

AMENDED IN ASSEMBLY JUNE 1, 2009

AMENDED IN ASSEMBLY APRIL 21, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

## ASSEMBLY BILL

**No. 744**

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**Introduced by Assembly Member Torrico**

February 26, 2009

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An act to amend Section 30913 of, and to add Sections 30914.6 and 30914.7 to, the Streets and Highways Code, relating to transportation, and making an appropriation therefor.

### LEGISLATIVE COUNSEL'S DIGEST

AB 744, as amended, Torrico. Transportation: toll lanes: Express Lane Network.

Existing law specifies the respective powers and duties of the Bay Area Toll Authority and the Department of Transportation relative to the operation of the state-owned Bay Area toll bridges and the allocation of toll bridge revenues. Existing law provides for the department to designate certain lanes for the exclusive use of buses and high-occupancy vehicles (HOVs). Existing law provides for various agencies, including the Sunol Smart Carpool Lane Joint Powers Authority, the Alameda County Congestion Management Agency, and the Santa Clara Valley Transportation Authority, to implement high-occupancy toll (HOT) lanes on state highways, which are high-occupancy vehicle lanes that may also be used by vehicles without the requisite number of occupants upon payment of a toll.

This bill would authorize the Bay Area Toll Authority to acquire, ~~construct~~, administer, and operate a Bay Area Express Lane Network on state highways within the 9 Bay Area counties pursuant to a

development plan recommended by the Bay Area Express Lane Network Project Oversight Committee, which the authority would be required to establish. The bill would authorize the authority to establish the fee structure for use of the express lanes and would require a public hearing in that regard. The bill would authorize the authority to determine the types of vehicles that may use the lanes. The bill would provide for agreements between the authority and the Department of Transportation and the Department of the California Highway Patrol. The bill would require revenues from the express lanes to be deposited in the Bay Area Express Lane Network Account, which the authority would be required to create. The bill would authorize the authority to issue revenue bonds for the express lane program. The bill would specify the use of revenues in the account, including the net revenues remaining after expenses and obligations, including revenue bond obligations, for the express lane program are satisfied. The bill would provide for certain payments by the authority to the Department of Transportation and the Department of the California Highway Patrol relative to their responsibilities with regard to the express lane program, and would continuously appropriate the amount of those payments to those agencies for those purposes. The bill would require the Sunol Smart Carpool Lane Joint Powers Authority, the Alameda County Congestion Management Agency, and the Santa Clara Valley Transportation Authority to enter into agreements with the Bay Area Toll Authority by January 1, 2011, to provide for the transfer of their rights and obligations relative to HOT lane projects to the Bay Area Toll Authority. The bill would enact other related provisions.

Existing law specifies certain major projects that may be undertaken with toll revenues from the Bay Area state-owned toll bridges.

This bill would provide that the Bay Area Express Lane Network is eligible for funding from bridge toll revenues under certain conditions.

Because this bill would mandate various actions to be undertaken by the Bay Area Toll Authority, it would thereby impose a state-mandated local program.

~~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, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory 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.*

Vote: majority. Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: yes.

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

- 1     SECTION 1. The Legislature finds and declares all of the
- 2     following:
- 3     (a) It is the intent of the Legislature to authorize the Bay Area
- 4     Toll Authority to acquire, ~~construct~~, administer, and operate a Bay
- 5     Area Express Lane Network (network) with the following
- 6     objectives:
- 7         (1) More effectively manage the region's freeways in order to
- 8         provide higher-vehicle-and passenger throughput and to reduce
- 9         delays for ~~those traveling~~ *all travelers in the corridor, especially*
- 10        *those traveling by carpool, vanpool, or bus* within each travel
- 11        corridor.
- 12        (2) Provide an efficient, effective, consistent, and seamless
- 13        system for network customers.
- 14        (3) Provide benefits to travelers within each corridor
- 15        commensurate with the revenues collected in that corridor,
- 16        including expanded travel options and funding to support
- 17        nonhighway options that enhance effectiveness and throughput.
- 18        (4) Expedite the implementation of the network using a rapid
- 19        delivery approach that, to the greatest extent possible, *recognizing*
- 20        *safety, operational, and environmental constraints*, relies upon the
- 21        existing highway right-of-way and minimizes the environmental
- 22        impact.
- 23        (5) Use network revenue to finance *project development and*
- 24        construction of the network and other corridor improvements,
- 25        operate and maintain the network, and *use net corridor revenue*
- 26        *to provide transit services and capital and operations funding to*
- 27        *improve transit service in the corridor and provide other mobility*
- 28        improvements ~~in~~ to the network corridors.

