



SB-595 Metropolitan Transportation Commission: toll bridge revenues: Santa Clara Valley Transportation Authority: high-occupancy toll lanes. (2017-2018)

Current Version: 09/05/17 - Amended Assembly



Compared to Version: 09/05/17 - Amended Assembly ▼

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SECTION 1. The Legislature finds and declares all of the following:

(a) The San Francisco Bay area's strong economy and growing population are placing a tremendous burden on its aging transportation infrastructure. Between 2010 and 2040, the population is forecasted to grow by 2.3 million, while the number of jobs are projected to grow by 1.3 million.

(b) Traffic congestion on the region's seven state-owned toll bridges degrades the bay area's quality of life, impairs its economy, and shows no signs of abating. Between 2010 and 2015, combined volumes on the region's seven state-owned toll bridges grew by 11 percent, while volumes on just the Dumbarton Bridge, the Richmond-San Rafael Bridge, and the San Mateo-Hayward Bridge grew by 20 percent.

(c) In 2015, five of the region's top 10 worst congested roadways were in the South Bay (San Mateo or Santa Clara Counties).

(d) In the San Francisco-Oakland Bay Bridge corridor from Hercules to San Francisco, weekday traffic speeds average less than 35 mph from 5:35 a.m. until 7:50 p.m.

(e) Weekday congestion on the west approach to the San Francisco-Oakland Bay Bridge in the eastbound direction typically begins before 1 p.m. and continues until 9:30 p.m.

(f) Weekday northbound traffic congestion on State Highway Route 101 from Novato to Petaluma begins by 3 p.m. and typically lasts over three hours.

(g) Daily peak-hour traffic on State Highway Route 37 between Marin and Solano Counties jumped over 40 percent from 2010 to 2015.

(h) The region's only rail link across San Francisco Bay, the Bay Area Rapid Transit District (BART), is 44 years old and faces multibillion-dollar capital funding shortfalls to accommodate growing ridership and achieve a state of good repair. Meanwhile, BART ridership is at record levels, exceeding 128 million in fiscal year 2016, a 27-percent increase from fiscal year 2010.

(i) Annual ridership on ferries from Alameda, Oakland, and Vallejo to San Francisco and South San Francisco more than doubled between 2010 and 2016, from 1.1 million to 2.5 million.

(j) Ridership on the weekday transbay bus service provided by the Alameda-Contra Costa Transit District rose 33 percent between 2012 and 2016.

(k) Truck traffic in and out of the Port of Oakland grew by 33 percent since 2000 and contributes to worsening congestion on the region's bridges and roadways. An estimated 99 percent of the containerized goods moving through northern California are loaded or discharged at the port.

(l) The last time bay area voters had the opportunity to approve new funding for improvements in the bridge corridors was in 2004, when voters approved Regional Measure 2, a \$1 toll increase.

(m) To improve the quality of life and sustain the economy of the San Francisco Bay area, it is the intent of the Legislature to require the Metropolitan Transportation Commission to place on the ballot a measure authorizing the voters to approve an expenditure plan to improve mobility and enhance travel options on the bridges and

bridge corridors to be paid for by an increase in the toll rate on the seven state-owned bridges within its jurisdiction.

SEC. 2. Section 14461 of the Government Code is amended to read:

14461. (a) The Inspector General shall review policies, practices, and procedures and conduct audits and investigations of activities involving state transportation funds administered by the department in consultation with all affected units and programs of the department and external entities.

(b) The Inspector General may review policies, practices, and procedures and conduct audits and investigations of activities involving any toll revenues generated under a regional tolling measure approved pursuant to Section 30923 of the Streets and Highways Code. The Bay Area Toll Authority shall reimburse the Inspector General and the Independent Office of Audits and Investigations for any review, audit, or investigation related to revenues generated pursuant to Section 30923 of the Streets and Highways Code that are used for projects, programs, administration, or any other use by the Bay Area Toll Authority.

SEC. 3. Section 149.6 of the Streets and Highways Code is amended to read:

149.6. (a) Notwithstanding Sections 149, 149.7, and 30800, and Section 21655.5 of the Vehicle Code, the Santa Clara Valley Transportation Authority (VTA) created by Part 12 (commencing with Section 100000) of Division 10 of the Public Utilities Code may conduct, administer, and operate a value pricing program on any two of the transportation corridors included in the high-occupancy vehicle lane system in Santa Clara County in coordination with the Metropolitan Transportation Commission and consistent with Section 21655.6 of the Vehicle Code.

