



# REPORT TO COUNCIL

## City of Sacramento

915 I Street, Sacramento, CA 95814-2671  
www.CityofSacramento.org

STAFF REPORT  
May 4, 2006

Honorable Mayor and  
Members of the City Council

**Subject:** Assembly Bill (AB) 2137 to Alter the Voting Structure of the Sacramento Regional Transit District Board of Directors.

**Location/Council District:** All Districts

**Recommendation:** Support AB 2137 to alter the voting structure of the Sacramento Regional Transit District (RT) Board of Directors.

**Contact:** Azadeh Doherty, Staff Aide, 808-3137

**Presenters:** Azadeh Doherty, Staff Aide; Mike Wiley, Regional Transit

**Department:** Department of Transportation

**Division:** Planning and Policy

**Organization No:** 3416

**Summary:** Assembly Bill 2137 will change the existing "one member, one vote" structure of the Sacramento Regional Transit District (RT) Board of Directors to a weighted voting structure intended to promote greater participation by regional members that are the "non-annexed" jurisdictions, such as the cities of Elk Grove, Folsom and Citrus Heights. RT has requested that jurisdictions to which RT provides transit services to endorse AB 2137.

**Committee/Commission Action:** This item was presented to the Law and Legislation Committee on March 21, 2006. This Committee did not support staff's recommendation and requested that the full City Council consider and adopt a position on AB 2137.

**Background Information:** The City's representative to the RT Board of Directors has participated in several meetings of an ad hoc committee that was established to develop an alternate governance structure for the RT Board.

The "annexed" members of the RT Board of Directors (representing the cities of Sacramento, Rancho Cordova and Sacramento County) voted to approve an alternate governance structure designed to promote greater participation by regional members. This legislation will allow RT to equitably distribute board voting power among the six (6) jurisdictions that comprise the RT Board. Under this new voting structure, all members of the board will vote on every agenda item, eliminating the distinction between annexed



and non-annexed members. Each member's vote would be weighted based on its financial contribution (TDA and federal formula funding) to RT, giving greater weight to the vote of members that represent jurisdictions that provide greater financial support to RT. Other weighted voting strategies that were reviewed by RT's ad hoc governance committee included: voting shares based on total TDA funding, voting shares based on total TDA and federal formula funding (selected by the RT Board), voting shares based on total TDA and Measure A funding and finally voting shares based on total TDA, Measure A and federal formula funding.

**Financial Considerations:** None

**Environmental Considerations:** None

**Policy Considerations:** Under this weighted voting system, the City will no longer have a majority vote on issues related to RT. RT's recommended formula will give the City a 36.6% percent of the total vote of 100%. However, this new method has been approved by the RT Board of Directors. Currently, the City of Sacramento has 4 out of the 8 votes for annexed members which equals approximately 50% of the total vote on regional matters.

**Emerging Small Business Development (ESBD):** n/a

Submitted by: Francesca Lee Halbakken  
Francesca Lee Halbakken  
Planning and Policy Manager

Approved by: Jerry Way  
Jerry Way  
Interim Director, Department of Transportation

Recommendation Approved:

Ray Kerridge  
RAY KERRIDGE  
City Manager

Table of Contents:

- Pg 1 Report
- Pg 3 Attachment 1: Support Letter to Assemblyman Jones
- Pg 4 Attachment 2: Support Letter to Assemblyman Niello
- Pg 5 Attachment 3: Assembly Bill 2137

May 5, 2006

The Honorable Dave Jones  
Member, California State Assembly  
State Capitol  
P.O. Box 942849  
Sacramento, CA 94249-0009

**Subject: AB 2137 (Niello & Jones): Sacramento Regional Transit District  
Notice of Support**

Dear Assembly Member Jones:

On behalf of the City of Sacramento, I write in support of AB 2137. This legislation would alter the voting structure of the Sacramento Regional Transit District (RT) Board of Directors.

The annexed members of the RT Board have voted to approve an alternative governance proposal that was developed by an ad hoc committee that included the City of Sacramento's representative to the RT Board.

AB 2137 would amend RT's enabling act to promote greater voting participation by regional members, in matters that come before the board of directors. The goal of the legislation is to minimize the voting distinction between annexed and non-annexed members of the RT Board and to delete or modify several incorrect or obsolete provisions of RT's enabling act.