(b) It is the intent of the Legislature that network policies be developed by the Bay Area Toll Authority in a collaborative manner that includes the Department of Transportation, the Department of the California Highway Patrol, and bay area congestion management agencies.

(c) It is the intent of the Legislature that the ~~network~~ authority utilize a corridor-based structure that recognizes commute sheds and geographic communities of interest as the most effective and user-responsive models for the network facilities implementation.

(d) It is the intent of the Legislature that the ~~network~~ authority reinvest net corridor revenues generated in the corridor to provide benefits to all travelers in the corridor, including, *but not limited to*, additional capital improvements on the freeway and parallel arterials, transit capital and ~~service improvements~~ *operations to improve public transit service in the corridor*, and enhanced operations and management of the corridor.

(e) It is the intent of the Legislature that corridor investment plans guide the use of ~~toll revenues~~ *net corridor revenues from the express lane network* to capital and operating programs serving the corridor commensurate with the *net corridor* revenue generated by each corridor.

(f) It is the intent of the Legislature that the network provide customers a consistent and efficient system that is easy to use, that is safe and simple, and includes the following elements, but with variances and exceptions as may be necessary to commence network operations in a timely and cost-effective manner:

(1) Consistent geometric design.

(2) Consistent signage.

(3) Common technology.

(4) Common marketing, logo, and terminology.

SEC. 2. 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.

(5) The authority's Bay Area Express Lane Network authorized by Section 30914.7, if and to the extent that funding for the network is not available from other sources listed in subdivision (a) of Section 30914.7 on terms and conditions acceptable to the authority, and provided that the authority projects that its funding of the network will not necessitate an increase in the ~~amount of tolls collected~~ *bridge toll rates* by the authority or preclude the authority from timely performance of its contractual and statutory obligations.

(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. Funds made available for rapid water transit systems pursuant to this subdivision shall be allocated to the San Francisco Bay Area Water Emergency Transportation Authority beginning on the date specified in the adopted transition plan developed by the authority pursuant to subdivision (b) of Section 66540.32 of the Government Code.

(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.

(f) Subject to the rights of the holders of 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, the authority may pledge toll revenues and other income derived from bridges referred to in Section 30953 to secure bonds issued by it pursuant to Section 30914.7 if and to the extent the authority determines that funding for the network authorized by Section 30914.7 is not available on terms acceptable to the authority without such a pledge, and provided that the authority projects that those obligations will not necessitate an increase in the ~~amount of tolls collected~~ *bridge toll rates* by the authority or preclude the authority from timely performance of its contractual and statutory obligations. The authority may increase the amount of the tolls collected on the toll bridges described in Section 30910 pursuant to Section ~~30887~~

1 30918 thereafter if that action is necessary to meet those  
2 obligations.

3 SEC. 3. Section 30914.6 is added to the Streets and Highways  
4 Code, to read:

5 30914.6. (a) The authority shall establish a Bay Area Express  
6 Lane Network Project Oversight Committee (committee), which  
7 shall consist of a *staff* representative of the authority (who shall  
8 serve as chair of the committee), a representative of the department  
9 named by its director, a representative of the Department of the  
10 California Highway Patrol named by its director, and a staff  
11 representative of each of the congestion management agencies  
12 within the geographic jurisdiction of the commission *as defined*  
13 *in Section 66502 of the Government Code* that meets at least one  
14 of the following conditions: (1) has committed substantial funding  
15 associated with its county or city and county to the development,  
16 final design, or construction of an express lane corridor, (2) whose  
17 governing board has adopted a policy in support of developing an  
18 express lane project along ~~its travel corridor~~ *a travel corridor*  
19 *within its jurisdiction* that is consistent with the network provided  
20 for in Section 30914.7, ~~or (3) (3) whose county or city and county~~  
21 ~~is located in an express lane corridor, or (4) whose county or city~~  
22 ~~and county includes residents who comprise a significant share of~~  
23 ~~the potential users of the network in the group's travel corridors.~~  
24 *travelers in the network.*