(b) Notwithstanding Sections 149, 149.7 and 30800, and Section 21655.5 of the Vehicle Code, the VTA may conduct, administer, and operate a value pricing program on State Highway Route 101 in San Mateo County in coordination with the City/County Association of Governments of San Mateo County created pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code and with the San Mateo County Transportation Authority created pursuant to Division 12.5 (commencing with Section 131000) of the Public Utilities Code, as prescribed in subdivision (f), paragraph (3) of subdivision (g), and paragraph (1) of subdivision (h).

(c) (1) VTA, under the circumstances described in subdivisions (a) and (b), may direct and authorize the entry and use of those high-occupancy vehicle lanes by single-occupant vehicles for a fee. The fee structure shall be established from time to time by the authority. A high-occupancy vehicle lane may only be operated as a high-occupancy toll (HOT) lane during the hours that the lane is otherwise restricted to use by high-occupancy vehicles.

(2) VTA shall enter into a cooperative agreement with the Bay Area Toll Authority to operate and manage the electronic toll collection system.

(d) With the consent of the department, VTA shall establish appropriate performance measures, such as speed or travel times, for the purpose of ensuring optimal use of the HOT lanes by high-occupancy vehicles without adversely affecting other traffic on the state highway system. Unrestricted access to the lanes by high-occupancy vehicles shall be available at all times, except that those high-occupancy vehicles may be required to have an electronic transponder or other electronic device for enforcement purposes. At least annually, the department shall audit the performance during peak traffic hours and report the results of that audit at meetings of the program management team.

(e) Single-occupant vehicles that are certified or authorized by the authority for entry into, and use of, the high-occupancy vehicle lanes in Santa Clara County, and, if applicable, San Mateo County as provided in subdivision (b), are exempt from Section 21655.5 of the Vehicle Code, and the driver shall not be in violation of the Vehicle Code because of that entry and use.

(f) VTA shall carry out the program in cooperation with the department pursuant to an agreement that addresses all matters related to design, construction, maintenance, and operation of state highway system facilities in connection with the value pricing program. Any agreement related to State Highway Route 101 in San Mateo County shall be subject to the review and approval by the City/County Association of Governments of San Mateo County and the San Mateo County Transportation Authority.

(g) (1) Agreements between VTA, the department, and the Department of the California Highway Patrol shall identify the respective obligations and liabilities of those entities and assign them responsibilities relating to the

program. The agreements entered into pursuant to this section shall be consistent with agreements between the department and the United States Department of Transportation relating to this program. The agreements shall include clear and concise procedures for enforcement by the Department of the California Highway Patrol of laws prohibiting the unauthorized use of the high-occupancy vehicle lanes, which may include the use of video enforcement. The agreements shall provide for reimbursement of state agencies, from revenues generated by the program, federal funds specifically allocated to the authority for the program by the federal government, or other funding sources that are not otherwise available to state agencies for transportation-related projects, for costs incurred in connection with the implementation or operation of the program.

(2) The revenues generated by the program shall be available to VTA for the direct expenses related to the operation (including collection and enforcement), maintenance, construction, and administration of the program. The VTA's administrative costs in the operation of the program shall not exceed 3 percent of the revenues.

(3) All remaining revenue generated by the program shall be used in the corridor from which the revenues were generated exclusively for the preconstruction, construction, and other related costs of high-occupancy vehicle facilities, transportation corridor improvements, and the improvement of transit service, including, but not limited to, support for transit operations pursuant to an expenditure plan adopted by the VTA.

(4) To the extent the HOT lane operates in San Mateo County pursuant to this section, VTA, the City/County Association of Governments of San Mateo County, and the San Mateo County Transportation Authority shall, by agreement, determine how any revenue generated by the HOT lane in San Mateo County, after deducting any costs incurred pursuant to paragraph (2), shall be used exclusively for the preconstruction, construction, and other related costs of high-occupancy vehicle facilities, transportation corridor improvements, and the improvement of transit service, including, but not limited to, support for transit operations pursuant to an expenditure plan adopted by the City/County Association of Governments of San Mateo County and the San Mateo County Transportation Authority.

(h) (1) The VTA may issue bonds, refunding bonds, or bond anticipation notes, at any time to finance construction and construction-related expenditures necessary to implement the value pricing program established pursuant to subdivision (a) and construction and construction-related expenditures that are provided for in the expenditure plan adopted pursuant to paragraph (3) of subdivision (e), payable from the revenues generated from the program. Revenues derived from the additional capacity created from bonding against proceeds from tolls within San Mateo County shall be used exclusively for the preconstruction, construction, and other related costs of high-occupancy vehicle facilities, transportation corridor improvements, and the improvement of transit service, including, but not limited to, support for transit operations pursuant to an expenditure plan adopted by the City/County Association of Governments of San Mateo County and the San Mateo County Transportation Authority.

