



County of Monterey

Item No.60

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: 25-231

April 15, 2025

Introduced: 4/1/2025

Current Status: General Government -
Consent

Version: 1

Matter Type: General Agenda Item

Approve a recommendation from the Legislative Committee to adopt a support position on AB 761 (Addis) Monterey Salinas Transit District: sales and special taxes.

RECOMMENDATION:

It is recommended that the Board of Supervisors approve a recommendation from the Legislative Committee to adopt a support position on AB 761 (Addis) Monterey Salinas Transit District: sales and special taxes.

SUMMARY:

Assemblymember Dawn Addis has introduced legislation, AB 761 (Addis) Monterey Salinas Transit District: sales and special taxes (also titled: "Accessible Transit for Monterey County").

The legislation is sponsored by Monterey Salinas Transit (MST). MST requested that the County of Monterey submit a support letter on AB 761. The matter was heard by the Legislative Committee on March 10, 2025, and the Legislative Committee recommended that the Board of Supervisors adopt a support position on this measure.

DISCUSSION:

In 2009, AB 644 (Caballero) established MST, which includes the Cities of Carmel, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, and Soledad and the County of Monterey. The district is governed by a board of directors, with a representative from each member jurisdiction. MST is one of the largest transit districts in the state that does not fund its general operations through a sales tax.

In November 2014, Monterey County voters approved Measure Q, the countywide 1/8-cent sales tax measure for public transit. Measure Q funds transportation services and equipment for veterans, senior citizens, and people with disabilities. Since 2015, Measure Q has generated approximately \$7 million annually. Measure Q is set to expire in 2030 unless it is renewed by the voters, or a new measure comes forward to replace the lost revenue.

The MST Board may also want to submit an additional 1/8-cent sales tax to the voters to support additional transit operations and capital needs. However, state law caps local sales taxes at a combined 2% per county. If the MST Board chose to add an additional 1/8-cent to the sales tax measure, it could push some cities in Monterey County close to or over the local sales tax limit.

AB 761 authorizes MST's Board of Directors to submit a measure to extend MST's existing 1/8-cent sales tax for transit operations for senior citizens, veterans, and people with disabilities to the voters of

Monterey County. It would also authorize the MST Board to propose an additional 1/8-cent sales tax to support other transit operations and capital needs, limiting the total sales tax to 1/4-cent. Any measure put forward by MST would require a 2/3 approval by the voters of Monterey County.

The bill also specifies that the increase in the MST sales tax would not count toward the 2% combined rate limit for local taxes. The district would be prohibited from submitting such a tax measure to voters on or after January 1, 2035.

Together, these changes would allow MST to continue important transportation programs for vulnerable populations as well as provide a sustained funding source for their broader operations.

Attached is a draft AB 761 support letter which will be sent if the Board approves the Legislative Committee's recommendation.

OTHER AGENCY INVOLVEMENT:

The County Administrative Office - Intergovernmental & Legislative Affairs Division (CAO-IGLA) prepared this report. Information was provided to the Legislative Committee by MST, Assemblymember Dawn Addis' Office, and by Nossaman LLP (the County's state legislative advocates).

FINANCING:

Approval of the recommended action has no impact on the General Fund.

Prepared by: Annette D'Adamo, Legislative Program Manager, x3045

Approved by: Nicholas E. Chiulos, Chief Assistant CAO, x5145

Attachments:

- AB 761 bill text - as amended 3.28.25
- AB 761 bill analysis
- AB 761 fact sheet
- DRAFT AB 761 support letter