Thank you for your attention to the City of Sacramento's support of AB 2137.

Sincerely,

Heather Fargo  
Mayor

cc: Senator Dave Cox  
Senator Deborah Ortiz  
Assembly Member Alan Nakanishi  
Assembly Member Roger Niello  
Members of the City Council  
RT Board of Directors & GM/CEO  
League of California Cities  
Emanuel and Jones

May 5, 2006

The Honorable Roger Niello  
Member, California State Assembly  
State Capitol, Room 2016  
Sacramento, California 95814

**Subject: AB 2137 (Niello & Jones): Sacramento Regional Transit District  
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Dear Assemblyman Niello:

On behalf of the City of Sacramento, I write in support of AB 2137. This legislation would alter the voting structure of the Sacramento Regional Transit District (RT) Board of Directors.

The annexed members of the RT Board have voted to approve an alternative governance proposal that was developed by an ad hoc committee that included the City of Sacramento's representative to the RT Board.

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RT Board of Directors & GM/CEO  
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Emanuel and Jones

AMENDED IN ASSEMBLY MARCH 27, 2006

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2137**

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**Introduced by Assembly Members Niello and Jones**

February 21, 2006

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An act to amend Sections 102022, 102023, 102055, 102100.1, 102100.3, 102100.7, 102100.8, 102100.9, 102105, 102106, 102122, 102141, 102162, 102205, 102206, 102265, 102311, 102351, 102501, 102509, and 102510 of, to add Sections 102100.10 and 102105.1 to, to repeal Section 102024 of, and to repeal and add Sections 102025, 102026, 102027, 102028, 102100.4, 102100.5, 102100.6 of, the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2137, as amended, Niello. Sacramento Regional Transit District.

(1) Existing law creates the Sacramento Regional Transit District, with specified powers and duties relative to providing transit services in the Sacramento region. The district is governed by a board of directors, appointed by cities and counties within the boundaries of the district, with provision made for jurisdictions that are not annexed to the district to appoint a director under certain conditions.

This bill would revise the membership of the board of directors to provide for member entities and participating entities, and would establish a weighted voting system based on financial contributions to the district by those entities, thereby imposing a state-mandated local program. The bill would establish standards to determine the amount of financial contributions made from various funding sources. The bill

would increase the compensation of directors from \$50 to \$100 per meeting. The bill would make other related changes.

(2) 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 these statutory provisions.

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. Section 102022 of the Public Utilities Code is  
2 amended to read:

3 102022. "Sacramento Area Council of Governments" means  
4 that agency or any successor thereto.

5 SEC. 2. Section 102023 of the Public Utilities Code is  
6 amended to read:

7 102023. "Tax or financial support" includes funds made  
8 available pursuant to the "Mills-Alquist-Deddeh Act" (Chapter 4  
9 (commencing with Section 99200) of Part 11 of Division 10),  
10 which is also known as the Transportation Development Act, or  
11 any successor to that act.

12 SEC. 3. Section 102024 of the Public Utilities Code is  
13 repealed.

14 SEC. 4. Section 102025 of the Public Utilities Code is  
15 repealed.

16 SEC. 5. Section 102025 is added to the Public Utilities Code,  
17 to read:

18 102025. "Member entity" means a city or county that is  
19 annexed to the district pursuant to Section 102051, 102052, or  
20 102055. "Member entities" means all those cities and counties.

21 SEC. 6. Section 102026 of the Public Utilities Code is  
22 repealed.

23 SEC. 7. Section 102026 is added to the Public Utilities Code,  
24 to read:

1 102026. "Participating entity" means a city or county that has  
2 entered into an agreement with the district pursuant to  
3 subdivision (b) of Section 102100.3, but only during the period  
4 in which the agreement is in effect. "Participating entities" means  
5 all those cities and counties.

6 SEC. 8. Section 102027 of the Public Utilities Code is  
7 repealed.

8 SEC. 9. Section 102027 is added to the Public Utilities Code,  
9 to read:

10 102027. "Voting entity" means a member entity or a  
11 participating entity. "Voting entities" means all member entities  
12 and participating entities.

13 SEC. 10. Section 102028 of the Public Utilities Code is  
14 repealed.

15 SEC. 11. Section 102028 is added to the Public Utilities  
16 Code, to read:

17 102028. "Transportation planning agency" shall have the  
18 meaning provided in Section 99214.

