



**State Legislation - March 2024**

(Updated March 22, 2024)

To view documents associated with the bill, click the bill number link.

Staff is recommending adding SB 1031 (Wiener, Wahab) to the Watch list as shown in **Table 1**. Adding bills to the Watch list does not require Board action. We have also included a fact sheet on SB 1031 provided by Senators Wahab and Wiener.

At the March 12 Transportation Authority Board meeting, we briefed the Board on two bills added to the Watch list (AB 2813 (Aguiar-Curry) and AB 3061 (Haney)) and the Board approved a support position for SB 915 (Cortese) on its first read, pending final approval at the March 26 Board meeting. **Table 2** shows the status of active bills on which the Board has already taken a position or that staff has been monitoring as part of the Watch list.

**Table 1. Recommended New Positions**

Recommended Positions	Bill # Author	Title and Summary
Watch	<a href="#">SB 1031</a> <a href="#">Wahab,</a> <a href="#">Wiener</a> D	<p><b>San Francisco Bay area: local revenue measure: transportation improvements.</b></p> <p>SB 1031 incorporates SB 925 (Wiener) and SB 926 (Wahab) and replaces their intent language with the first round of substantive amendments.</p> <p>SB 1031 would authorize the Metropolitan Transportation Commission (MTC) to place a regional revenue measure on the ballot in all nine Bay Area counties, or a subset thereof. The measure could be placed on the ballot either by MTC or by a qualified voter initiative as soon as 2026. The bill would authorize various revenue mechanisms without rate caps including sales, regional payroll, and parcel taxes, as well as vehicle registration charges after 2030.</p> <p><u>Use of Revenue:</u> The bill requires a minimum of \$750 million in revenues to be allocated annually towards public transportation operations and regional transit coordination initiatives. Revenues may also fund: zero emission transit vehicles and related infrastructure; safe streets including pothole repairs and bicycle/pedestrian access; roadway and transit projects that support connectivity and mobility in a climate-neutral manner; and climate resiliency projects that protect transportation infrastructure.</p> <p><u>Regional Network Management (Transit):</u> The bill designates MTC with various responsibilities related to regional network management for transit including adopting policies for fare payment and integration, development of a universal regional transit pass, scheduling, mapping and wayfinding, real-time transit information, and other customer-facing policies. The bill expands on current law to allow MTC to condition the receipt of State Transit Assistance funds on transit coordination policies and expands MTC’s authority to condition Transportation Development Act Local Transportation Funds. The bill also includes intent language related to further strengthening regional network management, including the potential establishment of a body within MTC to guide regional network management efforts.</p>



		<p><u>Transit Consolidation</u>: The bill requires the California State Transportation Agency (CalSTA) to engage a transportation institute to assess consolidation of the twenty-seven transit agencies serving the nine Bay Area counties. The initial assessment must be completed by January 1, 2026. Based on the findings of the initial assessment, CalSTA is required to recommend a comprehensive plan to consolidate all of the Bay Area transit agencies by January 1, 2027. For purposes of this bill, the term “consolidation” may refer to reforms that include: combining staffs of transit agencies; replacing multiple governing boards with a unified governing board representing a broader jurisdiction; and creating an umbrella structure under which existing transit agencies are brought together but still operate as distinct divisions with separate governing boards.</p> <p><u>Transportation Demand Management</u>: Subject to voter approval, this bill would update portions of existing statutes related to Bay Area Transportation Demand Management Ordinances to expand transportation benefits for employees by authorizing MTC and the Bay Area Air Quality Management District to require employers with 50 or more employees to provide a subsidy to incentivize non-solo driving. Employers located in proximity to transit would be required to purchase a regional transit pass for each employee.</p> <p>We have met with Senator Wiener and his staff to provide input on future substantive language and are also actively meeting with MTC, SFMTA, other Bay Area agencies, and stakeholders through a regional transportation measure working group to discuss what should be incorporated into the legislation. We expect this to be an active topic of discussion at the April 12 MTC Legislation Committee prior to Senate committee hearings scheduled on April 23 for Transportation Committee and on April 24 for Revenue and Taxation Committee.</p>
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**Table 2. Bill Status for Positions Taken in the 2023-24 Session**

Below are updates for the two-year bills for which the Transportation Authority have taken a position or identified as a bill to watch. Updates to bills since the Board’s last state legislative update are italicized.

