

Date of Hearing: April 3, 2019

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT
Cecilia Aguiar-Curry, Chair
AB 631 (McCarty & Cooley) – As Introduced February 15, 2019

SUBJECT: Sacramento Regional Transit District: voting threshold.

SUMMARY: Reduces, from 80% to 67%, the nonweighted voting threshold of the Sacramento Regional Transit District (SacRT) board in order to authorize the detachment of territory from SacRT.

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 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 they enter into an agreement with SacRT to pay their proportional share of costs to provide rail or other district-wide transit services to the entity, and SacRT agrees to maintain a specified level of service and is not obligated to provide transit services along any particular route or location.
- 3) Specifies that territory within SacRT may be detached from SacRT by a supermajority vote of the board of directors, which shall be at least 80% of the nonweighted vote of the existing SacRT board, and by a majority vote of the governing body of the territory proposed to be detached.
- 4) Specifies that the detached territory shall not be relieved from liability for taxation for the payment of any bonded indebtedness existing at the time of detachment, and that all other pending legal and financial obligations have been resolved by mutual agreement.

FISCAL EFFECT: None

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, Folsom, and Rancho Cordova. Additionally, one director is appointed by a non-annexed jurisdiction, Elk Grove, which is a "participating entity".
- 2) **Bill Summary and Author's Statement.** This measure reduces the nonweighted voting threshold of the SacRT board in order to authorize the detachment of territory from SacRT from 80% to 67%. This bill maintains that the governing board of the area proposed to be detached must first, by majority vote, approve the detachment, and that the agency detaching

from SacRT continues to be liable for taxes, for the payment of bonded indebtedness, and all other pending legal and financial obligations at the time of detachment. This bill is sponsored by SacRT.

According to the author, “The Sacramento Regional Transit District (SacRT) is the Capitol region’s largest public transit provider. It provides transit options across the region, including to those who have no other transportation options. AB 631 will allow SacRT to strengthen partnership across the region and create a more robust transit service to all.”

- 3) **Policy Consideration.** The annexation and detachment process for SacRT was overhauled by AB 738 (Gaines), Chapter 335, Statutes of 2015. The current process of a majority vote of the board of the agency seeking detachment and 80% of a nonweighted SacRT board vote was created by that bill. No vote for detachment has taken place with the 80% threshold. The Committee may wish to consider, that without an example showing the 80% threshold is too high, if this bill is premature.
- 4) **Arguments in Support.** The sponsors argue that, “SacRT recently completed the annexation of transit service for the cities of Citrus Heights and Folsom. This will allow those cities to become full members of SacRT and transition their existing transit services to be operated by SacRT while offering them a greater voice, with an increased vote share, on the SacRT board. Collaborating together will make the region much more unified and competitive for federal and state grant funding, which could elevate public transportation for Sacramento region to the next level. In support for the regional initiative, SacRT is requesting this small but significant change to its current enabling act. This bill contains modest language seeking to lower the threshold for detachment from SacRT. The passage of AB 631 would help provide improved transit service for our community to meet the region’s transportation needs by allowing participating entities of SacRT to become member entities.”
- 5) **Arguments in Opposition.** None on file.

REGISTERED SUPPORT / OPPOSITION:

Support

SacRT [SPONSOR]

Opposition

None on file

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