19 SEC. 12. Section 102055 of the Public Utilities Code is  
20 amended to read:

21 102055. Any city or county may annex to and become a part  
22 of the district upon approval by the board of directors following  
23 (1) written request by that city or county to the district for that  
24 annexation, and (2) approval of that annexation by the  
25 Sacramento Area Council of Governments. Approval of  
26 annexation by the board shall be made by adoption of a  
27 resolution to that effect.

28 SEC. 13. Section 102100.1 of the Public Utilities Code is  
29 amended to read:

30 102100.1. (a) Except as otherwise provided, the government  
31 of the district shall be vested in a board of directors. The number  
32 of members on the board shall be not less than the number of  
33 voting entities.

34 (b)

35 Each appointee to the board shall serve a four-year term, unless  
36 earlier removed.

37 SEC. 14. Section 102100.3 of the Public Utilities Code is  
38 amended to read:

39 102100.3. The number of members of the board of directors  
40 shall be increased as follows:

1 (a) Each member entity shall be entitled to make one  
2 appointment to the board.

3 (b) A city or county that is not annexed to the district may  
4 become a participating entity that is entitled to make at least one  
5 appointment to the board if the participating entity enters into an  
6 agreement with the district that provides for all of the following:

7 (1) The participating entity agrees to pay its proportionate  
8 share of the district's cost to provide rail or other district-wide  
9 transit services.

10 (2) The district agrees to maintain a specified level of rail or  
11 other district-wide transit services.

12 (3) The district is not obligated to provide transit services to  
13 any particular location or along any particular route.

14 (c) A voting entity shall be entitled to make an additional  
15 appointment to the board under the circumstances set forth in  
16 paragraph (6) of subdivision (d) of Section 102105.1.

17 SEC. 15. Section 102100.4 of the Public Utilities Code is  
18 repealed.

19 SEC. 16. Section 102100.4 is added to the Public Utilities  
20 Code, to read:

21 102100.4. The appointing authority of a participating entity  
22 under subdivisions (b) and (c) of Section 102100.3, and the term  
23 of its appointee to the board, shall terminate upon termination or  
24 cancellation of the agreement *provided for in subdivision (b) of*  
25 *Section 102100.3*, and ~~the that~~ agreement shall automatically  
26 terminate upon the effective date of the entity's annexation to the  
27 district pursuant to Section 102051 or 102055.

28 SEC. 17. Section 102100.5 of the Public Utilities Code is  
29 repealed.

30 SEC. 18. Section 102100.5 is added to the Public Utilities  
31 Code, to read:

32 102100.5. After initial formation of the district, each voting  
33 entity shall have the right to appoint fewer members than it is  
34 entitled to appoint under Sections 102100.2 and 102100.3,  
35 provided that each voting entity shall appoint at least one  
36 member. Each voting entity shall determine, effective July 1 of  
37 each year, how many members it will appoint for the upcoming  
38 fiscal year. The legislative body of each voting entity shall  
39 provide written notification to the secretary of the board not more  
40 than 60 days and not less than 15 days prior to July 1 of the

1 number of appointments it will make for the upcoming fiscal  
2 year beginning July 1. Unless and until that notification is  
3 provided, the number of appointments made during the prior year  
4 shall govern.

5 SEC. 19. Section 102100.6 of the Public Utilities Code is  
6 repealed.

7 SEC. 20. Section 102100.6 is added to the Public Utilities  
8 Code, to read:

9 102100.6. An action by the board shall not be void or  
10 voidable under either of the following circumstances:

11 (a) If it is determined, subsequent to an action in which a  
12 member representing a participating entity casts a vote, that the  
13 agreement for that participating entity did not comply with  
14 subdivision (b) of Section 102100.3.

15 (b) Because of any mathematical or clerical error in the  
16 information used to calculate, or because of the calculation of,  
17 the apportionment referred to in paragraph (5), (8), or (9) of  
18 subdivision (d) of Section 102105.1.

19 SEC. 21. Section 102100.7 of the Public Utilities Code is  
20 amended to read:

21 102100.7. The appointments to the board may be changed in  
22 the following manner:

23 Not more often than every two years, the voting entities may,  
24 by agreement, apportion the appointments to the board among  
25 them in the approximate ratio that the district provides transit  
26 service, as determined by the gross cost of the service without  
27 regard to income or revenues of the district, within their  
28 respective boundaries.

