

AMENDED IN SENATE APRIL 29, 2025

AMENDED IN SENATE MARCH 25, 2025

SENATE BILL

No. 63

Introduced by Senators Wiener and Arreguín
(Coauthor: Assembly Member Stefani)

January 9, 2025

An act to add Title 7.85 (commencing with Section 67700) ~~to~~ *to, and to add and repeal Section 66513.5 of, the Government Code, and to amend Section 131102 of the Public Utilities Code, relating to transportation.*

LEGISLATIVE COUNSEL'S DIGEST

SB 63, as amended, Wiener. San Francisco Bay area: local revenue measure: transportation funding.

(1) Existing law creates the Metropolitan Transportation Commission as a local area planning agency for the 9-county San Francisco Bay area with comprehensive regional transportation planning and other related responsibilities. Existing law creates various transit districts located in the San Francisco Bay area, with specified powers and duties relating to providing public transit services.

This bill would establish the Transportation Revenue Measure District with jurisdiction extending throughout the boundaries of the Counties of Alameda and Contra Costa and the City and County of San Francisco and would require the district to be governed by the same board that governs the commission, thereby imposing a state-mandated local program. The bill would authorize a retail transactions and use tax applicable to the entire district to be imposed by the board of the district or by a qualified voter initiative for a duration of 10 to 15 years, inclusive, and generally in an amount of 0.5%, subject to voter approval

at the November 3, 2026, statewide general election. After allocations are made for various administrative expenses, the bill would require an unspecified portion of the proceeds of the tax to be allocated by the commission to initiatives included in a specified commission plan and to the Alameda-Contra Costa Transit District, the Peninsula Rail Transit District, commonly known as Caltrain, the San Francisco Bay Area Rapid Transit District, and the San Francisco Municipal Transportation Agency for operating expenses, and would require the remaining proceeds to be subvended directly to the counties comprising the district for public transportation expenses, as prescribed.

By adding to the duties of local officials with respect to elections procedures for this bill on behalf of the district, the bill would impose a state-mandated local program.

(2) Existing law requires the commission to develop regional transit service objectives, develop performance measures of efficiency and effectiveness, specify uniform data requirements to assess public transit service benefits and costs, and formulate procedures for establishing regional transportation priorities in the allocation of funds for transportation purposes.

This bill would require the commission, upon the approval of a measure by the voters of the Transportation Revenue Measure District, to engage in a comprehensive independent ~~third-party~~ *third-party* financial efficiency review of the above-described transit operators receiving an allocation of the proceeds of the tax from the commission and would require the independent third party contracted by the commission for this purpose to prepare a final report of the review. After a transit operator receives the final report, the bill would require the transit operator, as a condition of receiving those funds, to finalize an implementation plan that describes, among other things, efficiency measures the transit operator plans to take and to submit the implementation plan to the commission, as specified.

The bill would also require those transit operators to comply with other requirements as a condition of receiving those funds, including, among others, a maintenance of effort requirement and a requirement to comply with the policies and programs adopted by the commission through its Regional Network Management framework, as provided.

This bill would require the commission to submit a report to the Legislature on or before March 31, 2026, on its forecast of the impacts to ridership on those transit operators from planned transportation

projects and strategies included in its adopted regional transportation plan.

By adding to the duties of the commission, the bill would impose a state-mandated local program.

(3) The Bay Area County Traffic and Transportation Funding Act authorizes the formation of county transportation authorities in each of the 9 bay area counties, and provides for the imposition of a retail transaction and use tax of either $\frac{1}{2}$ of 1% or 1%, subject to voter approval, with revenues to be used for various transportation purposes.

This bill would instead provide that a retail transaction and use tax imposed under those provisions in the County of San Mateo or the County of San Francisco may be imposed in $\frac{1}{8}$ of 1% increments up to 1%.

(4) This bill would declare that its provisions are severable.

(5) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) The San Francisco Bay area needs a world-class, reliable,
4 affordable, efficient, and connected transportation network that
5 meets the needs of bay area residents, businesses, and visitors
6 while also helping combat the climate crisis. The bay area's
7 regional and local public transportation networks are a critical
8 component of the overall transportation network.

