report to the authority concerning the funds obtained under this section.

SEC. 67. Section 30916 of the Streets and Highways Code is amended to read:

30916. (a) The base toll rate for vehicles crossing the state-owned toll bridges within the geographic jurisdiction of the commission as of January 1, 2003, is as follows:

Number of Axles	Toll
Two axles	\$ 1.00
Three axles	3.00
Four axles	5.25
Five axles	8.25
Six axles	9.00
Seven axles & more	10.50

(b) If the voters approve a toll increase, pursuant to Section 30921, commencing July 1, 2004, the base toll rate for vehicles crossing the bridges described in subdivision (a) is as follows:

Number of axles	Toll
Two axles	\$ 2.00
Three axles	4.00
Four axles	6.25
Five axles	9.25
Six axles	10.00
Seven axles & more	11.50

(c) The authority shall increase the amount of the toll only if required to meet its obligations on any bonds or to satisfy its covenants under any bond resolution or indenture. The authority shall hold a public hearing before adopting a toll schedule reflecting the increased toll charge.

(d) Nothing in this section shall be construed to prohibit the adoption of either a discounted commute rate for two-axle vehicles or of special provisions for high-occupancy vehicles under terms and conditions prescribed by the authority in consultation with the department.

SEC. 68. Section 30917 of the Streets and Highways Code is repealed.



SEC. 69. Section 30917 is added to the Streets and Highways Code, to read:

30917. Pursuant to a special election in 1988 held in the City and County of San Francisco and the Counties of Alameda, Contra Costa, Marin, San Mateo, Santa Clara, and Solano, the voters approved a uniform toll charge of one dollar (\$1) for class I vehicles crossing the state-owned toll bridges within the geographic jurisdiction of the Metropolitan Transportation Commission. Except as provided in Section 30914, the revenue derived from that toll increase shall be used to finance capital outlay for bridge construction and major bridge improvements as is fiscally practicable.

SEC. 70. Section 30918 of the Streets and Highways Code is amended to read:

30918. It is the intention of the Legislature to maintain tolls on all of the bridges specified in Section 30910 at rates sufficient to meet any obligation to the holders of bonds secured by the bridge toll revenues. The authority shall retain authority to set the toll schedule as may be necessary to meet those bond obligations. The authority shall provide at least 30 days' notice to the transportation policy committee of each house of the Legislature and shall hold a public hearing before adopting a toll schedule reflecting the increased toll rate.

SEC. 71. Section 30919 of the Streets and Highways Code is amended to read:

30919. (a) Consistent with its adopted regional transportation plan, after the requirements for debt service on the outstanding toll bridge revenue bonds have been met, the Metropolitan Transportation Commission shall allocate the revenues identified in subdivision (b) of Section 30913 to eligible public entities and to the department.

(b) The revenues expended pursuant to paragraph (4) of subdivision (a) of Section 30914 shall be expended on rail extension and improvement projects designed to reduce vehicular traffic congestion on the San Francisco-Oakland Bay Bridge. Seventy percent of the revenues shall be expended on rail extensions and improvement projects in the Counties of Alameda and Contra Costa, including, but not limited to, extending the regional rail system in the Concord-Antioch, Fremont-San Jose, and the Bayfair-Livermore rail transit corridors. The remaining 30 percent shall be expended on rail extensions and improvement projects in the City and County of San Francisco and the Counties of San Mateo and Santa Clara.

(c) The Metropolitan Transportation Commission may commit to multiyear allocations and expenditures for projects over extended time periods to maximize funding opportunities and project progress.



SEC. 72. Section 30920 of the Streets and Highways Code is amended to read:

30920. The authority may issue toll bridge revenue bonds to finance any or all of the projects, including those specified in Sections 30913 and 30914, if the issuance of the bonds does not adversely affect the minimum amount of toll revenue proceeds designated in Section 30913 and in paragraph (4) of subdivision (a) of, and subdivision (b) of, Section 30914 for rail extension and improvement projects and transit projects to reduce vehicular traffic. A determination of the authority that a specific project or projects shall have no adverse effect will be binding and conclusive in all respects.

