

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Oppose

BILL NUMBER: AB 464
AUTHOR: K. Olsen

BILL SUMMARY: Highway Route 59

This bill would add approximately 15 miles of County Road J-59 in Stanislaus and Tuolumne counties to State Route 59 (SR 59).

FISCAL SUMMARY

The 2011 Ten-Year State Highway Operation and Protection Program (SHOPP) Plan identifies an average annual rehabilitation and operations need on the state highway system of nearly \$7.4 billion, while the current allocation capacity is estimated at \$1.8 billion per year, a \$5.6 billion unfunded annual need.

This bill would add approximately 15 miles of County Road J-59 to the state highway system. While County Road J-59 serves an interregional function, the roadway does not meet current state highway design standards as it lacks adequate shoulders and recovery zones, among other deficiencies. The Department of Transportation (Caltrans) estimates a cost of approximately \$25 million to \$30 million to bring this segment of roadway to state highway design standards. In addition, Caltrans would incur ongoing costs associated with routine and major maintenance along this segment. Caltrans estimates approximately \$180,000 per year in routine maintenance costs and a \$1.3 million annualized cost of major rehabilitation. This bill would also increase Caltrans' tort liability exposure by transferring responsibility of this segment to the state, which could result in unknown but potentially significant costs to the state.

COMMENTS

The Department of Finance is opposed to this bill because it would result in significant maintenance and rehabilitation costs when the state is already facing a shrinking pool of highway funding for these activities.

Current law authorizes the California Transportation Commission to relinquish certain state highway segments to local agencies upon terms and conditions it finds to be in the best interest of the state. Relinquishments of portions of the state highway system to local jurisdictions are common and result in savings for Caltrans by reducing ongoing maintenance costs. This bill, however, would shift the responsibility for a 15 mile roadway from a local agency to the state, resulting in additional ongoing maintenance and rehabilitation costs.

The author's office indicates that County Road J-59 is predominantly used as an interregional connector for commercial transportation and, therefore, should be part of the state highway system. County Road J-59 connects Tuolumne, Calaveras and eastern Stanislaus counties to SR 59 and State Route 99, which is the most direct route for the transport of goods and services.

Analyst/Principal (0751) M. Tollefson Date Program Budget Manager Mark Hill Date

Department Deputy Director Date

Governor's Office: By: Date: Position Approved Position Disapproved

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

**BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**

**AUTHOR**

**AMENDMENT DATE**

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AB 464

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP		2010-2011	FC	2011-2012	FC	2012-2013	
	RV	98	FC						
2660/Caltrans	CO	No		--	C	\$25,000 -		--	0042
						30,000			
2660/Caltrans	SO	No		--	C	\$180	C	\$180	0042
2660/Caltrans	CO	No		--	C	\$1,300	C	\$1,300	0042
<u>Fund Code</u>	<u>Title</u>								
0042	Highway Account, State, STF								