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## AB-1924 Sacramento Regional Transit District. (2023-2024)



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# Assembly Bill No. 1924

### CHAPTER 92

An act to amend Sections 102026, 102051, 102052.5, 102055, 102100.4, 102100.5, 102100.6, 102100.10, and 102205 of, to repeal Section 102100.3 of, and to repeal and add Section 102100.2 of, the Public Utilities Code, relating to transportation.

[Approved by Governor July 15, 2024. Filed with Secretary of State July 15, 2024. ]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 1924, Stephanie Nguyen. Sacramento Regional Transit District.

(1) The Sacramento Regional Transit District Act provides for the formation of the Sacramento Regional Transit District, with specified powers and duties related to providing public transit services. The act authorizes the district to comprise the Cities of Citrus Heights, Davis, Elk Grove, Folsom, Rancho Cordova, Roseville, Sacramento, West Sacramento, and Woodland, the territory of the County of Sacramento that is the same area as the urban service area of the county, and other specified portions of the County of Yolo, provided those cities and counties have agreed to annexation by the district, as specified.

This bill would authorize the district to also comprise the Cities of Galt and Isleton, and the unincorporated portions of the County of Sacramento where the county has declared a need for the district to operate, provided the cities and county agree to annexation, as specified.

(2) The act establishes a board of directors and vests the board with government of the district. The act requires the composition of the first board of directors to consist of 4 members appointed by the City Council of the City of Sacramento and 3 members appointed by the Board of Supervisors of the County of Sacramento. The act requires the number of members of the board of directors to be increased, as provided.

This bill would reduce the number of members that may be appointed to the board of directors by the City Council of the City of Sacramento from 4 to 3, would delete obsolete provisions referring to the first board of directors, and would make conforming changes.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

# THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 102026 of the Public Utilities Code is amended to read:

102026. "Participating entity" means a city or county that has entered into an agreement with the district pursuant to subdivision (b) of Section 102100.2, but only during the period in which the agreement is in effect. "Participating entities" means all those cities and counties.

- **102051.** (a) The district may comprise any city within the boundaries of the County of Sacramento, the Cities of Davis, Roseville, West Sacramento, and Woodland, and the following described territory of the Counties of Sacramento and Yolo, to the extent the territory is not included in the above-mentioned cities:
  - (1) That portion of the territory within the boundaries of the County of Sacramento that is within the urban service area of the County of Sacramento, as adopted and as hereafter amended, and any other portion of the unincorporated territory within the boundaries of the County of Sacramento where the county has declared a need for the district to operate.
  - (2) The unincorporated territory of the County of Yolo that may be included is described as follows:
    - (A) Beginning at the northeast corner of Sec. 36, T. 9 N., R. 3 E., M.D.B. & M.; thence north  $^{1}/_{2}$  mile along the west line of Sec. 30, T. 9 N., R. 4 E., to the west  $^{1}/_{4}$  corner of Sec. 30; thence east  $^{1}/_{2}$  mile to the center of Sec. 30; thence north  $^{1}/_{8}$  mile, more or less, to the north line of Swamp Land Survey No. 970, the point being on the centerline of Tule Lake Road; thence northeasterly along the north line of Swamp Land Survey No. 970 to the centerline of the Sacramento River; thence easterly and southerly down and along the Sacramento River to the south line of Swamp Land Survey No. 815; thence northwesterly along the south line of Swamp Land Survey No. 815 to its southwest corner; thence northeasterly along the west line of Swamp Land Survey No. 815 to a point where it is intersected by the quarter section line running east and west through Sec. 30, T. 8 N., R. 4 E.; thence west  $^{3}/_{4}$  mile, more or less, to the east  $^{1}/_{4}$  corner of Sec. 25, T. 8 N., R. 3 E.; thence north  $^{5}/_{2}$  miles, more or less, to the point of beginning.
    - (B) Beginning at the intersection of State Highway Route 113 and the Yolo County line southern boundary; thence easterly along the Yolo County line southern boundary to the Davis City Limits; thence meandering along the Davis City Limits to Russell Boulevard; thence westerly along Russell Boulevard to Route 113; thence southerly along Route 113 to the point of beginning.
- (b) For purposes of this section, any reference to an avenue, boulevard, highway, railroad, road, or street includes the right-of-way thereof.
- SEC. 3. Section 102052.5 of the Public Utilities Code is amended to read:
- 102052.5. (a) The boundaries of the district shall include all of the following:
  - (1) The City of Sacramento.
  - (2) The City of Rancho Cordova.
  - (3) The unincorporated territory of the County of Sacramento that is within the urban service area, as determined by the Board of Supervisors, and not otherwise divided from the rest of the unincorporated territory that is within the urban service area by an incorporated city not previously described in this subdivision.
  - (4) A city or county authorized to join the district pursuant to Section 102051 that has annexed to the district pursuant to the process specified in Section 102055.
  - (5) A city incorporated on or after January 1, 2016, which city consists entirely of territory that was included in the district before the city's incorporation.
- (b) (1) The boundaries of the district shall not be affected by the incorporation of any territory wholly or partly within the boundaries of the district or by reason of annexation to or detachment from any city or territory wholly or partly within the boundaries of the district, except as provided in this section.
  - (2) Where territory outside the district is annexed to any city included in the district, that territory shall, upon the completion of the annexation proceeding, be deemed incorporated into and annexed to the district.
  - (3) Where territory is incorporated as a new city, on or after January 1, 2016, and is partly within and partly outside the district, the entire territory shall, upon completion of the incorporation proceeding, be deemed incorporated into and annexed to the district.
  - (4) Where territory that is within the boundaries of the district is annexed to any city that is not a member entity, that territory shall remain part of the district unless, at the time of annexation, both of the following apply:

- (A) No transit service is operated by the district within the annexed territory or within one-half mile of any outside boundary of the annexed territory.
- (B) No transit service is planned by the district, as evidenced by the district's adopted short-range transit plan, for the annexed territory or within one-half mile of any outside boundary of the annexed territory within five years of the annexation, in which case that territory may be detached from the district if the Sacramento County Local Agency Formation Commission determines, during the annexation proceedings, that the area would be better served by the annexing city than the district. The detachment may be accomplished without proceeding with the detachment process in Section 102056.
- (c) Whenever territory is deemed incorporated into and annexed to the district pursuant to this section, that territory shall be subject to taxation, in accordance with the assessable valuation of the property in that territory for general district purposes and for payment of any indebtedness previously or thereafter incurred by the district.
- SEC. 4. Section 102055 of the Public Utilities Code is amended to read:
- **102055.** (a) Any city or county authorized to join the district pursuant to Section 102051 may be annexed to the district in the manner provided in this section.
- (b) Annexation shall only be effective if the legislative body of the city or county that requests to be annexed to the district agrees in writing with the board of directors upon the terms and conditions of annexation, which agreement, among other things, may provide for any of the following:
  - (1) The levy and collection of special taxes within the city or unincorporated area of the county in addition to the taxes otherwise provided for in this part.
  - (2) The fixing of rates, rentals, and charges differing from those fixed or existing elsewhere within the district.
  - (3) The incurring or assumption of indebtedness.
  - (4) The making of a payment or payments.
  - (5) The transfer of property, real and personal, and other assets to the district by the city or county.
- SEC. 5. Section 102100.2 of the Public Utilities Code is repealed.
- **SEC. 6.** Section 102100.2 is added to the Public Utilities Code, to read:
- **102100.2.** (a) The board of directors shall consist of members as follows:
  - (1) The City Council of the City of Sacramento may appoint three members to the board.
  - (2) The Board of Supervisors for the County of Sacramento may appoint three members to the board.
  - (3) For as long as the City of Elk Grove is annexed into the district, the City of Elk Grove may appoint two members to the board.
  - (4) A member entity that is not identified in paragraph (1), (2), or (3) may appoint one member to the board.
- (b) A city or county that is not annexed to the district may become a participating entity that may appoint at least one member to the board if the participating entity enters into an agreement with the district that provides for all of the following:
  - (1) The participating entity agrees to pay its proportionate share of the district's cost to provide rail or other districtwide transit services.
  - (2) The district agrees to maintain a specified level of rail or other districtwide transit services.
  - (3) The district is not obligated to provide transit services to any particular location or along any particular route.
- **SEC. 7.** Section 102100.3 of the Public Utilities Code is repealed.
- SEC. 8. Section 102100.4 of the Public Utilities Code is amended to read:
- **102100.4.** The appointing authority of a participating entity under subdivision (b) of Section 102100.2, and the term of its appointee to the board, shall terminate upon termination or cancellation of the agreement provided for in subdivision (b) of Section 102100.2, and that agreement shall automatically terminate upon the effective date of the entity's annexation to the district pursuant to Section 102051 or 102055.

