

AMENDED IN SENATE APRIL 4, 2013

**SENATE BILL**

**No. 444**

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**Introduced by Senator ~~De León Hueso~~**  
(Coauthor: Assembly Member V. Manuel Pérez)

February 21, 2013

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An act to amend Section ~~64111~~ 386 of the ~~Government~~ *Streets and Highways Code*, relating to ~~transportation financing~~ *highways*.

LEGISLATIVE COUNSEL'S DIGEST

SB 444, as amended, ~~De León Hueso~~. ~~California Transportation Financing Authority. State Highway Route 86: relinquishment.~~

*Existing law gives the Department of Transportation full possession and control of all state highways. Existing law describes the authorized routes in the state highway system and establishes a process for adoption of a highway on an authorized route by the California Transportation Commission. Existing law also authorizes the commission to relinquish certain state highway segments to local agencies.*

*This bill would authorize the commission to relinquish to the Cities of Brawley, El Centro, and Imperial and the County of Imperial specified portions of State Highway Route 86 under certain conditions. This bill would also redesignate a specified portion of State Highway Route 86 as a part of State Highway Route 78 following relinquishment. This bill would require the relinquishments to be done at no cost to the state, unless the commission makes a finding of need.*

~~The California Transportation Financing Authority Act sets forth the duties of the California Transportation Financing Authority in issuing certain transportation financing instruments, or approving their issuance by various local or regional agencies. The authority is authorized to expend moneys in the continuously appropriated California~~

~~Transportation Financing Authority Fund to secure the issuance of bonds issued by the authority and cover various related costs, among other things.~~

~~This bill would make a technical, nonsubstantive change to these provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.  
State-mandated local program: no.

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

1     SECTION 1. *Section 386 of the Streets and Highways Code is*  
2 *amended to read:*

3     386. (a) Route 86 is from:

4     (a)

5     (1) Route 111 to Route 8 near El Centro.

6     (b)

7     (2) Route 8 near El Centro to Route 10 in Indio via the vicinity  
8 of Brawley.

9     (b) *Upon a determination by the commission that it is in the*  
10 *best interests of the state to do so, the commission may, upon terms*  
11 *and conditions approved by it, relinquish the following portions*  
12 *of Route 86, if the department and the applicable local agency*  
13 *enter into an agreement providing for that relinquishment, as*  
14 *follows:*

15     (1) *To the County of Imperial, the portion of Route 86 from the*  
16 *beginning of the route at the junction of Route 111 to Duff Road.*

17     (2) *To the City of El Centro, the portion of Route 86 from Duff*  
18 *Road to Treshill Road.*

19     (3) *To the City of Imperial, the portion of Route 86 from Treshill*  
20 *Road to Ralph Road.*

21     (4) *To the County of Imperial, the portion of Route 86 from*  
22 *Ralph Road to 0.3 mile south of Legion Road.*

23     (5) *To the City of Brawley, the portion of Route 86 from 0.3*  
24 *miles south of Legion Road to 0.5 mile south of Fredericks Road.*

25     (c) *The following conditions shall apply upon relinquishment:*

26     (1) *The relinquishment shall become effective on the date*  
27 *following the county recorder's recordation of the relinquishment*  
28 *resolution containing the commission's approval of the terms and*  
29 *conditions of the relinquishment.*

1 (2) *On and after the effective date of the relinquishment, the*  
2 *relinquished portions of Route 86 shall cease to be a state highway.*

3 (3) *The portions of Route 86 relinquished under this subdivision*  
4 *shall be ineligible for future adoption under Section 81.*

5 (4) *The Cities of Brawley, El Centro, and Imperial and the*  
6 *County of Imperial shall ensure the continuity of traffic flow on*  
7 *the relinquished portions of Route 86, including any traffic signal*  
8 *progression.*

9 (5) *For the portions of Route 86 that are relinquished under*  
10 *this subdivision, the Cities of Brawley, El Centro, and Imperial,*  
11 *and the County of Imperial shall install and maintain, within their*  
12 *respective jurisdictions, the city or county signs directing motorists*  
13 *to the continuation of Route 86 to the extent deemed necessary by*  
14 *the department.*

15 (d) *Following the relinquishments authorized in subdivision*  
16 *(b), the portion of Route 86 from 0.5 mile south of Fredricks Road*  
17 *to the north junction of Route 78 shall be redesignated as a part*  
18 *of Route 78.*

19 (e) *The relinquishments authorized in subdivision (b) shall be*  
20 *done at no cost to the state except upon a finding of need by the*  
21 *commission.*

22 ~~SECTION 1. Section 64111 of the Government Code is~~  
23 ~~amended to read:~~

24 ~~64111. (a) Prior to issuing or approving the issuance of bonds~~  
25 ~~for a project, the authority shall determine that the revenues and~~  
26 ~~other moneys available for a project will be sufficient to pay debt~~  
27 ~~service on the bonds and to operate and maintain the project over~~  
28 ~~the life of the bonds consistent with the objective set forth in~~  
29 ~~Section 64105. The authority may hire outside consultants to assist~~  
30 ~~in making these determinations.~~

31 ~~(b) The authority may issue or approve the issuance of bonds~~  
32 ~~to achieve any of its purposes under this division and bonds may~~  
33 ~~be issued without investment grade ratings, as long as the bonds~~  
34 ~~are sold only to qualified institutional buyers or accredited investors~~  
35 ~~who attest upon purchase that they understand the nature of the~~  
36 ~~risks of their investment. The bonds may be taxable or tax exempt~~  
37 ~~and may be sold at public or private negotiated sale. The Treasurer~~  
38 ~~shall serve as the agent for the sale for all authority bond issues,~~  
39 ~~and shall be reimbursed from bond proceeds to cover the~~  
40 ~~Treasurer's costs related to the issuance of these bonds. As used~~

1 in this subdivision, “accredited investor” shall have the meaning  
2 as defined in subdivision (a) of Section 5950, and “qualified  
3 institutional buyer” shall have the meaning as defined in  
4 subdivision (h) of Section 5950.

5 (e) The project sponsor may request that it be the issuer of the  
6 bonds. The authority may grant the request if it determines that  
7 the revenues and other moneys available for the project will be  
8 sufficient to pay debt service on the bonds and to operate and  
9 maintain the project over the life of the bonds. A project sponsor  
10 for which the authority has granted a request that the project  
11 sponsor issue the bonds, in addition to any other powers it may  
12 have under any other law, shall have all of the powers of the  
13 authority under this division necessary or convenient for the  
14 purpose of issuing, securing, and repaying the bonds and financing  
15 or refinancing the project. This provision is a complete, additional,  
16 and alternative method of accomplishing the matters authorized,  
17 and the project sponsor need not comply with any other law relating  
18 to the issuance of bonds, financing of projects and, if applicable,  
19 the imposition and collection of tolls.

20 (d) The authority may arrange additional credit support for the  
21 bond issues. However, the authority may not compel project  
22 sponsors to make use of that credit enhancement, nor compel them  
23 to contribute to it by becoming part of a common credit or by  
24 providing funding for a common reserve or other enhancement  
25 mechanism.