

AMENDED IN SENATE JUNE 27, 2002

AMENDED IN SENATE JUNE 18, 2002

AMENDED IN ASSEMBLY APRIL 30, 2002

AMENDED IN ASSEMBLY APRIL 18, 2002

AMENDED IN ASSEMBLY APRIL 8, 2002

AMENDED IN ASSEMBLY APRIL 2, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2224**

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**Introduced by Assembly Member Nation**

February 20, 2002

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An act to amend Section 53090 of the Government Code, to amend Section 20216 of the Public Contract Code, to add Article 21.5 (commencing with Section 20355) to the Public Contract Code, and to add Part 16 (commencing with Section 105000) to Division 10 of the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2224, as amended, Nation. Sonoma-Marín Area Rail Transit District.

Existing law establishes various local entities to carry out transportation functions within their respective areas of jurisdiction.

This bill would create the Sonoma-Marín Area Rail Transit District within the Counties of Sonoma and Marin. The bill would establish a 12-member board of directors to govern the district. The bill would require the district to work with specified authorities to achieve a safe,

efficient, and compatible system of passenger and freight rail service. The bill would authorize the district to own, operate, manage, and maintain a passenger rail system within the territory of the district. The bill would authorize the district to contract for goods and services, to employ labor, to grant, purchase, lease, condemn for use, or otherwise use real or personal property for transit purposes, to impose voter-approved taxes, to invest revenues, to issue bonds and execute equipment trust certificates, and to create improvement and special benefit districts. The bill would require the Public Employee Relations Board to perform specified duties relating to collective bargaining. The bill would also authorize the district to annex territory and to dissolve. The bill would make related changes.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 53090 of the Government Code is  
2 amended to read:

3 53090. As used in this article:

4 (a) “Local agency” means an agency of the state for the local  
5 performance of governmental or proprietary function within  
6 limited boundaries. “Local agency” does not include the state, a  
7 city, a county, a rapid transit district, or a rail transit district whose  
8 board of directors is appointed by public bodies or officers or  
9 elected from election districts within the area comprising the  
10 district, or a district organized pursuant to Part 3 (commencing  
11 with Section 27000) of Division 16 of the Streets and Highways  
12 Code.

13 (b) “Building ordinances” means ordinances of a county or  
14 city regulating building and construction and removal of  
15 buildings, including ordinances relating to the matters set forth in  
16 Section 38660 and similar matters, and including ordinances  
17 relating to building permits and building inspection.

18 SEC. 2. Section 20216 of the Public Contract Code is  
19 amended to read:

20 20216. (a) Notwithstanding any other provision of law, any  
21 contract by the San Francisco Bay Area Rapid Transit District, the  
22 Southern California Rapid Transit District, the Golden Gate  
23 Bridge, Highway and Transportation District, the Sonoma-Marin



1 Area Rail Transit District, the San Diego Metropolitan Transit  
2 Development Board, the North San Diego County Transit  
3 Development Board, a county transportation commission that is  
4 subject to the competitive negotiation provisions of Section  
5 20229.1, 20231.5, or 20916.3 of this code, or Section 120224.4,  
6 125228, or 130238 of the Public Utilities Code, a transit district,  
7 city, county, city and county, or transportation agency, that is  
8 subject to the competitive negotiation provisions of Section  
9 20217, and any other transportation agency that is authorized to  
10 use comparable competitive negotiation provisions after July 1,  
11 1992, shall comply with the requirements of this section.

12 (b) Other than proprietary information, the content of any  
13 request for proposal, any proposal received, and any other  
14 communications between a transportation agency and a potential  
15 bidder on a contract that is subject to subdivision (a) shall be made  
16 available to the public no later than the same time that a  
17 recommendation for awarding a contract is made to the governing  
18 board or persons responsible for approving the award of a contract  
19 to a bidder, except that the price proposed in any bidder's initial  
20 proposal shall be available upon the opening of the bid by the  
21 agency requesting the proposal.

22 (c) No person may participate in the evaluation of any proposal  
23 for the award of a contract that is subject to subdivision (a) if any  
24 of the following conditions apply:

25 (1) The person has a financial interest in the outcome of the  
26 evaluation or the contract.

27 (2) The person has received a gift of over two hundred fifty  
28 dollars (\$250) during the previous 12 months from a bidder  
29 directly, or indirectly through an intermediary, if it is known to the  
30 person that the gift was in whole or in part funded by the bidder.

31 (d) The agency board or any person responsible for awarding  
32 a contract under this article shall not have any ex parte  
33 communication with a bidder or any representative of the bidder  
34 except in writing and if the communication is made public.

35 (e) A contract may not be awarded until 15 days after the staff  
36 recommendation has been made available to the public.

37 (f) An agency using the competitive negotiation process shall  
38 maintain in writing, and make available upon request, a complete  
39 description of the process and the policies and procedures used by  
40 the agency in doing so, including all standards, criteria, public



1 protest procedures, and method of contract award. The agency  
2 shall also keep a complete record of its actions on each  
3 procurement.

4 (g) For purposes of this section and Sections 20217, 20229.1,  
5 20231.5, and 20916.3 of this code and Sections 120224.4 and  
6 130238 of the Public Utilities Code, “competitive negotiation”  
7 means a procurement process used by an agency in lieu of a  
8 competitive sealed bid process when conditions are not  
9 appropriate for the use of sealed bids, and that permits the  
10 consideration of price, technical experience, past performance,  
11 management, or other factors in selecting the most cost-effective  
12 proposal for the manufacture and delivery of specified goods,  
13 transit vehicles, or equipment. The process includes negotiations  
14 with manufacturers or providers after the receipt of initial  
15 proposals during which performance or technical standards and  
16 other criteria may be revised in order to secure proposals most  
17 advantageous to the purchasing agency or to cure any deficiencies  
18 contained in the original proposals.

19 SEC. 3. Article 21.5 (commencing with Section 20355) is  
20 added to Chapter 1 of Part 3 of Division 2 of the Public Contract  
21 Code, to read:

22

23 Article 21.5. Sonoma-Marín Area Rail Transit District

24

25 20355. The provisions of this article shall apply to contracts  
26 by the Sonoma-Marín Area Rail Transit District, as provided for  
27 in Part 16 (commencing with Section 105000) of Division 10 of  
28 the Public Utilities Code.

29 20355.1. The purchase of all supplies, equipment, and  
30 materials when the expenditure required exceeds forty thousand  
31 dollars (\$40,000), and the construction of facilities and works  
32 when the expenditure required exceeds ten thousand dollars  
33 (\$10,000), shall be by contract let to the lowest responsible bidder.  
34 Notice requesting bids shall be published at least once in a  
35 newspaper of general circulation. This publication shall be made  
36 at least 10 days before the bids are received. The district may reject  
37 any and all bids and readvertise in its discretion.

38 20355.2. If after rejecting bids the district determines that the  
39 supplies, equipment, and materials may be purchased at a lower  
40 price in the open market, the district may proceed to purchase the



1 supplies, equipment, and materials in the open market without  
2 further observance of the provisions requiring contracts, bids, or  
3 notice.

4 20355.3. In case of an emergency, the board may, by  
5 resolution passed by a two-thirds vote of all its members, declare  
6 and determine that public interest and necessity demand the  
7 immediate expenditure of public money to safeguard life, health,  
8 or property, and thereupon proceed to expend or enter into a  
9 contract involving the expenditure of any sum needed in the  
10 emergency without observance of the provisions requiring  
11 contracts, bids, or notice. If notice for bids to let contracts will not  
12 be given, the board shall also comply with Chapter 2.5  
13 (commencing with Section 22050).

14 20355.4. (a) Upon determining that immediate remedial  
15 measures are necessary to avert or alleviate damage to property of  
16 the district or to repair or restore damaged or destroyed property  
17 of the district in order to ensure that the facilities of the district are  
18 available to serve the transportation needs of the general public,  
19 and upon determining that available remedial measures, including  
20 procurement in compliance with Sections 20355, 20355.1,  
21 20355.2, and 20355.3 are inadequate, the general manager may  
22 authorize the expenditure of money previously appropriated  
23 specifically by the board for the direct purchases of goods and  
24 services, without observance of the provisions of those sections.

25 (b) The general manager shall, after any such expenditure,  
26 submit to the board a full report explaining the necessity for the  
27 action.

28 20355.5. All bids for construction work shall be presented  
29 under sealed cover and shall be accompanied by one of the  
30 following forms of bidder's security:

- 31 (a) Cash.
- 32 (b) A cashier's check made payable to the district.
- 33 (c) A certified check made payable to the district.
- 34 (d) A bidder's bond executed by an admitted surety insurer,  
35 made payable to the district.

36 Upon an award to the lowest bidder, the security of an  
37 unsuccessful bidder shall be returned in a reasonable period of  
38 time, but in no event shall that security be held by the district  
39 beyond 60 days from the time the award is made.



1 20355.6. Notwithstanding Section 20355.1, and upon a  
2 finding by two-thirds of all members of the board that the proposed  
3 purchase in compliance with Sections 20355.1 and 20355.2 does  
4 not constitute a method of procurement adequate for the operation  
5 of district facilities or equipment, the board may direct the  
6 procurement of prototype equipment or modifications in an  
7 amount sufficient to conduct and evaluate operational testing  
8 without further observance of any provisions requiring contracts,  
9 bids, or notice.

