

AMENDED IN SENATE JUNE 23, 2009

AMENDED IN ASSEMBLY JUNE 1, 2009

AMENDED IN ASSEMBLY APRIL 21, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 744

Introduced by Assembly Member Torrico

February 26, 2009

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, 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 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, administer, and operate a Bay Area
5 Express Lane Network (network) with the following objectives:
- 6 (1) More effectively manage the region's freeways in order to
7 provide higher passenger throughput and to reduce delays for all
8 travelers in the corridor, especially those traveling by carpool,
9 vanpool, or bus within each travel corridor.
- 10 (2) Provide an efficient, effective, consistent, and seamless
11 system for network customers.
- 12 (3) Provide benefits to travelers within each corridor
13 commensurate with the revenues collected in that corridor,
14 including expanded travel options and funding to support
15 nonhighway options that enhance effectiveness and throughput.
- 16 (4) Expedite the implementation of the network using a rapid
17 delivery approach that, to the greatest extent possible, recognizing
18 safety, operational, and environmental constraints, relies upon the
19 existing highway right-of-way and minimizes the environmental
20 impact.
- 21 (5) Use network revenue to finance project development and
22 construction of the network and other corridor improvements,
23 operate and maintain the network, and use net corridor revenue to
24 provide transit capital and operations funding to improve transit
25 service in the corridor and provide other mobility improvements
26 to the network corridors.
- 27 (b) It is the intent of the Legislature that network policies be
28 developed by the Bay Area Toll Authority in a collaborative
29 manner that includes the Department of Transportation, the
30 Department of the California Highway Patrol, and bay area
31 congestion management agencies.
- 32 (c) It is the intent of the Legislature that the authority utilize a
33 corridor-based structure that recognizes commute sheds and
34 geographic communities of interest as the most effective and
35 user-responsive models for the network facilities implementation.

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

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

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

- 18 (1) Consistent geometric design.
- 19 (2) Consistent signage.
- 20 (3) Common technology.
- 21 (4) Common marketing, logo, and terminology.

22 SEC. 2. Section 30913 of the Streets and Highways Code is
 23 amended to read:

24 30913. (a) In addition to any other authorized expenditure of
 25 toll bridge revenues, the following major projects may be funded
 26 from toll revenues:

- 27 (1) Benicia-Martinez Bridge: Widening of the existing bridge.
- 28 (2) Benicia-Martinez Bridge: Construction of an additional span
 29 parallel to the existing bridge.
- 30 (3) Carquinez Bridge: Replacement of the existing western span.
- 31 (4) Richmond-San Rafael Bridge: Major rehabilitation of the
 32 bridge, and development of a new easterly approach between the
 33 toll plaza and Route 80, near Pinole, known as the Richmond
 34 Parkway.

35 (5) The authority's Bay Area Express Lane Network authorized
 36 by Section 30914.7, if and to the extent that funding for the network
 37 is not available from other sources listed in subdivision (a) of
 38 Section 30914.7 on terms and conditions acceptable to the
 39 authority, and provided that the authority projects that its funding
 40 of the network will not necessitate an increase in the bridge toll

1 rates by the authority or preclude the authority from timely
2 performance of its contractual and statutory obligations.

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

7	1988 Increase	
8	(Two-axle vehicles)	
9	Bridge	
10	Antioch Bridge	\$0.50
11	Benicia-Martinez Bridge	.60
12	Carquinez Bridge	.60
13	Dumbarton Bridge	.25
14	Richmond-San Rafael Bridge	.00
15	San Francisco-Oakland Bay Bridge	.25
16	San Mateo-Hayward Bridge	.25

17
18 Portions of the 1988 toll increase were dedicated to transit
19 purposes, and these amounts shall be calculated as up to 2 percent
20 of the revenue generated each year by the collection on all bridges
21 of the base toll at the level established by the 1988 toll increase.

22 The Metropolitan Transportation Commission shall allocate
23 two-thirds of these amounts for transportation projects, other than
24 those specified in Sections 30912 and 30913 and in subdivision
25 (a) of Section 30914, which are designed to reduce vehicular traffic
26 congestion and improve bridge operations on any bridge, including,
27 but not limited to, bicycle facilities and for the planning,
28 construction, operation, and acquisition of rapid water transit
29 systems. The commission shall allocate the remaining one-third
30 solely for the planning, construction, operation, and acquisition of
31 rapid water transit systems. The plans for the projects may also be
32 funded by these moneys. Funds made available for rapid water
33 transit systems pursuant to this subdivision shall be allocated to
34 the San Francisco Bay Area Water Emergency Transportation
35 Authority beginning on the date specified in the adopted transition
36 plan developed by the authority pursuant to subdivision (b) of
37 Section 66540.32 of the Government Code.