(2) The maximum bonded indebtedness that may be outstanding at any one time shall not exceed an amount that may be serviced from the estimated revenues generated from the program.

(3) The bonds shall bear interest at a rate or rates not exceeding the maximum allowable by law, payable at intervals determined by the authority.

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

"Neither the full faith and credit nor the taxing power of the State of California is pledged to the payment of principal of, or the interest on, this bond."

(5) Bonds shall be issued pursuant to a resolution of VTA adopted by a two-thirds vote of its governing board. The resolution shall state all of the following:

(A) The purposes for which the proposed debt is to be incurred.

(B) The estimated cost of accomplishing those purposes.

(C) The amount of the principal of the indebtedness.

(D) The maximum term of the bonds and the interest rate.

(E) The denomination or denominations of the bonds, which shall not be less than five thousand dollars (\$5,000).

(F) The form of the bonds, including, without limitation, registered bonds and coupon bonds, to the extent permitted by federal law, the registration, conversion, and exchange privileges, if applicable, and the time when all of, or any part of, the principal becomes due and payable.

(G) Any other matters authorized by law.

(6) The full amount of bonds may be divided into two or more series and different dates of payment fixed for the bonds of each series. A bond shall not be required to mature on its anniversary date.

(i) Not later than three years after VTA first collects revenues from any of the projects described in paragraph (1) of subdivision (c), VTA shall submit a report to the Legislature on its findings, conclusions, and recommendations concerning the demonstration program authorized by this section. The report shall include an analysis of the effect of the HOT lanes on adjacent mixed-flow lanes and any comments submitted by the department and the Department of the California Highway Patrol regarding operation of the lanes.

SEC. 4. Section 30102.5 of the Streets and Highways Code is amended 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 Sections 30921 and 30923, and may grant reduced-rate and toll-free passage on the state-owned toll bridges within the jurisdiction of the Metropolitan Transportation Commission.

SEC. 5. 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, 30914, and 30914.7.

SEC. 6. Section 30911 of the Streets and Highways Code is amended 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 Sections 30913, 30914, and 30914.7 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 Sections 30914 and 30914.7.

(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. 7. Section 30914.7 is added to the Streets and Highways Code, to read:

30914.7. (a) If the voters approve a toll increase pursuant to Section 30923, the authority shall, consistent with the provisions of this section fund the projects and programs described in this subdivision that shall collectively be known as the Regional Measure 3 expenditure plan by bonding or transfers to the Metropolitan Transportation Commission. These projects and programs 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 Expansion Cars. Purchase new railcars for the Bay Area Rapid Transit District (BART) to expand its fleet and improve reliability. The project sponsor is the BART. Five hundred million dollars (\$500,000,000).

(2) Bay Area Corridor Express Lanes. Fund the environmental review, design, and construction of express lanes to complete the Bay Area Express Lane Network, including supportive operational improvements to connecting transportation facilities. Eligible projects include, but are not limited to, express lanes on Interstate 80, Interstate 580, and Interstate 680 in the Counties of Alameda and Contra Costa, Interstate 880 in the County of Alameda, Interstate 280 in the City and County of San Francisco, Highway 101 in the City and County of San Francisco and the County of San Mateo, State Route 84 and State Route 92 in the Counties of Alameda and San Mateo, Interstate 80 from Red Top Road to the intersection with Interstate 505 in the County of Solano, and express lanes in the County of Santa Clara. Eligible project sponsors include the Bay Area Infrastructure Financing Authority, and any countywide or multicounty agency in a bay area county that is authorized to

implement express lanes. The Metropolitan Transportation Commission shall make funds available based on performance criteria, including benefit-cost and project readiness. Three hundred million dollars (\$300,000,000).

(3) Goods Movement and Mitigation. Provide funding to reduce truck traffic congestion and mitigate its environmental effects. Eligible projects include, but are not limited to, improvements in the County of Alameda to enable more goods to be shipped by rail, access improvements on Interstate 580, Interstate 80, and Interstate 880, and improved access to the Port of Oakland. The Metropolitan Transportation Commission shall select projects for the program. Eligible applicants include cities, counties, countywide transportation agencies, rail operators, and the Port of Oakland. The project sponsor is the Metropolitan Transportation Commission and the Alameda County Transportation Commission. One hundred twenty-five million dollars (\$125,000,000).