Adopted Positions / Monitoring Status	Bill # Author	Bill Title	Update to Bill Status <sup>1</sup> (as of 03/22/2024)
Support	<a href="#">SB 532</a> <a href="#">Wiener</a> D	<p><b>San Francisco Bay area toll bridges: tolls: transit operating expenses.</b></p> <p>Raise tolls on Bay Area bridges by \$1.50 for four years and direct funding to maintain transit services and help operators address the pending transit fiscal cliff.</p>	Assembly Appropriations



	<a href="#">SB 915 Cortese</a> D *Support pending final approval at March 26 SFCTA Board meeting.	<b>Local government: autonomous vehicles.</b>  Prohibits an AV company from commencing commercial services within a jurisdiction until authorized by a local ordinance in addition to securing any approvals required by the state.	Senate Local Government Committee
Watch	<a href="#">AB 6 Friedman</a> D	<b>Transportation planning: regional transportation plans: Solutions for Congested Corridors Program (SCCP) reduction of greenhouse gas emissions.</b>  Increases state involvement in regional Sustainable Communities Strategy development and requires projects nominated to receive SCCP funds to demonstrate how it would contribute to achieving the state's greenhouse gas emission reduction targets.	Senate Transportation
	<a href="#">AB 7 Friedman</a> D	<b>Transportation: planning: project selection processes.</b>  Requires state transportation agencies to incorporate a wide range of principles into their project identification processes (including vision zero, resiliency, Zero-Emission Vehicle infrastructure, not increasing passenger Vehicle Miles Traveled) and requires the next update to the California Transportation Plan include a financial element.	Senate Inactive
	<a href="#">AB 1777 Ting</a> D	<b>Autonomous vehicles.</b>  States an intent to require AVs to comply with all California Vehicle Code traffic laws and require the California Department of Motor Vehicles and California Public Utilities Commission to publish AV-related data.  As reported last month, we are working closely with the SFMTA, and the City Attorney's Office, and have proposed substantive language to the Assemblymember's office to address concerns around AV enforcement, permitting, and data transparency.	Assembly Transportation
	<a href="#">AB 1837 Papan</a> D	<b>San Francisco Bay area: public transportation.</b>  States an intent to encourage coordination and collaboration among Bay Area transit agencies.	Assembly Transportation



	<a href="#">AB 2813</a> <a href="#">Aguiar-Curry</a> D	<p><b>Government Investment Act.</b></p> <p>Details the types of eligible affordable housing programs that could be funded through a measure approved under ACA 1 (if approved by voters), requires the California State Auditor to establish best practices for audits, and establishes requirements regarding the appointment and function of a citizens’ oversight committee.</p>	<p><i>Pending Referral</i></p>
	<a href="#">AB 3061</a> <a href="#">Haney</a> D	<p><b>Vehicles: Autonomous vehicle (AV) incident reporting.</b></p> <p>Requires AV manufacturers to report to the California Department of Motor Vehicles any vehicle collision, traffic violation, or disengagement, or the assault or harassment of any passenger or safety driver in California and authorizes the Department to impose fines for violations of the bill’s provisions and suspend testing and deployment permits.</p>	<p><i>Assembly Transportation</i></p>
	SB 925 <a href="#">Wiener</a> D	<p><b>San Francisco Bay area: local revenue measure: transportation improvements.</b></p> <p>States an intent to authorize MTC to place a transportation revenue measure on the ballot as early as 2026 to fund the operation, expansion, and transformation of the Bay Area transportation network.</p> <p>This bill has been superseded by SB 1031.</p>	<p><i>Gutted and amended. <b>Bill to be removed from Watch list.</b></i></p>
	SB 926 <a href="#">Wahab</a> D	<p><b>San Francisco Bay area: public transportation.</b></p> <p>Requires the California State Transportation Agency to develop a plan to consolidate the Bay Area’s 26 transit agencies.</p> <p>This bill has been superseded by SB 1031.</p>	<p><i>Gutted and amended. <b>Bill to be removed from Watch list.</b></i></p>