9 (b) Public transportation is of regional and local benefit, serving
10 both regional and local trips for residents of all income levels.

11 (c) ~~Preserving and improving~~ *Preserving, improving, and*
12 *expanding* public transportation to ensure a world-class public
13 transportation network will enhance access to opportunity, lower

1 emissions of greenhouse gases, strengthen the region's economy,
2 support increased housing production, and improve quality of life.

3 (d) To achieve that vision, the San Francisco Bay area needs a
4 public transit network that offers safe, clean, frequent, accessible,
5 easy-to-navigate, and reliable service that gets transit riders where
6 they want and need to go safely, affordably, quickly, and
7 seamlessly. *The San Francisco Bay area also needs to prioritize*
8 *increasing ridership to ensure the region's transit network is*
9 *sustainable.*

10 (e) Regional funding, increased coordination, financial
11 efficiency, and safety, cleanliness, and reliability reforms are
12 urgently needed to both preserve and improve public transportation
13 service.

14 *SEC. 2. Section 66513.5 is added to the Government Code, to*
15 *read:*

16 *66513.5. (a) The commission shall submit a report to the*
17 *Legislature on or before March 31, 2026, on its forecast of the*
18 *impacts to ridership on the Alameda-Contra Costa Transit District,*
19 *the Peninsula Rail Transit District, the San Francisco Bay Area*
20 *Rapid Transit District, and the San Francisco Municipal*
21 *Transportation Agency from planned transportation projects and*
22 *strategies included in its adopted regional transportation plan,*
23 *with an emphasis on rail connectivity projects that may increase*
24 *ridership, reduce operating costs, or help with enhanced mobility.*

25 *(b) (1) A report to be submitted pursuant to subdivision (a)*
26 *shall be submitted in compliance with Section 9795.*

27 *(2) Pursuant to Section 10231.5, this section is inoperative on*
28 *March 31, 2030, and, as of January 1, 2031, is repealed.*

29 ~~SEC. 2.~~

30 *SEC. 3. Title 7.85 (commencing with Section 67700) is added*
31 *to the Government Code, to read:*

1 TITLE 7.85. SAN FRANCISCO BAY AREA REGIONAL
2 TRANSPORTATION FINANCE

3
4 PART 1. FORMATION OF THE TRANSPORTATION
5 REVENUE MEASURE DISTRICT

6
7 CHAPTER 1. GENERAL PROVISIONS

8
9 67700. For purposes of this title, the following definitions
10 apply:

11 (a) “AC Transit” means the Alameda-Contra Costa Transit
12 District.

13 (b) “BART” means the San Francisco Bay Area Rapid Transit
14 District.

15 (c) “Board” means the governing board of the Transportation
16 Revenue Measure District.

17 (d) “Caltrain” means the Peninsula Rail Transit District.

18 (e) “Commission” means the Metropolitan Transportation
19 Commission.

20 (f) “District” means the Transportation Revenue Measure
21 District.

22 (g) “Muni” means the San Francisco Municipal Transportation
23 Agency.

24
25 CHAPTER 2. THE TRANSPORTATION REVENUE MEASURE
26 DISTRICT AND GOVERNING BOARD

27
28 67710. (a) The Transportation Revenue Measure District is
29 hereby established with jurisdiction extending throughout the
30 territorial boundaries of the Counties of Alameda and Contra Costa
31 and the City and County of San Francisco.

32 (b) The district shall be governed by the same board that governs
33 the commission. The district shall be a separate legal entity from
34 the commission.

35 (c) The formation and jurisdictional boundaries of the district
36 are not subject to the Cortese-Knox-Hertzberg Local Government
37 Reorganization Act of 2000 (Division 3 (commencing with Section
38 56000) of Title 5).

39 (d) The district shall be staffed by the existing staff of the
40 commission or any successor agency, with the understanding that

1 additional staff may be needed to administer the requirements of
2 this title.

3 67711. (a) It is the intent of the Legislature to afford the
4 Counties of San Mateo and Santa Clara the opportunity to opt into
5 the district by July 31, 2025. The opt-in of one or both of these
6 counties into the district would entail the entirety of one or both
7 of these counties, respectively, being included within the geography
8 of the district.