10 20355.7. (a) Notwithstanding any other provision of law, the  
11 governing board of the Sonoma-Marín Area Rail Transit District  
12 may direct the purchase of (1) electronic equipment, including, but  
13 not limited to, computers, telecommunications equipment, fare  
14 collection equipment, radio and microwave equipment, and other  
15 related electronic equipment and apparatus used in rail transit  
16 operations; and (2) specialized rail transit equipment, including,  
17 but not limited to, rail cars, by competitive negotiation upon a  
18 finding by two-thirds of all members of the board that the purchase  
19 of that equipment in compliance with provisions of this code  
20 generally applicable to the purchase does not constitute a method  
21 of procurement adequate for the district's needs. This section does  
22 not apply to contracts for construction or for the procurement of  
23 any product available in substantial quantities to the general  
24 public.

25 (b) Competitive negotiation, for the purposes of this section,  
26 shall include, as a minimum, all of the following elements:

27 (1) A request for proposal shall be prepared and submitted to  
28 an adequate number of qualified sources, as determined by the  
29 district in its discretion, to permit reasonable competition  
30 consistent with the nature and requirements of the procurement. In  
31 addition, notice of the request for proposal shall be published at  
32 least once in a newspaper of general circulation, which publication  
33 shall be made at least 10 days before the proposals are received.  
34 The district shall make reasonable efforts to generate the  
35 maximum feasible number of proposals from qualified sources  
36 and shall make a finding to that effect before proceeding to  
37 negotiate if only a single response to the request for proposal is  
38 received.

39 (2) The request for proposal shall identify significant  
40 evaluation factors, including price, and their relative importance.



1 (3) The district shall provide reasonable procedures for  
2 technical evaluation of the proposals received, identification of  
3 qualified sources, and selection for contract award.

4 (4) The award shall be made to the qualified bidder whose  
5 proposal will be most advantageous to the district with price and  
6 other factors considered. If the award is not made to the bidder  
7 whose proposal contains the lowest price, the board shall make a  
8 finding setting forth the basis for the award.

9 (c) The board may reject any and all proposals and request new  
10 proposals at its discretion.

11 (d) A person who submits, or who plans to submit, a proposal  
12 may protest any acquisition conducted in accordance with this  
13 section as follows:

14 (1) Protests based on the content of the request for proposal  
15 shall be filed with the district within 10 calendar days after the  
16 request for proposal is first advertised in accordance with  
17 subdivision (b). The district shall issue a written decision on the  
18 protest prior to the opening of proposals. A protest may be  
19 renewed by refileing the protest with the district within 15 calendar  
20 days after the mailing of the notice of the recommended award.

21 (2) Any bidder may protest the recommended award on any  
22 ground not based upon the content of the request for proposals by  
23 filing a protest with the district within 15 calendar days after the  
24 mailing of the notice of the recommended award.

25 (3) Any protest shall contain a full and complete written  
26 statement specifying in detail the grounds of the protest and the  
27 facts supporting the protest. Protestors shall have an opportunity  
28 to appear and be heard before the board prior to the opening of  
29 proposals in the case of protests based on the content of the request  
30 for proposals, prior to final award in the case of protests based on  
31 other grounds or the renewal of protests based on the content of the  
32 request for proposals.

33 (e) Provisions in any contract concerning women and minority  
34 business enterprises, which provisions are in accordance with the  
35 request for proposals, shall not be subject to negotiation with the  
36 successful bidder.

37 SEC. 4. Part 16 (commencing with Section 105000) is added  
38 to Division 10 of the Public Utilities Code, to read:

39



1 PART 16. SONOMA-MARIN AREA RAIL TRANSIT  
2 DISTRICT

3  
4 CHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS  
5

6 105000. This part shall be known and may be cited as the  
7 Sonoma-Marín Area Rail Transit District Act.

8 105001. It is the intent of the Legislature in enacting this part  
9 to provide for a unified, comprehensive institutional structure for  
10 the ownership and governance of a passenger rail system within  
11 the Counties of Sonoma and Marin *that shall operate in harmony*  
12 *with existing freight service that operates upon the same rail line*  
13 *and serves the Counties of Humboldt, Marin, Mendocino, Napa,*  
14 *and Sonoma.* It is the further intent of the Legislature that the  
15 district established by this act may succeed to the powers, duties,  
16 obligations, liabilities, immunities, and exemptions of both the  
17 Sonoma-Marín Area Rail Transit Commission and the  
18 Northwestern Pacific Railroad Authority upon their dissolution.  
19 Because there is no general law under which this district could be  
20 formed, the adoption of a special act and the formation of a special  
21 district is required.

22 105002. Unless the context otherwise requires, the provisions  
23 of this chapter govern the construction of this part.

24 105003. As used in this part, the following terms have the  
25 following meanings:

26 (a) "District" means the Sonoma-Marín Area Rail Transit  
27 District.

28 (b) "Rail transit" means the transportation of passengers and  
29 their incidental baggage by rail.

30 (c) "Rail transit works" or "rail transit facilities" means any  
31 or all real and personal property, equipment, rights or interests  
32 owned or to be acquired by the district for rail transit service  
33 purposes, including ancillary bicycle and pedestrian pathways that  
34 provide connections between and access to station sites.

35 (d) "Board of directors," "board," or "directors" means the  
36 board of directors of the district.

37 (e) "Public agency" includes the state, and any county, city and  
38 county, city, district, or other political subdivision or public entity  
39 of, or organized under the laws of, this state, or any department,  
40 instrumentality, or agency thereof.



1 105004. The Cortese-Knox-Hertzberg Local Government  
2 Reorganization Act of 2000 (Part 1 (commencing with Section  
3 56000) Division 3 of Title 5 of the Government Code), shall not  
4 apply to the formation or dissolution of the district, or the  
5 annexation of additional contiguous territory to the district.

6  
7 CHAPTER 2. FORMATION OF DISTRICT  
8

9 105010. There is hereby created the Sonoma-Marín Area Rail  
10 Transit District, comprising the territory lying within the  
11 boundaries of the Counties of Marin and Sonoma.

12 105011. Through compliance with the provisions for  
13 annexation set forth in Chapter 7 (commencing with Section  
14 105280), the territory of all or part of any other contiguous county  
15 may be included within the district.

16 105012. (a) Upon the dissolution of the Sonoma-Marín Area  
17 Rail Transit Commission and the Northwestern Pacific Railroad  
18 Authority, the district shall succeed to any or all of the powers,  
19 duties, rights, obligations, liabilities, indebtedness, bonded and  
20 otherwise, immunities, and exemptions of the commission and its  
21 board of commissioners and the authority and its board of  
22 directors.

23 (b) Upon the dissolution of the Sonoma-Marín Area Rail  
24 Transit Commission and the Northwestern Pacific Railroad  
25 Authority, the district shall assume the rights and obligations of the  
26 commission and the authority under any contract to which the  
27 commission or the authority is a party and which is to be  
28 performed, in whole or in part, on or after the date of dissolution  
29 of the Sonoma-Marín Area Rail Transit Commission and the  
30 Northwestern Pacific Railroad Authority, including, without  
31 limitation, any existing operating agreements with the North Coast  
32 Railroad Authority. The district shall thereafter negotiate in good  
33 faith a new operating agreement with the North Coast Railroad  
34 Authority. *If the parties are unable to reach an agreement on the*  
35 *new operating agreement, the parties shall select a mutually*  
36 *agreed upon third party to mediate a resolution of the dispute.*

37 (c) All real and personal property owned by the Sonoma-Marín  
38 Area Rail Transit Commission and the Northwestern Pacific  
39 Railroad Authority may be transferred to the district. Any real or  
40 personal property owned individually or jointly by the Golden



1 Gate Bridge, Highway and Transportation District, the County of  
 2 Marin, or the Marin County Transit District, or any other public  
 3 agency, may be transferred to the district. The transfer of any  
 4 right-of-way from the Northwestern Pacific Railroad Authority,  
 5 the Golden Gate Bridge, Highway and Transportation District, the  
 6 County of Marin, or the Marin County Transit District to the  
 7 district shall be made subject to any existing easements for freight  
 8 and passenger excursion service issued to the North Coast Railroad  
 9 Authority prior to the time of the transfer.

10 (d) Upon the dissolution of the Sonoma-Marín Area Rail  
 11 Transit Commission, the district shall assume, without any  
 12 condition whatsoever, all responsibilities and obligations  
 13 previously assumed by the commission with respect to its fund  
 14 transfer agreement with Caltrans for the funding of the  
 15 Sonoma-Marín Area Rail Transit Project.

16 (e) On and after the date of dissolution of the Sonoma-Marín  
 17 Area Rail Transit Commission and the Northwestern Pacific  
 18 Railroad Authority, any reference in any provision of law or  
 19 regulation to the commission or the authority shall be deemed to  
 20 refer to the district.

21  
 22 CHAPTER 3. GOVERNMENT OF DISTRICT

23  
 24 Article 1. Board of Directors

25  
 26 105020. The government of the district shall be vested in a  
 27 board of directors, which shall consist of 12 members, appointed  
 28 as follows:

29 (a) Two members of the Sonoma County Board of Supervisors,  
 30 each of whom shall also serve on the Board of Directors of the  
 31 Sonoma County Transportation Authority, appointed by the  
 32 Sonoma County Board of Supervisors.

