

Date of Hearing: May 16, 2019

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair

AB 1457 (Reyes) – As Amended April 11, 2019

Policy Committee:	Local Government	Vote:	7 - 0
	Transportation		12 - 0

Urgency: No State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

This bill establishes the Omnitrans Transit District (District) in San Bernardino County. Specifically, this bill, dissolves the existing Omnitrans JPA and creates the District to take over the powers, duties and obligations of the JPA. This bill establishes the District’s board membership and the duties it must perform. This bill gives the District the authority to levy a transaction and use tax, but only if the SBTCA provides its approval by resolution. Also, this bill specifies processes for the detachment of territory from and the dissolution of the District.

FISCAL EFFECT:

Any state-mandated local costs incurred by the local district are not reimbursable by the state because the district requested the legislative authority for the district. (Local request disclaimer).

COMMENTS:

1) **Purpose.** According to the author:

[This bill] paves the way for the Redlands Rail Project in San Bernardino County which will provide safe and efficient alternatives to freeway traffic and will be the first rail project in North America to test a battery-powered train. Omnitrans, the bill’s sponsor, has received a \$30 million grant to replace one of the train’s diesel engines with a lithium-ion battery powered motor, which will convert it into a truly zero-emission vehicle. Omnitrans, however, was formed as a JPA. For cost and liability reasons, trains are universally operated by transit districts. AB 1457 will convert Omnitrans from a JPA into a public transportation district without change to the way it’s managed.

2) **Background.** Omnitrans is a public transit agency that serves the San Bernardino Valley. Omnitrans operates local and express bus routes, as well as a rapid bus transit service, OmniGo hometown shuttle service and Access, a paratransit service for the disabled. Established in 1976 through a JPA, Omnitrans carries approximately 16 million passengers each year throughout its 480-square mile service area, covering 15 cities and portions of the unincorporated areas of San Bernardino County.

Omnitrans operates various bus routes in San Bernardino County and into Riverside and Los Angeles counties. The services are funded through a combination of federal, state and local funds administered by SBCTA. In 2021, Omnitrans will begin operating the Redlands Passenger Rail Project, also known as the Arrow Rail, providing passenger rail service

between the cities of San Bernardino and Redlands. The project is a nine-mile reconstruction of the existing Redlands Rail Branchline and includes the replacement of track and bridges, communications and signals and other improvements.

The operation of the new rail line will be funded by the San Bernardino County Transportation Authority (SBCTA) from local revenue derived from their local sales tax measure, Measure I, a 0.5% sales tax collected throughout San Bernardino County for transportation improvements. Measure I was first approved in 1989 and was extended in 2004 through 2040. This bill also authorizes the newly formed District to sponsor a local sales tax measure, with a maximum rate of 0.5%, in its service territory. Reflecting an agreement with SBCTA, the bill requires Omnitrans to obtain the approval of the proposed tax by a resolution adopted by the SBCTA Board of Directors.

- 3) **Arguments in Opposition.** The California Association of Local Agency Formation Commissions (LAFCOs) argues, “Because AB 1457, as written today, divests LAFCO’s authority for all of these changes of organization, we must oppose the bill unless amended.”
- 4) **Prior Legislation.** AB 548 (Steinorth), of the 2017-18 Legislative Session, would have created the Omnitrans Transit District in San Bernardino County. The bill was referred to the Assembly Committee on Transportation but was not heard.

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