29 SEC. 22. Section 102100.8 of the Public Utilities Code is  
30 amended to read:

31 102100.8. Execution of the agreement provided in  
32 subdivision (b) of Section 102100.3 by the district and the City  
33 of Elk Grove shall be a complete defense in any action or  
34 proceeding of any kind to enforce or compel compliance with  
35 Resolution Number 99-1044 adopted by the Sacramento County  
36 Board of Supervisors or Resolution Numbers LAFC 1205, LAFC  
37 1206, LAFC 1207, or LAFC 1208, adopted by the Sacramento  
38 Local Agency Formation Commission, to the extent the  
39 enforcement action is related to the enforcement of the

1 Mitigation Monitoring Reporting Program Mitigation Measure  
2 Number 2 pertaining to the district.

3 SEC. 23. Section 102100.9 of the Public Utilities Code is  
4 amended to read:

5 102100.9. For purposes of paragraph (1) of subdivision (b) of  
6 Section 102100.3, the City of Elk Grove's proportionate share  
7 shall be determined in the manner provided in Section 4B(2) of  
8 the First Amendment to Interim Agreement for Elk Grove Bus  
9 Service, dated March 17, 2004, between the district and the City  
10 of Elk Grove.

11 SEC. 24. Section 102100.10 is added to the Public Utilities  
12 Code, to read:

13 102100.10. Each voting entity appointing members to the  
14 board in accordance with Section 102100.2 or 102100.3 may also  
15 select, in the same manner as the primary member or members,  
16 one or more alternates, as the case may be, to serve on the board  
17 when the primary member or members are not available. Each  
18 alternate shall be appointed to serve for a specific member. The  
19 alternate shall be subject to the same restrictions and shall have  
20 the same powers, when serving on the board, as the primary  
21 member, including assumption of the seniority of the primary  
22 member for purposes of paragraph (7) of subdivision (d) of  
23 Section 102105.1. The legislative body of any voting entity  
24 appointing an alternate shall provide written notification to the  
25 secretary of the board of each appointment of an alternate in  
26 order for the appointment to be effective.

27 SEC. 25. Section 102105 of the Public Utilities Code is  
28 amended to read:

29 102105. The board shall establish rules for its proceedings.  
30 The acts of the board shall be expressed by motion, resolution, or  
31 ordinance. All meetings of the board shall be conducted in the  
32 manner prescribed by the Ralph M. Brown Act (Chapter 9  
33 commencing with Section 54950) of Part 1 of Division 2 of Title  
34 5 of the Government Code).

35 SEC. 26. Section 102105.1 is added to the Public Utilities  
36 Code, to read:

37 102105.1. In acting or any item, ~~the~~*the following*  
38 weighted voting procedure shall be applied:

39 (a) There shall be a total of 100 votes.

1 (b) The presence of members eligible to cast a majority of the  
2 100 votes shall constitute a quorum for the transaction of  
3 business.

4 (c) Except as otherwise provided in this section, and  
5 notwithstanding any other provision of law, all official acts of the  
6 board shall require the affirmative vote of members casting a  
7 majority of the 100 votes. Any statute, including this part, that  
8 requires a vote of the board shall be interpreted to require a tally  
9 of the votes, rather than a tally of the members of the board. A  
10 statute requiring the affirmative vote of the majority or a greater  
11 number of members of the board, including, but not limited to,  
12 Section 1245.240 of the Code of Civil Procedure, shall be  
13 interpreted as requiring a tally of the votes cast by members,  
14 rather than a tally of members.

15 (d) Each board member shall have the number of votes  
16 determined by the following formula, ~~providing that; however;~~  
17 each voting entity represented on the board shall have at least one  
18 vote, and providing that there shall be no fractional votes:

19 (1) Each member entity is entitled to five votes as a  
20 membership incentive, ~~providing that; however;~~ the total number  
21 of incentive votes shall not exceed 30. If the number of member  
22 entities exceeds six, the 30 incentive votes shall be divided  
23 equally among the member entities.

