

Date of Hearing: June 22, 2026

ASSEMBLY COMMITTEE ON TRANSPORTATION

Lori D. Wilson, Chair

SB 607 (Wiener) – As Amended June 8, 2026

SENATE VOTE: 37-0

SUBJECT: Golden Gate Bridge, Highway and Transportation District: contributions and loans

SUMMARY: Authorizes the Golden Gate Bridge, Highway and Transportation District (District) to accept a contribution or loan from federal government or the state to finance capital improvements related to seismic safety of the Golden Gate Bridge (GGB). Specifically, **this bill:**

- 1) Authorizes the District to accept a contribution or loan from the United States, the state or any of its political subdivisions, or any department, instrumentality, agency, or authority of either, for the purpose of financing capital improvements or modifications relating to seismic safety of the GGB.
- 2) Authorizes the District to accept a contribution or loan by resolution, which must specify the purposes of the contribution or loan, the maximum principal amount, and the maximum rate of interest payable on the loan.
- 3) Authorizes the District to pledge toll revenues for the repayment of a loan and to enter into contracts ancillary to a loan.
- 4) Clarifies that this bill is an additional and alternative method for the District to authorize and accept a contribution or loan.

EXISTING LAW:

- 1) Authorizes the formation of a bridge and highway district, prescribing related procedural and governance requirements, powers and duties, taxation, bonding, toll and financing authorities (Streets and Highways Code (SHC) §27000, et seq.).
- 2) Authorizes a district to sell or issue bonds, if approved by a 2/3 vote threshold in a special election, and imposes related procedural and due process requirements.
- 3) Authorizes the use of toll revenues to pay any indebtedness or lien against a district.
- 4) Establishes the District as a special district to operate and maintain the GGB and two public transit systems (Golden Gate Transit and Golden Gate Ferry) connecting the counties of Marin, Sonoma, San Francisco, and Contra Costa (SHC §27500).
- 5) Prohibits the District from issuing general obligation bonds, revenue bonds, or any other form of long-term indebtedness except to finance its interim system of buses and ferries or to finance capital improvements or modifications relating to seismic safety of the bridge (SHC §27556).
- 6) Prescribes the composition and make-up of the District's 17 board of directors as follows:

- a) One director, representing Del Norte County, one director, representing Mendocino County, and one director, representing Napa County, appointed by the board of supervisors of the respective represented county.
- b) Four directors, representing Marin County, appointed by the board of supervisors. One of the directors must be an elected member of the board of supervisors, another must be an elected member of a city council of a city within Marin County and another must be a member of the general public.
- c) Three directors, representing Sonoma County, appointed by the board of supervisors. One of the directors may be an elected member of the board of supervisors, and another of the directors must be an elected member of a city council of a city within Sonoma County.
- d) Nine directors, representing the City and County of San Francisco, eight of whom shall be appointed by the board of supervisors, and one of whom shall be appointed by the mayor; four of the directors shall be elected members of the board of supervisors (SHC §27510).

FISCAL EFFECT: Unknown

COMMENTS: *According to the author*, “The Golden Gate Bridge is a critical, iconic piece of infrastructure and symbol of our state. The bridge - constructed in a period of great adversity - was an engineering marvel of its time, and it continues to serve millions of people every year - whether they drive, ride the bus, walk, or bike on the bridge. By modernizing the Golden Gate Bridge District’s ability to enter into long-term loan agreements, SB 607 will help ensure the Golden Gate Bridge remains safe, seismically resilient, and operational for generations to come.”

The development and construction of the GGB has a long and storied history. Motivated by the immense popularity of the automobile, ferry congestion and unreliability, stunted economic development in San Francisco due to the lack of a fixed crossing, San Francisco City Engineer Michael O'Shaughnessy, Secretary to the Mayor Edward Rainey, and engineer Joseph B. Strauss believed a special district was needed to oversee financing, design, and construction so that all affected counties could be heard and represented. In 1923, the Bridging the Golden Gate Association was formed to advocate and campaign for the construction of a bridge. That same year, Governor Friend William Richardson signed a bill by Assemblyman Frank Coombs creating the District.

Golden Gate Suspension Bridge Seismic Retrofit Project. The District’s ongoing seismic safety project seeks to ensure the GGB can withstand an 8.3 magnitude earthquake. This bill authorizes the District to accept a contribution or loan to complete the final phase of its project—upgrades to the 4,200 foot center span are estimated to cost approximately \$1 billion. The District financed the current phase (also about \$1 billion) of the project with a mix of state and federal funding and bridge tolls to upgrade the two 1,125-foot side spans and two 746-foot towers, and repaint the south tower.

The District is currently evaluating all viable funding options for the final phase and states that it “...is facing several pressures, creating an immediate need for long-term financing. The commitment of \$416 million of tolls to [the current project phase] will significantly reduce our reserves. Furthermore, downtown San Francisco is still recovering from the pandemic, which

equates to less toll dollars. Weekday morning commute traffic remains approximately 25 percent below pre-pandemic levels, reducing toll revenues – the District’s primary funding source for Bridge operations, maintenance, and transit service.”

The District’s bus driver pension obligations are also severely underfunded. The current retirement plan’s funded ratio of 42.9% means that it has only \$0.43 in assets for every \$1 retirement benefits. As stated by the District: “The District will need the financial flexibility to provide additional funding to [the above retirement plan]. The ability to take on long-term debt for seismically retrofitting the Bridge would provide the District with the capacity to use a portion of its reserves to provide additional funding to [the retirement plan].

District seeks authority it may already have. The two primary objectives of this bill are to: 1) clarify that the District can seek a loan to finance its seismic safety project and 2) exempt the District from existing law governing bridge and highway districts.

Existing law authorizes the District to issue bonds and “any other form of long-term indebtedness” for financing capital improvements related to seismic safety of the GGB and to finance its bus and ferry services. The District intends to exercise this authority to finance the final phase of its seismic safety project. The District intends to use conduit loan financing, which involves a government entity issuing tax-exempt municipal bonds and then lending the proceeds to a public or private entity which pays back the loan. The public agencies issuing the bonds are not responsible for paying the bond investors back; rather, they serve as a *conduit* connecting borrowers to investors. In this case, the District’s toll revenues would guarantee repayment of the loan. The California Infrastructure and Economic Development Bank routinely provides conduit financing.

The primary purpose of #2 is to streamline the process to exercise this borrowing authority. Namely, existing law, similar to constitutional requirements that apply to most public entities, requires all bridge and highway districts to seek 2/3 voter approval when directly issuing general obligation bonds. However, as a special district, the District would have to seek such approval in the six counties that comprise the District. While the District itself would not issue bonds in a conduit financing scheme, it asserts there is sufficient legal ambiguity to warrant a relatively broad exemption from this and other potentially applicable requirements.

Many state and local public agencies use conduit loan financing and the District asserts that the authority in this bill is similar to borrowing authorization available to certain transit districts.

This bill is dual-referred to the Assembly Local Government Committee.

Writing in support, the District states that: “While existing law already provides cities, counties, and special districts with broad authority to use various forms of debt financing, the Bridge District’s authorizing statute restricts the use of debt financing. SB 607 would afford the Bridge District the authority to authorize a streamlined form of borrowing that does not require full bond issuance authority. This would allow the Bridge District to partner with a conduit revenue bond issuer to finance seismic improvements.”

REGISTERED SUPPORT / OPPOSITION:

Support

Golden Gate Bridge, Highway, and Transportation District (sponsor)
International Union of Operating Engineers

Opposition

None on file

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