25 (b) The committee shall recommend to the authority an express  
26 lane development plan for the network authorized in Section  
27 30914.7 and policies for the network. *The plan shall be updated*  
28 *at least every four years and shall be initiated with the authority*  
29 *providing an estimate of funds available for the development,*  
30 *construction, and operation of the network. The first* development  
31 plan shall consist of the following two elements:

32 (1) A phasing plan for development of the network, including  
33 a definition of the geographic boundaries of each of the express  
34 lane corridors.

35 (2) An operational plan that shall recommend consistent  
36 standards for the network, including, but not limited to the  
37 following:

38 (A) Geometric design.

39 (B) Signage.

40 (C) Safe and simple operations.

- 1 (D) Technology.
- 2 (E) Shared marketing, logo, and terminology.
- 3 (F) Pricing policies and goals.
- 4 (G) Carpool occupancy requirements.
- 5 (H) Hours of operation.
- 6 (I) Maintenance.
- 7 (J) Enforcement.
- 8 (K) Tort liability.

9 *Subsequent development plans shall include updates on the*  
10 *phasing plan and operational plan as needed.*

11 While development of a consistent regional network shall be the  
12 goal, the development plan may allow for variations in design or  
13 other policies, as needed, ~~to commence network operations in a~~  
14 ~~timely and cost-effective manner.~~ In developing the phasing plan,  
15 the committee shall first prioritize those corridors that can be  
16 converted to express lanes from existing high-occupancy vehicle  
17 lanes ~~and~~ or that demonstrate the ability to generate sufficient fee  
18 revenue to cover their financing, operating, and maintenance costs.  
19 Elements of the plan that are under the authority of the department  
20 or the Department of the California Highway Patrol shall be  
21 approved by the department or the Department of the California  
22 Highway Patrol, respectively, prior to being recommended to the  
23 authority. The authority shall consider and accept or reject any  
24 *express lane development* plan or revised plan recommended to  
25 it. If the authority rejects a plan, it shall return the plan to the  
26 committee with its comments, and the committee shall revise the  
27 plan and recommend it to the authority. The process described in  
28 this subdivision, including and through plan acceptance by the  
29 authority, shall not be delayed or halted on account of any failure  
30 to receive or accept corridor investment plans pursuant to  
31 subdivision (e) or (f).

32 (c) The committee shall establish corridor working groups as  
33 subcommittees of the committee. The number of groups shall  
34 correspond to the number of *express lane* travel corridors within  
35 the geographic jurisdiction of the commission as ~~determined~~  
36 *specified in the express lane development plan adopted* by the  
37 authority and as adjusted, from time to time, by the authority to  
38 reflect travel patterns after consultation with the affected group or  
39 groups and the committee.



(d) Each group shall consist of a *staff* representative of the authority, a representative of the department named by its director, a representative of the Department of the California Highway Patrol named by its director, and a staff representative of ~~each a~~ congestion management agency represented on the committee *whose jurisdiction includes a portion or all of the group's express lane corridor or whose residents comprise a significant share of the potential travelers in the corridor*. Each group shall establish its ~~representation and~~ voting arrangements to reflect the commute shed patterns served by the corridor and the level of county or city and county investment in the infrastructure forming part of the corridor. Each group shall select its chair from among the staff representatives of congestion management agencies participating in the group.