38 (c) The department shall not include, in the plans for the new
39 Benicia-Martinez Bridge, toll plazas, highways, or other facilities

1 leading to or from the Benicia-Martinez Bridge, any construction
2 that would result in the net loss of any wetland acreage.

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

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

15 (f) Subject to the rights of the holders of any outstanding toll
16 bridge revenue bonds issued by the authority and the requirements
17 of any constituent instruments defining the rights of holders of
18 related obligations of the authority entered into pursuant to Section
19 5922 of the Government Code, the authority may pledge toll
20 revenues and other income derived from bridges referred to in
21 Section 30953 to secure bonds issued by it pursuant to Section
22 30914.7 if and to the extent the authority determines that funding
23 for the network authorized by Section 30914.7 is not available on
24 terms acceptable to the authority without such a pledge, and
25 provided that the authority projects that those obligations will not
26 necessitate an increase in the bridge toll rates by the authority or
27 preclude the authority from timely performance of its contractual
28 and statutory obligations. The authority may increase the amount
29 of the tolls collected on the toll bridges described in Section 30910
30 pursuant to Section 30918 thereafter if that action is necessary to
31 meet those obligations.

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

34 30914.6. (a) The authority shall establish a Bay Area Express
35 Lane Network Project Oversight Committee (committee), which
36 shall consist of a staff representative of the authority (who shall
37 serve as chair of the committee), a representative of the department
38 named by its director, a representative of the Department of the
39 California Highway Patrol named by its director, and a staff
40 representative of each of the congestion management agencies *or*

1 *countywide transportation planning agencies* within the geographic
2 jurisdiction of the commission as defined in Section 66502 of the
3 Government Code that meets at least one of the following
4 conditions: ~~(1) has committed substantial funding associated with~~
5 ~~its county or city and county to the development, final design, or~~
6 ~~construction of an express lane corridor, (2) whose governing~~
7 ~~board has adopted a policy in support of developing an express~~
8 ~~lane project along a travel corridor within its jurisdiction that is~~
9 ~~consistent with the network provided for in Section 30914.7, (3)~~
10 ~~whose county or city and county is located in an express lane~~
11 ~~corridor, or (4) whose county or city and county includes residents~~
12 ~~who comprise a significant share of the potential travelers in the~~
13 ~~network.~~ *choose to participate.*

14 (b) The committee shall recommend to the authority an express
15 lane development plan for the network authorized in Section
16 30914.7 and policies for the network. The plan shall be updated
17 at least every four years and shall be initiated with the authority
18 providing an estimate of funds available for the development,
19 construction, and operation of the network. The first development
20 plan shall consist of the following two elements:

21 (1) A phasing plan for development of the network, including
22 a definition of the geographic boundaries of each of the express
23 lane corridors.

24 (2) An operational plan that shall recommend consistent
25 standards for the network, including, but not limited to, the
26 following:

- 27 (A) Geometric design.
- 28 (B) Signage.
- 29 (C) Safe and simple operations.
- 30 (D) Technology.
- 31 (E) Shared marketing, logo, and terminology.
- 32 (F) Pricing policies and goals.
- 33 (G) Carpool occupancy requirements.
- 34 (H) Hours of operation.
- 35 (I) Maintenance.
- 36 (J) Enforcement.
- 37 (K) Tort liability.

38 Subsequent development plans shall include updates on the
39 phasing plan and operational plan as needed.

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

21 (c) The committee shall establish corridor working groups as
22 subcommittees of the committee. The number of groups shall
23 correspond to the number of express lane travel corridors within
24 the geographic jurisdiction of the commission as specified in the
25 express lane development plan adopted by the authority and as
26 adjusted, from time to time, by the authority to reflect travel
27 patterns after consultation with the affected group or groups and
28 the committee.

29 (d) Each group shall consist of a staff representative of the
30 authority, a representative of the department named by its director,
31 a representative of the Department of the California Highway
32 Patrol named by its director, and a staff representative of a
33 congestion management agency represented on the committee
34 whose jurisdiction includes a portion or all of the group's express
35 lane corridor or whose residents comprise a significant share of
36 the potential travelers in the corridor. Each group shall establish
37 its voting arrangements to reflect the commute shed patterns served
38 by the corridor and the level of county or city and county
39 investment in the infrastructure forming part of the corridor. Each

1 group shall select its chair from among the staff representatives
2 of congestion management agencies participating in the group.