24 (2) The remaining votes shall be divided among all voting  
25 entities in proportion to each entity's financial contribution to the  
26 district. The calculation of each voting entity's financial  
27 contribution shall include all of the following:

28 (A) Funds allocated to the district pursuant to the  
29 Mills-Alquist-Deddeh Act, also known as the Transportation  
30 Development Act (Chapter 4 (commencing with Section 99200)  
31 of Part 11 of Division 10), *or any successor thereto*, as computed  
32 by the applicable transportation planning agency for the voting  
33 entity.

34 (B) Funds provided to the district by the voting entity pursuant  
35 to an agreement of the type described in subdivision (b) of  
36 Section 102100.3.

37 (C) Other local funds made available to the district by the  
38 voting entity for the operation of public transit service.

1 (D) The net federal formula grant funds attributable to the  
2 voting entity, which shall be determined by applying the  
3 following formula:

4 (i) The revenue projection described in paragraph (8) of  
5 subdivision (b) of Section 102205 shall be multiplied by the  
6 voting entity's proportionate share of the total population of all  
7 voting entities, which shall be determined by using the  
8 population statistics described in paragraph (13) of subdivision  
9 (b) of Section 102205. This calculation yields the gross federal  
10 formula grant funds that are attributed to the voting entity.

11 (ii) There shall be subtracted from the gross federal formula  
12 grant funds attributed to the voting entity any federal formula  
13 grant funds that are allocated to the voting entity in the table  
14 described in paragraph (10) of subdivision (b) of Section 102205.  
15 The result of this subtraction shall be the net federal formula  
16 grant funds attributed to the voting entity.

17 (3) The total number of votes for each voting entity shall be  
18 the sum of the votes allocated in paragraphs (1) and (2).

19 (4) If the division set forth in paragraphs (1) to (3), inclusive,  
20 results in fractional votes, the number of votes allocated shall be  
21 rounded in the following manner:

22 (i) Each fractional vote that is 0.6 or greater shall be rounded  
23 up to the nearest whole number, and each fractional vote that is  
24 less than 0.6 shall be rounded down to the nearest whole number.

25 (ii) If the sum total of the votes so rounded is greater than 100,  
26 the excess vote or votes shall be taken one each from the voting  
27 entity or entities with the greatest number of total votes, in  
28 descending order of the number of votes, until the sum total is  
29 100. If two or more voting entities have the same number of  
30 votes, the vote reduction among those entities shall be done by  
31 lot.

32 (iii) If the sum total of the votes so rounded is less than 100,  
33 one vote shall be added to the total of the voting entity or entities  
34 with the greatest number of total votes, in descending order of  
35 the number of votes, until the sum total is 100. If two or more  
36 voting entities have the same number of votes, the extra votes  
37 shall be allocated by lot among those entities.

38 (5) The determination of financial contribution and the  
39 apportionment of votes shall be approved by the board at the  
40 board meeting at which the budget is adopted. The new voting

1 apportionment shall be effective on July 1 of each year or as soon  
2 thereafter as the budget is adopted.

3 (6) At the time the apportionment is approved, the following  
4 calculation shall be done for each voting entity: the total number  
5 of votes allocated to the voting entity shall be divided by the total  
6 number of appointments the voting entity is entitled to make  
7 under Sections 102100.2 and 102100.3, regardless of whether  
8 those appointments have been made. If the result is greater than  
9 15 votes per appointment, the voting entity shall be entitled to  
10 appoint an additional member to the board, effective July 1.  
11 Notwithstanding Section 102100.5, the legislative body of the  
12 voting entity making its appointment under this provision shall  
13 give written notification to the secretary of the board within 30  
14 days of approval of the allocation. A member so appointed shall  
15 be subject to the same restrictions and shall have the same  
16 powers, when serving on the board, as any other member.

17 (7) For any voting entity that has appointed more than one  
18 member to the board, the total votes allocated to that voting  
19 entity shall be divided equally among the board members or  
20 alternates representing that entity who are present and voting.  
21 Where an equal division would result in fractional votes, the  
22 votes shall be divided to the nearest whole number among all  
23 members representing the voting entity who are present and  
24 voting, with the remaining votes being allocated, one vote each,  
25 to the members representing the voting entity in order of  
26 seniority, as measured by years of consecutive service on the  
27 board. If two or more members have served for the same length  
28 of time, the extra vote or votes shall be allocated between those  
29 members by lot.

