

City of Sacramento Safe Streets and Affordable Transit Measure of 2026

Be it enacted by the People of the City of Sacramento:

Section 1. Title

This measure shall be known and may be cited as the “City of Sacramento Safe Streets and Affordable Transit Measure of 2026.”

Section 2. Findings

The People of the City of Sacramento (the “City”) hereby find and declare the following:

(a) As the central hub of a region with a population of 2.5 million, projected to grow to 3 million over the next 25 years, most regional highways and arteries and a majority of Sacramento Regional Transit District (“RT”) bus and light rail service traverse the City, filling an essential role in connecting residents to jobs, schools, and services.

(b) For the past 75 years, federal, state and local transportation funding has prioritized building more highway capacity over local roads and transit, thereby restricting City residents’ mobility options and increasing traffic congestion on City streets and roads. More recently, like many jurisdictions in California, the City and RT are facing reduced federal funding for transportation, transit and housing infrastructure under the current federal administration,

(c) The City is grappling with a severely high rate of traffic accidents involving pedestrian fatalities, the lack of safe bicycle and pedestrian routes including safe routes to school, a growing number of potholes and poor road conditions, traffic congestion on our local streets and roads, and an aging and outdated transportation network of roads, bridges, and sidewalks.

(d) The City is also experiencing a severe lack of adequate bus and rail service in our community, aging public transit infrastructure, increasing impacts of air pollution, summer heat, and extreme weather conditions, and an affordable housing crisis.

(e) These challenges are interconnected and particularly acute in underserved communities. The lack of a safe, reliable, and convenient transportation network limits affordable housing, while contributing to greater greenhouse gas emissions. High housing costs lead to sprawl and longer commutes. Over time, climate change will jeopardize more infrastructure and housing units in the region.

(f) To keep the City livable and thriving, we need smart, environmentally sustainable growth. We want cleaner air, safe and convenient transportation systems with plenty of public transit, pedestrian and cyclist infrastructure, and other mobility options, and more affordable housing.

(g) Projects and programs to make public transit faster, safer, and more frequent, reliable, and affordable within the City will reduce gridlock and encourage low-impact growth.

(h) Investments to make City roads and streets safer and more accessible to all users and uses, including walking and biking, will reduce traffic-related injuries and fatalities, improve air quality and public health impacts, reduce greenhouse gas emissions, spur innovative mobility solutions, and improve transportation citywide.

(i) Investments in infrastructure to encourage infill affordable housing, particularly near rail stations and transit centers in the City, will help revitalize urban centers, encourage transit and active transportation options such as walking and cycling, improve air quality, and preserve green spaces.

(j) Independent audits every year by a citizens' taxpayer oversight committee will ensure funds are spent wisely on transportation, housing, pollution, and climate priorities as the voters intend.

Section 3. Purpose and Intent

This measure imposes a transactions and use tax, subject to a majority vote of City voters, at the rate of one-half of one percent (0.5%) within the City to fund road repair and safety, transit, regional rail connectivity, and transit-oriented housing development priorities. It is the intent of the People of the City to do all the following with this measure:

(a) Improve roadway conditions and safety for all City users (pedestrians, cyclists, mobility-challenged people, and drivers) by repairing and maintaining streets and roads across the City, including complete street components with upgraded sidewalks, protected bike lanes, signals, and crosswalks.

(b) Advance projects to repair and maintain existing City streets, sidewalks, bridges and bike lanes, fix potholes, improve safety, access, and mobility for all users, especially seniors, disabled, and children, and reduce greenhouse gas emissions.

(c) Advance safe walking and cycling and improved connectivity to and from transit, schools and universities, parks, business districts, job centers, nature trails and other civic amenities to improve the safety, health, and well-being for all Sacramento residents, workers, students, and visitors.

(d) Advance projects that improve and complete the active transportation (biking and walking) network throughout the City, connecting communities by sidewalks, trails, bike paths, and creating a comfortable, low-stress network for all users.