<sup>1</sup>Under this column, “Chaptered” means the bill is now law, “Dead” means the bill is no longer viable this session, and “Enrolled” means it has passed both Houses of the Legislature. Bill status at a House’s “Desk” means it is pending referral to a Committee.



**Senator Scott Wiener & Senator Aisha Wahab**  
**11<sup>th</sup> Senate District      10<sup>th</sup> Senate District**

**Senate Bill 1031 – Bay Area Transportation Measure Authorization**

**SUMMARY**

SB 1031, the Connect Bay Area Act, authorizes Bay Area voters to consider a measure to fund climate-friendly transportation investments in the San Francisco Bay Area as early as 2026. The measure would be placed upon the ballot by the Metropolitan Transportation Commission or voter initiative, which would choose to raise revenue through a sales tax, a payroll tax, a parcel tax, or a vehicle registration charge. As of October 2023, almost two-thirds of Bay Area voters agree that there is a need for more funding to address transportation in the Bay Area and 78% believe that public transit is very important for the Bay Area.

SB 1031 requires a minimum of \$750 million in revenues from a future Bay Area transportation measure to be annually allocated to public transportation operations and regional transit coordination initiatives directly related to operations spending, helping protect existing transit service while also allowing funds to be used to improve the customer experience across all Bay Area transit systems. The bill also authorizes expenditures from a ballot measure to be used to fund:

- Zero emission transit vehicles and related infrastructure
- Safe streets, including pothole repairs, bicycle and pedestrian access improvements, and safe routes to transit.
- Capital improvements to support connectivity, including roadway and transit capital improvement projects that support connectivity and mobility in a climate neutral manner.
- Climate resiliency projects to protect transportation infrastructure.

To meet Bay Area residents’ desire for improved and convenient public transportation, SB 1031 also promotes efforts to improve the seamless integration of Bay Area transit systems, by:

1. strengthening regional network management efforts and transportation demand management policies
2. directing the California State Transportation Agency of Transportation (CalSTA) to select a transportation institute to conduct an assessment on the benefits of consolidation for the twenty-seven public transit agencies spanning the nine Bay Area counties

**BACKGROUND/EXISTING LAW**

**Protecting Recovering Public Transit and Building a World Class Bay Area Transportation System**

A safe, reliable and connected Bay Area transportation network is vital to achieving California’s climate, social equity, economic and workforce goals. But existing resources alone are not enough to keep the Bay Area moving. New funds are needed to prevent major transit service cuts and job losses and to modernize and improve connectivity for Bay Area residents.

Shifting travel patterns due to and after the Coronavirus pandemic have led to significantly reduced ridership, resulting in significant operating deficits. These deficits also existed before the pandemic for fare-reliant operators - as an example, BART had predicted a \$285 million operating shortfall over 10 years due to small ridership declines in its FY 2018-19 budget - but became existential in nature with ridership losses stemming from the pandemic.<sup>1</sup> One-time federal, state and regional funds have averted the transit fiscal cliff, but without a major infusion of new funding several of the

<sup>1</sup> [BART FY 2018-19 Budget](#)

region's largest transit systems will face major service cuts beginning in FY 2026-27. SB 1031 aims to prevent such cuts and provide additional funding to enhance the transit rider experience across the Bay Area, improving service throughout the system.