9 (b) It is the preference of the Legislature for the County of San
10 Mateo to opt into the district.

11 12 PART 2. TRANSACTIONS AND ~~USES~~ USE TAXES

13 14 CHAPTER 1. RETAIL TRANSACTIONS AND Use Tax 15 AUTHORIZATION 16

17 67730. (a) The board may impose a retail transactions and use
18 tax ordinance applicable to the entire district if the electors voting
19 on the measure vote to approve its imposition at the election
20 described in Section 67734 in accordance with this title and Part
21 1.6 (commencing with Section 7251) of Division 2 of the Revenue
22 and Taxation Code.

23 (b) The board, in the ordinance, shall do all of the following:

24 (1) State the nature of the tax to be imposed.

25 (2) Provide the tax rate or the maximum tax rate, which shall
26 be one-half of 1 percent in each county except in the City and
27 County of San Francisco. The tax rate in the City and County of
28 San Francisco shall be set at no less than one-half of 1 percent and
29 no more than 1 percent, in $\frac{1}{8}$ percent increments.

30 (3) Specify the period during which the tax will be imposed.
31 The duration of the tax shall be no less than 10 years and no longer
32 than 15 years.

33 (4) Specify the purposes for which the revenue derived from
34 the tax will be used, consistent with Chapter 3 (commencing with
35 Section 67750).

36 (c) Notwithstanding Section 7251.1 of the Revenue and Taxation
37 Code, the tax rate authorized pursuant to this title shall not be
38 considered for purposes of the combined rate limit established by
39 Section 7251.1 of the Revenue and Taxation Code.

1 (d) A transactions and use tax ordinance adopted pursuant to
2 this title shall be operative on January 1, 2027.

3 (e) Before the operative date of the ordinance, the board shall
4 contract with the California Department of Tax and Fee
5 Administration to perform all functions incidental to the
6 administration and operation of the ordinance.

7 67731. It is the intent of the Legislature to determine, by July
8 31, 2025, the exact tax rate, including potential variable rates in
9 different counties within the district, and the exact duration of the
10 tax, through continued discussions with stakeholders.

11 67732. (a) Notwithstanding Section 9300 of the Elections
12 Code or any other law, the taxes authorized by Section 67730 may
13 also be imposed by a qualified voter initiative pursuant to Chapter
14 4 (commencing with Section 9300) of Division 9 of the Elections
15 Code if the electors voting on the measure vote to approve its
16 imposition at the election described in Section 67734 in accordance
17 with the requirements of this title and Part 1.6 (commencing with
18 Section 7251) of Division 2 of the Revenue and Taxation Code.

19 (b) In addition to the procedures set forth in Chapter 4
20 (commencing with Section 9300) of Division 9 of the Elections
21 Code, if an ordinance containing a tax authorized by this title is
22 proposed by an initiative petition, the initiative shall comply with
23 all of the requirements applicable to a tax imposed by the board
24 pursuant to this title, including the requirement that the proceeds
25 of the tax be expended pursuant to Chapter 3 (commencing with
26 Section 67750).

27 67734. A tax proposed pursuant to this title may only be placed
28 on the ballot for the November 3, 2026, statewide general election
29 and shall be submitted to the voters of the entire district in
30 accordance with Chapter 2 (commencing with Section 67740).

31
32 CHAPTER 2. ELECTION PROCEDURES
33

34 67740. (a) If the board of the district or a qualified voter
35 initiative proposes a measure for the approval of a tax ordinance
36 adopted pursuant to Chapter 1 (commencing with Section 67730),
37 the board of supervisors for each of the counties that comprise the
38 district shall call a special election on the tax ordinance. The special
39 election shall be consolidated with the November 3, 2026,

1 statewide general election and the tax ordinance shall be submitted
2 to the voters of each county comprising *the* district.

3 (b) For the purpose of the placement of a tax ordinance on the
4 ballot, the Transportation Revenue Measure District is a “district,”
5 as defined in Section 317 of the Elections Code. A measure
6 proposed by the board that requires voter approval or a qualified
7 initiative measure proposed for the district by the voters of the
8 counties comprising the district shall be submitted to the voters of
9 the counties that are contained in the district, in accordance with
10 the provisions of the Elections Code applicable to districts,
11 including Chapter 4 (commencing with Section 9300) of Division
12 9 of the Elections Code.