(e) Establish and maintain a quick-build safety program to deliver interim and near-term street safety improvements using cost-effective materials and accelerated delivery methods.

(f) Invest in intelligent tools to ensure safe streets, such as signal timing, lowered speed limits, red-light cameras, and other advanced technologies, to support a safe systems approach to City streets to reduce severe injuries and fatalities.

(g) Invest in innovative climate adaptation and mitigation projects that reduce greenhouse gas emissions and air pollution, including increasing tree canopy and shade structures along transportation routes, and ensure compliance with, local, regional, state, and federal laws regulating greenhouse gas emissions, air pollution, and vehicle miles traveled.

(h) Provide equitable investment and prioritize investments in communities lacking basic infrastructure and areas of persistent poverty.

(i) Improve the frequency, affordability, and convenience of RT service operations within the City by providing 15-minute service frequency, late-night service, Bus Rapid Transit (fast bus service operating in its own dedicated lane with less stops and traffic signal prioritization to improve traffic flow and on-time performance) in the City.

(j) Improve pedestrian and cyclist connectivity to train stations, bus stops, and transit centers in the City.

(k) Improve the City portion of the RT system state of good repair by fixing aging infrastructure, repairing and upgrading tracks, and replacing obsolete trains and buses to keep the system safe and reliable, while preventing breakdowns and delays.

(l) Improve RT rider safety, security, and the cleanliness and reliability of the City's portion of the transit district with standardized signage, benches, waste disposal, climate-appropriate landscaping, and bus shelters with shade.

(m) Provide infrastructure incentives to stimulate workforce housing, office, retail and commercial development at Sacramento Valley Station, light rail and regional or commuter rail stations, and within a half mile of major transit corridors in the City.

(n) Provide local matching funds to increase intercity, commuter, and regional rail service to the City, including operations and service enhancements for commuter and regional rail in the City.

(o) Improve the ability and capacity of the City and RT to leverage local matching funds to compete more effectively for local, regional, state, federal, and private matching funds.

(p) Create jobs and improve the local economy by investing in key infrastructure and service projects that generate local jobs both directly and indirectly.

(q) Provide accountability and transparency through independent audits, taxpayer oversight, and a public-facing dashboard to ensure funds are spent as intended by voters.

Section 4. Safe Streets and Affordable Transit Ordinance of 2026

Chapter 3.25 of the Sacramento City Code is added to read as follows:

Chapter 3.25

City of Sacramento Safe Streets and Affordable Transit Ordinance of 2026

3.25.010	Title
3.25.020	Purpose
3.25.030	Operative Date
3.25.040	Contract With State
3.25.050	Transactions Tax Rate
3.25.060	Place Of Sale
3.25.070	Use Tax Rate
3.25.080	Adoption Of Provisions Of State Law
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3.25.180	Expenditure Plan
3.25.190	Taxpayer Oversight Committee

3.25.010 Title

This chapter shall be known as the City of Sacramento Safe Streets and Affordable Transit Ordinance of 2026.

3.25.020 Purpose

This chapter is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

(a) To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with section 7251) and section 7285.91 of Part 1.7 of Division 2 of the Revenue and Taxation Code, which authorizes the City to adopt this chapter which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

(b) To adopt a retail transactions and use tax chapter that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those

provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

(c) To adopt a retail transactions and use tax chapter that imposes a tax and provides a measure therefore that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting the California State Sales and Use Taxes.

(d) To adopt a retail transactions and use tax chapter that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this Chapter.

3.25.30 Operative Date

“Operative Date” means the first day of the first calendar quarter commencing more than one hundred ten (110) days after the adoption of this chapter. For purposes of Revenue and Taxation Code section 7265, this chapter shall be considered adopted on the date of the election in which it is approved by the qualified voters of the City.