(4) San Francisco Bay Trail/Safe Routes to Transit. Provide funding for a competitive grant program to fund bicycle and pedestrian access improvements on and in the vicinity of the state-owned toll bridges connecting to rail transit stations and ferry terminals. Eligible applicants include cities, counties, transit operators, school districts, community colleges, and universities. The project sponsor is the Metropolitan Transportation Commission. One hundred fifty million dollars (\$150,000,000).

(5) Ferry Enhancement Program. Provide funding to purchase new vessels, upgrade and rehabilitate existing vessels, build facilities and landside improvements, and upgrade existing facilities. The project sponsor is the San Francisco Bay Area Water Emergency Transportation Authority. Three hundred twenty-five million dollars (\$325,000,000).

(6) BART to San Jose Phase 2. Extend BART from Berryessa Station to San Jose and Santa Clara. The project sponsor is the Santa Clara Valley Transportation Authority. Four hundred million dollars (\$400,000,000).

(7) Sonoma-Marin Area Rail Transit District (SMART). Provide funding to extend the rail system north of the Charles M. Schulz-Sonoma County Airport to the City of Windsor. The project sponsor is the Sonoma-Marin Area Rail Transit District. Forty million dollars (\$40,000,000).

(8) Capitol Corridor. Provide funding for track infrastructure that will improve the performance of Capital Corridor passenger rail operations by reducing travel times, adding service frequencies, and improving system safety and reliability. The project sponsor is the Capital Corridor Joint Powers Authority. Ninety million dollars (\$90,000,000).

(9) Caltrain Downtown Extension. Extend Caltrain from its current terminus at Fourth Street and King Street to the Transbay Transit Center. The Metropolitan Transportation Commission shall allocate funding to the agency designated to build the project, which shall be the project sponsor. Three hundred fifty million dollars (\$350,000,000).

(10) MUNI Fleet Expansion and Facilities. Fund replacement and expansion of the San Francisco Municipal Transportation Agency's MUNI vehicle fleet and associated facilities. The project sponsor is the San Francisco Municipal Transportation Agency. One hundred forty million dollars (\$140,000,000).

(11) Core Capacity Transit Improvements. Implement recommendations from the Core Capacity Transit Study and other ideas to maximize person throughput in the transbay corridor. Eligible projects include, but are not limited to, transbay bus improvements, including AC Transit's (Alameda-Contra Costa Transit District) Tier 1 and Tier 2 projects identified in the study, and high-occupancy vehicle (HOV) lane access improvements. The project sponsors are AC Transit and the Metropolitan Transportation Commission. One hundred eighty million dollars (\$180,000,000).

(12) Alameda-Contra Costa Transit District (AC Transit) Rapid Bus Improvements. Fund bus purchases and capital improvements to reduce travel times and increase service frequency along key corridors. The project sponsor is AC Transit. Fifty million dollars (\$50,000,000).

(13) Transbay Rail Crossing. Fund preliminary engineering, environmental review, and design of a second transbay rail crossing and its approaches to provide additional rail capacity, increased reliability, and improved resiliency to the corridor. Subject to approval by the Metropolitan Transportation Commission, funds may also be used for construction, and, if sufficient matching funds are secured, to fully fund a useable segment of the project. The project sponsor is the Bay Area Rapid Transit District. Fifty million dollars (\$50,000,000).

(14) Tri-Valley Transit Access Improvements. Provide interregional and last-mile transit connections on the Interstate 580 corridor in the County of Alameda within the Tri-Valley area of Dublin, Pleasanton, and Livermore. The Metropolitan Transportation Commission shall consult with the Alameda County Transportation Commission,

the Bay Area Rapid Transit District, and local jurisdictions to determine the project sponsor. One hundred million dollars (\$100,000,000).

(15) Eastridge to BART Regional Connector. Extend Santa Clara Valley Transportation Authority light rail from the Alum Rock station to the Eastridge Transit Center. The project sponsor is the Santa Clara Valley Transportation Authority. One hundred thirty million dollars (\$130,000,000).

(16) San Jose Diridon Station. Redesign, rebuild, and expand Diridon Station to more efficiently and effectively accommodate existing regional rail services, future BART and high-speed rail service, and Santa Clara Valley Transportation Authority light rail and buses. The project sponsor shall consider accommodating a future connection to Norman Y. Mineta San Jose International Airport and prioritizing non-auto access modes. The project sponsor is the Santa Clara Valley Transportation Authority. One hundred twenty million dollars (\$120,000,000).