SEC. 73. Section 30921 of the Streets and Highways Code is repealed.

SEC. 74. Section 30921 is added to the Streets and Highways Code, to read:

30921. (a) The toll rate for vehicles crossing the bridges described in Section 30916 shall not be increased to the rate described in subdivision (b) of Section 30916 prior to the availability of the results of a special election to be held in the City and County of San Francisco and the Counties of Alameda, Contra Costa, Marin, San Mateo, Santa Clara, and Solano to determine whether the residents of those counties and of the City and County of San Francisco approve a toll increase in the amount of one dollar (\$1) per vehicle. The revenue derived from this toll increase shall be used to finance capital outlay for construction improvements, the acquisition of transit vehicles, transit operating assistance, and other improvement projects to reduce congestion and to improve travel options on the bridge corridors as is fiscally practicable.

(b) Notwithstanding any provision of the Elections Code, the board of supervisors of the City and County of San Francisco and of each of the counties described in subdivision (a) shall call a special election to be conducted in the City and County of San Francisco and in each of the counties that shall be consolidated with the March 2, 2004, primary election. The following question shall be submitted to the voters as Regional Measure 2 and stated separately in the ballot from state and local measures: “Shall voters authorize a Regional Traffic Relief Plan that does the following:

(1) Directs revenues generated through the collection of bridge tolls to provide the following projects:

(A) Expand and extend BART.

(B) New transbay commuter rail crossing south of the San Francisco-Oakland Bay Bridge.

(C) Comprehensive Regional Express bus network.

(D) New expanded ferry service.



(E) Better connections between BART, buses, ferries, and rail.

(2) Approves a one dollar (\$1) toll increase effective July 1, 2004, on all toll bridges in the bay area, except the Golden Gate Bridge?”

(c) The ballot pamphlet for the special election described in subdivision (b) shall include a detailed description of the Regional Traffic Relief Plan detailing the projects, services, and planning requirements set forth in subdivisions (c) and (d) of Section 30914 and subdivisions (d), (e), and (f) of Section 30914.5. The Metropolitan Transportation Commission shall prepare this description of the Regional Traffic Relief Plan.

(d) The county clerks shall report the results of the special election to the authority. If a majority of all voters voting on the question at the special election vote affirmatively, the authority shall adopt the increased toll schedule to be effective July 1, 2004.

(e) If a majority of all the voters voting on the question at the special election do not approve the toll increase, the authority may by resolution resubmit the measure to the voters at a subsequent general election. If a majority of all of the voters vote affirmatively on the measure, the authority may adopt the toll increase and establish its effective date and establish the completion dates for all reports and studies required by Sections 30914, 30914.5, and 30950.3.

(f) The authority shall reimburse each county and city and county participating in the election for the incremental cost of submitting the measure to the voters. These costs shall be reimbursed from revenues derived from the tolls if the measure is approved by the voters, or, if the measure is not approved, from any bridge toll revenues administered by the authority.

(g) Except as provided in Section 30918, the toll rates contained in a toll schedule adopted by the authority pursuant to this section shall not be changed without statutory authorization by the Legislature.

SEC. 75. Section 30922 is added to the Streets and Highways Code, to read:

30922. Any action or proceeding to contest, question, or deny the validity of the toll increase provided for in this chapter, the financing of the transportation program contemplated by this chapter, the issuance of any bonds secured by those tolls, or any of the proceedings in relation thereto, shall be commenced within 60 days from the date of the election at which the toll increase is approved. After that date, the financing of the program, the issuance of the bonds, and all proceedings in relation thereto, including the adoption, approval, and collection of the toll increase, shall be held valid and incontestable in every respect.