3.25.040 Contract With State

(a) Prior to the operative date, the City shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax Chapter; provided, that if the City shall not have contracted with the California Department of Tax and Fee Administration prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

(b) Pursuant to section 3.25.160, the City may use the proceeds from this chapter to pay for the costs to administer and operate the chapter pursuant to section 7272 of the Revenue and Taxation Code.

3.25.050 Transactions Tax Rate

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of one half of one percent (0.5%) of the gross receipts of any retailers from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this chapter.

3.25.060 Place Of Sale

For the purposes of this Chapter, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or the retailer's agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

3.25.070 Use Tax Rate

An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of this chapter for storage, use or other consumption in said territory at the rate of one half of one percent (0.5%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

3.25.080 Adoption Of Provisions Of State Law

Except as otherwise provided in this Chapter and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this Chapter as though fully set forth herein.

3.25.090 Limitations On Adoption Of State Law And Collection Of Use Taxes

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

(a) Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefore. However, the substitution shall not be made when:

(1) The word "State" is used as a part of the title of the State Controller, State Treasurer, State Treasury, or the Constitution of the State of California.

(2) The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this Chapter.

(3) In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

(A) Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

(B) Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

(4) In sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

(b) The word "city" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in section 6203 and in the definition of that phrase in section 6203.

(1) "A retailer engaged in business in the District" shall also include any retailer that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property in this state or for delivery in the State by the retailer and all persons related to the retailer that exceeds five hundred thousand dollars (\$500,000). For purposes of this section, a person is related to another person if both persons are related to each other pursuant to section 267(b) of Title 26 of the United States Code and the regulations thereunder.

3.25.100 Permit Not Required

If a seller's permit has been issued to a retailer under section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this Chapter.

3.25.110 Exemptions And Exclusions

(a) There shall be excluded from the Chapter of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

(b) There are exempted from the computation of the amount of transactions tax the gross receipts from:

(1) Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which

the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

(2) Sales of property to be used outside the City, which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or the retailer's agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

(A) With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

(B) With respect to commercial vehicles, by registration to a place of business outside the City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

(3) The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this Chapter.

(4) A lease of tangible personal property, which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this Chapter.

(5) For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

(c) There are exempted from the use tax imposed by this chapter, the storage, use or other consumption in this City of tangible personal property:

(1) The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax chapter.

(2) Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State,

the United States, or any foreign government. This exemption is in addition to the exemptions provided in sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

(3) If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this Chapter.

(4) If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this Chapter.

(5) For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

(6) Except as provided in subparagraph (7) a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

(7) "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

(d) Any person subject to use tax under this chapter may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

3.25.120 Amendments

All amendments subsequent to the effective date of this Chapter to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically

become a part of this Chapter, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this Chapter.

3.25.130 Enjoining Collection Forbidden

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this chapter, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

3.25.140 Safe Streets and Affordable Transit Fund

There is hereby established in the treasury of the City a special fund called the “Safe Streets and Affordable Transit Fund,” which shall be maintained by the City.

3.25.150 Receipt Of Proceeds

(a) All revenue generated by this chapter shall be deposited into the Safe Streets and Affordable Transit Fund.

(b) The uses and expenditures of money allocated to the Safe Streets and Affordable Transit Fund shall be governed by and subject to the requirements set forth in sections 3.25.160 through 3.25.180.

3.25.160 Use of Proceeds

(a) Moneys in the Safe Streets and Affordable Transit Fund shall be used to reimburse the City for the costs imposed by the California Tax and Fee Administration to administer and operate this tax pursuant to subdivision (b) of section 3.25.040.

(b) Each fiscal year, the City shall appropriate remaining moneys in the Fund pursuant to and subject to the requirements in section 3.25.180.

3.25.170 Supplement to Existing Funding

(a) The People of the City of Sacramento find and declare that the transportation needs of the City require more resources than currently provided. In adopting this chapter, the People of the City of Sacramento choose to provide additional City resources to supplement, and not supplant, local, State, Federal and other transportation funding for the City and the Sacramento Regional Transit District (“RT”).

