

**ASSEMBLY BILL**

**No. 2777**

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**Introduced by Assembly Member Quirk**

February 20, 2020

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An act to amend Sections 24533, 24535, 24865, 24909, 25331, 25333, and 25841.5 of, to repeal Section 24534 of, and to repeal and add Section 24561 of, the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2777, as introduced, Quirk. Alameda-Contra Costa Transit District.

(1) The Transit District Law authorizes any city together with unincorporated territory, or 2 or more cities, with or without unincorporated territory, in either the Counties of Alameda or Contra Costa or both, to organize and incorporate as a transit district with specified powers and duties relative to providing public transit service.

This bill would repeal the authority to form a transit district under these provisions and would recognize the Alameda-Contra Costa Transit District as the district formed pursuant to this authority.

(2) Existing law requires a local agency to comply with all applicable building ordinances and zoning ordinances of the county or city in which the territory of the local agency is situated and, for purposes of this provision, excludes rapid transit districts from the definition of a local agency.

This bill would designate the Alameda-Contra Costa Transit District as a rapid transit district, thereby excluding the district from the definition of a local agency for purposes of that provision.

(3) Existing law vests the government of a transit district formed under the Transit District Law in the board of 7 directors and provides

that a majority of the board constitutes a quorum for the transaction of business. Existing law prohibits an ordinance, resolution, or motion from having any validity or effect unless passed by the affirmative votes of a majority of the directors.

This bill would specify that an action of the board does not have any validity or effect unless passed by the affirmative vote of 4 directors.

(4) Existing law requires the board of directors of a transit district formed under the Transit District Law to fill all vacancies on the board, except if the vacancy exists for 60 days, in which case the Governor is required to fill the vacancy.

This bill would instead require the Governor to fill a vacancy on the board of directors of the Alameda-Contra Costa Transit District if a vacancy exists for 90 days.

(5) Existing law authorizes the board of directors of a transit district formed under the Transit District Law to establish a retirement system for the officers and employees of the district, as specified, and prohibits the retirement system from applying to elective officers. Existing law authorizes the board to prescribe the terms and conditions upon which the officers and employees of the district or their beneficiaries are entitled to benefits and the amounts of those benefits.

This bill would prohibit a former employee of the Alameda-Contra Costa Transit District who is elected as a board member from accruing service credit in the retirement system for their service on the board.

(6) Existing law authorizes a district formed under the Transit District Law to borrow money for the purpose of defraying the expenses of the district incurred after the commencement of the fiscal year, but before the moneys from the tax levy for the fiscal year are received by the district. Existing law requires the amount borrowed to be paid from the tax levy from the current fiscal year.

This bill would instead authorize the amount borrowed to be paid from the tax levy from the current fiscal year or from either or both of the following 2 fiscal years.

(7) The bill would make other related changes.

(8) This bill would make legislative findings and declarations as to the necessity of a special statute for the Counties of Alameda and Contra Costa.

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

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

1 SECTION 1. Section 24533 of the Public Utilities Code is  
2 amended to read:

3 24533. Except as otherwise provided in this ~~part~~ *part*, all  
4 ordinances and notices ~~which~~ *that* are required to be published  
5 shall be published within the district pursuant to Section 6066 of  
6 the Government ~~Code~~. *Code or on the district's internet website.*

7 SEC. 2. Section 24534 of the Public Utilities Code is repealed.

8 ~~24534. Whenever in this part publication is required and there~~  
9 ~~is no newspaper of general circulation published within the district,~~  
10 ~~the publication may be made in a newspaper of general circulation~~  
11 ~~published in any county where the district is situated.~~

12 SEC. 3. Section 24535 of the Public Utilities Code is amended  
13 to read:

14 24535. Whenever the signature of any officer or employee of  
15 a district or of any member of the retirement board or of any officer  
16 or employee of the retirement system is authorized or required  
17 under ~~the provisions of~~ this part, except in the single instance  
18 provided in Section 26244, the signature may be made by the use  
19 of a plate bearing facsimiles of ~~such signatures~~. *those signatures*  
20 *or by submittal of a digital signature consistent with Section 16.5*  
21 *of the Government Code or an electronic signature, as defined in*  
22 *subdivision (h) of Section 1633.2 of the Civil Code.*

23 SEC. 4. Section 24561 of the Public Utilities Code is repealed.

24 ~~24561. Any city together with unincorporated territory, or two~~  
25 ~~or more cities, with or without unincorporated territory, in either~~  
26 ~~Alameda County or Contra Costa County or both, may organize~~  
27 ~~and incorporate as a transit district. Cities and unincorporated~~  
28 ~~territory included within a district may be in the same or separate~~  
29 ~~counties and need not be contiguous. No city shall be divided in~~  
30 ~~the formation of a district. A city may be in more than one transit~~  
31 ~~district formed under this division.~~