13 (c) Notwithstanding any provision of the Elections Code, the
14 legal counsel for the district shall prepare an impartial analysis of
15 the measure. Each county included in the district shall use the
16 election materials provided by the district, including the exact
17 ballot question, impartial analysis, and full text of the ballot
18 measure for inclusion in the county voter information guide.

19 (d) If two or more counties included in the measure are required
20 to prepare a translation of ballot materials into the same language
21 other than English, the county that contains the largest population,
22 as determined by the most recent federal decennial census, among
23 those counties that are required to prepare a translation of ballot
24 materials into the same language other than English, shall prepare
25 the translation or authorize the commission to prepare the
26 translation, and that translation shall be used by the other county
27 or counties, as applicable.

28 (e) Notwithstanding Section 13116 of the Elections Code, the
29 elections officials of the counties where the measure will appear
30 on the ballot shall mutually agree to use the same letter designation
31 for the measure.

32 (f) The county clerk of each county shall report the results of
33 the special election to the commission. If the approval threshold
34 required by the California Constitution at the time of the election
35 is achieved, the measure shall take effect in the district in
36 accordance with the requirements of this title.

37 (g) (1) Notwithstanding Section 10520 of the Elections Code,
38 the commission shall reimburse each county that comprises the
39 district from funds made available pursuant to Section 67750 only
40 for the incremental costs incurred by the county elections official

1 related to submitting the measure to the voters with proceeds from
2 the measure, or if the measure fails, with any eligible funds
3 provided by the commission or other public or private entity.

4 (2) For purposes of this subdivision, “incremental costs”
5 includes both of the following:

6 (A) The cost to prepare a translation of ballot materials into a
7 language other than English by any county, as described in
8 subdivision (d).

9 (B) The additional costs that exceed the costs incurred for other
10 election races or ballot measures, if any, appearing on the same
11 ballot in each county in which the measure appears on the ballot,
12 including both of the following:

13 (i) The printing and mailing of ballot materials.

14 (ii) The canvass of the vote regarding the measure pursuant to
15 Division 15 (commencing with Section 15000) of the Elections
16 Code.

17
18 CHAPTER 3. REGIONAL TRANSPORTATION REVENUE MEASURE
19 EXPENDITURES
20

21 67750. The board shall allocate revenues generated pursuant
22 to Chapter 2 (commencing with Section 67740) on an annual basis
23 as follows:

24 (a) The board shall pay the administrative costs associated with
25 the collection of the revenues incurred by the California
26 Department of Tax and Fee Administration pursuant to the contract
27 entered into pursuant to Section 67730, and the amounts necessary
28 for the commission to reimburse the one-time costs incurred by
29 county elections officials, as provided in subdivision (g) of Section
30 67740.

31 (b) After the amounts allocated in subdivision (a), the board
32 may retain up to 1 percent of total revenues for the administration
33 of this title. If the board retains more money than is necessary for
34 administration, the board may direct those excess funds to the
35 commission for allocation pursuant to subparagraph (E) of
36 paragraph (1) of subdivision (c).

37 (c) (1) After the amounts allocated in subdivisions (a) and (b),
38 the board shall allocate revenues to the commission in the amount
39 determined pursuant to paragraph (2). The commission shall
40 allocate those revenues to the following entities for the following

purposes in accordance with Chapter 4 (commencing with Section 67760) and Chapter 5 (commencing with Section 67770):

(A) AC Transit, exclusively for transit operations expenses.

(B) BART, exclusively for transit operations expenses.

(C) Caltrain, exclusively for transit operations—~~expenses~~
~~expenses.~~

(D) Muni, exclusively for transit operations expenses.

(E) Up to 10 percent of the revenues to the commission, exclusively for initiatives included in the 2021 Bay Area Transit Transformation Action Plan (T-TAP), or any successor plan adopted by the commission, ~~that are also included in the Transit Operations Financial Responsibility and Implementation Plan (T-FRIP) described in Section 67751.~~ *commission.*

(2) It is the intent of the Legislature to establish specific levels of funding for the board to allocate to the commission and for the commission to allocate to the entities specified in paragraph ~~(1)~~, ~~(1) by July 31, 2025, informed by the adopted T-FRIP described in Section 67751.~~ 2025.