(b) Except as expressly provided in section 3.25.180(b)(5) of this chapter, the funding generated by this chapter shall be used to supplement existing funding for transportation projects and programs and shall not be used to supplant existing funding to the City or RT. The baseline for maintenance of effort purposes will be set as the amount not less than the annual average of its expenditures for local transportation purposes during the prior three fiscal years.

3.25.180 Expenditure Plan

The proceeds in the Safe Streets and Affordable Transit Fund shall be expended in the manner set forth herein for the period during which the tax is imposed and collected pursuant to this chapter, after deduction for reimbursements as required by section 3.25.160(a). The following are allowable uses and annual percentages for the revenues generated by this chapter:

(a) **City street repair and maintenance, safety and active transportation improvements.** Forty-eight percent (48.0%) for repair and maintenance of streets and related facilities, safety improvements, active transportation improvements, economic development, climate mitigation and adaptation, and innovation projects, according to the following percentage allocations by category:

(1) **Street repair and maintenance.** Fifteen percent (15%) for street repair and maintenance, including fixing potholes, repaving streets, and repairing or improving of related pedestrian and bicycle facilities. The purpose of this category is to supplement existing funding towards improving the City's overall pavement condition index (PCI) rating from "poor" to "fair" or "satisfactory" condition.

(2) **Safety Improvements.** Fifteen percent (15%) for street safety improvement projects that advance safe walking and cycling and improved connectivity to and from transit, schools and universities, parks, business districts, job centers, nature trails and other civic amenities within the City. Projects eligible for funding under this category also include sidewalk and street lighting planning and design in areas of persistent poverty. When authorizing the use of funds in this category, the City Council shall consider whether the expenditure addresses documented safety risks; improves safe walking, rolling, biking, and transit access; advances the vision of zero traffic fatalities, with particular emphasis on areas with the highest rates of injury, routes to schools, transit stops, parks, and senior-serving destinations; and invests in technology to ensure safe streets (including but not limited to signal timing, lowered speed limits, red-light camera technology as examples) to support a safe systems approach to City streets to reduce severe injuries and fatalities.

(3) **Active Transportation Improvements.** Fifteen percent (15%) for sidewalks, crosswalks, and bike lane improvements, including improvements to facilitate safe and convenient pedestrian, bicycle, and other non-motorized local trips and safe connecting routes and access to schools, transit, commercial corridors and districts, parks, nature trails, and other civic amenities. When authorizing the use of funds in this category, the City Council shall consider whether the expenditure improves or helps complete the active transportation network throughout the City, connecting communities by sidewalks, trails, bike paths, and creating a comfortable, low-stress network for all users, as well as projects that provide full protection from automobile traffic.

(4) **Economic Development/Climate/Innovation.** Three percent (3%) for investments in intelligent transportation systems, transportation demand management,

synchronized traffic signals, signage, and operational improvements to reduce traffic congestion, accidents, and fatalities; investments in infrastructure and operational systems for electric carsharing and electric bike and cargo bike sharing programs; and the establishment of car-free districts for commerce, recreation, arts, and culture.

(b) **Improvements to transit service operations, affordability, state of good repair, safety, security, cleanliness and reliability, and regional rail matching fund.** Forty-eight percent (48.0%) for transit projects and operations that are wholly within the City limits. The City may allocate such revenues to the Sacramento Regional Transit District exclusively for projects, programs, and services consistent with this subdivision (b). Priority shall be given to projects that increase RT's capacity to compete more effectively for local, regional, state, federal, and private matching funds, according to the following percentage allocations by category:

(1) **Improve frequency and affordability of transit service operations.** Thirty-three percent (33%) to improve transit service frequency, convenience, connectivity, reliability, affordability, and travel time, including 15-minute bus or rail service frequency to all parts of the City with the highest density, ridership demand and economic necessity; late night service to major job and entertainment centers; improved transit to the Sacramento International Airport; Bus Rapid Transit on Stockton Boulevard and other major City corridors, featuring bus-only lanes, transit signal priority, and more frequent and reliable service; programs to support riders who are transit-dependent, including, but not limited to, increased coverage of school routes, continuation of fare-free and low-fare discount programs for student, senior, and disabled riders, demand response service, maintenance and delivery of social services transportation, mobility training, and other innovative mobility management programs designed for seniors and disabled riders.