(e) Each group shall ~~submit a~~ *be responsible for the preparation of a project study report or equivalent project initiation document and a corridor investment plan. The authority shall provide the resources necessary to prepare the elements of the project study report or equivalent project initiation document and corridor investment plan that relate to the network. The group shall submit a complete corridor investment plan to the committee. The corridor investment plan shall consist of:*

(1) Proposals and recommendations, including, but not limited to, the following elements ~~of the express lane development plan~~:

(A) Phased development of the segment of the network within the corridor of the group.

(B) Carpool occupancy and *network* fee policies.

(C) Local funding for the development of part or all of the segment of the network within the corridor of the group, which may include the use of bond or other financing backed by local sources other than network fees.

(D) Proposed reimbursement of local agencies for prior expenditures on elements of the *high-occupancy vehicle lane or express lane* network.

(E) Proposals as to which state, regional, or local agency or other entity should perform work described in the corridor investment plan, on a project-by-project basis, including, without limitation, planning, environmental review, and design and construction.

1 (F) An examination *and detailed analysis* of equity  
2 considerations, including, but not limited to, the impact of the  
3 proposed segment of the network on low-income travelers in the  
4 corridor, transit riders, carpoolers, and the distribution of benefits  
5 by geographic area and ~~steps~~ *a proposal for how* to minimize any  
6 inequities that are identified.

7 (G) *The corridor investment plan shall also contain an*  
8 *examination of safety and operations, including, but not limited*  
9 *to, express lane ingress and egress.*

10 (2) Proposals as to projects and programs to be funded with net  
11 corridor revenue as defined in subdivision (h) of Section 30914.7,  
12 giving priority to projects and programs that will reduce vehicular  
13 emissions and provide cost-effective public transit options *in the*  
14 *corridor*. Corridor working groups *shall consult with public transit*  
15 *agencies operating in the corridor in the development of the*  
16 *corridor investment plan*. Corridor working groups may also  
17 prepare corridor system management plans which include, but are  
18 not limited to, express lane operations.

19 (f) The committee shall review each corridor investment plan  
20 for consistency with the *express lane* development plan and other  
21 corridor investment plans and, after any resulting revisions by the  
22 group, the committee shall submit each corridor investment plan  
23 that it has approved to each of the congestion management agencies  
24 ~~that has a representative participating in the group for represented~~  
25 *on the group whose jurisdiction includes a portion or all of the*  
26 *group's corridor for review and approval*. Each congestion  
27 management agency shall have 60 days within which to approve  
28 a *complete* corridor investment plan submitted to it *by the*  
29 *committee*. If the corridor investment plan is approved by all of  
30 the congestion management agencies participating in the group,  
31 the committee shall recommend the plan to the authority. If a  
32 corridor investment plan is not approved by one or more congestion  
33 management agencies to which it has been submitted, ~~the each~~  
34 *congestion management agency that has not adopted the plan shall*  
35 *advise the group and the committee of its concerns in writing*. The  
36 group and the committee shall use their best efforts to negotiate  
37 changes in the plan that will result in approval by each congestion  
38 management agency to which the plan is required to be submitted,  
39 and the revised plan shall be submitted to the congestion  
40 management agencies to which the initial plan was submitted.

Each congestion management agency shall have 60 days within which to approve the revised plan submitted to it. At the end of the 60-day period, the revised plan shall be recommended by the committee to the authority and a representative of each of the congestion management agencies that rejected the revised plan shall be afforded an opportunity to advise the authority of the congestion management agency's reasons for not approving the revised plan. The authority shall *review the plan for consistency with the express lane development plan, financing covenants, the regional transportation plan, or any other applicable legal requirements and shall* consider and accept or reject any plan or revised plan recommended to it. If the authority rejects a plan, it shall return the plan to the committee with its comments, and the committee and the group that prepared the plan shall revise the plan and repeat the approval process, and the committee shall recommend the resulting revised plan to the authority.

(g) The committee, and each group, is a local agency as that term is defined in the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code). Members of the committee and members of each group shall serve without compensation. The authority shall develop a conflict-of-interest policy that shall be applicable to each member of the committee and each member of a group.

