

Date of Hearing: April 28, 2021

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Cecilia Aguiar-Curry, Chair

AB 1196 (Cooley) – As Amended April 20, 2021

SUBJECT: Sacramento Regional Transit District: board of directors: voting procedures.

SUMMARY: Changes the voting structure of the Sacramento Regional Transit District (SacRT) Board. Specifically, **this bill:**

- 1) Specifies that each board member shall have one vote.
- 2) Provides that a majority of the members of the board shall constitute a quorum.
- 3) Requires all official acts of the board to require the affirmative vote of a majority of all the members of the board.
- 4) Specifies that the board shall post these voting procedures on the district's internet website.
- 5) Removes multiple provisions related to the existing weighted voting structure.
- 6) Contains findings and declarations to support its purposes.
- 7) Declares that if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made.
- 8) Makes numerous technical and clarifying changes.

EXISTING LAW:

- 1) Establishes the SacRT Act, which governs the powers and functions of SacRT; establishes SacRT's territory, board of directors, and planning duties; and, authorizes SacRT to issue general obligation bonds and revenue bonds, as specified.
- 2) Specifies that in acting on any item, the following weighted voting procedure shall apply:
 - a) There shall be 100 votes;
 - b) The presence of members eligible to cast a majority of the 100 votes shall constitute a quorum for the transaction of business at a noticed meeting;
 - c) All official acts of the board shall require the affirmative vote of members casting a majority of the 100 votes;
 - d) Each board member shall have the number of votes determined by the following formula; however, each voting entity represented on the board shall have at least one vote, and providing that there shall be no fractional votes:

- i) Each member entity is entitled to five votes as a membership incentive; however, the total number of incentive votes shall not exceed 30. If the number of member entities exceeds six, the 30 incentive votes shall be divided equally among the member entities; and,
- ii) The remaining votes shall be divided among all voting entities in proportion to each entity's financial contribution to the district.

FISCAL EFFECT: This bill is keyed fiscal and contains a state-mandated local program.

COMMENTS:

- 1) **Sacramento Regional Transit District.** SacRT serves citizens in the Cities of Sacramento, Citrus Heights, Elk Grove, Folsom, and Rancho Cordova, by operating 70 bus routes and 43 miles of light rail across a 418 square-mile service area, among other services. SacRT is governed by an 11-member Board of Directors comprised of ten directors that are appointed by the annexed jurisdictions, which are "member entities," including Sacramento County, and the Cities of Sacramento, Citrus Heights, Elk Grove, Folsom, and Rancho Cordova.

In 2006, the Legislature adopted AB 2137 (Niello), Chapter 272, Statutes of 2006, which created SacRT's current weighted voting structure and is based on the financial contributions of its member entities. At the time, SacRT wanted to create a voting structure that promotes regional participation and equitable voting power between its two classes of members, "regional members" and "annexed" members.

- 2) **Bill Summary and Author's Statement.** This bill changes the voting structure for SacRT from a weighted voting structure to a "one member, one vote" voting structure. This bill also removes the code sections pertaining to the weighted voting structure and makes other technical and clarifying changes. SacRT is the sponsor of this bill.

According to the author, "AB 1196 will change the present governing statute for SacRT to modify its Board voting structure to one-person one-vote methodology in lieu of the present weighted vote procedure, which is the manner in which most transit agencies statewide have structured their voting structure.

"SacRT changed its voting structure to a weighted voting structure in 2006 (AB 2137, Niello) based on each voting entity's financial contribution. The move was deemed necessary because the Board contained members from member entities, as well as participating entities. Management now anticipates the final current participating entity (City of Elk Grove) will soon annex its transit services into SacRT and that the weighted voting structure will no longer be necessary as each entity will be a member agency."

- 3) **Arguments in Support.** According to the sponsors, "Nearly 20 years ago, SacRT changed its voting structure to a weighted voting structure. The move was deemed necessary because the Board contained Board members from member entities, as well as participating entities. Our member entities were cities and the County of Sacramento, all of which were annexed into our District. The participating entities were cities that had not annexed into our District, but instead chose to contribute a portion of their transit funding to support transit services within the District, in exchange for a seat on our Board..."

“As I write this letter, we are on the cusp of having our final participating entity poised to annex into the District. We anticipate that the City of Elk Grove will annex its transit services into the District, effective July 1, 2021. With Elk Grove’s annexation, SacRT’s weighted voting structure will no longer be necessary because each entity on the Board will be a member agency. Your bill, AB 1196, will change the present governing statute for SacRT to modify our Board voting structure to one-person one-vote methodology in lieu of the present weighed vote procedure, which is in line with the manner in which most transit agencies statewide have structured their voting structure. The weighted voting structure is a complex structure that is no longer necessary.”

4) **Arguments in Opposition.** None on file.

REGISTERED SUPPORT / OPPOSITION:

Support

Sacramento Regional Transit District [SPONSOR]
Breathe California, Sacramento Region

Opposition

None on file

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