(2) **State of good repair.** Six and one-half percent (6.5%) to fix the aging transit infrastructure in the City, repair and upgrade tracks, and replace obsolete trains and buses to keep the system safe and reliable, while preventing breakdowns and delays. Eligible projects also include modernization of the City portion of the light rail system, including but not limited to, fleet replacement, station renewal, and low floor conversions, access improvements, enhanced safety and efficiency features, real-time information signage, and modern fare payment systems; purchase of vehicles and equipment necessary to transition to zero-emission transit operations, including bus electrification; infrastructure upgrades and equipment necessary to provide charging for electric vehicles; upgrades to facilities to allow for zero-emission operation; and development and implementation of scheduling, communications, and service delivery technology to improve customer interfaces.

(3) **Safety, security, cleanliness and reliability.** Five percent (5%) to improve safety and security at bus stops and light rail stations with resources such as lighting, signage, security cameras, security personnel, cleaning personnel, crime resistant infrastructure, and improved access for pedestrians, bicyclists, and individuals with disabilities.

(4) **Regional rail matching funds.** One and one-half percent (1.5%) to support operations and service enhancements for commuter and regional rail service that benefit City of Sacramento residents, with priority placed on providing local matching funding for projects expanding the Altamont Corridor Express commuter rail service operations to connect Sacramento to the Silicon Valley and Central Valley. As additional regional, state, or federal funding becomes available to sustain commuter rail operations, the City may expand the use of these funds to support other rail-service benefits to the City provided by Capitol Corridor intercity rail, Gold Runner intercity rail, and future regional or commuter rail services, including connectivity to Sacramento Valley Station and planned City rail stations.

(5) **Mitigation of Significant Revenue Loss and Service Cuts.** The City shall establish a subaccount within the Safe Streets and Affordable Transit Fund called the Transit Operations Reserve Subaccount (“Subaccount”). The City shall allocate two percent (2%) of annual revenues to the Subaccount, for the purpose of maintaining an operations reserve fund, which may be used in the event that significant revenue loss causes RT to reduce bus or light rail service operations in the City as compared to fiscal year 2025-26 fiscal year service.

(A) The total balance of the Subaccount shall not exceed ten million dollars (\$10,000,000.00), as may be adjusted for inflation based on the Consumer Price Index for the City of Sacramento. Any allocation that would cause the Subaccount balance to exceed the limit herein shall be used for the purposes provided by subdivision (b)(1).

(B) Notwithstanding the provisions of the non-supplantation clause in section 3.25.170(b), the City may authorize the expenditure of funds in the Subaccount through City Council action, upon finding that (1) no alternative funding sources are available to make up the shortfall; (2) the proportionate reduction in funding to service within the City is no greater than the proportionate reduction in funding to any other portion of the RT District outside the City; and (3) the reserve funds are spent only to restore bus or light rail service operations in the City.

(c) **Matching funds for transit-oriented development.** Three percent (3.0%) for the purpose of making matching funds available and/or offsetting costs of critical infrastructure, such as sewer and water connections, needed to support workforce housing at or within one-half (1/2) mile from light rail, regional rail, and intercity passenger rail stations, and along major transit corridors in the City.

(d) **Independent taxpayer audits and oversight; administration.** One percent (1.0%) on general administrative services and effective oversight of revenue and to review the fiscal and program performance through an annual audit, and to ensure that all tax funds are spent in accordance with all provisions of the voter-approved expenditure plan and measure, and to fund Taxpayer Oversight Committee operations.