SEC. 76. Section 30950 of the Streets and Highways Code is amended to read:



30950. For the purposes of this chapter, Chapter 4 (commencing with Section 30910), and Chapter 4.5 (commencing with Section 31000), “the authority” is the Bay Area Toll Authority, which is hereby created. The authority is a public instrumentality governed by the same board as that governing the Metropolitan Transportation Commission. The authority is, however, a separate entity from the Metropolitan Transportation Commission.

SEC. 77. Section 30950.1 of the Streets and Highways Code is amended to read:

30950.1. The authority shall adopt an annual budget. The members of the authority shall be compensated as determined by the authority and shall be reimbursed for necessary and reasonable expenses incurred in connection with performing authority duties. The authority shall pay all costs required by this section.

SEC. 78. Section 30950.2 of the Streets and Highways Code is amended to read:

30950.2. The authority is responsible for the programming, administration, and allocation of all toll revenues, except revenues from the seismic retrofit surcharge, from state-owned toll bridges within the geographic jurisdiction of the Metropolitan Transportation Commission. After completion of the seismic projects and payment or provision for the payment of all bonds issued for the seismic projects, the authority may assume responsibility for the programming, administration, and allocation of the revenue derived from the seismic retrofit surcharge, at which time those revenues shall be deposited in the Bay Area Toll Account.

SEC. 79. Section 30950.3 of the Streets and Highways Code is amended to read:

30950.3. (a) The authority shall prepare, adopt, and from time to time revise, a long-range plan for the completion of all projects within its jurisdiction, including those of the Regional Traffic Relief Plan.

(b) The authority shall give first priority to projects and expenditures that are deemed necessary by the department to preserve and protect the bridge structures.

SEC. 80. Section 30950.4 of the Streets and Highways Code is amended to read:

30950.4. All authority of the California Transportation Commission as to the bay area bridges is transferred to the authority.

SEC. 81. Section 30951 of the Streets and Highways Code is repealed.

SEC. 82. Section 30951 is added to the Streets and Highways Code, to read:



30951. The authority is authorized in its own name to do all acts necessary or convenient for the exercise of its powers under this division and the financing of projects, including, but not limited to, the following:

- (a) To make and enter into contracts.
- (b) To employ agents or employees.
- (c) To acquire, construct, manage, maintain, lease, or operate any public facility or improvements.
- (d) To sue and be sued in its own name.
- (e) To issue bonds and otherwise to incur debts, liabilities, or obligations.
- (f) To apply for, accept, receive, and disburse grants, loans, and other assistance from any agency of the United States of America or of the State of California.
- (g) To invest any money not required for the immediate necessities of the authority, as the authority determines is advisable.
- (h) To apply for letters of credit or other forms of financial guarantees in order to secure the repayment of bonds and to enter into agreements in connection with those letters of credit or financial guarantees.

SEC. 83. Section 30953 of the Streets and Highways Code is amended to read:

30953. Except for the revenues from the seismic retrofit surcharge, toll revenues and all other income derived from bridges pursuant to Chapter 4 (commencing with Section 30910) shall be deposited in the Bay Area Toll Account, which is hereby created.

SEC. 84. Section 30956 of the Streets and Highways Code is repealed.

SEC. 85. Section 30958 of the Streets and Highways Code is amended to read:

30958. After payments for debt service on outstanding bonds, and the costs for the operation and maintenance expenses set forth in Section 30952 are provided for, and after all direct operating costs of the authority are provided for, the authority may retain, for its cost in administering this article, an amount not to exceed 1 percent of the gross annual bridge revenues.

SEC. 86. Section 30960 of the Streets and Highways Code is amended to read:

30960. (a) The authority may issue both defeasance and future capital project bonds payable from the revenues of the tolls imposed on the bridges described in Section 30910. The bonds or commercial paper may be issued by the authority at any time, and from time to time, payable from the revenues from the tolls. The bonds or commercial paper shall be referred to as “toll bridge revenue bonds.”