(d) (1) After the amounts allocated in subdivisions (a) to (c), inclusive, the board shall subvene all remaining funds directly to the counties contained in the district for public transportation expenses. The board shall have no discretion to withhold those funds.

(2) Eligible recipients of funds provided by counties from funds allocated pursuant to paragraph (1) include, but are not limited to, all of the following:

(A) Contra Costa County Transit Authority (County Connection).

(B) Eastern Contra Costa Transit Authority (Tri Delta Transit).

(C) Livermore Amador Valley Transit Authority (LAVTA).

(D) Union City Transit.

~~(e)~~

(E) Western Contra Costa Transit Authority (WestCAT).

~~67751. It is the intent of the Legislature for all of the following to occur:~~

~~(a) Local and regional stakeholders, including AC Transit, BART, Caltrain, and Muni, and counties that have a funding relationship with at least one of these transit operators collaboratively develop a Transit Operations Financial Responsibility and Implementation Plan (T-FRIP) to inform the~~

1 expenditure of revenues from a measure approved pursuant to this
2 title.

3 ~~(b) The T-FRIP identifies target contributions from those~~
4 ~~counties to those transit operators and identifies implementation~~
5 ~~strategies for those target contributions.~~

6 ~~(c) Target contributions and implementation strategies for~~
7 ~~Caltrain be determined through conversations between the Caltrain~~
8 ~~member agencies.~~

9 ~~(d) The T-FRIP be completed on or before July 31, 2025.~~

10 67752. In allocating funds pursuant to this chapter, it is the
11 intent of the Legislature that the commission not supplant funding
12 from regularly programmed discretionary revenue sources available
13 to the commission that would have otherwise been directed to
14 projects, programs, or services that directly benefit the Counties
15 of Alameda or Contra Costa or the City and County of San
16 Francisco, nor increase the level of those regularly programmed
17 discretionary sources that are allocated to counties that are not
18 contained in the district as a result of the approval of the measure
19 pursuant to this title.

20 67754. If the voters approve a tax ordinance pursuant to this
21 title, the district shall establish an independent oversight committee
22 within six months of the effective date of the tax increase to ensure
23 that any revenues generated pursuant to this title are expended
24 consistent with the applicable requirements set forth in this chapter.
25 The committee may be consolidated with the oversight committee
26 established pursuant to subdivision (h) of Section 30923 of the
27 Streets and Highways Code. Each representative shall be appointed
28 by the applicable county board of supervisors. The oversight
29 committee may request any documents from the commission to
30 assist the committee in performing its functions.

31
32 CHAPTER 4. FINANCIAL TRANSPARENCY AND REVIEW
33

34 67760. (a) The Legislature finds and declares that financial
35 efficiency and transparency are imperative to build public
36 confidence and support for public transportation.

37 (b) In enacting this title, it is the intent of the Legislature to
38 ensure that the public is aware of actions taken by AC Transit,
39 BART, Caltrain, and Muni to reduce expenses in the face of major

1 deficits, along with additional identified opportunities for
2 service-neutral cost efficiencies.

3 67762. (a) Upon the approval of a measure by the voters of
4 the district pursuant to this title, the commission shall engage in
5 a comprehensive independent ~~third-party~~ *third-party* financial
6 efficiency review of AC Transit, BART, Caltrain, and Muni.

7 (b) The review shall identify a menu of cost-saving efficiencies
8 that, if implemented, would reduce one-time and ongoing fixed
9 and variable costs for the transit operators subject to the review.

10 (c) The scope of the review shall include administrative,
11 operating, and capital costs and shall clearly distinguish between
12 cost-saving options that would not impact service and cost-saving
13 options that would require service realignments or reductions.

14 (d) The scope of the review shall also apply to initiatives
15 included in the 2021 Bay Area Transit Transformation Action Plan
16 or any successor plan adopted by the commission and associated
17 supporting programs administered by the commission, such as the
18 Clipper program.

19 67764. (a) The commission shall contract and manage an
20 independent third party to conduct the review, in consultation with
21 a select committee established by the commission that consists of
22 all of the following:

23 (1) Members of the commission.