(e) The purposes set forth in this section shall constitute the specific purposes of this chapter, which are specific and legally binding limitations on how the proceeds of the tax can be spent. The proceeds of the tax imposed by this chapter shall be used only for such purposes and shall not fund any purpose, program, or project other than those set forth herein.

(f) As a condition of appropriating funds pursuant to this section:

(1) **Requirement for annual financial and performance audits of chapter funds.** The City shall undergo annual financial audits performed in accordance with generally accepted accounting standards and government auditing standards issued by the Comptroller General of the United States, as may be amended from time to time. The annual audits shall be supervised by the independent Taxpayer Oversight Committee (the “Committee”). Compliance audits shall also be periodically conducted to ensure that chapter funds are expended in accordance with the provisions and guidelines established by this Expenditure Plan. In addition, the Committee shall conduct periodic performance audits to determine progress in meeting program performance standards adopted by the City, and to make recommendations for improving overall program performance.

(2) **Five-year programs.** The City shall adopt a rolling five-year program for expenditure of tax revenue allocations under this chapter as specified in subdivisions (a) through (d) above. The Sacramento City Council shall approve the City’s first five-year program by December 31, 2027, and annually thereafter.

(3) **Integrated transportation plan.** No later than December 31, 2027, the Sacramento City Council shall approve an integrated transportation plan to guide the planning and implementation of a seamless and integrated transportation system, including components for serving bicycle users, pedestrians, and access to rail and transit in the City. The plan shall focus on how the five-year program should use chapter funds to compete more effectively for local, regional, state, federal and private matching funds, deliver a streamlined and unified experience for customers across all transportation modes, reduce greenhouse gas emissions, ensure equitable access to transit and transportation systems, minimize housing displacement, and increase investment in “areas of persistent poverty,” as defined in Section 6702(a)(1) of Title 49 of the United States Code. The plan should incorporate street design elements to quantifiably reduce the risk of traffic-related deaths and severe injuries to pedestrians and cyclists in the public right-of-way. The City shall coordinate with appropriate rail and transit providers in developing the plan. The integrated transportation plan shall be updated every five (5) years. The plan shall incorporate metrics for measuring the success of each proposed component and the metrics shall be reported for the prior five-year period and adjusted as appropriate as part of the five-year update of the plan.

(4) Chapter funds shall not be used for projects that expand street or road capacity, including modifications to enhance automobile turning movements, unless the added capacity is provided to facilitate safe and convenient trips for transit, pedestrian,

bicycle, people with disabilities, or other active transportation uses, or otherwise reduces greenhouse gas emissions.

3.25.190 Taxpayer Oversight Committee

(a) The Taxpayer Oversight Committee shall be established on the effective date of this chapter, as specified in Elections Code section 9122, to provide an enhanced level of accountability for the expenditures from the Sacramento Safe Streets and Transit Fund.

(b) The Taxpayer Oversight Committee shall be composed of nine (9) voting members, who shall be appointed by the Sacramento City Council, based on the recommendations for appointment by the Council's Personnel and Public Employees Committee, no later than ninety (90) days after the effective date of this chapter.

(1) Seat A - Member shall be a professional, active or retired, in the field of municipal audit, finance, and/or budgeting, with at least five years in a senior decision-making position.

(2) Seat B - Member shall be a licensed civil engineer or trained transportation planner, active or retired, with at least five years of experience in the field of transportation.

(3) Seat C - Member shall be a manager, active or retired, of major public and/or privately financed development or construction projects.

(4) Seat D - Member shall have professional experience, active or retired, developing transit-oriented housing.

(5) Seat E - Member representing a labor organization.

(6) Seat F - Member representing a business chamber or association.

(7) Seat G - Member representing a taxpayer organization.

(8) Seat H - Member representing an environmental organization.

(9) Seat I - Member at-large.

