



Senator Scott Wiener, 11th Senate District

Senate Bill 63 (Wiener, Arreguin) – Connect Bay Area Act

SUMMARY

SB 63 authorizes a 10- to 15-year regional public transportation operations sales tax measure on the November 2026 ballot in specified Bay Area counties to provide critical funding for transit agencies with major operations shortfalls. Specifically, SB 63 authorizes a ½-cent sales tax measure in Alameda, Contra Costa, and San Francisco Counties – with up to 1 cent in San Francisco to provide greater Muni funding. SB 63 provides San Mateo and Santa Clara Counties the opportunity to decide to opt into the measure by July 31, 2025, and envisions determining the exact rate structure by July 31, 2025. SB 63 states the preference of the legislature for San Mateo County to opt into the regional funding measure.

SB 63 sets ironclad requirements on how funding from the regional funding measure shall be distributed. The bill envisions the development and completion – during the legislative process – of a “Transit Operations Financial Responsibility and Implementation Plan (“T-FRIP”) that outlines target funding contributions to BART, Muni, Caltrain, AC Transit, and regional transit improvements, informing funding distributions from the measure to those operators and initiatives.

SB 63 also includes accountability measures to improve financial efficiency and regional coordination for the transit operators receiving funding through the regional funding measure.

BACKGROUND/EXISTING LAW

Public transportation continues to be an essential service for Bay Area residents and visitors that also helps meet state climate and housing goals. Shifting travel patterns due to and after the pandemic have led to significant reductions in transit trips taken and resulting operating deficits on major systems such as BART, Muni, AC Transit, and Caltrain. While transit

agencies are working to improve cost efficiencies and transit ridership has been recovering, one-time emergency federal and state aid will be exhausted in the coming years, requiring a longer-term solution to maintain critical services. If additional funding is not secured, transit agencies will be forced to make major service cuts. BART has reported that even closing down almost 20% of its stations, eliminating entire lines, moving to hourly frequencies, and closing the system at 9pm would still leave it with an enormous \$200 million deficit if additional funding is not secured.¹ Muni has said it would have to consider service cuts as intense as reducing frequencies up to 50%, suspending lower utilized routes, suspending historic transit services, and moving to owl service only from 9pm to 6am.²

Close to 60% of Bay Area public transportation riders use transit five or more days per week and 91% expect to ride transit the same or more next year.³ According to recent polling, 2/3rd of likely Bay Area voters agree that Bay Area public needs more operations funding, and a majority of likely voters in Alameda, Contra Costa, San Francisco, and San Mateo counties would support a sales tax to provide this critically needed funding.⁴

After consensus over a larger 9-county transportation measure authorization that could have provided multimodal investments did not materialize in 2024, the Metropolitan Transportation Commission (MTC) engaged in additional outreach via a Transportation Revenue Measure Select Committee.⁵ The Select Committee consisted of a variety of elected officials, business, civic, labor, and transit advocacy groups from across the region. The Select Committee discussed specific potential revenue measure scenarios that varied by geography, revenue sources, and expenditure plans. While consensus around a specific scenario was elusive, stakeholders provided important feedback

¹ [BART Fiscal Cliff Presentation](#)

² [Muni Funding Working Group Service Cut Scenarios](#)

³ [MTC Travel Survey Summary](#)

⁴ [MTC Polling Report](#)

⁵ [Transportation Revenue Measure Select Committee Site](#)

to guide further efforts. The Select Committee concluded with a final report and recommended specific revenue measure scenarios for polling.⁶

Polling Shows Voter Support for Transit

Among the options that The Select Committee recommended to poll were a 10-year ½-cent and variable rate transit operations sales tax in Alameda, Contra Costa, San Francisco, and San Mateo counties. While this scenario did not achieve complete political consensus, it did comfortably poll with greater than simple majority support. Further, aspects of the scenario reflected general consensus by regional stakeholders of a need to at a minimum find a medium-term solution to address major transit deficits for BART, Muni, Caltrain, and AC Transit.

SOLUTION

SB 63 authorizes a 10- to 15-year regional transportation revenue measure to contribute additional operating revenues to public transportation agencies with major deficits. The bill authorizes such a measure only on the November 3, 2026 statewide election ballot in a special district with voter initiative authority consisting of at least Alameda, Contra Costa, and San Francisco counties.

SB 63 specifies that the counties of San Mateo and Santa Clara may opt into the revenue measure by July 31, 2025, and specifies that it is the preference of the legislature that San Mateo County opt into the measure, with the rate to be determined.

Acknowledging a need to build additional consensus on specific contributions by specified counties to specified transit operators, and how counties that may not participate in the regional measure intend to fund regional public transportation services and when, SB 63 calls for the development of a Transit Operations Financial Responsibility and Implementation Plan (“T-FRIP”) to be completed during the legislative process to inform such contributions, including the expenditure plan of the regional measure authorized by SB 63.

SB 63 sets ironclad requirements on how revenues from the measure shall be distributed. Specifically, it requires MTC to distribute regional revenue funds at specified levels informed by the T-FRIP to BART,

Muni, Caltrain, AC Transit, and regional transit initiatives. Revenues not needed for measure administration or T-FRIP funding are returned to the participating revenue measure counties, unconditioned, for public transit expenses.

SB 63 requires MTC to condition T-FRIP transit operations funding on key accountability requirements to improve cost-efficiencies and regional coordination for transit operators receiving funding from the measure. Specifically, it requires a financial efficiency review of BART, Muni, Caltrain, AC Transit, and MTC Transit Transformation Initiatives. As a condition for receiving continued funding from the measure, transit operators must submit an implementation plan to MTC after the financial efficiency review is completed that details planned efficiency measures and associated cost savings. SB 63 also requires transit operators to comply with regionally adopted policies and programs related to the 2021 Bay Area Transit Transformation Action Plan as a condition of receiving funding from the regional measure. MTC is required to annually report on the progress of its network management initiatives. These provisions will help increase coordination amongst transit agencies and drive up transit ridership.

Finally, SB 63 also provides additional local self-help flexibility for the counties of San Francisco and San Mateo to renew or propose local sales taxes in 1/8th-cent increments, as opposed to the currently permitted ½-cent or 1 cent increments.

SUPPORT

SPUR

San Francisco County Transportation Authority

FOR MORE INFORMATION

Raayan Mohtashemi, *Legislative Aide*

Senator Scott Wiener

Email: raayan.mohtashemi@sen.ca.gov

Phone: (916) 651-4011

Luis Amezcua, *Legislative Director*

Senator Jesse Arreguin

Email: luis.amezcua@sen.ca.gov

Phone: 916-651-4007

⁶ [Select Committee Final Report](#)