

Date of Hearing: March 20, 2024

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

AB 1924 (Stephanie Nguyen) – As Amended March 6, 2024

SUBJECT: Sacramento Regional Transit District.

SUMMARY: Allows the Sacramento Regional Transit District (SacRT) to expand its service area to any city within Sacramento County and any other portion of the unincorporated territory within the boundaries of Sacramento County where the county has declared a need for the district to operate. Specifically, **this bill:**

- 1) Specifies that SacRT may comprise any city within the boundaries of Sacramento County.
- 2) Provides that SacRT may comprise any portion of the unincorporated territory within the boundaries of Sacramento County where the county has declared a need for SacRT to operate.
- 3) Clarifies that annexation shall only be effective if the legislative body of the city or county that request to be annexed to SacRT agrees in writing with SacRT upon the terms and conditions of annexation.
- 4) Makes numerous technical and clarifying changes to SacRT law.

EXISTING LAW:

- 1) Establishes the SacRT Act, which governs the powers and functions of SacRT; establishes SacRT's territory, and planning duties; and, authorizes SacRT to issue general obligation bonds and revenue bonds, as specified. [Public Utilities Code (PUC) § 102000 et. Seq.]
- 2) Provides that each appointee to the SacRT board shall serve a four-year term, unless earlier removed (PUC § 1002100.1).
- 3) Requires the number of members of the SacRT board to be increased as follows:
 - a) Each member entity that is annexed after initial formation of SacRT shall be entitled to make one appointment to the SacRT board (PUC § 102100.3).
 - b) A city or county that is not annexed to SacRT may become a participating entity that is entitled to make at least one appointment to the board if the participating entity enters into an agreement with the district that provides for all of the following (PUC § 102100.3):
 - i) The participating entity agrees to pay its proportionate share of SacRT's cost to provide rail or other districtwide transit services.
 - ii) SacRT agrees to maintain a specified level of rail or other districtwide services.
 - iii) SacRT is not obligated to provide transit services to any particular location or along any particular route.

- c) Specifies that any city or county authorized to join SacRT may be annexed to SacRT (PUC § 102055).
- d) Provides that the legislative body of the city or county proposed to be annexed shall agree in writing with the board of directors upon the terms and conditions of annexation, which agreement, among other things, may provide for the levy and collection of special taxes within the city or unincorporated area of the county in addition to any otherwise specified taxes; the fixing of rates, rentals, and charges differing from those fixed or existing elsewhere within SacRT; the incurring or assumption of indebtedness; the making of a payment or payments; or the transfer of property, real and personal, and other assets to SacRT by the city or county (PUC § 102055).

FISCAL EFFECT: None.

COMMENTS:

- 1) **Sacramento Regional Transit District.** SacRT was established by SB 1477 (Rodda), Chapter 1374, Statutes of 1971. SacRT serves citizens in the County of Sacramento and the Cities of Sacramento, Citrus Heights, Elk Grove, Folsom, and Rancho Cordova, by operating over 82 bus routes (fixed-route, microtransit, and dial-a-ride), 43 miles of light rail serving 53 light rail stations and ADA paratransit services across an approximately 440 square-mile service area.

SacRT is governed by a 12-member Board of Directors comprised of directors that are appointed by the different jurisdictions: three members by Sacramento County, four members by the City of Sacramento, two members by the City of Elk Grove, and one member each from the cities of Citrus Heights, Folsom, and Rancho Cordova. Areas currently authorized to join, but have yet to, are the cities of Davis, Roseville, West Sacramento, and Woodland, and specified parts of Yolo County.

- 2) **Bill Summary and Author's Statement.** This bill allows the Sacramento Regional Transit District (SacRT) to expand its service area to any city within Sacramento County and any other portion of the unincorporated territory within the boundaries of Sacramento County where the county has declared a need for the district to operate. This bill also clarifies that annexation shall only be effective if the legislative body of the city or county that request to be annexed to SacRT agrees in writing with SacRT upon the terms and conditions of annexation. SacRT is the sponsor of this bill.

According to the author, "Sacramento Regional Transit (SacRT) is the public transit provider for most of Sacramento County. The current service territory includes several of the incorporated cities and much of the unincorporated Sacramento County area. Over the past decade, SacRT has expanded to provide transit services to the local governments of Citrus Heights, Elk Grove, Folsom, and Rancho Cordova at their respective requests and authorizations. Sacramento County anticipating future needs, approached SacRT about potentially expanding their service to the city of Galt. This bill would allow SacRT to expand transit services to other local governments within Sacramento County, if approved by those local governments. This bill would enable greater connectivity for the region and provide a clean transportation option to those without efficient access to transportation."

- 3) **Previous Legislation.** AB 709 (McCarty), Chapter 522, Statutes of 2018, made numerous changes to the SacRT Act, including clarifying SacRT’s geographic area and adding a one-eighth of one percent sales tax-rate increment to SacRT’s taxation authority.

AB 1196 (Cooley), Chapter 272, Statutes of 2021, changed the voting structure for SacRT from a weighted voting structure to a “one member, one vote” voting structure. This bill also removed the code sections pertaining to the weighted voting structure and made other technical and clarifying changes.

AB 2015 (Cooley), Chapter 182, Statutes of 2022, increased, from \$100,000 to \$125,000, the bid threshold for SacRT’s purchase of supplies, equipment, and materials. This bill also specified that if SacRT establishes a retirement board for the retirement system, board members and employees of the district may serve on its retirement board, and deleted obsolete language in the SacRT Act.

AB 354 (Nguyen), Chapter 35, Statutes of 2023, authorized the City of Elk Grove to appoint two members to the SacRT board instead of one.

AB 1052 (McCarty), Chapter 674, Statutes of 2023, made changes to the taxing authority for SacRT.

- 4) **Arguments in Support.** According to the sponsors, “We are pursuing this legislation at the behest of local leaders from Sacramento County and the City of Galt who want to consider having SacRT provide their transit service. Galt is the southern-most incorporated city in Sacramento County, and home to more than 25,000 residents. While it retains its agricultural roots and rural charm, Galt is a growing city in the southern portion of the County. The city’s population doubled from 1999 to 2009 and is looking toward continued growth in the future.

“Over the past five years several cities in Sacramento County (Folsom, Elk Grove, and Citrus Heights) have annexed their transit services into SacRT. Consolidation of the region’s transit agencies has led to economies of scale, better grant competitiveness, and more integrated transit connections and route planning. SacRT’s enabling legislation defines its service territory, but currently does not include the city of Galt and other parts of unincorporated Sacramento County.

“Notably, this legislation does not enact any annexation. It merely expands the area that SacRT may serve upon agreement from the local governing body. SacRT fully supports this legislation, and we look forward to working with Galt and Sacramento County to explore the potential for expanding our service to cover Galt, which would improve regional connectivity.”

- 5) **Arguments in Opposition.** None on file.

REGISTERED SUPPORT / OPPOSITION:

Support

Sacramento Regional Transit District [SPONSOR]
City of Galt

Sacramento County Supervisor Pat Hume, District 5
Sacramento County Supervisor Patrick Kennedy, District 2
Sacramento County Supervisor Phil Serna, District 1
Sacramento County Supervisor Rich Desmond, District 3
Sacramento County Supervisor Sue Frost, District 4

Opposition

None on file

Analysis Prepared by: Jimmy MacDonald / L. GOV. / (916) 319-3958