(c) Voting members must be residents of or employed in the City and remain residents or employees in the City for the entirety of their term. Voting members may not be elected officials or public employees from agencies that either oversee or benefit from funding under this chapter. Voting members shall have no direct or indirect interest, distinguishable from the interest of the public generally, in any appropriation of tax revenues. An indirect interest includes but is not limited to that of an owner, officer, employee or business entity that directly receives transactions and use tax revenue.

(d) The Committee shall also have four (4) ex-officio, non-voting members: the chief executive officers, or their designees, of the Sacramento Area Council of Governments, the Sacramento Metropolitan Air Quality Management District, the Sacramento Municipal Utility District, and the Sacramento Transportation Authority.

(e) At its first public meeting and every two years thereafter at the first meeting of the calendar year, the voting members shall select a Chair from among the voting members. The voting members shall not receive monetary compensation except for a meeting stipend reflecting the reimbursement of travel or other incidental expenses. Meetings shall be open to the public and must be held in compliance with the provisions of the Ralph M. Brown Act, codified at California Government Code section 54950 *et seq.* Meetings shall be recorded and the recordings shall be posted for the public.

(f) The Committee shall have the following responsibilities:

(1) Review all five-year programs and proposals for compliance with the chapter. As part of the review, the Committee may recommend that changes be made to the programs and proposals, but agencies and jurisdictions shall retain final approval over their programs and proposals.

(2) Conduct an annual fiscal and compliance audit of all fund expenditures using the services of an independent fiscal auditor to verify compliance with the chapter. This annual audit will evaluate compliance with the supplemental funding requirement in section 3.25.170 and any other applicable requirements. The audits will identify each project that was funded in the prior fiscal year and will include the accumulated expenses and revenues for ongoing, multi-year projects.

(3) Prepare an annual report presenting the results of the annual audit process. The report should include an assessment of the consistency of the expenditures of the Sacramento Safe Streets and Affordable Transit Fund with this chapter. The assessment shall include a review of expenditures by project type for each local jurisdiction. The report shall be presented to the Sacramento City Council and RT Board of Directors and shall be made available to the public.

(4) If the Committee determines that any funds were misused in violation of section 424 of the Penal Code or any other state law, the Committee shall make a referral detailing the misuse to the Sacramento City Attorney, the Sacramento District Attorney's Office, the California Attorney General, or other applicable state or local agency or official.

(g) Voting member term limits:

(1) Voting members shall serve a term of four years, except that for the initial appointments to this Committee, three members shall serve a two-year term and three

members shall serve a three-year term to ensure the terms of the voting members are sufficiently staggered.

(2) Voting members shall serve no more than eight consecutive years unless the member's first term was less than four years, in which case the member may serve an additional two terms after the partial term. In no case, however, shall any voting member serve more than ten years on the Committee.

(3) If and when vacancies in the membership of the Committee occur, the same selection process as outlined above shall be followed to select a replacement to fill the remainder of the term. At the completion of a term, eligible incumbent members will need to apply for reappointment for another term.

(4) Term limits for voting members should be staggered to prevent turnover of more than two members at any one time.

Section 5. Severability

If any section, subsection, sentence, clause, phrase or word of this measure or the application thereof to any person or circumstance is for any reason held to be invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter. The voters of the City of Sacramento hereby declare they would have passed and adopted this chapter and each and all provisions hereof irrespective of the fact that any one or more of said provisions be declared invalid.

Section 6. Liberal Construction

This measure is an exercise of the initiative power of the People of the City of Sacramento to implement a special tax to fund the purposes set forth in the chapter, and it shall be liberally construed to effectuate these purposes.

Section 7. Amendments

Except as expressly provided herein, the provisions of this chapter may be amended only upon approval by the voters.

Section 8. Conflicting Measures

This measure is intended to be comprehensive. It is the intent of the People of the City of Sacramento that, in the event this measure and one or more measures relating to a special tax to fund transportation infrastructure shall appear on the same ballot, the provisions of the other measure or measures shall be deemed in conflict with this measure. In the event that this measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and all provisions of the other measure or measures shall be null and void.

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