

AC Transit

Alameda-Contra Costa Transit District

**Update on Senate Bill 1031 (Wiener/Wahab),
The Connect Bay Area Act of 2024**

June 12, 2024



SB 1031 Overview

- Authorizes MTC to place a regional transportation funding measure on the ballot as soon as November 2026.
- Directs CalSTA to study the potential consolidation of Bay Area transit operators.

05/13 Amendments

Implemented term sheet agreement from
Senate Transportation Committee

1. MTC's authority to put a measure to voters expires after 2040
2. Taxes may have a duration of up to 30 years
3. Goal of bill is to raise \$1.5 billion annually; any sales tax increase limited to not more than ½ cent
4. MTC can only bond against revenues raised by the taxes
5. MTC may only condition STA funds and revenue measure dollars

05/16 Amendments

Suspense File Hearing

1. Requires MTC in consultation with the Transportation Authority/CMAs to develop an expenditure plan. The expenditure plan must also be approved by a majority of TAs/CMAs representing a majority of the population.
2. Requires MTC to amend or update its regional transportation plan to include SMART service to Cloverdale.
3. Prohibits placing a regional funding measure on the ballot in the counties of Marin or Sonoma before November 2028.
4. After the first 5 years, the return to source increases to 90%.
5. If Marin & Sonoma agree to participate in the regional measure, SB 1031 would require a share of revenue to SMART must equal the amount generated by SMART's existing ¼ cent sales.
6. The 25% of funds dedicated to safe streets could also be used for Safe Routes to Schools projects.
7. The 15% of funds dedicated to Connectivity Projects would be allocated to TAs/CMAs.

Opposition to SB 1031 has Intensified

MTC Commissioner & Staff Comments (May 22)

- Executive director: “**serious concerns**” about recent amendments / current path
- Some commissioners **recommend withdrawing MTC support / sponsorship**
- **Ad hoc committee** (*of commissioners*) to work through issues with authors

Senate Floor (May 24)

- Transportation Committee Chair Dave **Cortese strongly opposed**
- **Campaign against the tax proposal** to be organized by Chair Cortese, Santa Clara Co. Supervisor Cindy Chavez, and San Jose Mayor Matt Mahan
- Sen. Wiener
 - “**This is a work in progress**”
 - **Valley Link eligible for funding** (*even though San Joaquin County is not [currently] paying the tax*)
- Voted out of Senate on 26-10 vote

Continued Concerns

- 1. AC Transit must have full presentation, with voting powers, on the MTC.** It is critical that we be able to shape the policies that impact our service and riders.
- 2. MTC mandates must include consultation and consent from transit operators.** SB 1031 is silent on the role transit operators will have in developing rules about fare coordination and integration, payment methods, routes, schedules, and wayfinding, and more.
- 3. Any consolidation / “enhanced coordination” study must be fully funded.** Funds cannot come from other sources that would otherwise benefit transit.
- 4. A regional transit pass must not diminish the roughly \$7 million in annual revenue we generate through our *EasyPass* program.** Any revenue loss could impact our ability to comply with the maintenance of effort mandate in SB 1031.
- 5. It is unclear how the mandates in the bill would be implemented if a measure fails to pass, or if the revenue generated is less than what is needed to implement the regional mandates.**
 - A one-half cent sales tax would generate \$1 billion; it is unclear where the remaining \$500 million will come from
 - Funding will be delayed if a measure is delayed until 2028, when the North Bay becomes eligible

5/31/24, Bill Paused

SR 24-338

From: Andrew Fremier <AFremier@bayareametro.gov>

Sent: Friday, May 31, 2024 9:18 AM

Subject: SB 1031 Update - Bill Not Advancing in 2024

Commissioners,

As some of you may have already seen this morning, Senator Wiener and Senator Wahab, with the support of MTC leadership, have decided not to move forward with SB 1031 this session. Many of you put significant energy into helping advocate for the bill and I greatly appreciate those efforts. While it is disappointing not to see an MTC - sponsored bill move all the way through the process, I firmly believe it's the right decision. The Commission is most effective when it's united and it became clear through the discussion at the last Commission meeting, there is not currently broad support for the legislation as written.

Senator Wiener is committed to working with MTC to build a consensus on how to structure a regional measure that protects Bay Area transit service into the future. We are holding a special Commission meeting on June 12, 2024 to discuss next steps, including MTC convening key parties this summer and into the fall to create regional consensus for 2025 legislation.

Below is a statement that was sent out this morning and the story from KQED.

<https://www.kqed.org/news/11988365/a-bill-to-save-bay-area-transit-from-fiscal-disaster-is-dead-at-least-for-now>

Timeline

- 05/13: Heard in Senate Appropriations Committee, send to Suspense File
- 05/16: Amended, voted off Suspense File to Senate Floor
- 05/24: Senate floor vote, 26-10
- TBD
 - Assembly Policy / Fiscal Committees
 - Concurrence in Senate
 - Governor's Desk