30 (8) If a city or county becomes a voting entity after the annual  
31 allocation called for in this subdivision has taken place, the board  
32 shall approve a new allocation, applying the financial  
33 contribution data used for the most recent allocation and  
34 considering what the new voting entity would have contributed,  
35 had it been part of the district when the preceding allocation took  
36 place. If necessary, the financial contribution of a newly  
37 incorporated entity may be estimated using population figures  
38 from the applicable local agency formation commission.

39 (9) If, during the course of the fiscal year, the financial  
40 projections used to calculate the financial contribution of any

1 voting entity differ by more than 10 percent from the amount that  
2 will actually be provided during the fiscal year by that entity, the  
3 board may call for a new allocation to be conducted and any  
4 allocation so called for shall be approved by the board. The  
5 allocation shall proceed in the manner described in paragraphs  
6 (1) to (4), inclusive, but the calculation in paragraph (2) shall be  
7 done with reference to the financial contribution actually  
8 provided to the district during the fiscal year (except as otherwise  
9 provided in paragraph (8)), to the extent that contribution is  
10 known.

11 SEC. 27. Section 102106 of the Public Utilities Code is  
12 amended to read:

13 102106. Each member of the board shall receive the sum of  
14 one hundred dollars (\$100) for each attendance at the meetings of  
15 the board, and shall be allowed actual necessary traveling  
16 expenses incurred in the discharge of the member's duties.

17 SEC. 28. Section 102122 of the Public Utilities Code is  
18 amended to read:

19 102122. (a) The board of directors may adopt ordinances that  
20 do any of the following:

21 (1) Prohibit persons from knowingly giving false identification  
22 to a district employee engaged in the enforcement of district  
23 ordinances or state laws, or otherwise obstructing the issuance of  
24 a citation for violation of district ordinances or state law.

25 (2) Prohibit unauthorized operation of, interference with, entry  
26 into, climbing upon, attaching to, or loitering on or in transit  
27 facilities or other transit property.

28 (3) Prohibit the removal, displacement, injury, destruction, or  
29 obstruction of any part of any track, switch, turnout, bridge,  
30 culvert, or any other district structure or fixture.

31 (4) Specify conditions under which a passenger may board a  
32 district vehicle with a bicycle and where the bicycle may be  
33 stowed.

34 (b) The board may provide that a violation of any ordinance  
35 adopted pursuant to subdivision (a) is an infraction punishable by  
36 a fine not exceeding seventy-five dollars (\$75), and that a  
37 violation by a person after the second conviction is punishable by  
38 a fine not to exceed two hundred fifty dollars (\$250) and by  
39 community service for a total time not to exceed 48 hours over a

1 period not to exceed 30 days which do not conflict with the  
2 violator's hours of school attendance or employment.

3 (c) The board may designate persons regularly employed by  
4 the district as inspectors or supervisors whose duties shall include  
5 enforcement of district ordinances adopted under subdivision (a),  
6 Sections 640 and 640.5 of the Penal Code, and Section 22656 of  
7 the Vehicle Code. The designated persons shall have the  
8 authority set forth in Section 836.5 of the Penal Code.

9 (d) This section does not prohibit any person from engaging in  
10 activities that are protected under the laws of the United States or  
11 of California, including, but not limited to, picketing,  
12 demonstrating, or distributing handbills.

13 SEC. 29. Section 102141 of the Public Utilities Code is  
14 amended to read:

15 102141. The commission shall be composed of three  
16 members appointed by the legislative body of each voting entity.  
17 At least one of the three members appointed by each voting  
18 entity shall be a member of the appointing body. Commission  
19 members shall serve at the pleasure of their appointing body.

20 SEC. 30. Section 102162 of the Public Utilities Code is  
21 amended to read:

22 102162. Article 2 (commencing with Section 87200) of  
23 Chapter 7 of Title 9 of the Government Code shall apply to all  
24 officers, employees, and contracts of and with the district.

25 SEC. 31. Section 102205 of the Public Utilities Code is  
26 amended to read:

27 102205. (a) The district shall annually submit its tentative or  
28 proposed budget to the legislative body of each voting entity,  
29 within the time and in the manner required in this section.

