
THIRD READING

Bill No: SB 595
Author: Beall (D)
Amended: 5/26/17
Vote: 21

SENATE TRANS. & HOUSING COMMITTEE: 9-3, 4/25/17
AYES: Beall, Allen, Atkins, McGuire, Mendoza, Roth, Skinner, Wieckowski,
Wiener
NOES: Bates, Gaines, Morrell
NO VOTE RECORDED: Cannella

SENATE APPROPRIATIONS COMMITTEE: 5-2, 5/25/17
AYES: Lara, Beall, Bradford, Hill, Wiener
NOES: Bates, Nielsen

SUBJECT: Metropolitan Transportation Commission: toll bridge revenues

SOURCE: Author

DIGEST: This bill requires the City and County of San Francisco and the other eight Bay Area counties to conduct a special election to increase the toll rate charged on state-owned bridges within the region, as specified.

ANALYSIS:

Existing law:

- 1) Creates the Metropolitan Transportation Commission (MTC) as a regional agency in the nine county Bay Area with comprehensive regional transportation planning and other related responsibilities.
- 2) Creates the Bay Area Toll Authority (BATA) as a separate entity governed by the same governing board as the MTC and makes BATA responsible for the

programming, administration, and allocation of toll revenues from the state-owned toll bridges in the Bay Area.

- 3) Authorizes BATA to increase the toll rates for certain purposes, including to meet its bond obligations, provide funding for certain costs associated with the Bay Area state-owned toll bridges, including for the seismic retrofit of those bridges, and provide funding to meet the requirements of certain voter-approved regional measures.
- 4) Provided for submission of two regional measures to the voters of seven Bay Area counties in 1988 and 2004 relative to specified increases in bridge auto tolls on the bay area state-owned toll bridges, subject to approval by a majority of the voters.
- 5) Identifies the seven state-owned bridges within MTC's geographic jurisdiction as:
 - a) Antioch Bridge.
 - b) Benicia-Martinez Bridge.
 - c) Carquinez Bridge.
 - d) Dumbarton Bridge.
 - e) Richmond-San Rafael Bridge.
 - f) San Mateo-Hayward Bridge.
 - g) San Francisco-Oakland Bay Bridge.

This bill:

- 1) Makes legislative findings and declarations regarding Bay Area traffic congestion and the associated economic and quality of life impacts.
- 2) Provides that an unspecified toll rate shall not be increased on the seven Bay Area state owned bridges until the rate increase is voter-approved via a special election that is held by the nine Bay Area counties.

- 3) Provides that the revenues derived from the voter-approved toll increase are to be used to meet the funding obligations associated with an unspecified number of projects and transportation programs.
- 4) Provides, further, that any toll revenue from the voter-approved toll increase available after meeting the abovementioned funding obligations may be used for bridge rehabilitation and projects targeted at reducing vehicle congestion and improving mobility options for bridge corridors.
- 5) Requires the nine Bay Area counties to call a special election for the proposed toll increase to occur during an unspecified general election.
- 6) Requires BATA to reimburse each county and city and county participating in the special election, as specified.

Comments

- 1) *Author's statement.* According to the author, "transportation infrastructure is key to supporting the San Francisco Bay Area's strong economy and maintaining California's leadership in high-tech and high-paying jobs. Traffic congestion on the region's freeways, overcrowding on BART, Caltrain, ferries and buses in the toll bridge corridors is eroding the Bay Area's quality of life, access to jobs, cultural and educational opportunities, and undermining job creation and retention. The traffic chokepoints are especially acute in the corridors of the seven state-owned toll bridges that are critical east-west and north-south arteries that bind the Bay Area together."
- 2) *SB 1.* Recently passed by the Legislature, SB 1 (Beall, Chapter 5, Statutes of 2017) is a transportation funding package projected to bring in \$5.2 billion annually for road rehabilitation, transit improvement, and trade corridor enhancement projects. The historic passage of this transportation funding package was in response to the clear message that the state's roads and highways and transit systems are in dire need of significant improvements and rehabilitation. This past winter season's storms exacerbated this need by requiring the State Department of Transportation (Caltrans) to issue over \$800 million in emergency contracts for road repair.

Despite this new wave of transportation funding, the need is great. The last time transportation revenues were increased statewide was in 1994 and the last time Bay Area bridge tolls increased for specific improvement projects was in

2004. At the same time, over the last decade. The Bay Area has experienced significant increases in traffic volumes and population growth due to the economic boom associated with the tech industry. As a result the author notes, while “SB 1 will address the state’s *aging* pains, SB 595 will address the Bay Area’s *growing* pains.”

- 3) *RM1 and RM 2*. Regional Measures 1 and 2 (RM 1 and RM 2) received voter approval in 1988 and 2004 respectively. The most recent measure, enacted in 2003, RM 2 (SB 916, Perata, Chapter 715, Statutes of 2003) proposed to levy a \$1 toll increase to fund transit and roadway improvements in the bridge corridors. Specifically, RM 2 established a regional traffic relief plan to help finance highway, transit, bicycle and pedestrian projects in the bridge corridors and to provide operating funds for key transit services. RM 2 toll revenues have been allocated to a variety of bridge corridor projects including the construction of Interstate 580 high-occupancy vehicle lanes (HOV), Interstate 80 HOV lane construction in Contra Costa County, and also to support Bay Area transit. Both RM 1 and 2 toll charges are levied in perpetuity.

RM 3 proponents assert that with RM 1 and 2 projects either completed or under construction, it’s time for voters to consider a third regional measure for the Bay Area’s next generation of improvements.

- 4) *What are toll rates today?* Under the existing tolling structure, a motorist traveling over one of the seven Bay Area bridges typically pays \$5. The Bay Bridge’s tolling structure slightly varies due to a congestion pricing where a motorist will pay between \$4-\$6 depending on peak/non-peak travel times. Below is a breakdown of how each dollar is used:
- a) First Dollar — bridge operations and maintenance, RM 1 projects, transit capital and transit operations
 - b) Second Dollar — original toll bridge seismic retrofit program
 - c) Third Dollar — RM 2 investments
 - d) Fourth Dollar — toll bridge seismic retrofit program
 - e) Fifth Dollar — addition of Antioch and Dumbarton bridges to toll bridge seismic retrofit program

- 5) *Work in progress.* This bill sets up the statutory framework for RM 3 in a similar manner as was established in RM 2. However, this proposal remains a work in progress. This bill does not identify the proposed toll increase or the number of projects and/or programs that will qualify for funding with the new toll revenue if approved. Additionally, this bill does not specify which general election the RM 3 proposal would be placed on the ballot. As Bay Area stakeholders continue to work with the author to craft a toll levy and expenditure plan that sufficiently meets the Bay Area's transportation needs, the author notes these provisions will ultimately be included into the bill.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Senate Appropriations Committee:

- 1) Unknown one-time local costs, likely in excess of \$1 million, for the nine Bay Area counties to hold a special election for the toll increase that will be consolidated with an unspecified November general election. These costs must be reimbursed by the Bay Area Toll Authority and are not state-reimbursable because the costs must be covered from existing or proposed toll revenues. (Bay Area Toll Account)
- 2) Unknown revenue gains as a result of the toll increase, to the extent the proposal is approved by Bay Area voters. Staff notes that the amount of the proposed toll increase is currently unspecified, but each dollar of tolls raises an estimated \$127 million in annual revenues. (Bay Area Toll Account)

SUPPORT: (Verified 5/25/17)

Metropolitan Transportation Commission

OPPOSITION: (Verified 5/25/17)

None received

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