32 It is necessary that a district be formed in Alameda and Contra  
33 Costa Counties to meet the transit problem, for the area involved  
34 covers ~~more than one city and is in two counties~~; moreover, the  
35 problem is unique to these counties due to their geographic location  
36 in relation to the centers of employment of many of their residents.  
37 Although a municipal utility district could provide transportation  
38 facilities, there is already an existent municipal utility district in

1 part of the area which provides water and sewage disposal to  
2 persons who will not necessarily be benefited by the transportation  
3 facilities, and if a new municipal utility district is formed, there is  
4 a possibility of its becoming merged by operation of law with the  
5 existent district, which would result in those persons in the existent  
6 district being inequitably taxed to pay for the transit facilities and  
7 those benefited only by the transit facilities being taxed to support  
8 the water and sewage disposal functions of the district.

9 Also, there are existing transportation facilities in the area which  
10 may be taken over by the transit district and special provisions  
11 relating to this transfer and to the employees of these facilities, as  
12 provided for by this division, are necessary to protect the public  
13 interest.

14 SEC. 5. Section 24561 is added to the Public Utilities Code,  
15 to read:

16 24561. The Alameda-Contra Costa Transit District formed  
17 pursuant to this section, as it read on January 1, 2020, shall  
18 continue in existence unless dissolved pursuant to Chapter 11  
19 (commencing with Section 27501) and is hereby designated a rapid  
20 transit district.

21 SEC. 6. Section 24865 of the Public Utilities Code is amended  
22 to read:

23 24865. ~~The~~ *Notwithstanding Section 1780 of the Government*  
24 *Code, the board shall fill all vacancies on the board, including*  
25 *those caused by the death or resignation of a member. If, however,*  
26 *If a vacancy exists for 60 days 90 days, the Governor shall fill the*  
27 *vacancy.*

28 SEC. 7. Section 24909 of the Public Utilities Code is amended  
29 to read:

30 24909. The acts of the board shall be expressed by motion,  
31 resolution, or ordinance. ~~No~~ *An ordinance shall not be passed by*  
32 *the board on the day of its introduction, nor within three days*  
33 *thereafter, nor at any time other than a regular or adjourned regular*  
34 *meeting. No An ordinance, resolution, or motion shall not have*  
35 *any validity or effect unless passed by the affirmative votes of a*  
36 *majority four of the directors.*

37 SEC. 8. Section 25331 of the Public Utilities Code is amended  
38 to read:

39 25331. (a) The board may prescribe the terms and conditions  
40 upon which the officers and employees of the district or their

1 beneficiaries shall be entitled to benefits and the amounts thereof.  
2 of the benefits.

3 (b) If a former employee is elected as a board member, that  
4 person shall not accrue service credit in the retirement system for  
5 their service on the board.

6 SEC. 9. Section 25333 of the Public Utilities Code is amended  
7 to read:

8 25333. The board may ~~provide that~~ require the district shall  
9 to contribute the entire cost of the retirement system or may require  
10 that an officer or employee of the district, upon becoming a  
11 member of the retirement system, shall to contribute a portion of  
12 the ~~cost~~ cost, as permitted or required by law. The amount of ~~said~~  
13 the officer or employee contribution shall be determined by the  
14 board.

15 SEC. 10. Section 25841.5 of the Public Utilities Code is  
16 amended to read:

17 25841.5. A district may borrow money for the purpose of  
18 defraying the expenses of a district lawfully incurred after the  
19 commencement of the fiscal year, but ~~prior to~~ before the time  
20 moneys from the tax levy for the fiscal year are received by a  
21 district, in a sum ~~which~~ that shall not exceed five cents (\$0.05) on  
22 each one hundred dollars (\$100) of assessed valuation of taxable  
23 property in a district at the time the moneys are borrowed, and  
24 may evidence such borrowing by notes bearing interest at a rate  
25 not to exceed six (6) percent per annum. The notes shall be payable  
26 from the tax levy from the then current fiscal year, year or in either  
27 or both of the following two fiscal years, which levy shall contain  
28 a sum sufficient to provide for the payment of the notes and the  
29 interest thereon. The form of ~~said~~ the notes and the proceedings  
30 relating to their issuance and ~~sale~~, will sale shall be governed by  
31 the applicable provisions ~~contained in~~ of Article 7 (commencing  
32 at Section 53820) of Chapter 4 of Part 1 of Division 2 of Title 5  
33 of the Government Code. The maturity of ~~said~~ the notes shall not  
34 exceed two ~~(2)~~ years.

35 SEC. 11. The Legislature finds and declares that a special  
36 statute is necessary and that a general statute cannot be made  
37 applicable within the meaning of Section 16 of Article IV of the  
38 California Constitution because of the unique circumstances

- 1 regarding the provision of public transit in the Counties of Alameda
- 2 and Contra Costa.

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