33 (b) Two members of the Marin County Board of Supervisors,  
 34 appointed by the Marin County Board of Supervisors.

35 (c) Three members, each of whom shall be a mayor or council  
 36 member of a city or town within the County of Sonoma, appointed  
 37 by the Sonoma County Mayors and Council Members Association  
 38 or its successor, provided the following conditions are met:

39 (1) At least two members are also city representatives for the  
 40 Sonoma County Transportation Authority.



1 (2) All of the members are from cities on the rail line in Sonoma  
2 County.

3 (3) No city has more than one member.

4 (d) The member of the City Council of the City of Novato who  
5 also serves on the Marin County Congestion Management Agency,  
6 appointed by the Marin County Congestion Management Agency  
7 or its successor.

8 (e) The member of the City Council of the City of San Rafael  
9 who also serves on the Marin County Congestion Management  
10 Agency, appointed by the Marin County Congestion Management  
11 Agency or its successor.

12 (f) One member, who shall be a mayor or council member of  
13 a city or town within the County of Marin and a member of the  
14 Marin County Congestion Management Agency, appointed by the  
15 Marin County Council of Mayors and Council Members or its  
16 successor.

17 (g) Two members of the Golden Gate Bridge, Highway and  
18 Transportation District, neither of whom shall be a member of the  
19 Marin or Sonoma County Boards of Supervisors, appointed by the  
20 Golden Gate Bridge, Highway and Transportation District or its  
21 successor.

22 105021. (a) The 12 members of the board shall serve  
23 staggered, four-year terms.

24 (b) Within 60 days of its occurrence, any vacancy on the board  
25 shall be filled by the body that originally made the appointment to  
26 the office in which the vacancy exists.

27 105022. The board may fix the amount of compensation to be  
28 paid to each member of the board. The compensation shall not  
29 exceed five hundred dollars (\$500) in any one calendar month.  
30 Each member shall be allowed necessary traveling and personal  
31 expenses incurred in the performance of his or her duties as may  
32 be authorized by the board.

33 105023. In the event that new territory is annexed to the  
34 district pursuant to Chapter 7 (commencing with Section 105280),  
35 and upon the affirmative vote of a majority of directors, which  
36 shall include an affirmative vote of at least three directors from  
37 each county within the district appointed pursuant to subdivisions  
38 (a) to (f), inclusive, of Section 105020, the board may restructure  
39 the membership of the board to provide representation of the new  
40 territory on the board.



Article 2. Powers and Duties of Board of Directors

105030. The board is the legislative body of the district and, consistent with the provisions of this part, shall determine all district policy.

105031. The board shall select one of its members as chairperson, and another of its members as vice chairperson, who shall serve in the absence of the chairperson.

105032. It shall be the duty of the board and it shall have the power to:

(a) Own, operate, manage, and maintain a passenger rail system within the territory of the district.

(b) Determine the rail transit facilities, including ancillary bicycle and pedestrian pathways, to be acquired and constructed by the district, the manner of operation, and the means to finance them.

(c) Adopt an annual budget for the district that provides for the compensation of its officers and employees.

(d) Fix rates, rentals, charges, and classifications of rail transit service operated by the district.

(e) Adopt an administrative code that prescribes the powers and duties of district officers, the method of appointment of district employees, and the methods, procedures, and systems for the operation and management of the district.

(f) Adopt rules and regulations governing the use of rail transit facilities owned or operated by the district.

(g) Cause a postaudit of the financial transactions and records of the district to be made at least annually by a certified public accountant.

(h) Adopt rules and regulations providing for the administration of employer-employee relations.

(i) Do any and all things necessary to carry out the purposes of this part.

Article 3. Meetings and Legislation

105040. All meetings of the board shall be conducted in the manner prescribed by the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code).



1 105041. A majority of the board constitutes a quorum for the  
2 transaction of its business.

3 105042. The affirmative vote of a majority of the members of  
4 the board shall be necessary and, except as otherwise provided in  
5 this act, shall be sufficient to carry out any order, resolution, or  
6 ordinance coming before the board.

7 105043. The board shall establish rules for its proceedings  
8 and determine the place and time for its meetings.

9 105044. The acts of the board shall be expressed by motion,  
10 resolution, or ordinance.

11

12 Article 4. Other Officers

13

14 105050. The board shall appoint a general manager for the  
15 district. The board may appoint a secretary, a chief engineer, a  
16 legal counsel, a controller, an auditor, a treasurer, and other  
17 officers, assistants, and deputies, as the board may deem necessary  
18 and provide for by ordinance. These officers shall serve at the  
19 pleasure of the board. The offices of auditor, controller, and  
20 treasurer may be held by separate officers or combined and held  
21 by one officer.

22 105051. The Counties of Marin and Sonoma, the Golden Gate  
23 Bridge, Highway and Transportation District, or any other public  
24 agency may render assistance to the district as it may require,  
25 including the performance by officers of the counties, the Golden  
26 Gate Bridge, Highway and Transportation District, or other public  
27 agency of the functions of legal counsel, controller, auditor, and  
28 treasurer. The district shall reimburse the counties, the Golden  
29 Gate Bridge, Highway and Transportation District, or other public  
30 agency for the services performed by them for the district.

31 105052. The powers and duties of the general manager are:

32 (a) To head the administrative branch of the district and to be  
33 responsible to the board for the proper administration of all affairs  
34 of the district.

35 (b) To appoint, supervise, suspend, or remove district officers,  
36 other than members of the board and officers appointed by the  
37 board.

38 (c) To supervise and direct the preparation of the annual budget  
39 for the board and to be responsible for its administration after its  
40 adoption.



- 1 (d) To formulate and present to the board plans for rail transit
- 2 facilities within the district and the means to finance them.
- 3 (e) To supervise the planning, acquisition, construction,
- 4 maintenance, and operation of the rail transit facilities of the
- 5 district.
- 6 (f) To attend meetings of the board.
- 7 (g) To prepare and submit to the board, as soon as practicable
- 8 after the end of each fiscal year, a complete report of the finances
- 9 and administrative activities of the district for the preceding year.
- 10 (h) To perform other and additional duties as the board may
- 11 require.

12

13 CHAPTER 4. POWERS AND FUNCTIONS OF THE DISTRICT

14

15 Article 1. Corporate Powers

16

17 105060. The district has perpetual succession and may adopt

18 a seal and alter it at its pleasure.

19 105061. The district may sue and be sued, except as otherwise

20 provided by law, in all actions and proceedings, in all courts and

21 tribunals of competent jurisdiction.

22

23 105062. All claims for money or damages against the district

24 are governed by Division 3.6 (commencing with Section 810) of

25 Title 1 of the Government Code, except as provided herein, or by

26 other statutes or regulations expressly applicable thereto.

27

28 Article 2. Contracts

29

30 105070. The district may make contracts and enter into

31 stipulations of any nature whatsoever, employ labor, and do all acts

32 necessary and convenient for the full exercise of the powers

33 granted in this part.

34 105071. No officer or employee of the district shall in any

35 manner be interested, directly or indirectly, in any contract

36 awarded or to be awarded by the board, or in the profits to be

37 derived therefrom, contrary to the provisions of Article 4

38 (commencing with Section 1090) of Chapter 1 of Division 4 of

39 Title 1 of the Government Code.

40 105072. The district may insure against any accident or

destruction of the rail transit system or any part thereof. The



1 district may insure against loss of revenues from any cause  
2 whatsoever. In proceedings authorizing the issuance of any bonds,  
3 the district may provide for the carrying of insurance in an amount  
4 and of a character as may be specified, and may provide for the  
5 payment of premiums thereon. The district may also provide  
6 insurance as provided in Part 6 (commencing with Section 989) of  
7 Division 3.6 of Title 1 of the Government Code.

8 105073. The district may contract for the services of  
9 independent contractors.

10 105074. For purposes of entering into design-build contracts,  
11 the district is a “transit operator” within the meaning of Article 6.8  
12 (commencing with Section 20209.5) of Chapter 1 of Part 3 of  
13 Division 2 of the Public Contract Code.

14 105075. The district is a local agency for purposes of the  
15 Natural Disaster Assistance Act, Chapter 7.5 (commencing with  
16 Section 8680) of Division 1 of Title 2 of the Government Code.

17 105076. The district shall be considered the succeeding  
18 agency to the “Sonoma-Marin Area Rail Transit Authority” for  
19 the purpose of receiving funds available under paragraph (30) of  
20 subdivision (a) of Section 14556.40 of the Government Code.

21

22

### Article 3. Property

23

24 105085. The district may take by grant, purchase, devise, or  
25 lease, or condemn in proceedings under eminent domain, or  
26 otherwise acquire, and hold and enjoy, real property of every kind  
27 within or without the district necessary to the full or convenient  
28 exercise of its powers. The board may lease, mortgage, sell, or  
29 otherwise dispose of any real or personal property when in its  
30 judgment it is in the best interests of the district to do so.