SEC. 4. Section 30914.7 is added to the Streets and Highways Code, to read:

30914.7. (a) Notwithstanding Sections 149 and 30800, and Section 21655.5 of the Vehicle Code, the authority may acquire, ~~construct~~, administer, and operate an express lane network on state highways within the geographic jurisdiction of the commission. Expenditures for the network may be funded from the following:

- (1) Network revenues.
- (2) Revenue bonds issued pursuant to this section.
- (3) Contributions and loans from federal, state, or local agencies, including congestion management agencies and the authority.

(b) The authority pursuant to subdivision (c), may direct and authorize the entry and use of the network or segments of the network for a fee. The fee structure shall be established from time to time by the authority *and may include free or reduced rate passage for high-occupancy vehicles, public transportation*

1 *vehicles, low-emission vehicles or energy-efficient vehicles, or*  
2 *motorcycles in a manner compliant with applicable federal law,*  
3 *notwithstanding any other law.* The authority shall make available  
4 for public review and comment its proposed fee schedule and any  
5 changes to the fee schedule at least 30 days prior to holding a  
6 public hearing concerning the proposed fee schedule or changes  
7 to the fee schedule and considering the adoption of the fee schedule  
8 or changes to the fee schedule. The public hearing may be  
9 scheduled during a public meeting of the authority.

10 (c) Notwithstanding any other law, vehicles that are certified  
11 or authorized by the authority for entry into, and use of, the network  
12 or segments of the network shall not be in violation of the Vehicle  
13 Code or any other law because of that entry and use.

14 (d) The authority shall implement ~~the~~ *in a collaborative manner*  
15 *with the department, the Department of the California Highway*  
16 *Patrol, and bay area congestion management agencies the express*  
17 *lane development plan accepted by it pursuant to subdivision (b)*  
18 *of Section 30914.6, except any elements or features of the plan*  
19 *that the authority determines are impracticable or infeasible or*  
20 *that will unduly delay commencement of operation of the network*  
21 *or that may or will materially or adversely affect the financial*  
22 *condition of the network or the authority or the results of the*  
23 *operation of the network or the authority. In addition, the authority*  
24 *may change or add elements or features of the plan that it*  
25 *determines, in its sole discretion, to be necessary or advisable to*  
26 *protect or improve the financial condition of the network or its*  
27 *results of operation or to protect the credit rating of the authority.*

28 (e) (1) The authority shall carry out the network program in  
29 cooperation with the department pursuant to a cooperative  
30 agreement that addresses all matters related to design, construction,  
31 maintenance, and operation of state highway system facilities in  
32 connection with the network program, including the conversion  
33 of existing high-occupancy vehicle lanes to express lanes forming  
34 part of the network. With the assistance of the department, the  
35 authority shall establish appropriate traffic flow guidelines for the  
36 purpose of ensuring optimal use of the network without adversely  
37 affecting other traffic on the state highway system. Implementation  
38 of the network program shall ensure that Level of Service C, as  
39 measured by the most recent issue of the Highway Capacity  
40 Manual, as adopted by the Transportation Research Board, is

1 maintained at all times in the network, except that the cooperative  
2 agreement may permit Level of Service D under terms and  
3 conditions specified in the cooperative agreement.

4 (2) Notwithstanding Section 13340 of the Government Code,  
5 there is hereby continually appropriated to the department for  
6 expenditure pursuant to the cooperative agreement all amounts  
7 paid to the department by the authority for the network program,  
8 including, without limitation, amounts paid as advances or to  
9 reimburse the department for payments to contractors working on  
10 the program.

11 (f) (1) Agreements between the authority, the department, and  
12 the Department of the California Highway Patrol shall identify the  
13 respective obligations and liabilities of those entities and assign  
14 them responsibilities relating to the network program. The  
15 agreements entered into pursuant to this section shall be consistent  
16 with agreements between the department and the United States  
17 Department of Transportation relating to programs of this nature.  
18 The agreements shall include clear and concise procedures for  
19 enforcement by the Department of the California Highway Patrol  
20 of laws prohibiting the unauthorized use of the network. The  
21 agreements shall provide for reimbursement of state agencies, from  
22 revenues generated by the network program, or other funding  
23 sources that are not otherwise available to state agencies for  
24 transportation-related projects, for costs incurred in connection  
25 with the implementation or operation of the network program.