(17) Dumbarton Rail/Altamont Corridor Express (ACE)/BART/Shinn Station. One hundred thirty million dollars (\$130,000,000).

(18) Highway 101/State Route 92 Interchange. Fund improvements to the interchange of Highway 101 and State Route 92 in the County of San Mateo. The project is jointly sponsored by the City/County Association of Governments of San Mateo County and the San Mateo County Transportation Authority. Fifty million dollars (\$50,000,000).

(19) Contra Costa Interstate 680/State Route 4 Interchange Improvements and Transit Enhancements. Fund improvements to the Interstate 680/State Route 4 interchange and infrastructure to facilitate express bus service in the corridor, including, but not limited to, the purchase of buses, development or expansion of park-and-ride lots, and a direct high-occupancy vehicle lane connector. The project sponsor is the Contra Costa Transportation Authority. One hundred fifty million dollars (\$150,000,000).

(20) Highway 101-Marin/Sonoma Narrows. Construct northbound and southbound high-occupancy vehicle lanes on Highway 101 between Petaluma Boulevard South in Petaluma and Atherton Avenue in Novato. The project sponsors are the Transportation Authority of Marin and the Sonoma County Transportation Authority. One hundred twenty-five million dollars (\$125,000,000).

(21) Solano County Interstate 80/Interstate 680/State Route 12 Interchange Project. Construct Red Top Road interchange and westbound Interstate 80 to southbound Interstate 680 connector. The project sponsor is the Solano Transportation Authority. One hundred seventy-five million dollars (\$175,000,000).

(22) Interstate 80 Westbound Truck Scales. Improve freight mobility, reliability, and safety on the Interstate 80 corridor by funding improvements to the Interstate 80 Westbound Truck Scales in the County of Solano. The project sponsor is the Solano Transportation Authority. One hundred twenty-five million dollars (\$125,000,000).

(23) State Route 37 Improvements. Fund near-term and longer-term improvements to State Route 37 to improve the roadway's mobility, safety, and long-term resiliency to sea level rise and flooding. For the purposes of the environmental review and design, the project shall include the segment of State Route 37 from the intersection in Marin County with Highway 101 to the intersection with Interstate 80 in the County of Solano. Capital funds may be used on any segment along this corridor, as determined by the project sponsors. The project is jointly sponsored by the Bay Area Toll Authority, the Transportation Authority of Marin, the Napa Valley Transportation Authority, the Solano Transportation Authority, and the Sonoma County Transportation Authority. Funds for this project may be allocated to any of the project sponsors. One hundred fifty million dollars (\$150,000,000).

(24) San Rafael Transit Center. Construct a replacement to the San Rafael (Bettini) Transit Center on an existing or new site, or both, in downtown San Rafael. The selected alternative shall be approved by the City of San Rafael, the Golden Gate Bridge, Highway and Transportation District, the Transportation Authority of Marin, and Marin Transit. The project sponsor is the Golden Gate Bridge, Highway and Transportation District. Thirty million dollars (\$30,000,000).

(25) Richmond-San Rafael Bridge Access Improvements. Fund eastbound and westbound improvements in the Richmond-San Rafael Bridge corridor, including, but not limited to, a direct connector from northbound Highway 101 to eastbound Interstate 580 and westbound access and operational improvements. The project sponsors are the Bay Area Toll Authority, the Contra Costa Transportation Authority, and the Transportation Authority of Marin. One hundred forty-five million dollars (\$145,000,000).

(26) North Bay Transit Access Improvements. Provide funding for transit improvements, including, but not limited to, bus capital projects, including vehicles, transit facilities, and access to transit facilities, benefiting the Counties of Marin, Sonoma, Napa, Solano, and Contra Costa. Priority shall be given to projects that are fully funded, ready for construction, and serving rail transit or transit service that operates primarily on existing or fully funded high-occupancy vehicle lanes. The project sponsor is the Metropolitan Transportation Commission. Eligible applicants are any transit operator providing service in the Counties of Contra Costa, Marin, Napa, Solano, or Sonoma. One hundred million dollars (\$100,000,000).

(27) State Route 29. Eligible project expenses include State Route 29 major intersection improvements, including Soscol Junction, and signal and signage improvements, which may include multimodal infrastructure and safety improvements between Carneros Highway (State Route 12/121) and American Canyon Road. The project sponsor is the Napa Valley Transportation Authority. Twenty million dollars (\$20,000,000).

