Public Transit Revenue Measure District's Legal Counsel Impartial Analysis of Regional Transit Measure

This measure was placed on the ballot by voter initiative, signed by the requisite number of voters within the Public Transit Revenue Measure District ("District").

The District was created by the Legislature through Senate Bill 63 ("SB 63") in 2025 (Government Code sections 67700-67788), which was enacted to preserve and improve public transit service in the San Francisco Bay Area. The District comprises the counties of Alameda, Contra Costa, San Mateo, and Santa Clara, and the City and County of San Francisco, and is governed by the same board that governs the Metropolitan Transportation Commission ("MTC"). SB 63 authorizes District voters to approve a retail transactions and use tax (commonly referred to as a sales tax) for specified purposes.

This measure would impose a tax of 0.5% in the counties of Alameda, Contra Costa, San Mateo, and Santa Clara and 1.0% in the City and County of San Francisco. The tax would be imposed and collected in largely the same manner as a state-imposed sales tax. The tax would be in effect for 14 years and would not count toward the statutory limit on combined local sales tax rates.

It is estimated that the tax would raise approximately $980 million per year. After payment of defined costs, including election costs and administrative expenses, the District must transfer all remaining revenues to MTC and county transportation agencies for distribution and expenditure according to percentages set forth in the measure, which vary by county and recipient. Recipients include BART, Muni, Caltrain, AC Transit, Santa Clara Valley Transportation Authority, San Francisco Bay Ferry, Golden Gate Transit, smaller bus operators in Alameda and Contra Costa Counties, and county transportation agencies. Revenues would also support free and reduced-cost transit transfers, expansion of the Clipper START reduced-fare program, accessibility programs, mapping and wayfinding and transit priority projects and programs, and repavement projects for roads served by fixed-route transit.

While the tax would be imposed throughout the District, the allocation of revenue generated in each county, and the authorized uses of those funds, would vary. For example, 64.70% of all revenues generated in Alameda County would be allocated to BART for transit operations expenses. By contrast, 84.37% of all revenues generated in Santa Clara County would be allocated to the Santa Clara Valley Transportation Authority for public transit expenses and roadway repavement projects on roads served by fixed-route transit. Such repavement projects would be an authorized use of measure revenues in Alameda, Contra Costa, San Mateo, and Santa Clara counties, but would not be authorized in the City and County of San Francisco. Revenue allocation is set forth in Section 12 of the measure.

Tax revenues would be subject to accountability requirements in SB 63, which requires BART, Muni, AC Transit, and Caltrain to undergo financial efficiency reviews and adopt implementation plans and authorizes MTC to withhold funds from any of those operators for noncompliance. The measure would also require an independent oversight committee to review whether all revenues are distributed as required.

The tax would become effective if approved by a majority of those voting on the measure throughout the entire District.

A "yes" vote is a vote to impose the tax described above for 14 years.

A "no" vote is a vote against imposing the tax.

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