

**Metropolitan Transportation Commission and Association of Bay Area Governments**  
**Joint MTC ABAG Legislation Committee**

**February 14, 2025**

**Agenda Item 3b**

**Draft Transportation Revenue Measure Principles**

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**Subject:**

Legislative update on enabling legislation for a transportation revenue measure and draft principles to guide MTC's advocacy.

**Overview:**

With the new two-year legislative session underway, Senator Wiener and Senator Arreguin have introduced Senate Bill 63, to serve as the enabling legislation for a transportation revenue measure (TRM). The bill does not include any details yet as the authors intend for the proposed legislation to reflect voter feedback from MTC's polling that is currently underway (as presented in Item 3a of this meeting's agenda). Additionally, the bill language indicates the authors are interested in pursuing a collaborative approach with the Bay Area on the legislation, building on the progress made during the TRM Select Committee. Specifically, SB 63 states, "It is the further intent of the Legislature that the details of this authorizing legislation, including the specific geography of the measure, be based on continued stakeholder engagement and consensus building, building off of a robust regional engagement process led by the Metropolitan Transportation Commission in 2024."

Staff have developed draft principles for feedback from the Committee to guide the MTC's advocacy on SB 63. These draft principles may be revised based on the polling results, which were not available at the time this memo was prepared. Based on feedback from the Committee, staff will prepare a final version of the principles for adoption at the Commission's February 26 meeting.

**Proposed Principles**

Below are suggested principles that serve as "must haves" for the Commission to endorse enabling legislation for a transportation revenue measure. These principles are intended to reflect takeaways from last year's legislative session, Bay Area stakeholder engagement during the summer and fall with the business community, labor representatives and advocacy organizations, and feedback from the TRM Select Committee and the TRM Executive Group. Ultimately, they

represent what staff believe will be necessary for a measure to pass both in Sacramento *and* at the ballot. As the legislative session gets underway, staff believe it is critical that MTC have a clear set of principles to guide advocacy so that we pave the way to a successful measure.

**1. Measure Must be Passable**

- **Maximum Required Sales Tax Increase:** ½ cent: Based on feedback to date, a ½ -cent sales tax seems to be the highest sales tax rate that local elected leaders and other key partners across the four counties are willing to support. It seems reasonable that legislation be structured to authorize a sales tax of up to ½-cent unless a county requests a higher amount during the legislative session and polling indicates it is viable.
- **Keep it Simple:** Both the enabling legislation and the final ballot measure should aim to stay focused and simple. This will help build trust and make it easier to communicate to voters.
- **Citizen’s Initiative:** Polling to date indicates that support does not exceed 2/3, so a majority vote threshold is likely required. Accordingly, the enabling legislation must establish a clear path for a regional measure to be placed on the ballot via signature gathering, which would enable passage by a simple majority under current law.
- **Political Support:** Even with a simple majority threshold, a successful measure will require a strong campaign. MTC’s advocacy should be oriented towards ensuring that the legislation has backing from those elected leaders and constituencies deemed essential to passage at the ballot.

**2. Measure Must Prevent Major Transit Service Cuts for Regional Operators**

A regional measure must raise sufficient funding to avoid unacceptable service cuts by regional (multi-county) transit operators that will severely damage the Bay Area’s economy, decrease mobility for the most vulnerable residents, and harm the region’s ability to make progress on long-term climate, equity, and quality-of-life goals.

**3. Measure Must Take Local Transportation Funding Needs into Consideration**

A regional measure should be developed in coordination with those Bay Area counties that have expiring local sales tax measures for transportation, balancing the need to secure new regional funding with the importance of maintaining funding for local priorities.

#### **4. Measure Must Advance Transit Transformation: Fund & Deliver Rider-Focused Improvements**

Bay Area residents and voters want and deserve a user-friendly and connected public transportation network. For MTC to support a measure and for it to succeed at the ballot, a regional transportation revenue measure must fund concrete rider-focused improvements and require operators to report on and comply with policies and programs related to Transit Transformation that are adopted through the Regional Network Management framework to be eligible for funding from the new measure.

#### **5. Measure Must Ensure Fairness**

A regional measure must be considered fair by all participating counties. All counties whose residents are served by regional transit service funded by the regional measure should contribute their fair share towards an agreed-upon funding level for those operators. Such funding must be contributed from the regional measure or, if a county opts out, from an alternative fund source agreed to by the county (including an agreed-upon commitment from existing revenue). Additionally, taxpayers need assurance that they will benefit equitably from the measure.

#### **6. Measure Must Include Meaningful Accountability Provisions**

The enabling legislation should include accountability provisions to ensure transparency regarding how the funds are used and provide greater oversight of transit agency financial information so that the public can more easily access transit budget information and operators are incentivized to be fiscally prudent.

We look forward to the Committee's feedback on these draft principles.

#### **Recommendation:**

Information

#### **Attachments:**

None



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