(28) Next-Generation Clipper Transit Fare Payment System. Provide funding to design, develop, test, implement, and transition to the next generation of Clipper, the bay area's transit fare payment system. The next-generation system will support a universal, consistent, and seamless transit fare payment system for the riders of transit agencies in the bay area. The project sponsor is the Metropolitan Transportation Commission. Fifty million dollars (\$50,000,000).

(b) Pursuant to subdivision (a) of Section 30923, if the authority selects a toll increase to be placed on the ballot in an amount less than three dollars (\$3), the funding assigned to the projects and programs identified in subdivision (a) shall be adjusted proportionately to account for reduced funding capacity. The authority shall adopt a resolution detailing the updated Regional Measure 3 capital and operating funding available and listing the revised funding amounts for each project within 90 days of the certification of the election by the last county to certify the election on the toll increase. The authority shall update this resolution as needed to reflect additional tolls approved in subsequent elections.

(c) (1) Not more than 16 percent, up to sixty million dollars (\$60,000,000), of the revenues generated each year from the toll increase approved by the voters pursuant to Section 30923 shall be made available annually for the purpose of providing operating assistance as set forth in the authority's annual budget resolution for the purposes listed in paragraph (2). The funds shall be made available to the provider of the transit services subject to the performance measures described in paragraph (3).

(2) The Metropolitan Transportation Commission may annually fund the following operating programs from the revenue generated each year from the toll increase approved by the voters pursuant to Section 30923 as another component of the Regional Measure 3 expenditure plan:

(A) The San Francisco Transbay Terminal. Eight percent of the amount available for operating assistance pursuant to paragraph (1), not to exceed five million dollars (\$5,000,000). These funds are available for transportation-related costs associated with operating the terminal. The Transbay Joint Powers Authority shall pursue other long-term, dedicated operating revenue to fund its operating costs. To the extent that a portion or all of the toll revenue provided pursuant to this subparagraph is not needed in a given fiscal year, the Metropolitan Transportation Commission shall reduce the allocation accordingly.

(B) (i) Expanded Ferry Service. Fifty-eight percent of the amount available for operating assistance pursuant to paragraph (1), not to exceed thirty-five million dollars (\$35,000,000). These funds shall be made available to the San Francisco Bay Area Water Emergency Transportation Authority (WETA) to support expanded ferry service, including increased frequencies of existing routes and the operation of new routes.

(ii) To the extent that funds provided pursuant to clause (i) are not requested for expenditure by WETA in a given year, the funds shall be held by the authority in a reserve. Those funds shall be made available to WETA for any capital or operating purpose. Prior to receiving an allocation of those funds, WETA shall submit a request to the Metropolitan Transportation Commission detailing how the funds shall be used. An allocation of those funds shall constitute an augmentation of the funding provided in paragraph (5) of subdivision (a) and be treated as such in any reports by the authority regarding the Regional Measure 3 expenditure plan.

(C) Regional Express Bus. Thirty-four percent of the amount available for operating assistance pursuant to paragraph (1), not to exceed twenty million dollars (\$20,000,000), to be distributed for bus service in the bridge corridors, prioritizing bus routes that carry the greatest number of transit riders. To the extent that a portion or all of the toll revenue provided pursuant to this subparagraph is not needed in a given fiscal year, the Metropolitan Transportation Commission shall reduce the allocation accordingly.

(3) Prior to the allocation of revenue for transit operating assistance under subparagraphs (A) and (C) of paragraph (2), the Metropolitan Transportation Commission shall:

(A) Adopt performance measures related to fare-box recovery, ridership, or other indicators, as appropriate. The performance measures shall be developed in consultation with the affected project sponsors.

(B) Execute an operating agreement with the sponsor of the project. This agreement shall include, but is not limited to, an operating plan that is consistent with the adopted performance measures. The agreement shall include a schedule of projected fare revenues or other forecast revenue and any other operating funding that will be dedicated to the service or terminal. For any individual project sponsor, this operating agreement may include additional requirements, as determined by the commission.

(C) In an operating agreement executed pursuant to subparagraph (B), the Metropolitan Transportation Commission shall grant a project sponsor at least five years to achieve the adopted performance measures. The Metropolitan Transportation Commission shall use a ridership forecast as the basis for performance measures adopted pursuant to subparagraph (A) and to establish performance measures in following years. If the transit service of a project sponsor does not achieve the performance measures within the timeframe granted to the project sponsor, the project sponsor shall notify the Metropolitan Transportation Commission. The Metropolitan Transportation Commission may revise the performance measures, extend the timeframe to achieve the performance measures, or take action to reduce the funding available for operations if the performance measures are not met within the new timeframe.

