

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: April 22, 2010
POSITION: Oppose

BILL NUMBER: SB 1245
AUTHOR: J. Simitian

BILL SUMMARY: High-Occupancy Vehicle Lanes

This bill would prohibit state or private venture partners from charging tolls on high-occupancy vehicles (HOV) as specified. This bill would also provide that any increase in occupancy level for a HOV would require the Department of Transportation (Caltrans) to determine that the change will maximize throughput with respect to the affected highways, obtain the approval of the applicable transportation planning agency, and report to the Legislature before implementing the change.

FISCAL SUMMARY

This bill could have an unknown although significant cost because it would eliminate the ability to impose fees for HOVs. In addition it could result in the loss of investment dollars from private entities that are considering investing in public-private partnership projects.

COMMENTS

The Department of Finance is opposed to this bill because it would discourage the development of public-private partnerships or any other toll facility.

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)

J. Simitian

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SB 1245

ANALYSIS

A. Programmatic Analysis

Current law permits the Department of Transportation (Caltrans) to authorize exclusive or preferential use of highway lanes for high-occupancy vehicle (HOV) lanes. Current law also authorizes the state or local transportation agencies to develop a specified number of high-occupancy toll (HOT) lanes.

This bill would prohibit state or private venture partners from charging tolls on high-occupancy vehicles (HOV) as specified. This bill would also provide that any increase in occupancy level for a HOV would require the Department of Transportation (Caltrans) to determine that the change will maximize throughput with respect to the affected highways, obtain the approval of the applicable transportation planning agency, and report to the Legislature before implementing the change.

Discussion: According to the author's office the intent of this bill is to ensure that vehicles that meet the occupancy threshold to access an HOV lane will be able to continue to use those lanes for free. We believe that not allowing tolls for HOVs on HOT lanes could deter the development of public-private partnerships or any other toll facility.

B. Fiscal Analysis

This bill could have an unknown although significant cost because it could eliminate the ability to impose reduced fees for HOV vehicles by making all fees for the HOV vehicles fee. In addition it could result in the loss of investment dollars from entities that are considering investing in public – private partnership projects.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)						Fund Code	
	LA	(Dollars in Thousands)							
	CO	PROP	2009-2010		2010-2011		2011-2012		
	RV	98	FC	FC	FC	FC			
2660/Caltrans	SO	No	----- See Fiscal Summary -----						0042

<u>Fund Code</u>	<u>Title</u>
0042	Highway Account, State, STF