31 105086. The district may exercise the right of eminent  
32 domain to take any property necessary or convenient to the  
33 exercise of the powers granted in this act. The district, in  
34 exercising that right, shall, in addition to the damage for the taking,  
35 injury, or destruction of property, also pay the cost, exclusive of  
36 betterment and with credit for salvage value, of removal,  
37 reconstruction, or relocation of any substitute facilities, including  
38 structures, railways, mains, pipes, conduits, wires, cables or poles  
39 of any public utility which is required to be moved to a new  
40 location.



1 105087. (a) The district may take by gift, or take or convey  
2 by grant, purchase, devise, or lease, and hold and enjoy, real and  
3 personal property of every kind within or without the district  
4 necessary for, incidental to, or convenient for, transit-oriented  
5 joint development projects that meet the definition and  
6 requirement set forth in subdivision (b).

7 (b) (1) For purposes of this section, a “transit-oriented joint  
8 development project” is a commercial, residential, or mixed-use  
9 development that is undertaken in connection with existing,  
10 planned, or proposed intermodal transit facilities and is located  
11 one-fourth mile or less from the external boundaries of that  
12 facility.

13 (2) Any transit-oriented joint development project created  
14 under this section shall comply with the land use and zoning  
15 regulations of the city, county, or city and county in which the  
16 project is located.

17 (c) The authority granted under this section extends to any joint  
18 powers agency of which the district is a member and for which the  
19 district serves as the managing agency.

20 (d) The district may not exercise its power of eminent domain  
21 in order to make an acquisition under this section.

22

23 Article 4. Rail Transit Facilities and Service

24

25 105095. The district may provide a rail transit system for the  
26 transportation of passengers and their incidental baggage by rail.

27 105096. (a) The district may acquire, construct, own,  
28 operate, control, or use rights-of-way, rail lines, stations,  
29 platforms, switches, yards, terminals, parking lots, and any and all  
30 other facilities necessary or convenient for rail transit within and  
31 without the district, together with all physical structures necessary  
32 or convenient for the access of persons and vehicles thereto,  
33 including ancillary bicycle and pedestrian pathways, and may  
34 acquire or contract for any interest in or rights to the use or joint  
35 use of any or all of the foregoing.

36 (b) The district may contract with any public agency or person  
37 for the operation of shuttle services necessary or convenient for  
38 rail transit.

39 (c) The district shall comply with the design review process of  
40 the local jurisdiction in which any rail transit facilities are to be



1 constructed. The local jurisdiction’s design review and approval  
2 shall be for advisory purposes only.

3 (d) In Sonoma County, north of Healdsburg, the district shall  
4 locate commuter stations only within incorporated areas.

5 (e) *In Marin County north of San Rafael, the district shall*  
6 *locate commuter stations only within areas that are incorporated*  
7 *as of the operative date of this part.*

8 105097. The district may lease or contract for the use of its rail  
9 transit facilities, or any portion thereof, to any operator, and may  
10 provide for subleases by the operator upon any terms and  
11 conditions it deems in the public interest. As used in this section,  
12 “operator” means any public agency or any person.

13 105098. Except as otherwise provided in Section 105143, the  
14 board may contract with any public agency or person to provide  
15 rail transit facilities and services for the district.

16 105099. The district may construct and operate or acquire and  
17 operate rail transit works and facilities in, under, upon, over,  
18 across, or along any state or public highway or any stream, bay or  
19 watercourse, or over any of the lands that are the property of the  
20 state, to the same extent that these rights and privileges are granted  
21 to municipalities within the state.

22 105100. Except as otherwise provided in Section 105087, the  
23 provisions of Article 5 (commencing with Section 53090) of  
24 Chapter 1 of Part 1 of Division 2 of Title 5 of the Government Code  
25 shall not be applicable to the district.

26 105101. The district may enter into agreements for the joint  
27 use of any property and rights by the district and any city, public  
28 agency, or public utility operating transit facilities and may enter  
29 into agreements with any city, public agency, or public utility  
30 operating any transit facilities, wholly or partially within or  
31 without the district, for the joint use of any property of the district  
32 or of the city, public agency, or public utility, or for the  
33 establishment of through routes, joint fares, transfer of passengers,  
34 or pooling agreements.

35 105102. The district may, without limitation by any other  
36 provisions of this part requiring approval of indebtedness, accept  
37 contributions of money, grants, loans, rights-of-way, labor,  
38 materials, and any other property from the state or the United  
39 States, or any department, instrumentality, or agency thereof, or  
40 from any public agency for the acquisition, construction,



1 maintenance, and operation of rail transit facilities. The district  
 2 may, without limitation by any other provisions of this part, enter  
 3 into any contract and cooperate with and accept cooperation from  
 4 the state or the United States, or any department, instrumentality,  
 5 or agency thereof, or any public agency in the acquisition,  
 6 construction, maintenance, and operation of, and in financing the  
 7 acquisition, construction, maintenance, and operation of, any rail  
 8 transit facilities. The district may do any and all things necessary  
 9 in order to obtain the aid, assistance, and cooperation under any  
 10 federal or state legislation now or hereafter enacted. Any evidence  
 11 of indebtedness issued under this section shall constitute a  
 12 negotiable instrument.

13 105103. The rates and charges for rail transit service  
 14 furnished pursuant to this part shall be fixed by the board and shall  
 15 be reasonable.

16 105104. The district shall work with the North Coast Rail  
 17 Authority (NCRA), the Federal Railroad Administration (FRA)  
 18 Railroad Authority, the Federal Railroad Administration, and any  
 19 of its successor agencies, to achieve safe, efficient, and compatible  
 20 operations of both passenger rail and freight service along the rail  
 21 line in Sonoma and Marin Counties.

22 *105105. The district shall be responsible for any advance*  
 23 *payment of any portion of the North Coast Railroad Authority's*  
 24 *Q-Fund loan repayment obligation caused by the district's action.*  
 25 *Any amount advanced by the district shall be reimbursed by the*  
 26 *North Coast Railroad Authority at the time the North Coast*  
 27 *Railroad Authority's obligation to repay that portion of the*  
 28 *Q-Fund loan would otherwise become due.*

29

Article 5. Taxation

30

31  
 32 105115. Upon the affirmative vote of a majority of the  
 33 directors, which shall include an affirmative vote of at least three  
 34 directors from each county within the district appointed pursuant  
 35 to subdivisions (a), (b), (c), (d), (e), and (f) of Section 105020, the  
 36 board may by resolution submit to the voters of the district a  
 37 measure proposing a retail transactions and use tax ordinance in  
 38 accordance with the provisions of Part 1.6 (commencing with  
 39 Section 7251) of Division 2 of the Revenue and Taxation Code.

40



1 Article 6. Investments and Deposits

2  
3 105125. The district's investment of any surplus money in its  
4 treasury, including money in any sinking fund, shall be in  
5 accordance with Article 1 (commencing with Section 53600) of  
6 Chapter 4 of Part 1 of Division 2 of the Government Code.

7 105126. The district's deposit of district money shall be in  
8 accordance with Article 2 (commencing with Section 53630) of  
9 Chapter 4 of Part 1 of Division 2 of the Government Code.

10  
11 CHAPTER 5. PERSONNEL

12  
13 Article 1. Employee Relations

14  
15 105140. Except as otherwise provided in this article and in  
16 Article 2 (commencing with Section 105150), the determination  
17 of questions concerning employee representation and the conduct  
18 of employee-employer relations within the district shall be  
19 governed by the Meyers-Milias-Brown Act (Chapter 10  
20 (commencing with Section 3500) of Division 4 of Title 1 of the  
21 Government Code).

22 105141. Except as otherwise provided in Article 2  
23 (commencing with Section 105150), whenever a majority of the  
24 employees employed by the district in a unit appropriate for  
25 collective bargaining indicate a desire to be represented by a labor  
26 organization, and upon determining that the labor organization  
27 represents at least a majority of the employees in the appropriate  
28 unit, the board and the accredited representative of employees  
29 shall bargain in good faith and make all reasonable efforts to reach  
30 agreement on the terms of a written contract governing wages,  
31 hours, and other terms and conditions of employment within the  
32 scope of representation set forth in Section 3504 of the  
33 Government Code.

34 105142. (a) If, after a reasonable period of time,  
35 representatives of the district and the accredited representatives of  
36 the employees fail to reach agreement either on the terms of a  
37 written contract governing wages, hours, and other terms and  
38 conditions of employment or the interpretation or application of  
39 the terms of an existing contract, upon the agreement of both the

1 district and the representatives of the employees, the dispute may  
2 be submitted to an arbitration board.

3 (b) The arbitration board shall be composed of two  
4 representatives of the district and two representatives of the labor  
5 organization, and they shall endeavor to agree upon the selection  
6 of a fifth member. If they are unable to agree, the names of five  
7 persons experienced in labor arbitration shall be obtained from the  
8 State Conciliation Service. The labor organization and the district  
9 shall, alternately, strike a name from this list, and the name  
10 remaining after the labor organization and the district have  
11 stricken four names shall be designated as the fifth arbitrator and  
12 chairperson of the board of arbitration. The labor organization and  
13 the district shall determine by lot who shall first strike a name from  
14 the list. The decision of a majority of the arbitration board shall be  
15 final and binding upon the parties thereto.

16 (c) Each party shall be responsible for the expense of the  
17 presentation of its case. All other expenses of arbitration shall be  
18 borne equally by the parties and the expenses may include the  
19 making of a verbatim record of the proceedings and transcript of  
20 that record.