(b) The revenues from the tolls on the bridges described in Section 30910 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 that provider with respect to those bonds, and the lien shall immediately attach to those toll revenues and be effective, binding, and enforceable against the authority, its successors, creditors, and all others asserting 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, and the toll revenues shall remain subject to that lien until all bonds are paid in full or provision made therefor, and the bridges shall not become toll-free prior to that time.

(c) The liens on toll revenues created by this chapter shall be subject to expenditures for operation and maintenance of the bridges, including toll collection, unless those expenditures are otherwise provided for by statute.

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

SEC. 87. Section 30961 of the Streets and Highways Code is amended to read:

30961. Toll bridge revenue bonds shall be issued pursuant to a resolution adopted at any time, and from time to time, by the authority by a majority vote of all members of the authority.

(a) The authority 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 any of the bridges or for any of the purposes authorized by this chapter, Chapter 4 (commencing with Section 30910), or Chapter 4.5 (commencing with Section 31000). Operation of the bridges or any grouping or units thereof shall constitute an “enterprise” within the meaning of Section 54309 of the Government Code, and the authority 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 chapter. Instead, the authority shall authorize the issuance of bonds by resolution, and that 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 or commercial paper.
- (4) The maximum rate of interest to be payable upon the bonds or commercial paper. That interest rate 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.

(b) The authority shall keep full and complete accounts for toll revenues and expenses of the toll bridges and shall annually prepare balance sheets showing the financial condition of the entire toll bridge enterprise as well as toll revenues and operating costs for each toll bridge. The accounts and related reports shall be maintained and prepared in accordance with generally accepted accounting practices and shall be subject to an annual audit conducted by an independent certified public accountancy firm licensed to practice in the state.

SEC. 88. Section 31000 of the Streets and Highways Code is amended to read:

31000. The following definitions apply for purposes of this chapter:

(a) “Account” means the Toll Bridge Seismic Retrofit Account created pursuant to Section 188.10.

(b) “Amenities” means any of the following:

(1) A cable suspension bridge.

(2) A bicycle facility.

(3) A transbay terminal.

(c) “Authority” means the Bay Area Toll Authority.

(d) “Bay area bridges” means the state-owned toll bridges within the area of the geographic jurisdiction of the Metropolitan Transportation Commission.

(e) “Department” means the Department of Transportation.

(f) “Seismic retrofit” means all work completed by the department on the bay area bridges relating to the planning, design, and construction of improvements to, or replacement of, those bridges for the purpose of withstanding seismic forces, including, but not limited to, any environmental or traffic mitigation necessary for that work.

(g) “Surcharge” means the seismic retrofit surcharge imposed pursuant to Section 31010.

SEC. 89. Section 31010 of the Streets and Highways Code is amended to read:

31010. (a) There is hereby imposed a seismic retrofit surcharge equal to one dollar (\$1) per vehicle for passage on the bay area bridges, except for vehicles that are authorized toll-free passage on these bridges.

(b) Funds generated by subdivision (a) may not be used to repay nontoll revenues committed to fund projects identified in paragraph (2) of subdivision (a) of Section 188.5. Following the date of the submission of the final report required in subdivision (d) of Section 188.5, funds generated pursuant to subdivision (a) that are in excess of those needed to meet the toll commitment as specified by paragraph (4) of subdivision



(b) of Section 188.5, including annual debt service payments, if any, required to support the commitment, and other elements required to meet the obligations of the department's financing plan, shall be available to the authority for funding, consistent with Sections 30913 and 30914, the purposes and projects described in those sections. The department shall transfer to the authority on an annual basis the funds made available to the authority under this subdivision.

(c) (1) There shall be no increase in the seismic retrofit surcharge beyond the level identified in subdivision (a) for the purposes identified in paragraph (4) of subdivision (a) of Section 188.5, except that the department shall have the authority to increase the seismic retrofit surcharge for debt service purposes only if the bank finds and the Department of Finance confirms that both of the following apply:

(A) Circumstances exist that have resulted in a reduction in the funds generated by subdivision (a) so as to jeopardize the payment of debt service for which toll revenues are authorized.

