

ASSEMBLY THIRD READING

AB 1457 (Reyes)

As Amended May 24, 2019

Majority vote

SUMMARY:

Establishes the Omnitrans Transit District (District) in San Bernardino County.

Major Provisions

This bill dissolves the existing Omnitrans Joint Powers Authority (JPA) and creates the District to take over the powers, duties, and obligations of the JPA. This measure 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 San Bernardino County Transportation Authority provides its approval by resolution. This bill provides that the District must obtain approval from the San Bernardino Local Agency Formation Commission to add member agencies to the District, to annex or detach territory, and to dissolve the District. This bill requires the District to award construction contracts to the lowest responsible bidder if the contract is in excess of \$10,000.

COMMENTS:

Omnitrans. Omnitrans is a public transit agency that serves the San Bernardino Valley. Omnitrans currently 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.

According to the Author:

"AB 1457 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."

Arguments in Support:

According to the sponsor, Omnitrans, "Starting in 2021, Omnitrans will begin services on the new arrow line, a passenger commuter rail services connecting San Bernardino, Loma Linda, Redlands, and the surrounding areas. The new rail service will be the first in North America to test a battery powered train. Omnitrans received a grant from the State of California to replace one of the rail car's diesel engines with a lithium-ion battery pack making it a truly zero-emission vehicle. While experimental, the technology could transform passenger rail service. The purpose of this bill is to change Omnitrans from a public transportation agency formed as a JPA into a public transportation district, which is typical for districts offering rail service. This bill is based on the recently enacted AB 664 (Williams) that created the Gold Coast Transit District in

Santa Barbara and Ventura counties in 2013, and it was written in cooperation with the San Bernardino County Transportation Authority."

Arguments in Opposition:

The Southern California Contractors Association (SCCA) is opposed unless amended to AB 1457 unless the bill requires the newly created transit district to contract for construction work in excess of \$10,000. SCCA contractors contract with transit districts and would be able to serve the newly created district.

The California Association of Local Agency Formation Commissions (LAFCOs) argues, "We understand AB 1457 serves as the Principal Act for the Omnitrans Transit District. The changes we seek relate to all actions subsequent to the formation of the district, including annexations, detachments and dissolution... Because AB 1457, as written today, divests LAFCO's authority for all of these changes of organization, we must oppose the bill unless amended."

FISCAL COMMENTS:

According to the Assembly Appropriations Committee, "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)."

VOTES:**ASM LOCAL GOVERNMENT: 7-0-1**

YES: Aguiar-Curry, Bloom, Boerner Horvath, Ramos, Luz Rivas, Robert Rivas, Voepel
ABS, ABST OR NV: Lackey

ASM TRANSPORTATION: 12-0-3

YES: Frazier, Aguiar-Curry, Berman, Chu, Daly, Diep, Friedman, Gipson, Grayson, Medina, Nazarian, O'Donnell
ABS, ABST OR NV: Fong, Bigelow, Cunningham

ASM APPROPRIATIONS: 14-0-4

YES: Gonzalez, Bloom, Bonta, Calderon, Carrillo, Chau, Diep, Eggman, Gabriel, Maienschein, Obernolte, Petrie-Norris, Quirk, Robert Rivas
ABS, ABST OR NV: Bigelow, Brough, Fong, Eduardo Garcia

UPDATED:

VERSION: May 24, 2019

CONSULTANT: Jimmy MacDonald / L. GOV. / (916) 319-3958

FN: 0001031