Transit agencies are working hard to regain ridership while maintaining existing service with federal pandemic relief. While ridership continues to gradually recover to pre-pandemic levels across the Bay Area, it has not fully recovered across the region. It is uncertain when or to what extent ridership will further recover.

Given the importance of maintaining and improving public transit in the Bay Area to meet crucial housing, climate, and mobility goals, legislation is needed to help avert these structural shortfalls, support reliable service, and fund ridership regrowth strategies that will support long-term financial sustainability.

#### **FY 2023-24 State Budget Provided Temporary Relief**

Anticipating the exhaustion of federal pandemic emergency aid for transit in the coming years, last year's budget deal prevented proposed cuts to public transportation capital spending and provided \$1.1 billion more in flexible public transportation investments than anticipated over the next four fiscal years to help support transit operations.

For the Bay Area, the state budget deal secured the previously committed \$800 million in Transit and Intercity Rail Capital Program (TIRCP), as well as an additional \$400 million in funding for Bay Area transit operations. This funding, combined with emergency regional aid, successfully postponed the fiscal cliff until mid-2026.

Starting in the fiscal year 2026-27, though, Bay Area transit agencies collectively anticipate on the order of \$600 million in operating shortfalls. According to polls conducted by MTC, Bay Area voters strongly value transit, but want to see it improved, providing a safer, cleaner and more reliable experience, with greater schedule coordination, fare integration and

real time transit information. The \$750 million floor is the minimum needed to sustain existing service while also providing some funding for improvements.

#### **Other Transportation Priorities**

Bay Area voters also want to see other aspects of the transportation system improved, particularly repairing potholes, repaving roads, and improving sidewalks and bike lanes to make it easier and safer to get around. Additional needs include transit capital projects to expand the public transportation system, and other roadway capital projects. The region's pavement condition index, or PCI, is 67.<sup>2</sup> This score is close to the threshold at which pavement rapidly deteriorates, indicating a significant need for roadway state of good repair.

#### **Delivering a More Coordinated Transit System With Stronger Oversight & Accountability**

MTC has initiated many efforts at strengthening regional transit coordination across the Bay Area's 27 transit agencies, the most well-known being the Clipper® universal transit fare payment system. Efforts to improve the transit rider experience at the regional scale were accelerated by the Bay Area's Blue Ribbon Transit Recovery Taskforce - comprised of a wide array of stakeholders including transit agency leaders, MTC commissioners, the business community, labor and advocates. The Taskforce produced a Transit Transformation Action Plan (TAP) that identified over two dozen initiatives to help improve the Bay Area's transit system; the top three priorities were fare integration, regional mapping and wayfinding, and transit priority.

MTC and the operators are making progress on the TAP, with a new universal access transit pass program - Clipper BayPass - now in its second pilot phase and a free and reduced transfer policy coming on line later this year with the launch of Next Generation Clipper. To ensure progress is made as quickly as possible, SB 1031 provides that MTC may condition existing and future transit funding from the measure on operators adhering to policies set by MTC to advance the TAP and attract more riders.

Additionally, the fragmentation of public transportation in the Bay Area has long been a

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<sup>2</sup> [MTC Pavement Conditions Index Webpage](#)

challenge for riders and regional integration. The Bay Area is served by 27 mass transit operators, and transitioning between them is not always straightforward for riders. MTC has identified a number of potential benefits to consolidating policy making power among the agencies, including more effective investment and service decisions.

### **Engaging Employers in Solutions: Transportation Demand Management and BayPass Program**

Under current law MTC and the Bay Area Air Quality Management District (BAAQMD) administer the Bay Area Commuter Benefit Program which requires Bay Area employers with 50 or more employees to offer one of five options:

- Pre-tax benefit that allows employees to exclude their transit or vanpool cost from taxable income
- Employer-provided transit subsidy
- Employer-provided shuttle or van pool
- Alternative commuter benefit that is as effective in reducing single occupancy vehicle trips
- Telework policy that allows telework one or more days per week for all employees whose assignments can be performed remotely

Additionally, the region's BayPass program is designed for employers and non-profit institutions to encourage their respective employees, members, and/or those they serve to travel via public transit.