21 105143. The district may contract for management services  
22 with any public agency or person and may contract for operations  
23 and maintenance services with the district organized pursuant to  
24 Part 3 (commencing with Section 27000) of Division 16 of the  
25 Streets and Highways Code. However, the district may not  
26 contract out the performance of services performed by or fairly  
27 claimable by employees of a bargaining unit without the  
28 agreement of the accredited representative of that bargaining  
29 unit's employees.

30

31 Article 2. Transfer of Collective Bargaining Rights

32

33 105150. The Legislature hereby finds and declares that the  
34 creation of the district may adversely affect the collective  
35 bargaining rights, wages, benefits, and employment opportunities  
36 of employees of the district organized pursuant to Part 3  
37 (commencing with Section 27000) of Division 16 of the Streets  
38 and Highways Code.

39



1 105151. Notwithstanding the provisions of Article 1  
2 (commencing with Section 105140), in order to protect and  
3 preserve the collective bargaining rights of employees of the  
4 district organized pursuant to Part 3 (commencing with Section  
5 27000) of Division 16 of the Streets and Highways Code, whose  
6 employment opportunities may be adversely affected by the  
7 adoption and implementation of this division, upon the district's  
8 decision to commence rail service, the district shall establish at  
9 least three collective bargaining units comprised of the following:

- 10 (a) A transportation operators collective bargaining unit.
- 11 (b) A transportation maintenance collective bargaining unit.
- 12 (c) A transportation dispatch and equipment servicing  
13 collective bargaining unit.

14 For purposes of this section, the district's decision to commence  
15 rail service shall be effected by the district's adoption of a  
16 resolution that confirms that sufficient financing exists to  
17 undertake rail service and declares the intention of the district to  
18 take all reasonable and necessary steps to commence rail service.

19 105152. For a period of four years, commencing with the  
20 district's decision to commence rail service as provided in Section  
21 105151, or until the expiration of the current collective bargaining  
22 agreement, whichever is later, employees of the district organized  
23 pursuant to Part 3 (commencing with Section 27000) of Division  
24 16 of the Streets and Highways Code, who are employed by that  
25 district in classifications assigned to the same or similar collective  
26 bargaining units as those set out in Section 105151, shall be given  
27 priority of employment within the collective bargaining units set  
28 forth in Section 105151. Any dispute arising over the appropriate  
29 placement within a collective bargaining unit or over any  
30 assignment of classifications made by the district to a bargaining  
31 unit set forth in Section 105151 shall be resolved by the Public  
32 Employee Relations Board. Any determination of the Public  
33 Employee Relations Board shall be consistent with the intent of  
34 this section.

35 105153. The district shall recognize and bargain with, as the  
36 accredited representative of the employees within the collective  
37 bargaining units set forth in Section 105151, the accredited  
38 collective bargaining representatives that represent the same or  
39 similar bargaining units within the district organized pursuant to  
40 Part 3 (commencing with Section 27000) of Division 16 of the



1 Streets and Highways Code. This recognition shall be maintained  
2 unless changed by mutual agreement of the district and the affected  
3 collective bargaining representative or the representative is  
4 decertified in accordance with the rules and procedures of the  
5 Public Employee Relations Board for the certification and  
6 decertification of employee representatives.

7 105154. Employees of the district organized pursuant to Part  
8 3 (commencing with Section 27000) of Division 16 of the Streets  
9 and Highways Code who transfer to the district and into a  
10 collective bargaining unit set forth in Section 105151, shall be  
11 credited with any accrued seniority earned at the district from  
12 which they have transferred, and shall not suffer a loss in their rate  
13 of wages, pension benefits, pension accrual rights, health benefits,  
14 retiree health benefits, vacation accrual, or other seniority-based  
15 benefits, such as job bidding and transfer rights, as a result of their  
16 transfer to the district.

17 105155. To facilitate implementation of the employee rights  
18 enumerated in this section, the district and the district organized  
19 pursuant to Part 3 (commencing with Section 27000) of Division  
20 16 of the Streets and Highways Code may engage in joint  
21 collective bargaining with the accredited representatives of the  
22 collective bargaining units set forth in Section 105151 and the  
23 same or similar collective bargaining units within the district  
24 organized pursuant to Part 3 (commencing with Section 27000) of  
25 Division 16 of the Streets and Highways Code to establish uniform  
26 wages, health benefits, pension benefits, and other uniform terms  
27 and conditions of employment. To maintain continuity of pension  
28 benefits, the district shall have the right to appoint at least one  
29 representative to any joint labor-management retirement board  
30 that administers a retirement plan in which employees of the  
31 district and employees of the district organized pursuant to Part 3  
32 (commencing with Section 27000) of Division 16 of the Streets  
33 and Highways Code are participants, provided that an equal  
34 number of employer and employee representatives on the  
35 retirement board is maintained. In addition, the district shall enter  
36 into a reciprocity agreement through the Public Employees'  
37 Retirement System (PERS) which recognizes PERS service with  
38 the district organized pursuant to Part 3 (commencing with Section  
39 27000) of Division 16 of the Streets and Highways Code of any  
40 district employee employed in a collective bargaining unit set forth



1 in Section 105151 whose members' pensions are provided through  
2 PERS.

3

4 Article 3. Rights of Employees of Existing Facilities

5

6 105160. (a) Whenever the district acquires existing facilities  
7 from a publicly or privately owned utility, either in proceedings by  
8 eminent domain or otherwise, to the extent necessary for operation  
9 of facilities, all of the employees of the utility whose duties pertain  
10 to the facilities acquired who have been employed by the utility for  
11 at least 75 days shall be appointed to comparable positions in the  
12 district without examination. These employees shall be given sick  
13 leave, seniority, and vacation credits in accordance with the  
14 records of the acquired public utility. No employee of any acquired  
15 public utility shall suffer any worsening of wages, seniority,  
16 pension, vacation, or other benefits by reason of the acquisition.

17 (b) The provisions of this section shall not apply to officers or  
18 managerial employees of the acquired utility except as designated  
19 by the board.

20 105161. Whenever the district acquires existing facilities  
21 from a publicly or privately owned utility, either in proceedings in  
22 eminent domain or otherwise, that has a pension plan in operation,  
23 members and beneficiaries of the pension plan shall continue to  
24 have the rights, privileges, benefits, obligations, and status with  
25 respect to the established system. The outstanding obligations and  
26 liabilities of the public utility by reason of that pension plan shall  
27 be considered and taken into account and allowance made therefor  
28 in the purchase price of the public utility. The persons entitled to  
29 pension benefits as provided in this section and the benefits that are  
30 provided shall be specified in the agreement or order by which any  
31 public utility is acquired by the district.

32

33 Article 4. Retirement System

34

35 105170. The adoption, terms, and conditions of any  
36 retirement system covering employees of the district in a  
37 bargaining unit represented by a labor organization shall be  
38 pursuant to a collective bargaining agreement between the labor  
39 organization and the district. For purposes of this section,  
40 "officers" does not include members of the board.



1 105171. The board may contract with the Board of  
2 Administration of the Public Employees' Retirement System or  
3 with a retirement system maintained pursuant to the County  
4 Employees Retirement Law of 1937 and enter all, or any portion,  
5 of its employees under either of those systems. Employees of the  
6 district in a bargaining unit that is represented by a labor  
7 organization shall not be included in the contract except as  
8 authorized by a collective bargaining agreement.

9 105172. All persons receiving pension benefits from an  
10 acquired public utility, and all persons entitled to pension benefits  
11 under any pension plan of the acquired public utility, may become  
12 members or receive pensions under a pension plan established by  
13 the district by mutual agreement of those persons and the district.  
14 The agreement may provide for the waiver of all rights, privileges,  
15 benefits, and status with respect to the pension plan of the acquired  
16 public utility.

17  
18 Article 5. Other Benefits  
19

20 105180. The district shall obtain coverage for the district and  
21 its employees under Title II of the federal Social Security Act, as  
22 amended, (42 U.S.C. Sec. 401 et seq.) and the related provisions  
23 of the Federal Contributions Act, as amended (26 U.S.C. Sec. 3101  
24 et seq.).

25 105181. The district shall obtain coverage for the district and  
26 its employees under the workers' compensation, unemployment  
27 compensation, and disability and unemployment insurance laws  
28 of this state.

29  
30 CHAPTER 6. BONDS AND OTHER EVIDENCE OF INDEBTEDNESS  
31

32 Article 1. Authorization and Issuance of General Obligation  
33 Bonds  
34

35 105200. Whenever the board deems it necessary for the  
36 district to incur a bonded indebtedness for the acquisition or  
37 improvement of real property authorized by this part or necessary  
38 or convenient for the carrying out of the powers of the district, the  
39 board shall, by ordinance, adopted by a vote of two-thirds of all  
40 members of the board, so declare and call an election to be held in



1 the district for the purpose of submitting to the qualified voters  
2 thereof the proposition of incurring indebtedness by the issuance  
3 of bonds of the district, provided the total amount of bonds issued  
4 and outstanding pursuant to this article shall not exceed 15 percent  
5 of the assessed value of the taxable property of the district as  
6 shown by the last equalized assessment roll of the counties within  
7 the district. The ordinance shall state:

8 (a) The purposes for which the proposed debt is to be incurred,  
9 which may include all costs and estimated costs incidental to or  
10 connected with the accomplishment of those purposes, including,  
11 without limitation, engineering, inspection, legal, fiscal agents,  
12 financial consultant, and other fees; bond and other reserve funds;  
13 working capital; bond interest estimated to accrue during the  
14 construction period and for a period not to exceed three years  
15 thereafter; and expenses of all proceedings for the authorization,  
16 issuance, and sale of the bonds.