(B) Bonds issued under Chapter 4.3 (commencing with Section 30950) shall not be impaired solely by action taken under this section, as evidenced by confirmation of the then existing ratings on those bonds, by the rating agencies then rating the bonds.

(2) The requirement for the funding described in subparagraph (B) of paragraph (1) shall not apply if the voters approve an increase in the toll rate pursuant to subdivision (b) of Section 30921.

(d) The term of the financing plan developed by the department under Section 31071, for the purposes of funding the projects described in Sections 30913 and 30914, is extended for a period of 30 years commencing on January 1, 2008.

(e) This section shall remain in effect only until the date that the California Transportation Commission notifies the Secretary of State that sufficient funds have been generated to meet the obligations identified in paragraph (4) of subdivision (b) of Section 188.5, and repayment of any outstanding debt secured by tolls, and as of that date is repealed. The California Transportation Commission shall provide the notice described in this subdivision upon making the determination set forth in this subdivision.

SEC. 90. Section 31071 of the Streets and Highways Code is amended to read:

31071. (a) The department may enter into financing agreements with the bank for the purpose of borrowing funds to finance or refinance the seismic retrofit project costs identified in paragraph (4) of subdivision (a) of Section 188.5. The bank may issue bonds for this purpose, pursuant to the authority granted to it under Chapter 5 (commencing with Section 63070) of Chapter 2 of Division 1 of Title 6.7



of the Government Code, and deposit the proceeds from the bonds into the account. The amount of borrowing may be increased to fund necessary reserves, capitalized interest, interim bonds, including, but not limited to, commercial paper, costs of issuance, and administrative, financial legal and incidental services related to the bonds. The department shall pursue the most cost-effective and efficient financing plan for the bridge work identified in paragraph (4) of subdivision (a) of Section 188.5.

(b) To the extent provided in the governing documents, each of the bonds issued under this section shall be payable from, and secured by, all or a portion of the toll surcharge revenue in the account and the assets in that account.

(c) Prior to the issuance of bonds payable from the toll surcharge, the bank shall confirm that bonds issued under Chapter 4.3 (commencing with Section 30950) shall not be impaired solely by action taken under this section, as evidenced by confirmation of the then existing ratings on these bonds, by the rating agencies then rating the bonds. This requirement shall not apply if the voters approve an increase in the toll rate pursuant to subdivision (b) of Section 30921.

SEC. 91. Section 5205.5 of the Vehicle Code is amended to read:

5205.5. (a) For the purposes of implementing Section 21655.9, beginning July 1, 2000, and through December 31, 2003, the department, in consultation with the Department of the California Highway Patrol, shall make available for issuance, for a fee determined by the department to be sufficient to reimburse the department for actual costs incurred pursuant to this section, distinctive decals, labels, or other identifiers for vehicles that meet California's ultra-low emission vehicle (ULEV) standard for exhaust emissions and the federal ILEV evaporative emission standard, as defined in Part 88 (commencing with Section 88.101-94) of Title 40 of the Code of Federal Regulations, in a manner that clearly distinguishes them from other vehicles.

(b) For the purposes of implementing Section 21655.9, beginning January 1, 2004, and through December 31, 2007, the department shall make available for issuance, for a fee determined by the department to be sufficient to reimburse the department for actual costs incurred pursuant to this section, distinctive decals, labels, and other identifiers for vehicles that meet California's super ultra-low emission vehicle (SULEV) standard for exhaust emissions and the federal inherently low-emission vehicle (ILEV) evaporative emission standard, as defined in Part 88 (commencing with Section 88.101-94) of Title 40 of the Code of Federal Regulations, in a manner that clearly distinguishes them from other vehicles.