24 (2) A state representative.

25 (3) Transit operator representatives from the operators subject
26 to the review.

27 (4) Representatives from the transit labor, advocacy, and
28 business communities.

29 (b) Upon completion of the review, the independent third party
30 shall transmit a final report to the select committee established by
31 the commission, to the Legislature, in compliance with Section
32 9795, and to the transit operators subject to the review.

33 67766. (a) Within ____ months after a transit operator subject
34 to the review receives the report, the transit operator shall finalize
35 an implementation plan that describes all efficiency measures the
36 transit operator has already taken since January 1, 2020, associated
37 cost savings, and all subsequent efficiency measures the transit
38 operator plans to take and shall submit this plan to the commission
39 by ____, as a condition of continuing to receive funds from the

1 commission pursuant to Chapter 3 (commencing with Section
2 67750).

3 (b) The commission shall accept each plan submitted pursuant
4 to subdivision (a) and transmit it to the Legislature, in compliance
5 with Section 9795, the Transportation Agency, and the counties
6 that have a funding relationship with at least one of the transit
7 operators subject to the review.

8 67767. It is the intent of the Legislature to determine the timing
9 of the required actions outlined in this chapter through further
10 discussion with transit stakeholders.

11 67768. (a) (1) In order to be eligible for funding pursuant to
12 Chapter 3 (commencing with Section 67750), a transit operator
13 subject to the review required by this chapter shall verify to the
14 commission that it will maintain its expected level of funding for
15 operations and shall not supplant any sources of operating revenue
16 under its control or fund sources allocated by the commission that
17 were used for transit operations in the preceding three fiscal years.

18 (2) The expected level of funding for purposes of paragraph
19 (1), which shall be referred to as the maintenance of effort, shall
20 be calculated using the operator's average discretionary operating
21 expenditures for the preceding three fiscal years, two years in
22 arrears as reported to the Controller in its annual report submitted
23 pursuant to Section 99243 of the Public Utilities Code.

24 (b) Notwithstanding subdivision (a), a transit operator subject
25 to the review required by this chapter may reduce the amount of
26 funding contributed towards its operating budget in proportion to
27 any reduction in operating costs or reduction in operating revenue
28 based on factors outside the control of the operator, including, but
29 not limited to, the expiration of a voter-approved revenue source
30 or the determination based on a statistically valid poll that an
31 expiring ballot measure lacks sufficient support to warrant
32 placement on the ballot.

33 (c) A transit operator may request that the commission grant an
34 exception to the requirements of this section for the purpose of
35 transferring operating funds to state of good repair needs for assets
36 owned and operated by the operator or to cover the cost of
37 compliance with a state or federal law or regulation.

CHAPTER 5. REGIONAL NETWORK MANAGEMENT
ACCOUNTABILITY

67770. (a) The Legislature finds and declares all of the following:

(1) In 2024, the ~~transportation revenue measure~~. *Transportation Revenue Measure* Select Committee established by the commission in 2024 agreed on various transit agency accountability policy recommendations for a transportation revenue measure. Specifically, the select committee approved a recommendation for new revenue from a measure to be conditioned on transit operators complying with transit transformation policies adopted through the Regional Network Management framework.

(2) As of March 2025, the commission adopted policies and programs through an established regional network management framework.

(b) (1) It is the intent of the Legislature, in enacting this title, to encourage the commission to continue acting in its role as Regional Network Manager.

(2) It is the further intent of the Legislature that the conditioning of funds prescribed by this chapter on regional network management policies and programs be based on the central goal of increasing transit ridership by improving the customer experience of riding public transit in the San Francisco Bay area and creating a seamless transit experience.

67772. (a) Notwithstanding any other law, each transit operator that the commission directly distributes funds to pursuant to Chapter 3 (commencing with Section 67750) shall comply with the policies and programs adopted by the commission through its Regional Network Management framework in order to fulfill initiatives included in the 2021 Bay Area Transit Transformation Action Plan or successor plan adopted by the commission, as a condition of receiving those funds.

(b) Nothing in this chapter authorizes the commission to do any of the following:

(1) Restrict a transit operator's access to funds not allocated by the commission.