17 (b) The estimated cost of accomplishing those purposes.

18 (c) The amount of the principal of the indebtedness.

19 (d) The maximum term the bonds proposed to be issued shall  
20 run before maturity, which shall not exceed 50 years from the date  
21 thereof or the date of each series thereof.

22 (e) The maximum rate of interest to be paid, which shall not  
23 exceed 7 percent per annum.

24 (f) The proposition to be submitted to the voters, which may  
25 include one or more purposes.

26 (g) The date of the election.

27 (h) The manner of holding the election and the procedure for  
28 voting for or against the measure.

29 (i) The ordinance may also contain any other matters  
30 authorized by this part or any other law.

31 105201. Notice of holding of the election shall be given by  
32 publishing, pursuant to Section 6066 of the Government Code, the  
33 ordinance calling the election in at least one newspaper published  
34 in the district. No other notice of the election need be given. Except  
35 as otherwise provided in the ordinance, the election shall be  
36 conducted as other district elections.

37 105202. If any proposition is defeated by the electors, the  
38 board shall not call another election on a substantially similar  
39 proposition to be held within six months after the prior election.  
40 If a petition requesting submission of this type of a proposition,



1 signed by 15 percent of the district electors, as shown by the votes  
2 cast for all candidates for governor within the district at the last  
3 gubernatorial election, is filed with the board, the board may call  
4 an election before the expiration of six months.

5 105203. If two-thirds of the electors voting on the proposition  
6 vote for it, then the board may, by resolution, at the time or times  
7 it deems proper, issue bonds of the district for the whole or any part  
8 of the amount of the indebtedness so authorized and may from time  
9 to time, by resolution, provide for the issuance of any necessary  
10 amounts, until the full amount of the bonds authorized shall have  
11 been issued. The full amount of bonds may be divided into two or  
12 more series and different dates and different dates of payment  
13 fixed for the bonds of each series. A bond need not mature on an  
14 anniversary of its date. The maximum term the bonds of any series  
15 shall run before maturity shall not exceed 50 years from the date  
16 of each series respectively. In the resolution or resolutions, the  
17 board shall prescribe the form of the bonds (including, without  
18 limitation, registered bonds and coupon bonds) and the form of  
19 any coupons to be attached thereto, the registration, conversion,  
20 and exchange privileges, if any, pertaining thereto, and fix the time  
21 when the whole or any part of the principal shall become due and  
22 payable.

23 105204. The bonds shall bear interest at a rate or rates not  
24 exceeding 7 percent per annum, payable semiannually, except that  
25 the first interest payable on the bonds or any series thereof may be  
26 for any period not exceeding one year as determined by the board.  
27 In the resolution or resolutions providing for the issuance of the  
28 bonds, the board may also provide for call and redemption of the  
29 bonds prior to maturity at the times and prices and upon any other  
30 terms it may specify, but no bond shall be subject to call or  
31 redemption prior to maturity unless it contains a recital to that  
32 effect or unless a statement to that effect is printed thereon. The  
33 denomination or denominations of the bonds shall be stated in the  
34 resolution providing for their issuance, but shall not be less than  
35 one thousand dollars (\$1,000). The principal of and interest on the  
36 bonds shall be payable in lawful money of the United States at the  
37 office of the treasurer of the district or at any other place or places  
38 that may be designated, or at either place or places at the option of  
39 the holders of the bonds. The bonds, or series thereof, shall be  
40 dated and numbered consecutively and shall be signed by the



1 chairperson of the board and the treasurer, countersigned by the  
2 secretary and the official seal of the district attached. The interest  
3 coupons of the bonds shall be signed by the treasurer. All  
4 signatures, countersignatures, and seal may be printed,  
5 lithographed, or mechanically reproduced, except that one of the  
6 signatures or countersignatures on the bonds shall be manually  
7 affixed. If any officer whose signature or countersignature appears  
8 on bonds or coupons ceases to be an officer before the delivery of  
9 the bonds, his or her signature is as effective as if he or she had  
10 remained in office.

11 105205. The bonds may be sold as the board determines by  
12 resolution but for not less than par. Before selling the bonds or any  
13 part thereof, the board shall give notice inviting sealed bids in a  
14 manner as it may prescribe. If satisfactory bids are received, the  
15 bonds offered for sale shall be awarded to the highest responsible  
16 bidder. If no bids are received or if the board determines that the  
17 bids received are not satisfactory as to price or responsibility of the  
18 bidders, the board may reject all bids received, if any, and either  
19 readvertise or sell the bonds at private sale.

20 105206. Delivery of any bonds may be made at any place  
21 either inside or outside the state, and the purchase price may be  
22 received in cash or bank credits.

23 105207. All accrued interest and premiums received on the  
24 sale of bonds shall be placed in the fund to be used for the payment  
25 of principal of and interest on the bonds and the remainder of the  
26 proceeds of the bonds shall be placed in the treasury to the credit  
27 of the proper improvement fund and applied exclusively to the  
28 purposes for which the debt was incurred; provided, however, that  
29 when those purposes have been accomplished any moneys  
30 remaining in the improvement fund (a) shall be transferred to the  
31 fund to be used for the payment of principal of and interest on the  
32 bonds, or (b) shall be placed in a fund to be used for the purchase  
33 of outstanding bonds of the district from time to time in the open  
34 market at the prices and in the manner, either at public or private  
35 sale or otherwise, as the board may determine. Bonds so purchased  
36 shall be canceled immediately.

37 105208. After the expiration of three years after a bond  
38 election the board may determine, by ordinance adopted by a vote  
39 of two-thirds of all the members of the board, that any or all of the  
40 bonds authorized at the election remaining unsold shall not be



1 issued or sold. When the ordinance takes effect, the authorization  
2 to issue these bonds shall become void.

3 105209. Whenever the board deems that the expenditure of  
4 money for the purposes for which the bonds were authorized by the  
5 voters is impractical or unwise, it may, by ordinance adopted by  
6 a vote of two-thirds of all members of the board, so declare and call  
7 an election to be held in the district for the purpose of submitting  
8 to the qualified voters thereof the proposition of incurring  
9 indebtedness by the issuance of these bonds for some other  
10 purposes or, in the case where bonds have been sold, the  
11 proposition to use the proceeds for some other purposes. The  
12 procedure, so far as applicable, shall be the same as when a bond  
13 proposition is originally submitted.

14 105210. The board may provide for the issuance, sale, or  
15 exchange of refunding bonds to redeem or retire any bonds issued  
16 by the district upon the terms, at the times, and in the manner which  
17 it determines. Refunding bonds may be issued in a principal  
18 amount sufficient to pay all or any part of the principal of the  
19 outstanding bonds, the interest thereon, and the premiums, if any,  
20 due upon call and redemption thereof prior to maturity and all  
21 expenses of the refunding. The provisions of this article for  
22 issuance and sale of bonds apply to the issuance and sale of the  
23 refunding bonds, except that (a) no election need be called or held  
24 for the purpose of authorizing the issuance of refunding bonds, and  
25 (b) when refunding bonds are to be exchanged for outstanding  
26 bonds, the method of exchange shall be determined by the board.

27 105211. The provisions of Article 4 (commencing with  
28 Section 53500) of Chapter 3 of Part 1 of Division 2 of Title 5 of  
29 the Government Code are applicable to the district.

30 105212. Any bonds that are issued under the provisions of this  
31 article shall be legal investment for all trust funds; for the funds of  
32 insurance companies, banks, both commercial and savings, and  
33 trust companies; and for state school funds. Whenever any money  
34 or funds may, by any law now or hereafter enacted, be invested in  
35 bonds of cities, cities and counties, counties, school districts, or  
36 other districts within the state, the money or funds may be invested  
37 in the bonds issued under this part. Whenever bonds of cities, cities  
38 and counties, counties, school districts, or other districts within  
39 this state may, by any law now or hereafter enacted, be used as  
40 security for the performance of any act or the deposit of any public



1 moneys, the bonds issued under this part may be so used. The  
2 provisions of this article shall be in addition to all other laws  
3 relating to legal investments and shall be controlling as the latest  
4 expression of the Legislature with respect thereto.