30 (b) The tentative or proposed budget and the final adopted  
31 budget shall

32 ,at a minimum, include the following information for the  
33 applicable fiscal year:

- 34 (1) The projected cost of service.
- 35 (2) The projected revenue from fares.
- 36 (3) The projected revenue to be allocated to the district from  
37 the Transportation Development Act.
- 38 (4) The projected revenue from any contract of the type  
39 described in subdivision (b) of Section 102100.3.

- 1 (5) The projected revenue from any other local funds made  
2 available to the district by a voting entity for the operation of  
3 public transit service.
- 4 (6) A projection of the federal formula grant funds that will be  
5 available and eligible for use during the fiscal year for operating  
6 purposes within the Sacramento urbanized area, including funds  
7 for cities and counties that are not represented on the board.
- 8 (7) A projection of what portion of the federal formula grant  
9 funds described in paragraph (6) will be allocated to provide  
10 transit service that primarily benefits the residents of cities and  
11 counties that are not voting entities.
- 12 (8) The amount obtained by subtracting the projection  
13 described in paragraph (7) from the projection described in  
14 paragraph (6), which amount represents the federal formula grant  
15 funds available to operate transit service that primarily benefits  
16 the residents of voting entities.
- 17 (9) A projection of what portion of the federal formula grant  
18 funds described in paragraph (8) will be allocated to transit  
19 operators other than the district to provide service that primarily  
20 benefits the residents of voting entities.
- 21 (10) A table that allocates the federal formula grant funds  
22 specified in paragraph (9) to each voting entity using the  
23 following methodology:
- 24 (A) For federal formula grant funds projected to be received  
25 by a voting entity, all of the funds to be received will be allocated  
26 to that entity.
- 27 (B) If an entity other than a voting entity receives funds to  
28 provide transit service that benefits a voting entity, those funds  
29 shall be allocated to that voting entity in proportion to the relative  
30 benefit received by that entity from the operation of that transit  
31 service.
- 32 (11) The amount obtained by subtracting the projection  
33 described in paragraph (9) from the projection described in  
34 paragraph (8), which amount represents the federal formula grant  
35 funds available and eligible for use by the district for operating  
36 purposes.
- 37 (12) A projection of the revenue from any other source that  
38 will be available to the district for operating purposes during the  
39 fiscal year.

1 (13) The population of each voting entity, as measured by the  
2 population statistics used by the applicable transportation  
3 planning agency to allocate Transportation Development Act  
4 funds for the same fiscal year for which the budget is adopted.

5 (c) The tentative or proposed budget shall be submitted to the  
6 legislative body of each voting entity not less than 60 days prior  
7 to its adoption by the board. It shall be submitted for review and  
8 comment. The board may adopt the budget after submission to  
9 the legislative body of each voting entity, but shall consider any  
10 comments made by those legislative bodies on the budget.

11 (d) Concurrent with adoption of the budget, the board shall  
12 make an affirmative finding that the proposed level of service,  
13 reflected in the statement of proposed operation and level of  
14 service, to be rendered in any voting entity, is commensurate  
15 with the level of tax or financial support to be derived from each  
16 such voting entity. In determining the level of service, the board  
17 shall consider user benefits and community benefits, in terms of  
18 one or more of the following factors: availability of service,  
19 patronage, population, and capital improvements.

20 (e) The board shall adopt its budget at a public hearing held  
21 after the submission of the tentative or proposed budget. Notice  
22 of the time and place of the hearing shall be published pursuant  
23 to Section 6061 of the Government Code and shall be made not  
24 later than the 15th day prior to the date of the hearing.

25 SEC. 32. Section 102206 of the Public Utilities Code is  
26 amended to read:

27 102206. The district shall also submit to the legislative body  
28 of each voting entity with its tentative or proposed budget a  
29 statement of its proposed operations and level of service for the  
30 period covered by the budget, calling attention to any substantial  
31 or significant changes or proposed changes in operations and  
32 level of service within each voting entity and a draft of the vote  
33 allocation called for by Section 102105.1. A legislative body may  
34 include with its comments to the district on the budget,  
35 comments concerning the proposed operations, level of service,  
36 and vote allocation, and the board shall consider those comments  
37 prior to adopting the budget.

38 SEC. 33. Section 102265 of the Public Utilities Code is  
39 amended to read:

1 102265. The Sacramento Area Council of Governments shall  
2 be the long-range planning agency advising the district.