26 (2) Notwithstanding Section 13340 of the Government Code,  
27 there is hereby continually appropriated to the Department of the  
28 California Highway Patrol for expenditure pursuant to agreements  
29 authorized by paragraph (1) all amounts paid to the Department  
30 of the California Highway Patrol for the network program,  
31 including, without limitation, amounts paid as advances.

32 (g) All revenue generated from the network ~~program~~ shall be  
33 deposited in the authority's Bay Area Express Lane Network  
34 Account, which the authority shall create. Funds in the account  
35 shall be available to the authority *for* the following purposes:

36 (1) To pay or provide for debt service on revenue bonds issued  
37 pursuant to this section, to pay any related obligations of the  
38 authority entered into pursuant to Section 5922 of the Government  
39 Code, and to comply with the covenants and other requirements

1 of the constituent instruments defining the rights of holders of  
2 those revenue bonds and related obligations.

3 (2) To repay loans pursuant to paragraph (3) of subdivision (a),  
4 including financing costs.

5 (3) To pay or provide for expenses related to the acquisition,  
6 operation including collection and enforcement, maintenance,  
7 construction, *and related project development activities*, and  
8 administration of the network ~~program~~.

9 (h) Revenue remaining after payment or provision for payment  
10 of the obligations and other expenses referred to in (1) to (3),  
11 inclusive, of subdivision (g) shall constitute “net corridor revenue.”  
12 Up to 5 percent of net corridor revenue may be retained by the  
13 authority as a reserve to pay, and applied to pay, obligations and  
14 other expenses referred to in paragraphs (1) to (3), inclusive, of  
15 subdivision (g). All remaining net corridor revenue shall be  
16 allocated by the authority to those corridors provided for in  
17 subdivision (c) of Section 30914.6 in proportion to the net corridor  
18 revenue generated by each corridor. The net corridor revenue so  
19 allocated to a corridor shall be expended by the authority to  
20 implement the projects and programs to be funded with net corridor  
21 revenue in accordance with the corridor investment plan for that  
22 corridor accepted by the authority pursuant to subdivision (f) of  
23 Section 30914.6. The authority may disburse net corridor revenue  
24 ~~to recipients approved by the authority~~ *eligible recipients*, including  
25 congestion management agencies, ~~on any basis that it determines~~  
26 ~~to be reasonable and timely~~ *a reasonable and timely basis*,  
27 including, without limitation, advances, pay-as-you-go, or  
28 reimbursement methods.

29 (i) The authority shall control and maintain the Bay Area  
30 Express Lane Network Account and those subaccounts as it deems  
31 necessary and appropriate to document revenues and expenditures  
32 in accordance with generally accepted accounting principles.

33 (j) The authority and the Sunol Smart Carpool Lane Joint Powers  
34 Authority shall enter into an agreement within one year after the  
35 effective date of this act providing for the transfer to the authority  
36 of all of the rights and obligations of the Sunol Smart Carpool  
37 Lane Joint Powers Authority under Section 149.5. The authority  
38 shall succeed to all of the rights and obligations of the Sunol Smart  
39 Carpool Lane Joint Powers Authority under Section 149.5 on the  
40 earlier of the date specified in the agreement, or one year after the

1 date when the project authorized by Section 149.5 commences  
2 commercial operation.

3 (k) The authority and the Alameda County Congestion  
4 Management Agency shall enter into an agreement within one year  
5 after the effective date of this act providing for the transfer to the  
6 authority of all of the rights and obligations of the Alameda County  
7 Congestion Management Agency under Section 149.5. The  
8 authority shall succeed to all of the rights and obligations of the  
9 Alameda County Congestion Management Agency under Section  
10 149.5 on the earlier of the date specified in the agreement, or one  
11 year after the date when the project authorized by Section 149.5  
12 commences commercial operation.