5 105213. The board may enter into any covenants deemed  
6 proper to provide for issuance of additional parity bonds and the  
7 priority and pledge of special taxes; and any other covenants that  
8 are customary or desirable in the issuance of any bonds payable out  
9 of special funds or that are necessary, convenient, or desirable to  
10 secure the bonds or tending to make them more marketable,  
11 subject to the provisions of the ordinance calling the bond election.  
12

13 Article 2. Revenue Bonds  
14

15 105220. The district may issue bonds, payable from revenue  
16 of any facility or enterprise to be acquired or constructed by the  
17 district, in the manner provided by the Revenue Bond Law of 1941  
18 (Chapter 6 (commencing with Section 54300) of Part 1 of Division  
19 2 of Title 5 of the Government Code), all of the provisions of which  
20 are applicable to the district, except that Article 3 (commencing  
21 with Section 54380) of Chapter 6 of Part 1 of Division 2 of Title  
22 5 of the Government Code and the limitations set forth in  
23 subdivision (b) of Section 54402 and in Sections 54403 and 54418  
24 of the Government Code do not apply to the issuance and sale of  
25 bonds pursuant to this article. As used in Section 54315 of the  
26 Government Code, “revenues” shall include, but not be limited to,  
27 the proceeds of, or any portion of the proceeds of, a sales and use  
28 tax imposed under Article 5 (commencing with Section ~~105125~~)  
29 *105115*) of Chapter 4 or under any other provisions of law, so long  
30 as the resolution authorizing the bonds contains no restriction that  
31 would provide that this tax shall not continue to be imposed until  
32 the bonds are fully paid or a provision has been made for their  
33 payment in full.

34 105221. The district is a local agency within the meaning of  
35 the Revenue Bond Law of 1941, Chapter 6 (commencing with  
36 Section 54300) of Part 1 of Division 2 of Title 5 of the Government  
37 Code. The term “enterprise” as used in the Revenue Bond Law of  
38 1941 shall, for all purposes of this part, include the system or any  
39 or all rail transit facilities and all additions, extensions, and  
40 improvements thereto authorized to be acquired, constructed, or



1 completed by the district. The district may issue revenue bonds  
 2 under the Revenue Bond Law of 1941, for any one or more rail  
 3 transit facilities authorized to be acquired, constructed, or  
 4 completed by the district or, in the alternative, may issue revenue  
 5 bonds under the Revenue Bond Law of 1941, for the acquisition,  
 6 construction, and completion of any rail transit facilities. Nothing  
 7 in this article shall prevent the district from availing itself of, or  
 8 making use of, any procedure provided in this part for the issuance  
 9 of bonds of any type or character for any of the rail transit facilities  
 10 authorized hereunder, and all proceedings may be carried on  
 11 simultaneously or, in the alternative, as the board may determine.

12

Article 3. Equipment Trust Certificates

13

14  
 15 105230. The district shall have power to purchase rail transit  
 16 equipment such as cars or rolling equipment; and may execute  
 17 agreements, leases, and equipment trust certificates in the forms  
 18 customarily used by private corporations engaged in the rail transit  
 19 business appropriate to effect purchase and leasing of rail transit  
 20 equipment and may dispose of the equipment trust certificates  
 21 upon the terms and conditions the board deems appropriate.  
 22 Payment for the equipment, or rentals therefor, may be made in  
 23 installments, and the deferred installments may be evidenced by  
 24 equipment trust certificates payable from any source or sources of  
 25 funds specified in the certificates that are or will be legally  
 26 available to the district. Title to the equipment shall not rest in the  
 27 district until the equipment trust certificates are paid.

28 105231. The agreement to purchase or lease may direct the  
 29 vendor or lessor to sell and assign or lease the rolling equipment  
 30 to a bank or trust company duly authorized to transact business in  
 31 the state as trustee, for the benefit and security of the equipment  
 32 trust certificates and may direct the trustee to deliver the rolling  
 33 equipment to one or more designated officers of the district and  
 34 may authorize the district to execute and deliver simultaneously  
 35 therewith an installment purchase agreement or a lease of the  
 36 equipment to the district.

37 105232. The agreements and leases shall be duly  
 38 acknowledged before a person authorized by law to take  
 39 acknowledgments of deeds and in the form required for  
 40 acknowledgment of deeds. The agreements, leases, and equipment



1 trust certificates shall be authorized by resolution of the district  
2 and shall contain the covenants, conditions, and provisions  
3 deemed necessary or appropriate to insure the payment of the  
4 equipment trust certificates from legally available sources of funds  
5 specified in the certificates.

6 105233. The covenants, conditions, and provisions of the  
7 agreements, leases, and equipment trust certificates shall not  
8 conflict with any of the provisions of any trust agreement securing  
9 the payment of bonds, notes, or certificates of the district.

10

11 Article 4. Improvement Acts and Special Benefit Districts

12

13 105240. The Improvement Act of 1911 (Part 1 (commencing  
14 with Section 5000) of Division 7 of the Streets and Highways  
15 Code), the Municipal Improvement Act of 1913 (Chapter 1  
16 (commencing with Section 10000) of Division 12 of the Streets  
17 and Highways Code), and the Improvement Bond Act of 1915  
18 (Part 1 (commencing with Section 8500) of Division 10 of the  
19 Streets and Highways Code) are applicable to the district.

20 105241. The provisions of Chapter 1 (commencing with  
21 Section 99000) of Part 11 of Division 10 of the Public Utilities  
22 Code are applicable to the district.

23

24 Article 5. Temporary Borrowing

25

26 105250. The district may borrow money in accordance with  
27 the provisions of Article 7 (commencing with Section 53820), or  
28 of Article 7.6 (commencing with Section 53850) of Chapter 4 of  
29 Part 1 of Division 2 of Title 5 of the Government Code.

30 105251. The district may borrow money in anticipation of the  
31 sale of bonds that have been authorized to be issued, but have not  
32 been sold and delivered, and may issue negotiable bond  
33 anticipation notes therefor and may renew the same from time to  
34 time. The maximum maturity of those notes, including the  
35 renewals thereof, shall not exceed five years from the date of  
36 delivery of the original notes. The notes may be paid from any  
37 moneys of the district available therefor and not otherwise  
38 pledged. If not previously otherwise paid, the notes shall be paid  
39 from the proceeds of the next sale of the bonds of the district in  
40 anticipation of which they were issued. The notes shall not be



1 issued in any amount in excess of the aggregate amount of bonds  
 2 which the district has been authorized to issue, less the amount of  
 3 any bonds of that authorized issue previously sold, and also less the  
 4 amount of other bond anticipation notes therefor issued and then  
 5 outstanding. The notes shall be issued and sold in the same manner  
 6 as the bonds. The notes and the resolution or resolutions  
 7 authorizing them may contain any provisions, conditions, or  
 8 limitations that a resolution of the district authorizing the issuance  
 9 of bonds may contain.

10

Article 6. Miscellaneous

11

12  
 13 105260. The district may bring an action to determine the  
 14 validity of any of its bonds, equipment trust certificates, warrants,  
 15 notes, or other evidences of indebtedness pursuant to Chapter 9  
 16 (commencing with Section 860) of Title 10 of Part 2 of the Code  
 17 of Civil Procedure.

18 105261. All bonds and other evidences of indebtedness issued  
 19 by the district under the provisions of this part, and the interest  
 20 thereon, are free and exempt from all taxation within the state,  
 21 except for transfer, franchise, inheritance, and estate taxes.

22 105262. Notwithstanding any other provisions of this part or  
 23 any other law, the provisions of all ordinances, resolutions, and  
 24 other proceedings in the issuance by the district of any bonds,  
 25 bonds with a pledge of revenues, bonds for improvement districts,  
 26 revenue bonds, equipment trust certificates, notes, or any and all  
 27 evidences of indebtedness or liability shall constitute a contract  
 28 between the district and the holders of the bonds, equipment trust  
 29 certificates, notes, or evidences of indebtedness or liability and the  
 30 provisions thereof shall be enforceable against the district, or any  
 31 or all of its successors or assigns, by mandamus or any other  
 32 appropriate suit, action, or proceeding in law or in equity in any  
 33 court of competent jurisdiction. Nothing contained in this part or  
 34 in any other law shall be held to relieve the district or the territory  
 35 included within it from any bonded or other debt or liability  
 36 contracted by the district. Upon dissolution of the district or upon  
 37 withdrawal of territory therefrom, the property formerly included  
 38 within the district or withdrawn therefrom shall continue to be  
 39 liable for the payment of all bonded and other indebtedness or  
 40 liabilities outstanding at the time of the dissolution or withdrawal



1 the same as if the district had not been so dissolved or the territory  
2 withdrawn therefrom, and it shall be the duty of the successors or  
3 assigns to provide for the payment of the bonded and other  
4 indebtedness and liabilities. Except as may be otherwise provided  
5 in the proceedings for the authorization, issuance, and sale of any  
6 revenue bonds, bonds secured by a pledge of revenues or bonds for  
7 improvement districts secured by a pledge of revenues, revenues  
8 of any kind or nature derived from any revenue-producing  
9 improvements, works, facilities, or property owned, operated or  
10 controlled by the district shall be pledged, charged, assigned, and  
11 have a lien thereon for the payment of the bonds as long as they are  
12 outstanding, regardless of any change in ownership, operation, or  
13 control of those revenue-producing improvements, works,  
14 facilities, or property and it shall, in such later event or events, be  
15 the duty of the successors or assigns to continue to maintain and  
16 operate the revenue-producing improvements, works, facilities, or  
17 property as long as bonds are outstanding.

18

19

CHAPTER 7. ANNEXATION

20

21 105280. Territory may be annexed to the district in the manner  
22 provided in this chapter.

23 105281. A county contiguous to the district may, by majority  
24 vote of the board of supervisors of that county, petition the district  
25 to annex all or part of the territory within the county. Alternatively,  
26 the board of the district may propose annexation of any territory  
27 contiguous to the district.

