

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: August 19, 2009
POSITION: Oppose unless amended

BILL NUMBER: AB 1175
AUTHOR: T. Torlakson

BILL SUMMARY: Toll Facilities

This bill would make the Antioch and Dumbarton Bridges part of the Toll Bridge Seismic Retrofit Program (TBSRP), and require the Bay Area Toll Authority (BATA) to provide a cash-based opportunity for customers to obtain an account for paying tolls that does not require the customer to provide a name or address. This bill also would make other related changes to existing provisions related to high-occupancy vehicle (HOV) lanes, and would require the State Controller to offset overdue and unpaid tolls and fees from state income, franchise, and sales and use tax refunds and winnings in the California State Lottery. This bill would revise provisions that currently divide any cost savings on bridges in the Toll-Bridge Seismic Retrofit program between the Department of Transportation (Caltrans) and BATA to redirect those funds to BATA and would require BATA to provide for the retrofitting of the Dumbarton and Antioch bridges. This bill would delete the provision in existing code that authorizes BATA to reduce the amount of the seismic toll surcharge to encourage electronic toll payment.

FISCAL SUMMARY

This bill would shift \$950 million in seismic retrofit work from Caltrans to BATA with Caltrans relinquishing its share of the TBSRP overage account.

The Metropolitan Transportation Commission reports that toll evasion on the seven Bay Area toll bridges cost BATA \$1.5 million in 2008. It is unknown what the recovery amount would be as a result of this bill.

COMMENTS

Finance opposes the provision (Streets and Highway Code Section 188.62(d)) making toll revenues to maintain the bridges lower priority than debt service on bonds for new projects. This puts funding to maintain the bridges in jeopardy and potentially shifts more of the expense to the State Highway Account. This is a diminishing resource that cannot afford to take on any more responsibilities.

Analyst/Principal (0752) J. Parks	Date	Program Budget Manager Mark Hill	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

T. Torlakson

August 19, 2009

AB 1175

ANALYSIS

A. Programmatic Analysis

Current law provides for the State Controller to offset amounts due to various public agencies from a person or entity against any amount owing that person or entity from state income, franchise, and sales and use tax refunds and winnings in the California State Lottery. Current law also specifies the powers and duties of the Department of Transportation (Caltrans), the Metropolitan Transportation Commission (MTC), and the Bay Area Toll Authority (BATA) with respect to the collection and expenditure of toll revenue from the seven Bay Area state-owned toll bridges.

This bill would make the Antioch and Dumbarton Bridges part of the Toll Bridge Seismic Retrofit Program (TBSRP), and require BATA to provide a cash-based opportunity for customers to obtain an account for paying tolls that does not require the customer to provide a name or address. This bill also would make other related changes to existing provisions related to high-occupancy vehicle (HOV) lanes, and would require the State Controller to offset overdue and unpaid tolls and fees from state income, franchise, and sales and use tax refunds and winnings in the California State Lottery. This bill would revise provisions that currently divide any cost savings on bridges in the Toll-Bridge Seismic Retrofit program between the Department of Transportation (Caltrans) and BATA to redirect those funds to BATA and would require BATA to provide for the retrofitting of the Dumbarton and Antioch bridges. This bill would delete the provision in existing code that authorizes BATA to reduce the amount of the seismic toll surcharge to encourage electronic toll payment.

Discussion: The purpose of this bill is to fund the seismic safety retrofit needs of the Antioch and Dumbarton bridges. BATA has authority to increase tolls as necessary to ensure the integrity of the toll bridge seismic program. This eliminates the likelihood of State Highway Account revenue being used in the future to fund bridge repair needs. Also adding the responsibility to BATA for the two state-owned toll bridges would be consistent with its current regional management of the planning, design, construction, operation, maintenance, repair, replacement, rehabilitation, and seismic retrofit for the other five state-owned Bay Area toll bridges. However, this bill provides that all maintenance expenditures required be funded from toll revenues after provision is made for payment of all obligations of authority that are secured by a pledge of toll revenues, which could result in Caltrans being required to provide the maintenance without full reimbursement.

Section 17556(d) of the Government Code provides that the Commission on State Mandates shall not find a reimbursable mandate in a statute or executive order if the affected local agencies have the authority to levy service charges, fees, or assessments sufficient to pay for the mandated program in the statute or executive order. In its April 1991 decision in *County of Fresno v. State of California*, 53 Cal 3d, 482, (1991), the State Supreme Court held that this Section is facially valid under Section 6 of Article XIII B of the California Constitution. The court reasoned that Article XIII B was not intended to "reach beyond taxation", i.e., the article requires reimbursement only for those expenses that are recoverable solely from tax revenues. Therefore, although this bill may result in additional costs to local government, those costs are not reimbursable because the affected local entities are authorized to charge fees to cover those costs.

B. Fiscal Analysis

This bill would shift \$950 million in seismic retrofit work from Caltrans to BATA with Caltrans relinquishing its share of the TBSRP overage account.

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Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2009-2010	FC	2010-2011	FC	2011-2012	
2660/Caltrans	SO	No		-----	See Fiscal Summary	-----			0042
<u>Fund Code</u>	<u>Title</u>								
0042	Highway Account, State, STF								

Suggested Amendments
AB 1175 (As amended August 19, 2009)

188.61. (a) The Legislature finds and declares that in order to provide maximum safety for the traveling public and to ensure continuous and unimpeded operation of the state's transportation network, the Antioch Bridge and the Dumbarton Bridge are each in need of a seismic safety retrofit.

(b) The Antioch Bridge and the Dumbarton Bridge are hereby deemed to be part of the state toll bridge seismic retrofit program described in Section 188.5. Notwithstanding subdivision (c) of Section 188.6 or any other provision of law, the cost overrun savings described in that subdivision shall not be shared between the state and the Bay Area Toll Authority, but shall instead be transferred to the Bay Area Toll Account, and are hereby appropriated to the authority for expenditure on the Antioch Bridge and the Dumbarton Bridge seismic safety retrofit projects. All other funds required to complete the Antioch Bridge and the Dumbarton Bridge seismic safety retrofit projects shall be provided by the authority. The authority may increase the amount of the tolls collected on the toll bridges described in Section 30910 pursuant to Sections 30918 and 31011 for the purpose of completing these projects.

(c) All of the requirements of Sections 30952.05, 30952.1, 30952.2, and 30952.3 shall also be applied to the seismic retrofit of the Antioch Bridge and the Dumbarton Bridge. The Toll Bridge Program Oversight Committee, established by Section 30952.1, shall have project oversight and control responsibilities for these projects to the same extent as for the Benicia-Martinez Bridge project.

~~(d) All maintenance expenditures required to be funded by Section 188.4 with authority toll revenues shall be funded from toll revenues remaining after provision is made for payment of all obligations of the authority that are secured by a pledge of toll revenues.~~