3 SEC. 34. Section 102311 of the Public Utilities Code is  
4 amended to read:

5 102311. The district shall have the power to obtain temporary  
6 transfers of funds in accordance with the last paragraph of  
7 Section 6 of Article XVI of the California Constitution.

8 SEC. 35. Section 102351 of the Public Utilities Code is  
9 amended to read:

10 102351. Notwithstanding Sections 7261 and 7262 of the  
11 Revenue and Taxation Code, the retail transactions and use tax  
12 ordinance shall provide for rates of one-quarter or one-half of  
13 one percent. The ordinance shall apply only within that portion of  
14 the district that consists of the City of Sacramento and the  
15 unincorporated territory of the County of Sacramento which is  
16 activated as part of the district as of the date of any election  
17 relating to the tax authorized by this article.

18 SEC. 36. Section 102501 of the Public Utilities Code is  
19 amended to read:

20 102501. Whenever the board deems it necessary for the  
21 district to incur a bonded indebtedness for the acquisition,  
22 construction, or repair of any or all improvements, works,  
23 property or facilities, authorized by this part or necessary or  
24 convenient for the carrying out of the powers of the district, or  
25 for any other purpose authorized by this part, it shall, by  
26 ordinance, adopted by a two-thirds vote of the board, so declare  
27 and call an election to be held in the district for the purpose of  
28 submitting to the qualified voters thereof the proposition of  
29 incurring indebtedness by the issuance of bonds of the district;  
30 provided the total amount of bonds issued and outstanding  
31 pursuant to this article shall not exceed 15 percent of the assessed  
32 value of the taxable property of the district as shown by the last  
33 equalized assessment rolls of the counties of Sacramento, Placer,  
34 and Yolo. The ordinance shall state:

35 (a) The purposes for which the proposed debt is to be incurred,  
36 which may include all costs and estimated costs incidental to or  
37 connected with the accomplishment of those purposes, including,  
38 without limitation, engineering, inspection, legal, fiscal agents,  
39 financial consultant and other fees, bond and other reserve funds,  
40 working capital, bond interest estimated to accrue during the

1 construction period and for a period not to exceed three years  
2 thereafter, and expenses of all proceedings for the authorization,  
3 issuance and sale of the bonds.

4 (b) The estimated cost of accomplishing those purposes.

5 (c) The amount of the principal of the indebtedness.

6 (d) The maximum term the bonds proposed to be issued shall  
7 run before maturity, which shall not exceed 50 years from the  
8 date thereof or the date of each series thereof.

9 (e) The maximum rate of interest to be paid, which shall not  
10 exceed 7 percent per annum.

11 (f) The proposition to be submitted to the voters, which may  
12 include one or more purposes.

13 (g) The date of the election.

14 (h) The manner of holding the election and the procedure for  
15 voting for or against the measure.

16 (i) The ordinance may also contain any other matters  
17 authorized by this part or any other law.

18 SEC. 37. Section 102509 of the Public Utilities Code is  
19 amended to read:

20 102509. After the expiration of three years after a bond  
21 election, the board may determine, by ordinance adopted by a  
22 two-thirds vote of the board, that any or all of the bonds  
23 authorized at the election remaining unsold shall not be issued or  
24 sold. When the ordinance takes effect, the authorization to issue  
25 those bonds shall become void.

26 SEC. 38. Section 102510 of the Public Utilities Code is  
27 amended to read:

28 102510. Whenever the board deems that the expenditure of  
29 money for the purposes for which the bonds were authorized by  
30 the voters is impractical or unwise, it may, by ordinance adopted  
31 by a two-thirds vote of the board, so declare and call an election  
32 to be held in the district for the purpose of submitting to the  
33 qualified voters thereof the proposition of incurring indebtedness  
34 by the issuance of those bonds for some other purposes or, in the  
35 case where bonds have been sold, the proposition to use the  
36 proceeds for some other purposes. The procedure, so far as  
37 applicable, shall be the same as when a bond proposition is  
38 originally submitted.

39 SEC. 39. If the Commission on State Mandates determines  
40 that this act contains costs mandated by the state, reimbursement

1 to local agencies and school districts for those costs shall be  
2 made pursuant to Part 7 (commencing with Section 17500) of  
3 Division 4 of Title 2 of the Government Code.

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