28 105282. If annexation is proposed pursuant to Section  
29 105281, the board shall determine whether the additional territory  
30 proposed to be annexed will be benefited by annexation to the  
31 district, and shall pass a resolution to that effect. The resolution  
32 shall be passed by a vote of two-thirds of the members of the board  
33 and be approved by the board of supervisors of the county in which  
34 the territory is situated.

35 105283. The board of supervisors of the county in which the  
36 territory to be annexed is situated shall agree in writing with the  
37 board of directors of the district upon the terms and conditions of  
38 annexation. The agreement may provide for the levy and  
39 collection of special taxes within the county in addition to the taxes  
40 elsewhere provided for in this part, the fixing of rates, rentals, and



1 charges differing from those fixed or existing elsewhere within the  
2 district, the incurring or assumption of indebtedness, the making  
3 of a payment or payments, or the transfer of property, real and  
4 personal, and other assets to the district by the county.

5 105284. The resolution shall:

6 (a) Describe the boundaries of the territory proposed to be  
7 annexed.

8 (b) Designate the proposed annexation by an appropriate name.

9 (c) Declare that the area to be annexed to the district will be  
10 benefited by annexation.

11 (d) Name the time and place for the hearing of objections by  
12 any person interested in the proposed annexation.

13 (e) Describe any terms and conditions of annexation agreed to  
14 between the district and the county pursuant to Section 105283.

15 105285. The resolution, together with the names of the  
16 members of the board voting for and against it, shall be published  
17 pursuant to Section 6066 of the Government Code in a newspaper  
18 published in the territory proposed to be annexed, or if there is no  
19 paper, then in some newspaper of general circulation, circulated in  
20 the territory.

21 105286. On the day fixed for hearing or on any day to which  
22 the hearing is adjourned, the board shall hear and consider any  
23 objections presented to the annexation of the territory. After the  
24 hearing of objections, if it is determined by a vote of two-thirds of  
25 all the members of the board that the territory proposed to be  
26 annexed will be benefited by annexation, the board shall proceed  
27 to fix and determine the boundaries of the territory to be annexed  
28 to the district.

29 105287. After making all necessary and proper changes in the  
30 boundaries, by a resolution passed by a vote of two-thirds of the  
31 members, the board shall order the annexation of the territory so  
32 described. The resolution, together with the names of the members  
33 of the board voting for and against the same shall be set forth in the  
34 minutes of the board.

35 105288. Whenever any territory is annexed to the district it  
36 shall thereupon become a part of the district subject to all the  
37 liabilities and entitled to all the benefits of the district.

38



CHAPTER 8. SERVICE ZONES

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105300. One or more service zones to provide different levels of service, to provide different facilities or other improvements, or to raise additional revenues within specific areas of the district, may be created within the boundaries of the district. A service zone may consist of one or more cities, with or without unincorporated territory, or unincorporated territory alone.

105301. (a) Proceedings for the creation of a service zone may be initiated by resolution of the legislative body or bodies of the city or cities proposed to be included in the service zone, and if unincorporated territory is proposed to be included in the service zone, by resolution of the board or boards of supervisors of the county or counties in which the unincorporated territory is situated.

(b) The resolution or resolutions shall declare that the public interest or necessity demands the creation of a service zone, shall describe its boundaries, and shall request the formation of the service zone.

(c) When the entire area of a public agency is to be included in the service zone, it may be described by name.

(d) Certified copies of the resolution or resolutions shall be filed with the secretary of the district.

105302. (a) As an alternative to the initiation of proceedings for the formation of a service zone by resolution or resolutions, a petition may be filed with the secretary of the district signed by voters equal in number to at least 25 percent of the registered voters registered within the proposed service zone as determined from the affidavits of registration. The boundaries of the proposed service zone shall be described in the petition. When the entire area of a public agency is to be included in the service zone, it may be described by name.

(b) The petition shall declare that the public interest or necessity demands the creation of a service zone within the area of the district described in the petition. The petition may include one or more separate documents, but each document shall contain the affidavit of the party who circulated it, certifying that each name signed thereto is the true signature of the person whose name it purports to be.



1 105303. The secretary of the district shall compare the  
2 signatures in the petition with the affidavits of registration on file  
3 with the county clerk, and he or she shall certify to the board as to  
4 the sufficiency or insufficiency of the petition.

5 105304. (a) Within 30 days after receipt of the resolution or  
6 resolutions of the legislative body or bodies or receipt of the  
7 certification of the sufficiency of a petition by the secretary of the  
8 district, the board shall initiate proceedings for the formation of a  
9 new service zone by adopting a resolution that does all of the  
10 following:

11 (1) States that formation of a service zone has been initiated  
12 pursuant to either Section 105301 or 105302.

13 (2) Sets forth a description of the boundaries of the territory to  
14 be included in the service zone.

15 (3) States the different services, different levels of service, or  
16 additional revenues that the service zone will provide.

17 (4) Sets forth the methods by which those services or levels of  
18 service will be financed.

19 (5) States the reasons for forming the service zone.

20 (6) Proposes a name or number for the service zone.

21 (7) Fixes the date, time, and place for the public hearing  
22 regarding the formation of the service zone.

23 (b) The district shall publish notice of the hearing, including  
24 the information required by subdivision (a), pursuant to Section  
25 6061 of the Government Code, in one or more newspapers of  
26 general circulation in the district. The district shall mail the notice  
27 to all owners of property within the proposed service zone. The  
28 district shall post the notice in at least three public places within  
29 the territory of the proposed service zone.

30 (c) At the hearing, the board shall hear and consider any  
31 protests to the formation of the service zone. At the conclusion of  
32 the hearing, the board may adopt a resolution ordering the  
33 formation of the service zone.

34 105305. The board may change the boundaries of a service  
35 zone or dissolve a zone by following the procedures in Section  
36 ~~105300~~ 105301.

37 105306. A local agency formation commission shall have no  
38 power or duty to review and approve or disapprove a proposal to  
39 create a service zone, a proposal to change the boundaries of a  
40 zone, or a proposal to dissolve a zone.



1 105307. As determined by the board, a service zone may  
2 provide any service at any level within its boundaries that the  
3 district may provide.

4 105308. As determined by the board and pursuant to the  
5 requirements of this part, a service zone may exercise any fiscal  
6 powers within its boundaries that the district may exercise.

7 105309. Any taxes, special taxes, assessments, or fees which  
8 are intended solely for the support of services within a zone shall  
9 be levied, assessed, and collected only within the boundaries of the  
10 zone.

11 105310. To assist in the operation of a service zone, the board  
12 may appoint one or more advisory groups composed of persons  
13 who reside in or own property in the zone.

14

15 CHAPTER 9. DISSOLUTION

16

17 105330. If the district operates no rail transit facilities, the  
18 board may call an election at any time for the purpose of  
19 submitting to the voters of the district the question of whether the  
20 district shall be dissolved. Upon the filing with the secretary of the  
21 district of a petition signed by voters within the district equal in  
22 number to at least 25 percent of the total vote cast at the last general  
23 statewide election, asking that the question of dissolution of the  
24 district be submitted to the voters of the district, the board shall call  
25 the election.

26 105331. The election for the purpose of submitting to the  
27 voters of the district the question of whether or not the district shall  
28 be dissolved shall be held within 60 days following the date on  
29 which the petition is filed.

30 105332. Notice of any election for dissolution, whether called  
31 because of the filing of a petition or ordered by the board without  
32 petition, shall be published. The date fixed for the election shall not  
33 be less than 30 days from the date of the first publication of the  
34 notice.

35 105333. The ballots for the election shall contain  
36 substantially the instructions required to be printed on ballots for  
37 use at general state and county elections and, in addition, the  
38 following:

39



1	Shall the Sonoma-Marín Area Rail Transit District be dissolved?	YES	
2		NO	

3  
4  
5  
6 105334. The board shall canvass the vote. If a majority of the  
7 votes favor dissolution, the board shall by resolution dissolve the  
8 district.

9 105335. The board shall file a certified copy of the resolution  
10 with the Secretary of State and for record in the office of the county  
11 recorder of the Counties of Marin and Sonoma and any other  
12 county in which territory of the district is situated.

13 105336. Upon dissolution, the right, title, and interest to any  
14 property owned or controlled by the district which was acquired  
15 by the district from the Golden Gate Bridge, Highway and  
16 Transportation District shall be returned to the Golden Gate  
17 Bridge, Highway and Transportation District or disposed of as  
18 designated by the Golden Gate Bridge, Highway and  
19 ~~Transportation District. The right, title, and interest to any~~  
20 ~~remaining property vests in the county in which it is situated.~~  
21 *Transportation District. It is the intent of the Legislature that any*  
22 *remaining property continue to be held in public ownership. A*  
23 *joint powers agency, members of which may include the Counties*  
24 *of Marin and Sonoma, the North Coast Railroad Authority, and the*  
25 *Golden Gate Bridge, Highway, and Transportation District, may*  
26 *be formed to hold title to the remaining district property. If a joint*  
27 *powers agency cannot be formed, the district, in consultation with*  
28 *the Counties of Marin, Sonoma, Humboldt, and Mendocino, and*  
29 *the Golden Gate Bridge, Highway, and Transportation District,*  
30 *shall make a recommendation to the Legislature regarding an*  
31 *appropriate disposition of the property.*

32 105337. The board shall wind up the affairs of the district.