(4) Prior to the allocation of revenue for transit operating assistance under subparagraph (B) of paragraph (2), the Metropolitan Transportation Commission, in collaboration with the San Francisco Bay Area Water Emergency Transportation Authority, shall develop and adopt performance measures for ferry service.

(d) (1) For all projects authorized under subdivision (a), the project sponsor shall submit an initial project report to the Metropolitan Transportation Commission within six months of the election approving the toll increase. 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 (a) until the project sponsor submits the initial project report, and the report is reviewed and approved by the commission.

(2) If multiple project sponsors are listed for projects listed in subdivision (a), the commission shall identify a lead sponsor in coordination with all identified sponsors, for purposes of allocating funds. For any projects authorized under subdivision (a), 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 (a).

(e) If a program or project identified in subdivision (a) has cost savings after completion, taking into account construction costs and an estimate of future settlement claims, or 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 project sponsor. After consulting with the sponsor, the commission shall hold a public hearing concerning the program or project. After the hearing, the commission may vote to modify the program or the project's scope, decrease its level of funding, or reassign some or all of the funds to another project within the same bridge corridor. If a program or project identified in subdivision (a) is to be implemented with other funds not derived from tolls, the commission shall follow the same consultation and hearing process described above and may vote thereafter to reassign the funds to another project consistent with the intent of this chapter.

(f) If the voters approve a toll increase pursuant to Section 30923, the authority shall within 24 months of the election date include the projects in a long-range plan. 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, 2020, submit its updated long-range plan to the transportation policy committee of each house of the Legislature for review.

(g) This section does not alter the obligations of the Metropolitan Transportation Commission with respect to the requirements of Section 65080 of the Government Code.

SEC. 8. Section 30915 of the Streets and Highways Code is amended to read:

30915. (a) With respect to all construction and improvement projects specified in Sections 30913, 30914, and 30914.7, 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 subdivision.

(b) Local funds that have previously been committed to projects and programs identified in subdivision (a) of Section 30914.7 shall not be supplanted by the funding assigned to projects and programs pursuant to Section 30914.7 unless the project sponsor has secured a full funding plan for the project, or the local funds are needed to maintain transit service levels or fund a critical safety or maintenance need.

SEC. 9. 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) (1) If the voters approve a toll increase, pursuant to Section 30923, the authority shall increase the base toll rate for vehicles crossing the bridges described in subdivision (a) from the toll rates then in effect by the amount approved by the voters pursuant to Section 30923. The authority may, beginning six months after the election approving the toll increase, phase in the toll increase over a period of time and may adjust the toll increase for inflation based on the California Consumer Price Index after the toll increase has been phased in completely.

(2) Revenue generated from the adjustment of the toll to account for inflation pursuant to paragraph (1) may be expended for the following purposes:

(A) Bridge maintenance and rehabilitation necessary to preserve, protect, and replace the bridge structures consistent with subdivision (b) of Section 30950.3.

(B) Supplemental funding for the projects and programs authorized pursuant to subdivision (a) of Section 30914.7.

(d) 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.

(e) 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. 10. Section 30918 of the Streets and Highways Code is amended to read:

30918. (a) 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.

(b) The authority shall increase the toll rates specified in the adopted toll schedule in order to meet its obligations and covenants under any bond resolution or indenture of the authority for any outstanding toll bridge revenue bonds issued by the authority and the requirements of any constituent instruments defining the rights of holders of related obligations of the authority entered into pursuant to Section 5922 of the Government Code and, notwithstanding Section 30887 or subdivision (d) of Section 30916 of this code, or any other law, may increase the toll rates specified in the adopted toll schedule to provide funds for the planning, design, construction, operation, maintenance, repair, replacement, rehabilitation, and seismic retrofit of the state-owned toll bridges specified in Section 30910 of this code, to provide funding to meet the requirements of Sections 30884 and 30911 of this code, and to provide funding to meet the requirements of voter-approved regional measures pursuant to Sections 30914, 30921, and 30923 of this code.

(c) Notwithstanding any other law, the authority's toll structure for the state-owned toll bridges specified in Section 30910 may vary from bridge to bridge and may include discounts for vehicles consistent with the following:

(1) The authority may include discounts for the following vehicles:

(A) Vehicles classified by the authority as high-occupancy vehicles.

(B) Vehicles that pay for tolls electronically or through other non-cash methods. The authority may charge differential rates based on the chosen method.