**SEC. 9.** Section 102100.5 of the Public Utilities Code is amended to read:

**102100.5.** Each voting entity shall have the right to appoint fewer members than it is entitled to appoint under Section 102100.2, except that each voting entity shall appoint at least one member. Each voting entity shall determine, effective July 1 of each year, how many members it will appoint for the upcoming fiscal year. The legislative body of each voting entity shall provide written notification to the secretary of the board not more than 60 days and not less than 15 days before July 1 of the number of appointments it will make for the upcoming fiscal year beginning July 1. Unless and until that notification is provided, the number of appointments made during the prior year shall govern.

**SEC. 10.** Section 102100.6 of the Public Utilities Code is amended to read:

**102100.6.** An action by the board shall not be void or voidable if it is determined, subsequent to an action in which a member representing a participating entity casts a vote, that the agreement for that participating entity did not comply with subdivision (b) of Section 102100.2.

SEC. 11. Section 102100.10 of the Public Utilities Code is amended to read:

**102100.10.** Each voting entity appointing members to the board in accordance with Section 102100.2 may also select, in the same manner as the primary member or members, one or more alternates, as the case may be, to serve on the board when the primary member or members are not available. Each alternate shall be appointed to serve for a specific member. The alternate shall be subject to the same restrictions and shall have the same powers, when serving on the board, as the primary member. The legislative body of any voting entity appointing an alternate shall provide written notification to the secretary of the board of each appointment of an alternate in order for the appointment to be effective.

SEC. 12. Section 102205 of the Public Utilities Code is amended to read:

**102205.** (a) The district shall annually submit its tentative or proposed budget to the legislative body of each voting entity, within the time and in the manner required in this section.

- (b) The tentative or proposed budget and the final adopted budget shall, at a minimum, include the following information for the applicable fiscal year:
  - (1) The projected cost of service.
  - (2) The projected revenue from fares.
  - (3) The Transportation Development Act allocation for each member entity that is reserved for the district for operating purposes, as set forth in the finding of apportionment by the applicable transportation planning agency.
  - (4) The projected revenue from any contract of the type described in subdivision (b) of Section 102100.2.
  - (5) The projected revenue from any other local funds made available to the district by a voting entity for the operation of public transit service.
  - (6) The amount of the federal formula grant funds that was available and eligible for use during the prior fiscal year for operating purposes within the Sacramento urbanized area, including funds for cities and counties that are not represented on the board.
  - (7) The amount of the federal formula grant funds described in paragraph (6) that was allocated to entities other than the district.
  - (8) The amount obtained by subtracting the amount described in paragraph (7) from the amount described in paragraph (6), which amount represents the federal formula grant funds that were available and eligible for use by the district for operating purposes during the prior fiscal year.
  - (9) A projection of the revenue from any other source that will be available to the district for operating purposes during the fiscal year.
  - (10) The population of each voting entity, as measured by the population statistics used by the applicable transportation planning agency to allocate Transportation Development Act funds for the same fiscal year for which the budget is adopted.
- (c) The tentative or proposed budget shall be submitted to the legislative body of each voting entity not less than 60 days before its adoption by the board. It shall be submitted for review and comment. The board may adopt the budget after submission to the

legislative body of each voting entity, but shall consider any comments made by those legislative bodies on the budget.

- (d) Concurrent with adoption of the budget, the board shall make an affirmative finding that the proposed level of service, reflected in the statement of proposed operation and level of service, to be rendered in any voting entity, is commensurate with the level of tax or financial support to be derived from each such voting entity. In determining the level of service, the board shall consider user benefits and community benefits, in terms of one or more of the following factors:
  - (1) Availability of service.
  - (2) Patronage.
  - (3) Population.
  - (4) Capital improvements.
- (e) The board shall adopt its budget at a public hearing held after the submission of the tentative or proposed budget. Notice of the time and place of the hearing shall be published pursuant to Section 6061 of the Government Code and shall be made not later than the 15th day before the date of the hearing.