13 (l) The authority and the Santa Clara Valley Transportation  
14 Authority shall enter into an agreement within one year after the  
15 effective date of this act providing for the transfer to the authority  
16 of all of the rights and obligations of the Santa Clara Valley  
17 Transportation Authority under Section 149.6. The authority shall  
18 succeed to all of the rights and obligations of the Santa Clara Valley  
19 Transportation Authority under Section 149.6 on the earlier of the  
20 date specified in the agreement, or one year after the Santa Clara  
21 Valley Transportation Authority commences commercial operation  
22 of the first of the projects authorized by Section 149.6.

23 (m) (1) The authority may issue bonds and notes (collectively  
24 called bonds) payable from and secured by a pledge of the authority  
25 of all or any part of the revenue of the network-program to finance  
26 capital expenditures for the network-program, including  
27 ~~construction~~ *project development, construction, and*  
28 construction-related expenditures, and sell those bonds at public  
29 or private sale in the form and on the terms and conditions as the  
30 governing board of the authority shall approve. The authority may  
31 pledge all or any part of the revenue of the network-program to  
32 secure those bonds and any related obligations of the authority  
33 entered into pursuant to Section 5922 of the Government Code.  
34 The authority may issue bonds to refund or purchase or otherwise  
35 acquire any bonds on terms and conditions as the governing board  
36 of the authority shall approve.

37 (2) Subject to the rights of the holders of any bonds issued  
38 pursuant to paragraph (1) and the rights of the holders of any  
39 constituent instruments defining the rights of holders of related  
40 obligations of the authority entered into pursuant to Section 5922

1 of the Government Code, the authority may pledge revenue of the  
2 network program to secure bonds issued by it pursuant to Section  
3 30961 if and to the extent it determines that bonds issued by it  
4 pursuant to Section 30961 require such a pledge in order to be sold  
5 by the authority on terms acceptable to the authority. The authority  
6 may increase the amount of the fees provided for in subdivision  
7 (b) if necessary to meet those obligations.

8 (3) Any bond issued pursuant to this section shall contain on  
9 its face a statement to the following effect:

10  
11 “Neither the full faith and credit nor the taxing power of the  
12 State of California or the Bay Area Toll Authority is pledged to  
13 the payment of principal of, or the interest on, this bond.”

14  
15 (4) Bonds issued pursuant to this section are legal investments  
16 for all trust funds, the funds of all insurance companies, banks,  
17 trust companies, executors, administrators, trustees, and other  
18 fiduciaries. The bonds are securities that may legally be deposited  
19 with, and received by, any state or municipal officer, agency, or  
20 political subdivision of the state for any purpose for which the  
21 deposit of bonds or obligations of the state is now, or may hereafter  
22 be, authorized by law, including deposits to secure public funds.

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

26 (6) The state hereby pledges to and agrees with the holders of  
27 bonds issued pursuant to this section and the holders of related  
28 obligations of the authority entered into pursuant to Section 5922  
29 of the Government Code:-

30 (A) The state will not authorize fee-based publicly or privately  
31 owned express lanes or high occupancy vehicle lanes within the  
32 geographic jurisdiction of the commission *as defined in Section*  
33 *66502 of the Government Code* other than the express lanes  
34 provided for in this section.

35 (B) The state will not limit, alter, or restrict the rights hereby  
36 vested in the authority to fulfill each pledge of revenues and any  
37 other terms of any agreement made with or for the benefit of those  
38 holders of bonds and related obligations or in any way impair the  
39 rights or remedies of the holders of those bonds and related  
40 obligations.



1     (n) *The authority is authorized, but not required, to be the lead*  
2 *agency for the preparation of any required environmental studies*  
3 *or other documents for the network provided for in this section,*  
4 *notwithstanding any other provision of law.*

5     ~~SEC. 5. If the Commission on State Mandates determines that~~  
6 ~~this act contains costs mandated by the state, reimbursement to~~  
7 ~~local agencies and school districts for those costs shall be made~~  
8 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~  
9 ~~4 of Title 2 of the Government Code.~~

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

17  
18  
19     CORRECTIONS: \_\_\_\_\_

20     Text—Pages 4, 7, and 12.  
21 \_\_\_\_\_