### **Revenue Measure Authorizing Legislation**

#### **Placement on the Ballot and Citizens' Initiative**

In order to prevent major transit service cuts, expand transit service, and meet other transportation needs, SB 1031 authorizes MTC to place a regional transportation revenue measure on the ballot in all nine Bay Area counties or a subset thereof. The bill allows such a measure to be placed on the ballot either directly by MTC or by a qualified voter initiative. Should the voters pass the measure, SB 1031 requires MTC to establish an independent expenditure oversight committee.

#### **Revenue Mechanisms**

SB 1031 proposes authorizing the following revenue mechanisms for the ballot:

- Sales tax
- Regional payroll tax
- Square footage-based parcel tax
- Regional vehicle registration charge – authorized only after 2030 when the California Department of Motor Vehicles (DMV) is anticipated to have fully completed a technology modernization upgrade to its registration system.

SB 1031 does not impose a rate cap on the revenue mechanisms, enabling MTC to determine this subject to polling closer to when it may place a measure on the ballot. SB 1031 authorizes MTC to bond against any revenue generated pursuant to the bill.

SB 1031 includes a maintenance of effort provision to ensure that regional transportation funds are additive to, and not in replacement of, local transit contributions. SB 1031 includes placeholder language indicating the intent of the legislature to clarify eligibility for various types of roadway capacity expansion projects for funds from the regional revenue measure. SB 1031 also includes placeholder language noting the intent of the legislature to require revenues be distributed conscious of need and geographic balance throughout the taxed region.

#### **Consolidation Assessment**

SB 1031 requires CalSTA to select a transportation institute to assess consolidation of the twenty-seven agencies across the nine Bay Area counties, and center the needs of riders that prioritizes:

- Service to Customers (equitable service to vulnerable populations)
- Reduced Costs (to riders and operating costs and reducing liability)
- Increased Speed (must be faster than utilizing a car)
- Improved Technology (21<sup>st</sup> Century technology for riders)
- Support for California's climate goals
- Integration Across the Bay
- Transparency and accountability of decisions & finances



### **Regional Network Management**

SB 1031 designates MTC with the responsibility to adopt policies that result in the implementation of a seamless transit rider experience across the nine-county Bay Area region with the goal of increasing transit ridership. This includes the following areas:

- Fares – fare payment and integration
- Schedules
- Mapping and wayfinding
- Real-time transit information
- Other customer-facing policies

SB 1031 expands on current law’s statutory precedent which allows MTC to condition the receipt of State Transit Assistance Funds (STA) on transit coordination policies, expanding its authority to condition Local Transportation Funds (LTF) and future regional transportation revenue measure funds.

SB 1031 also includes placeholder language stating the intent of the legislature to strengthen regional network management within the region, including the possibility of establishing a body within the commission to guide regional network management efforts.

### **Transportation Demand Management**

In order to strengthen the region’s BayPass program and offer additional transportation demand management tools for Bay Area employers, SB 1031 adds the purchase of a universal, unlimited transit pass for an employer’s employees as a method of compliance with the Bay Area Commuter Benefits Program.

Subject to voter approval, SB 1031 would expand transportation benefits for Bay Area employees by authorizing MTC and the Bay Area Air Quality Management District (BAAQMD) to require employers with 50 or more employees to provide a subsidy to incentivize non-solo driving. For employers that are located in proximity to transit, the employer would be required to purchase a universal, unlimited transit pass for each of their employees.

### **SUPPORT**

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Metropolitan Transportation Commission (Sponsor)

### **FOR MORE INFORMATION**

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[MTC Regional Revenue Measure Landing Page](#)