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

11 (1) Proposals and recommendations, including, but not limited
12 to, the following elements:

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

15 (B) Carpool occupancy and network fee policies.

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

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

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

28 (F) An examination and detailed analysis of equity
29 considerations, including, but not limited to, the impact of the
30 proposed segment of the network on low-income travelers in the
31 corridor, transit riders, carpoolers, and the distribution of benefits
32 by geographic area and a proposal for how to minimize any
33 inequities that are identified.

34 (G) The corridor investment plan shall also contain an
35 examination of safety and operations, including, but not limited
36 to, express lane ingress and egress.

37 (2) Proposals as to projects and programs to be funded with net
38 corridor revenue as defined in subdivision (h) of Section 30914.7,
39 *consistent with paragraph (5) of subdivision (a)*, giving priority
40 to projects and programs that will reduce vehicular emissions and

1 provide cost-effective public transit options in the corridor.
2 Corridor working groups shall consult with public transit agencies
3 operating in the corridor in the development of the corridor
4 investment plan. Corridor working groups may also prepare
5 corridor system management plans which include, but are not
6 limited to, express lane operations.

7 (f) The committee shall review each corridor investment plan
8 for consistency with the express lane development plan and other
9 corridor investment plans and, after any resulting revisions by the
10 group, the committee shall submit each corridor investment plan
11 that it has approved to each of the congestion management agencies
12 represented on the group whose jurisdiction includes a portion or
13 all of the group's corridor for review and approval. Each congestion
14 management agency shall have 60 days within which to approve
15 a complete corridor investment plan submitted to it by the
16 committee. If the corridor investment plan is approved by all of
17 the congestion management agencies ~~participating in the group~~ *to*
18 *which it has been submitted*, the committee shall recommend the
19 plan to the authority. If a corridor investment plan is not approved
20 by one or more congestion management agencies to which it has
21 been submitted, each congestion management agency that has not
22 adopted the plan shall advise the group and the committee of its
23 concerns in writing. The group and the committee shall use their
24 best efforts to negotiate changes in the plan that will result in
25 approval by each congestion management agency to which the
26 plan is required to be submitted, and the revised plan shall be
27 submitted to the congestion management agencies to which the
28 initial plan was submitted. Each congestion management agency
29 shall have 60 days within which to approve the revised plan
30 submitted to it. At the end of the 60-day period, the revised plan
31 shall be recommended by the committee to the authority and a
32 representative of each of the congestion management agencies that
33 rejected the revised plan shall be afforded an opportunity to advise
34 the authority of the congestion management agency's reasons for
35 not approving the revised plan. The authority shall review the plan
36 for consistency with the express lane development plan, financing
37 covenants, the regional transportation plan, or any other applicable
38 legal requirements and shall consider and accept or reject any plan
39 or revised plan recommended to it. If the authority rejects a plan,
40 it shall return the plan to the committee with its comments, and

1 the committee and the group that prepared the plan shall revise
2 the plan and repeat the approval process, and the committee shall
3 recommend the resulting revised plan to the authority.

4 (g) The committee, and each group, is a local agency as that
5 term is defined in the Ralph M. Brown Act (Chapter 9
6 (commencing with Section 54950) of Part 1 of Division 2 of Title
7 5 of the Government Code). Members of the committee and
8 members of each group shall serve without compensation. The
9 authority shall develop a conflict-of-interest policy that shall be
10 applicable to each member of the committee and each member of
11 a group.

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

14 30914.7. (a) Notwithstanding Sections 149 and 30800, and
15 Section 21655.5 of the Vehicle Code, the authority may acquire,
16 administer, and operate an express lane network on state highways
17 within the geographic jurisdiction of the commission. Expenditures
18 for the network may be funded from the following:

19 (1) Network revenues.

20 (2) Revenue bonds issued pursuant to this section.

21 (3) Contributions and loans from federal, state, or local agencies,
22 including congestion management agencies and the authority.

23 (b) The authority pursuant to subdivision (c), may direct and
24 authorize the entry and use of the network or segments of the
25 network for a fee. The fee structure shall be established from time
26 to time by the authority and may include free or reduced rate
27 passage for high-occupancy vehicles, public transportation vehicles,
28 low-emission vehicles or energy-efficient vehicles, or motorcycles
29 in a manner compliant with applicable federal law, notwithstanding
30 any other law. The authority shall make available for public review
31 and comment its proposed fee schedule and any changes to the fee
32 schedule at least 30 days prior to holding a public hearing
33 concerning the proposed fee schedule or changes to the fee
34 schedule and considering the adoption of the fee schedule or
35 changes to the fee schedule. The public hearing may be scheduled
36 during a public meeting of the authority.

