

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

September 12, 2025

Agenda Item 3b

Senate Bill (SB) 63 (Wiener/Arreguin): Public Transit Revenue Measure

Subject:

Update on SB 63, authorizing legislation for a 2026 public transit revenue measure.

Overview:

SB 63 authorizes a measure for placement on the November 2026 ballot to provide to sustain and improve public transportation funded by a 14-year sales tax at a rate of one-half cent in Alameda, Contra Costa, San Mateo, and Santa Clara counties and a rate of one-cent in the City and County of San Francisco. The measure could be placed on the ballot either through action by a newly formed Public Transit Revenue Measure District (governed by the MTC board) or via a citizen's initiative. As of the writing of this summary sheet, the bill passed the Assembly Transportation Committee and awaits final passage on the Assembly Floor, followed by the Senate for a vote of concurrence with Assembly amendments.

The bill includes a detailed expenditure plan that prescribes amounts to be provided to transit operators providing service in the five counties, county transportation agencies, and to MTC for rider-focused transit improvements (fare affordability programs, including Clipper® START and free and reduced-cost transfers, accessibility improvements, and mapping and wayfinding and transit priority projects and programs). Each recipient's share is set as a percentage of the amount of district revenues generated in each county's portion of district tax revenues. This approach gives voters clarity on how funds will be spent and provides operators and other recipients with certainty. Some recipients receive funds directly via a transfer of funds from the district with no authority for the funds to be conditioned based on performance factors (Alameda County Transportation Commission, Contra Costa Transportation Authority, SamTrans and Santa Clara Valley Transportation Authority). For all others, the funds are transferred to MTC for allocation to the recipients consistent with the expenditure plan. MTC is required to ensure compliance with applicable accountability provisions, such as financial efficiency requirements and maintenance of effort (see below). The chart below contains funding details.

Expenditure Plan Fund Distribution

Fund Recipient/Purpose	Fiscal Year 2031 Estimate*
BART operations	\$330
Santa Clara Valley Transportation Authority (VTA) public transit expenses**	\$264
San Francisco Municipal Transportation Agency operations	\$170
Caltrain operations	\$75
AC Transit operations	\$51
SamTrans public transit expenses**	\$50
Small operator operations [SF Bay Ferry, County Connection, WestCat, TriDelta Transit, Livermore Amador Valley Transit Authority (LAVTA), Union City Transit]	\$29
Contra Costa Transportation Authority (CCTA) public transit expenses**	\$26.5
Alameda County Transportation Commission (ACTC) public transit expenses**	\$10.3
Transit rider-focused improvement programs through MTC**	\$46.4
Public Transit Revenue Measure District Administration	\$2.3
Total	\$1,054.5

*Based on fiscal year 2031 estimates of the percentage shares provided for in the legislation, as provided by authors. Estimates are based on technical assistance provided by county transportation agencies to bill authors.

**District transfers funds directly to recipient.

SB 63 Accountability Provisions

The bill includes provisions aimed at ensuring accountability to taxpayers, transit riders, and local government partners through:

1. **Independent Oversight Committee:** The bill requires the district to establish an independent oversight committee to ensure expenditures are consistent with the statute. Membership will include one or two representatives of each county comprising the district, appointed by each county's board of supervisors. The committee can be consolidated with the Regional Measure 3 Independent Oversight Committee.
2. **Financial efficiency requirements:** BART, Muni, Caltrain, and AC Transit must undergo independent third-party financial efficiency reviews and commit to implementing a suite of efficiency improvements. Each operator identifies the efficiency measures it will implement, with a new Oversight Committee responsible for reviewing and approving those commitments. Funds are conditioned upon the Commission determining compliance with the actions operators commit to making.
3. **Maintenance of effort:** Certain operators (those listed in #1 plus Golden Gate Transit, SF Bay Ferry and Alameda County and Contra Costa County small bus operators) must maintain existing levels of operations funding so the measure augments, rather than replaces, current resources dedicated to transit operations. This provision allows for certain exceptions under specified circumstances, such as allowing the use of funds previously used for operations for state of good repair, subject to Commission approval.
4. **Enhanced Transit Agency Accountability via Ad Hoc Adjudication Committees:** Empowers counties participating in the measure to hold transit agencies accountable by authorizing a county transportation agency or county board of supervisors from a county that is contributing any of its share of the measure's revenue to AC Transit, BART, Caltrain or SFMTA to petition MTC through a board action to form an ad hoc adjudication committee to evaluate the concerns. Upon receipt of such petition, MTC must form an ad hoc adjudication committee comprised of two commissioners from each county contributing to that operator. Any determination by an ad hoc adjudication committee that an operator is not meeting specified standards is binding and can result in the withholding of up to 7 percent of an operator's funds, subject to a minimum 90-day notice period for the operator to address the concern.

Staff will provide a more detailed analysis of the final version of the bill at your meeting.

Recommendation:

Information

Attachments:

None

A handwritten signature in blue ink, reading "Andrew B. Fremier", is written over a horizontal line. The signature is fluid and cursive, with the first name "Andrew" being more prominent and the last name "Fremier" following in a similar style.

Andrew B. Fremier