



April 17, 2025

To: Legislative and Communications Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: State Legislative Status Report

A handwritten signature in blue ink, appearing to read "Darrell Johnson", is written over the "To:" and "From:" lines of the header.

Overview

The Orange County Transportation Authority provides regular updates to the Legislative and Communications Committee on policy issues directly impacting its overall programs, projects, and operations. Staff recommends a support position on legislation related to interoperability with out-of-state electronic toll collection systems. Staff recommends an oppose position on legislation that imposes new mandates on transit district board compensation and governance structure.

Recommendations

- A. Adopt a SUPPORT position on AB 334 (Petrie-Norris, D-Irvine), which would facilitate interoperability with out-of-state electronic toll collection systems.
- B. Adopt an OPPOSE position on AB 1070 (Ward, D-San Diego), which would impose new mandates on transit district board compensation and governance structures.

Discussion

AB 334 (Petrie-Norris, D-Irvine): Operators of toll facilities: interoperability programs: vehicle information.

AB 334 helps advance interstate interoperability by clarifying that California toll facility operators may share only the necessary vehicle usage data with out-of-state toll systems and must continue to comply with federal and state privacy laws.

The Orange County Transportation Authority (OCTA) operates the 91 and 405 Express Lanes using electronic toll collection systems. Currently those facilities are interoperable with toll facilities across the State, allowing drivers to

seamlessly travel across the State while maintaining an account with only one toll agency. AB 334 strengthens the framework for interoperability, making it easier for drivers to use toll facilities in other states without needing multiple transponders or accounts – enhancing convenience for Orange County commuters.

Since the 1990s, California has prioritized interoperability among tolling systems, leading to the creation of FasTrak and coordinated efforts through the California Toll Operators Committee. However, interoperability has not yet been established with facilities outside of the State. OCTA has worked with other agencies to improve multistate cooperation, though technological, regulatory, and privacy differences remain significant hurdles. AB 334 would address the privacy limitations, more clearly authorizing toll agencies to share necessary information for interoperability purposes with out-of-state agencies. Mechanics of how interoperability would be achieved with the other states, if AB 334 passes, would still have to be worked out among the toll agencies. While a western toll hub has been discussed, no agreement has been reached, and current out-of-state violations – mainly from states without toll systems – limit the cost-effectiveness of such a hub.

Because most out-of-state drivers using OCTA's toll facilities come from states without a toll facility, the immediate revenue impact on OCTA may be small. However, improved interoperability could increase express lane usage by out-of-state drivers and enhance accessibility for regional travelers. This legislation is sponsored by the Transportation Corridor Agencies. A SUPPORT position is consistent with OCTA's 2025-26 State Legislative Platform principles to "support efforts to improve the interoperability of the different toll systems across the State in order to ensure fair and efficient toll operations while affirming user privacy protections." A thorough analysis and copy of the text of this legislation is included as Attachment A.

AB 1070 (Ward, D-San Diego): Transit districts: governing boards: compensation: nonvoting members.

AB 1070 proposes modifications to the governance and operational standards of transit district boards throughout California. This includes changes to board member compensation requirements: members would only be eligible to receive compensation if they demonstrate personal use of the transit system they oversee, defined as either at least one hour or four trips per month.

Significantly, the bill introduces new membership requirements for all transit district boards. Specifically, it mandates the addition of two nonvoting members and four alternate nonvoting members to each board. These positions must be filled by individuals who are regular users of the transit service and by representatives from labor organizations that represent a plurality of the district's represented employees.

The bill also outlines appointment procedures and rights for nonvoting members. Nonvoting members would be granted the right to receive board materials, participate in public meetings, and place items on board agendas, but they would be excluded from closed sessions involving labor negotiations, personnel matters, or attorney-client privileged legal discussions.

These requirements would apply universally to all transit districts across the State, regardless of their existing governance structures, statutory formation, or local needs, thereby imposing a standardized model of board composition and eligibility criteria statewide.

The Board is uniquely structured to reflect the consolidation of multiple transportation agencies within the County. This consolidation was carefully designed to streamline operations, reduce administrative duplication, and unify strategic planning for the region's transportation systems. If enacted, AB 1070 could override the legal framework that currently defines this structure, forcing a new model onto the agency that is inconsistent with how OCTA was originally formed and has functioned for decades. This change could trigger a major governance conflict by effectively severing the Orange County Transit District (OCTD) from OCTA, resulting in two separate boards – one newly required by the bill to govern OCTD and another continuing to oversee OCTA and its other consolidated functions. Such a split would unravel the efficiencies achieved through decades of regional consolidation and coordination, leading to confusion, duplication of efforts, and potentially conflicting policies.

The mandate to add nonvoting members from rider and labor groups, while intended to boost representation, overlaps with engagement practices already in place at OCTA. The agency conducts extensive public outreach, holds open board meetings, and maintains ongoing communication with employee organizations through formal labor processes. Additionally, the current Board already includes two members of the public, selected through a robust process designed to bring unique, non-elected perspectives to the table.

Moreover, the required monthly transit usage by board members disregards the reality of Orange County's geography and transit coverage. While incentives for transit district board members to regularly use and experience the systems they govern are well intentioned, it is impractical to assume that all of them have convenient access to transit. Imposing this condition on compensation risks excluding qualified individuals who bring vital expertise and leadership but may not be daily transit riders due to logistical, personal, or professional constraints. These roles are already demanding, and adding such a narrowly defined usage requirement could dissuade participation.

An analysis and copy of the text of this legislation is included as Attachment B. This legislation is opposed by the California Transit Association and the Los Angeles County Metropolitan Transportation Authority. An OPPOSE position

is consistent with OCTA's 2025-26 State Legislative Platform principles to "Monitor proposed changes related to the Ralph M. Brown Act, and other statutes governing public meetings, including the expanded use of technology."

Summary

A support position is recommended on legislation related to interoperability with out-of-state electronic toll collection systems. An oppose position is recommended on legislation related to transit district board compensation and governance structure.

Attachments

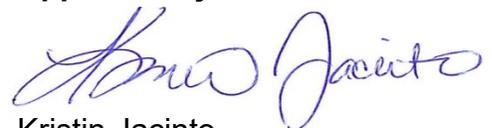
- A. AB 334 (Petrie-Norris, D-Irvine) Bill Analysis with Bill Language
- B. AB 1070 (Ward, D-San Diego) Bill Analysis with Bill Language
- C. Orange County Transportation Authority Legislative Matrix

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