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

1 (d) The authority shall implement in a collaborative manner
2 with the department, the Department of the California Highway
3 Patrol, and bay area congestion management agencies the express
4 lane development plan accepted by it pursuant to subdivision (b)
5 of Section 30914.6, except any elements or features of the plan
6 that the authority determines are impracticable or infeasible or that
7 will unduly delay commencement of operation of the network or
8 that may ~~or will materially or~~ *materially and* adversely affect the
9 financial condition of the network or the authority or ~~the results~~
10 ~~of the operation of the network or the authority.~~ In addition, the
11 ~~authority may change or add elements or features of the plan that~~
12 ~~it determines, in its sole discretion, to be necessary or advisable~~
13 ~~to protect or improve the financial condition of the network or its~~
14 ~~results of operation or to protect the credit rating of the authority.~~
15 *its credit rating.*

16 (e) (1) The authority shall carry out the network program in
17 cooperation with the department *and the Department of the*
18 *California Highway Patrol* pursuant to a cooperative agreement
19 that addresses all matters related to design, construction,
20 maintenance, and operation of state highway system facilities in
21 connection with the network program, including the conversion
22 of existing high-occupancy vehicle lanes to express lanes forming
23 part of the network. With the assistance of the department, the
24 authority shall establish appropriate traffic flow guidelines for the
25 purpose of ensuring optimal use of the network without adversely
26 affecting other traffic on the state highway system. Implementation
27 of the network program shall ensure that Level of Service C, as
28 measured by the most recent issue of the Highway Capacity
29 Manual, as adopted by the Transportation Research Board, is
30 maintained at all times in the network, except that the cooperative
31 agreement may permit Level of Service D under terms and
32 conditions specified in the cooperative agreement.

33 (2) Notwithstanding Section 13340 of the Government Code,
34 there is hereby continually appropriated to the department for
35 expenditure pursuant to the cooperative agreement all amounts
36 paid to the department by the authority for the network program,
37 including, without limitation, amounts paid as advances or to
38 reimburse the department for payments to contractors working on
39 the program.

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

16 (2) Notwithstanding Section 13340 of the Government Code,
17 there is hereby continually appropriated to the Department of the
18 California Highway Patrol for expenditure pursuant to agreements
19 authorized by paragraph (1) all amounts paid to the Department
20 of the California Highway Patrol for the network program,
21 including, without limitation, amounts paid as advances.

22 (g) All revenue generated from the network shall be deposited
23 in the authority's Bay Area Express Lane Network Account, which
24 the authority shall create. Funds in the account shall be available
25 to the authority for the following purposes:

26 (1) To pay or provide for debt service on revenue bonds issued
27 pursuant to this section, to pay any related obligations of the
28 authority entered into pursuant to Section 5922 of the Government
29 Code, and to comply with the covenants and other requirements
30 of the constituent instruments defining the rights of holders of
31 those revenue bonds and related obligations.

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

34 (3) To pay or provide for expenses related to the acquisition,
35 operation including collection and enforcement, maintenance,
36 construction, and related project development activities, and
37 administration of the network.

38 (h) Revenue remaining after payment or provision for payment
39 of the obligations and other expenses referred to in *paragraphs*
40 (1) to (3), inclusive, of subdivision (g) shall constitute "net corridor

1 revenue.” Up to 5 percent of net corridor revenue may be retained
 2 by the authority as a reserve to pay, and applied to pay, obligations
 3 and other expenses referred to in paragraphs (1) to (3), inclusive,
 4 of subdivision (g). All remaining net corridor revenue shall be
 5 allocated by the authority to those corridors provided for in
 6 subdivision (c) of Section 30914.6 in proportion to the net corridor
 7 revenue generated by each corridor. The net corridor revenue so
 8 allocated to a corridor shall be expended by the authority to
 9 implement the projects and programs to be funded with net corridor
 10 revenue in accordance with the corridor investment plan for that
 11 corridor accepted by the authority pursuant to subdivision (f) of
 12 Section 30914.6. The authority may disburse net corridor revenue
 13 to eligible recipients, including congestion management agencies,
 14 on a reasonable and timely basis, including, without limitation,
 15 advances, pay-as-you-go, or reimbursement methods.

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

20 (j) The authority and the Sunol Smart Carpool Lane Joint Powers
 21 Authority shall enter into an agreement within one year after the
 22 effective date of this act providing for the transfer to the authority
 23 of all of the rights and obligations of the Sunol Smart Carpool
 24 Lane Joint Powers Authority under Section 149.5. The authority
 25 shall succeed to all of the rights and obligations of the Sunol Smart
 26 Carpool Lane Joint Powers Authority under Section 149.5 on the
 27 earlier of the date specified in the agreement, or one year after the
 28 date when the project authorized by Section 149.5 commences
 29 commercial operation.

