
SENATE COMMITTEE ON TRANSPORTATION

Senator Jim Beall, Chair

2019 - 2020 Regular

Bill No: AB 1457

Hearing Date: 6/25/2019

Author: Reyes

Version: 5/24/2019

Urgency: No

Fiscal: Yes

Consultant: Manny Leon

SUBJECT: Omnitrans Transit District

DIGEST: This bill establishes the Omnitrans Transit District (District) in San Bernardino County

ANALYSIS:

Existing law:

- 1) Creates various local agencies to perform specified transactions and duties within a prescribed area of jurisdiction, including transit agencies and transit districts.
- 2) Authorizes, under the Joint Exercise of Powers Act, two or more public agencies (i.e. federal government, any state, any state department or agency, county, county board of education, county superintendent of schools, city, public corporation, public district, and regional transportation commission in any state) to enter into a joint powers agreement to exercise jointly any power common to the contracting agencies that it can do by itself.
- 3) Authorizes cities and counties, some transportation agencies, and some transit districts to impose transactions and use taxes in 0.125% increments in addition to the state's 7.5% sales tax, provided that the combined rate in the county does not exceed 2%.
- 4) Establishes various requirements for purposes of local public entities executing contracts for construction, materials, and services, as specified.

This bill:

- 1) Provides for the formation of the District and establishes its jurisdictional boundaries.

- 2) Specifies that the Omnitrans Joint Powers Authority (JPA) shall be dissolved and that the District shall assume all rights, obligations, property, liabilities, and indebtedness of the JPA.
- 3) Establishes a board of directors that consists of 19 members. Four members are to be appointed from the San Bernardino County Board of Supervisors, and one member from each of its 15 member cities. The Act specifies the board positions and the duties the board must perform, and specifies compensation for members.
- 4) Grants to the District specific powers, duties, and obligations.
- 5) Specifies that the District is subject to the same purchase and construction requirements as the County of San Bernardino. Further specifies that for purposes of the construction of transit projects over \$10,000, the District shall award a contract to the lowest responsible bidder upon engaging in a competitive bidding process.
- 6) Authorizes the District to provide transit services for the transportation of passengers and their incidental baggage by any means, including, but not limited to, though the operations of buses, specialized transit vehicles, and passenger rail service.
- 7) Authorizes the District to levy a transaction and use tax, subject to certain requirements, as specified.
- 8) Requires that before the District can adopt an ordinance to levy a transaction and use tax, the District must first obtain approval, by resolution, from the San Bernardino County Transportation Authority (SBCTA).
- 9) Authorizes the District to set fares for public transit service by resolution.
- 10) Provides that the District can issue revenue bonds consistent with the Revenue Bond Law of 1941.
- 11) Specifies that all employees of the JPA shall be appointed to comparable positions by the District and establishes the rights of the employees.
- 12) Provides for a process for the annexation and detachment of territory to and from the District, and requires that prior to detachment, all pending legal and financial obligations must be resolved by mutual agreement.
- 13) Authorizes the dissolution of the District with an 80% nonweighted vote of the District board and specifies the process for finalizing the dissolution.

- 14) Specifies that no reimbursement is required pursuant to this bill because the only costs incurred by a local agency are a result of a program for which legislative authority was requested by that local agency.

COMMENTS:

- 1) *Author's statement.* According to the author, "AB 1457 will pave the way for the Redlands Rail Project in San Bernardino County. The rail service will connect San Bernardino, Loma Linda, Redlands, and surrounding areas with a safe and efficient alternative to freeway traffic. The train will be called the Arrow line and it 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) *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. Omnitrans is administered by a Board of Directors, made up of the Mayor or Council Member from each member-City and four Supervisors of the County of San Bernardino. Each City and the County has one designated alternate board member. Omnitrans runs bus routes in San Bernardino County and also into Riverside and Los Angeles Counties for connecting service.
- 3) *Arrow.* The Redlands Passenger Rail Project, otherwise known as Arrow, upon completion, will serve as a nine-mile passenger rail service that will run between the San Bernardino Transit Center in Downtown San Bernardino and the University of Redlands in the City of Redlands. Arrow will be comprised of five stops with trains operating every 30 minutes during peak times and 60 min during non-peak times. Service on the \$355 million is projected to commence in 2021.

While the San Bernardino County Transportation Authority is the lead agency funding and constructing the Arrow project, Omnitrans will ultimately serve as the operator of the passenger rail service. Currently, Omnitrans was created and operates under joint powers authority statutes; however will need to modify its governing structure to that of other transit districts in order to possess the appropriate powers and authority to operate both bus and rail passenger service. This bill aims to accomplish that restructuring.

- 4) *Double Referral*. This bill was also referred to the Senate committee on Governance and Finance.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

Assembly Votes:

Floor: 65-2

Approps: 14-0

Trans: 12-0

Loc Gov: 7-0

POSITIONS: (Communicated to the committee before noon on Wednesday, June 19, 2019.)

SUPPORT:

Omnitrans (sponsor)

OPPOSITION:

None received.

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