(c) The department shall include a summary of the provisions of this section on each motor vehicle registration renewal notice, or on a separate insert, if space is available and the summary can be included without incurring additional printing or postage costs.

(d) The Governor may remove individual high-occupancy vehicle (HOV) lanes, or portions of those lanes, during periods of peak congestion from the ILEV access provisions provided in subdivisions (a) and (b), following a finding by the Department of Transportation as follows:

(1) The lane, or portion thereof, exceeds a level of service C, as discussed in subdivision (b) of Section 65089 of the Government Code.

(2) The operation or projected operation of the vehicles described in subdivisions (a) and (b) in these lanes, or portions thereof, will significantly increase congestion.

The finding also shall demonstrate the infeasibility of alleviating the congestion by other means, including, but not limited to, reducing the use of the lane by noneligible vehicles, further increasing vehicle occupancy, or adding additional capacity.

(e) For purposes of subdivisions (a) and (b), the Department of the California Highway Patrol shall design and specify the placement of the decal, label, or other identifier on the vehicle. Each decal, label, or other identifier issued for a vehicle shall display a unique number, which number shall be printed on, or affixed to, the vehicle registration.

(f) If the Metropolitan Transportation Commission, serving as the Bay Area Toll Authority, grants toll-free and reduced-rate passage on toll bridges under its jurisdiction to any vehicle pursuant to Section 30102.5 of the Streets and Highways Code, it shall also grant the same toll-free and reduced-rate passage to vehicles displaying a valid ULEV or SULEV identifier issued by the department pursuant to subdivisions (a) and (b).

(g) This section shall remain in effect only until January 1, 2008, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2008, deletes or extends that date.

SEC. 92. Section 5 of Chapter 898 of the Statutes of 1997 is amended to read:

Sec. 5. (a) Notwithstanding Article 2 (commencing with Section 33110) of Chapter 2 of Part 1 of Division 24 of the Health and Safety Code, the legislative body of the City and County of San Francisco may, by resolution, designate the authority or any successor entity or agency of the authority as the redevelopment agency with all of the rights, powers, privileges, immunities, authorities, and duties granted to a redevelopment agency pursuant to Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code, for the purpose of



acquiring, using, operating, maintaining, converting, and redeveloping the property. Upon adoption of that resolution, the authority shall be considered a redevelopment agency for all purposes under state law, including, but not limited to, the purposes of Section 21090 of the Public Resources Code.

(b) Notwithstanding any state or local law, including, without limitation, Section 33111 of the Health and Safety Code, the board of directors of the authority may include individuals who are officers or employees of the City and County of San Francisco or of the San Francisco Redevelopment Agency and those individuals are not precluded, solely by virtue of their status as officers or employees of the City and County of San Francisco or the San Francisco Redevelopment Agency, from participating in decisions as members of the board of directors.

(c) Notwithstanding Section 1090 of the Government Code and Section C8.105 of Appendix C of the San Francisco Charter, officers and employees of the City and County of San Francisco or the San Francisco Redevelopment Agency are not precluded, solely by virtue of their services as members of the board of directors, from participating in any decisions in their capacities as officers or employees of the City and County of San Francisco or the San Francisco Redevelopment Agency.

(d) Notwithstanding any other provision of law, the authority's employees, except the director and the deputy director, are subject to the same civil service provisions as the employees of the City and County of San Francisco.

(e) Notwithstanding any other provision of law, the authority shall follow the same competitive bidding procedures applicable to redevelopment agencies in California.

(f) Prior to the board of supervisor's approval of a redevelopment plan for the property, any contract to which the authority is a party worth more than one million dollars (\$1,000,000) or with a term of 10 or more years shall require the approval of the Board of Supervisors of the City and County of San Francisco.

SEC. 93. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act provides for offsetting savings to local agencies or school districts that result in no net costs to the local agencies or school districts, within the meaning of Section 17556 of the Government Code.