30 (k) The authority and the Alameda County Congestion
 31 Management Agency shall enter into an agreement within one year
 32 after the effective date of this act providing for the transfer to the
 33 authority of all of the rights and obligations of the Alameda County
 34 Congestion Management Agency under Section 149.5. The
 35 authority shall succeed to all of the rights and obligations of the
 36 Alameda County Congestion Management Agency under Section
 37 149.5 on the earlier of the date specified in the agreement, or one
 38 year after the date when the project authorized by Section 149.5
 39 commences commercial operation.

1 (l) The authority and the Santa Clara Valley Transportation
2 Authority shall enter into an agreement within one year after the
3 effective date of this act providing for the transfer to the authority
4 of all of the rights and obligations of the Santa Clara Valley
5 Transportation Authority under Section 149.6. The authority shall
6 succeed to all of the rights and obligations of the Santa Clara Valley
7 Transportation Authority under Section 149.6 on the earlier of the
8 date specified in the agreement, or one year after the Santa Clara
9 Valley Transportation Authority commences ~~commercial~~ operation
10 of the first of the projects authorized by Section 149.6.

11 (m) (1) The authority may issue bonds and notes (collectively
12 called bonds) payable from and secured by a pledge of the authority
13 of all or any part of the revenue of the network to finance capital
14 expenditures for the network, including project development,
15 construction, and construction-related expenditures, and sell those
16 bonds at public or private sale in the form and on the terms and
17 conditions as the governing board of the authority shall approve.
18 The authority may pledge all or any part of the revenue of the
19 network to secure those bonds and any related obligations of the
20 authority entered into pursuant to Section 5922 of the Government
21 Code. The authority may issue bonds to refund or purchase or
22 otherwise acquire any bonds on terms and conditions as the
23 governing board of the authority shall approve.

24 (2) Subject to the rights of the holders of any bonds issued
25 pursuant to paragraph (1) and the rights of the holders of any
26 constituent instruments defining the rights of holders of related
27 obligations of the authority entered into pursuant to Section 5922
28 of the Government Code, the authority may pledge revenue of the
29 network program to secure bonds issued by it pursuant to Section
30 30961 if and to the extent it determines that bonds issued by it
31 pursuant to Section 30961 require such a pledge in order to be sold
32 by the authority on terms acceptable to the authority. The authority
33 may increase the amount of the fees provided for in subdivision
34 (b) if necessary to meet those obligations.

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

37
38 “Neither the full faith and credit nor the taxing power of the
39 State of California or the Bay Area Toll Authority is pledged to
40 the payment of principal of, or the interest on, this bond.”

1
2 (4) Bonds issued pursuant to this section are legal investments
3 for all trust funds, the funds of all insurance companies, banks,
4 trust companies, executors, administrators, trustees, and other
5 fiduciaries. The bonds are securities that may legally be deposited
6 with, and received by, any state or municipal officer, agency, or
7 political subdivision of the state for any purpose for which the
8 deposit of bonds or obligations of the state is now, or may hereafter
9 be, authorized by law, including deposits to secure public funds.

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

13 (6) The state hereby pledges to and agrees with the holders of
14 bonds issued pursuant to this section and the holders of related
15 obligations of the authority entered into pursuant to Section 5922
16 of the Government Code:

17 (A) The state will not authorize fee-based publicly or privately
18 owned express lanes or high occupancy vehicle lanes within the
19 geographic jurisdiction of the commission as defined in Section
20 66502 of the Government Code other than the express lanes
21 provided for in this section.

22 (B) The state will not limit, alter, or restrict the rights hereby
23 vested in the authority to fulfill each pledge of revenues and any
24 other terms of any agreement made with or for the benefit of those
25 holders of bonds and related obligations or in any way impair the
26 rights or remedies of the holders of those bonds and related
27 obligations.

28 (n) The authority is authorized, but not required, to be the lead
29 agency for the preparation of any required environmental studies
30 or other documents for the network provided for in this section,
31 notwithstanding any other provision of law.

32 SEC. 5. No reimbursement is required by this act pursuant to
33 Section 6 of Article XIII B of the California Constitution because
34 the only costs that may be incurred by a local agency or school
35 district are the result of a program for which legislative authority
36 was requested by that local agency or school district, within the
37 meaning of Section 17556 of the Government Code and Section
38 6 of Article XIII B of the California Constitution.

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