(2) Require a transit operator to implement policies or programs that would impede or interfere with its ability to comply with any legal obligations in transit labor contracts.

1 (3) Restrict the use of a transit operator's logo outside the scope
2 of the commission's regional mapping and wayfinding standards.

3 (4) Require that a transit operator modify the schedule or route
4 of a specific local route that the transit agency and commission do
5 not identify as primarily serving regional transit service.

6 (c) The commission shall not require a transit operator described
7 in subdivision (a) to be subject to a one-time or ongoing policy,
8 or to make a one-time or ongoing expenditure, pursuant to this
9 chapter if the transit operator adopts a finding that the policy or
10 expenditure would require the agency to take an action that the
11 agency determines to be unacceptable with respect to its impact
12 on transit service, staffing, maintenance, or other specified
13 operational or state of good repair considerations.

14 (d) Before adopting a finding pursuant to subdivision (c), a
15 transit operator shall conduct an assessment that takes into
16 consideration all funding anticipated to be available to the transit
17 operator in the next fiscal year, including, but not limited to, any
18 discretionary funding that the commission identifies to help offset
19 the cost of the proposed expenditure or policy, any growth in fare
20 revenue anticipated as a result of the expenditure or policy, and
21 potential adjustments to fares or fare policies the agency could
22 make to increase revenue. The transit operator shall develop the
23 assessment in consultation with staff from the commission and
24 shall present it to the commission at a public meeting before
25 adopting a finding pursuant to subdivision ~~(b)~~ (c).

26 (e) In implementing this section, each transit operator subject
27 to this chapter shall fulfill all applicable requirements under Title
28 VI of the federal Civil Rights Act of 1964 (Public Law 88-352)
29 regarding service and fare changes.

30 (f) The commission shall submit a report to the Legislature on
31 or before January 1, 2028, and each year thereafter, on the status
32 of the outcomes described in this section and the status of transit
33 ridership in the region, as defined in Section 66502. The
34 commission shall submit the annual report to the Legislature in
35 compliance with Section 9795. The commission shall also post
36 the annual report on its internet website.

CHAPTER 6. APPLICABILITY

67780. *The provisions of this title shall only apply to the counties and city and county identified pursuant to Section 67710.*

~~SEC. 3.~~

SEC. 4. Section 131102 of the Public Utilities Code is amended to read:

131102. (a) (1) A retail transactions and use tax ordinance for a tax of either one-half of 1 percent or 1 percent applicable in the incorporated and unincorporated territory of a county, except for the counties described in paragraph (2), may be imposed by a county transportation authority or the commission in the manner prescribed in Section 131103 and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, if two-thirds of the electors voting on the measure vote to approve its imposition at an election which shall be called for this purpose by the board of supervisors within one year after the adoption of a county transportation expenditure plan.

(2) A retail transactions and use tax ordinance for a tax of up to 1 percent, in any combination of $\frac{1}{8}$ percent increments, applicable in the incorporated and unincorporated territory of the County of San Mateo or the City and County of San Francisco may be imposed by the applicable county transportation authority or the commission in the manner prescribed in Section 131103 and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, if two-thirds of the electors voting on the measure vote to approve its imposition at an election which shall be called for this purpose by the board of supervisors within one year after the adoption of a county transportation expenditure plan.

(b) The ordinance shall take effect at the close of the polls on the day of the election at which the proposition, as set forth in Section 131108, is adopted. The ordinance shall specify the period, as determined by the adopted county transportation expenditure plan during which the tax will be imposed. The tax may be terminated earlier if the projects in the adopted plan are completed and any bonds outstanding issued pursuant to this division are redeemed.

1 ~~SEC. 4.~~

2 *SEC. 5.* The provisions of this act are severable. If any
3 provision of this act or its application is held invalid, that invalidity
4 shall not affect other provisions or applications that can be given
5 effect without the invalid provision or application.

6 ~~SEC. 5.~~

7 *SEC. 6.* If the Commission on State Mandates determines that
8 this act contains costs mandated by the state, reimbursement to
9 local agencies and school districts for those costs shall be made
10 pursuant to Part 7 (commencing with Section 17500) of Division
11 4 of Title 2 of the Government Code.