

Date of Hearing: May 4, 2022

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Chris Holden, Chair

AB 2015 (Cooley) – As Amended March 21, 2022

Policy Committee:	Local Government	Vote:	8 - 0
	Public Employment and Retirement		6 - 0

Urgency: No State Mandated Local Program: Yes Reimbursable: Yes

SUMMARY:

This bill updates provisions of law governing the Sacramento Regional Transit District (SacRT). Specifically, this bill:

- 1) Increases, from \$100,000 to \$125,000, the bid threshold for SacRT's purchase of supplies, equipment and materials.
- 2) Specifies, for the purchase of supplies, equipment or materials that exceeds \$3,000, but does not exceed \$125,000, SacRT must obtain, to the extent practicable, a minimum of three quotations, either written or oral, which permit prices and other terms to be compared.
- 3) Specifies all official acts of the SacRT board require the affirmative vote of a majority of all members of the board, unless a higher threshold is required by law.
- 4) Repeals obsolete language related to existing transit systems.
- 5) Specifies if SacRT establishes a retirement board for its retirement system, board members and employees of the district may serve on the retirement board.

FISCAL EFFECT:

- 1) Minor one-time costs to SacRT to make administrative updates regarding bid thresholds and voting requirements. These costs are potentially reimbursable by the state, subject to a determination by the Commission on State Mandates, but it is unlikely the costs would be sufficient for the district to submit a claim.
- 2) Establishing a retirement board is at the discretion of the district and, therefore, any costs incurred by the district are not reimbursable by the state.

COMMENTS:

- 1) **Purpose.** This bill seeks to improve the operational efficiency of the district and address a potential issue with incompatible offices by updating SacRT's enabling statute.
- 2) **Background.** SacRT serves citizens in the County of Sacramento and the cities of Sacramento, Citrus Heights, Elk Grove, Folsom and Rancho Cordova, by operating over 80 bus routes and 43 miles of light rail across an approximately 400 square-mile service area, among other services. SacRT is governed by an 11-member board of directors comprised of

directors appointed by the different jurisdictions: three members by Sacramento County, four members by the City of Sacramento and one member each from the cities of Citrus Heights, Elk Grove, Folsom and Rancho Cordova.

- 3) **Bid Thresholds.** SacRT last updated its bid threshold for solicitation of supplies, equipment and materials in 2013, when it was increased from \$40,000 to \$100,000, the current limit. This bill increases the threshold to \$125,000 to adjust for inflation since 2013.
- 4) **Board Restructuring Cleanup.** AB 1196 (Cooley), Chapter 272, Statutes of 2021, reorganized SacRT's board to a one-person one-vote methodology after the integration of Elk Grove into the district. SacRT's internal counsel has identified ambiguities resulting from the change in board structure. This bill clarifies definitions pertaining to appointments and actions of the board and removes obsolete provisions due to the full integration of Elk Grove.
- 5) **Incompatible Offices.** Existing law provides a public officer, including, but not limited to, an appointed or elected member of a governmental board, commission, committee or other body, must not simultaneously hold two incompatible public offices, unless expressly authorized by law. This bill explicitly allows SacRT employees and board members to serve on its retirement board to ensure compliance with existing law.
- 6) **Prior Legislation.** AB 709 (McCarty), Chapter 522, Statutes of 2018, made numerous changes to the SacRT Act, including clarifying SacRT's geographic area and adding a one-eighth of one percent sales tax-rate increment to SacRT's taxation authority.

Analysis Prepared by: Jennifer Swenson / APPR. / (916) 319-2081