(2) The authority shall provide a 50-percent discount on the amount of the toll increase approved pursuant to Section 30923 on the second bridge crossing for those commuters using a two-axle vehicle, who cross two bridges specified in Section 30910 during commute hours. The authority shall establish reasonable and practical operating rules to implement this paragraph.

(d) If the authority establishes high-occupancy vehicle lane fee discounts or access for vehicles classified by the authority as high-occupancy vehicles for any bridge or segments of a highway that connect to the bridge, the authority shall establish the occupancy requirements that shall apply on each segment of highway that connects with that bridge, in consultation with the department.

(e) All tolls referred to in this section and Sections 30916, 31010, and 31011 may be treated by the authority as a single revenue source for accounting and administrative purposes and for the purposes of any bond indenture or resolution and any agreement entered into pursuant to Section 5922 of the Government Code.

(f) It is the intent of the Legislature that the authority should consider the needs and requirements of both its electronic and cash-paying customers when it designates toll payment options at the toll plazas for the toll bridges under its jurisdiction.

SEC. 11. 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, 30914, and 30914.7, 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. 12. Section 30922 of the Streets and Highways Code is amended to read:

30922. Any action or proceeding to contest, question, or deny the validity of a 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. 13. Section 30923 is added to the Streets and Highways Code, to read:

30923. (a) For purposes of the special election to be conducted pursuant to this section, the authority shall select an amount of the proposed increase in the toll rate, not to exceed three dollars (\$3), for vehicles crossing the bridges described in Section 30910 to be placed on the ballot for approval by the voters.

(b) The toll rate for vehicles crossing the bridges described in Section 30910 shall not be increased to the rate described in subdivision (c) 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, Napa, San Mateo, Santa Clara, Solano, and Sonoma to determine whether the residents of those counties and of the City and County of San Francisco approve the toll increase.

(c) The revenue derived from the toll increase shall be used to meet all funding obligations associated with projects and programs described in Section 30914.7. To the extent additional toll funds are available from the toll increase, the authority may use them for bridge rehabilitation and for projects and programs aimed at reducing congestion and improving travel options in the bridge corridors.

(d) (1) 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 (b) 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 a statewide primary or general election, which shall be selected by the authority.

(2) The authority shall determine the ballot question, which shall include the amount of the proposed toll increase selected pursuant to subdivision (a) and a summary of the Regional Measure 3 expenditure plan. The ballot question shall be submitted to the voters as Regional Measure 3 and stated separately in the ballot from state and local measures.

(e) The ballot pamphlet for the special election shall include a summary of the Regional Measure 3 expenditure plan regarding the eligible projects and programs to be funded pursuant to Section 30914.7. The Metropolitan Transportation Commission shall prepare a summary of the Regional Measure 3 expenditure plan.

(f) 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 may phase in the increased toll schedule consistent with subdivision (c) of Section 30916.

(g) 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 statewide primary or 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 30914.7 and 30950.3.

(h) (1) Each county and city and county shall share translation services for the ballot pamphlet and shall provide the authority a certified invoice that details the incremental cost of including the measure on the ballot, as well as the total costs associated with the election.

(2) 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.

(i) If the voters approve a toll increase pursuant to this section, the authority shall establish an independent oversight committee within six months of the effective date of the toll increase to ensure that any toll revenues generated pursuant to this section are expended consistent with the applicable requirements set forth in Section 30914.7. The oversight committee shall include two representatives from each county within the jurisdiction of the commission. Each representative shall be appointed by the applicable county board of supervisors and serve a four-year term and shall be limited to two terms. The oversight committee shall annually review the expenditure of funds by the authority for the projects and programs specified in Section 30914.7 and prepare and submit a report to the transportation committee of each house of the Legislature summarizing its findings.

The oversight committee may request any documents from the authority to assist the committee in performing its functions.

(j) If voters approve a toll increase pursuant to this section, the authority shall annually prepare a report to the Legislature, in conformance with Section 9795 of the Government Code, on the status of the projects and programs funded pursuant to Section 30914.7.

(k) Except as provided in subdivision (c) of Section 30916 and Section 30918, the toll increase adopted by the authority pursuant to this section shall not be changed without statutory authorization by the Legislature.

SEC. 14. 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 bridge toll plan for the completion of all projects within its jurisdiction, including those of the Regional Traffic Relief Plan described in subdivision (c) of Section 30914 and the Regional Measure 3 expenditure plan described in subdivision (a) of Section 30914.7.

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

SEC. 15. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.