



## Local Ballot Measure: B

# Measure B

## Sonoma-Marín Area Rail Transit District

### Measure Question

**Simple Majority Needed to Pass**

Without increasing taxes, continue Sonoma-Marín Area Rail Transit District regional train and bicycle/pedestrian pathway service beyond 2029 to serve residents including seniors, youth, essential workers, and low-income households; relieve traffic congestion; complete planned rail/pathway expansion; increase ridership; preserve community’s historic rail infrastructure investment; maintain clean/safe trains; reduce greenhouse gas emissions, shall the measure extending the ¼ cent, voter-approved, sales tax for 30 years, generating approximately \$51,000,000 annually beginning in 2029, be adopted?

### What Your Vote Means

YES	NO
A “yes” vote on Measure B will authorize SMART to extend the existing tax through March 31, 2059.	A “no” vote on Measure B will prohibit SMART from extending the tax, and the existing tax would continue in effect until March 31, 2029.

### For and Against Measure B

FOR	AGAINST
<p>LEAGUE OF WOMEN VOTERS OF MARIN COUNTY Becky Bingea, President</p> <p>Sarah Bellak Registered nurse</p> <p>Nick Mason High School Student</p> <p>NORTH BAY LEADERSHP COUNCIL Joanne K Webster, President and CEO</p> <p>Maggie Fishman Santa Rosa Junior College, Trustee</p>	<p>COALITION OF SENSIBLE TAXPAYERS M.C. Willard, President</p>



# Local Ballot Measure: B

## County Counsels' Impartial Analysis of Measure B

Measure B asks voters whether the Sonoma-Marin Area Rail Transit District ("SMART") should extend its existing ¼-cent sales tax for an additional period of 30 years through March 31, 2059. Measure B is a voter initiative signed by the requisite number of voters. Pursuant to Public Utilities Code section 105045, the SMART Board of Directors requested by unanimous vote that the Boards of Supervisors of the Counties of Sonoma and Marin call a special election to place Measure B on the ballot on June 2, 2026.

SMART is a rail district created by the Legislature in 2003 to evaluate, plan, and implement passenger rail service from Cloverdale in Sonoma County to the Larkspur Ferry Terminal in Marin County.

Voters approved the existing ¼-cent sales tax in November 2008. For 17 years, the tax has funded the construction and commencement of operation of a commuter rail transit system that currently extends from Larkspur in Marin County to Windsor in Sonoma County. The current tax will expire in 2029. If approved, Measure B would extend the tax (with no increase in rate) for an additional 30 years, providing approximately \$51,000,000 annually. The tax would continue to be collected as it is now, in the same manner as a state-imposed sales tax.

Measure B would update the existing Expenditure Plan, which governs how the funds raised by the tax can be spent. Because Measure B continues a special purpose tax, monies collected will be placed in a special fund (the SMART Initiative Fund) and may be spent only for the purposes set forth in the Expenditure Plan incorporated into the full text of the measure. Proceeds deposited into the SMART Initiative Fund shall be used to support the operations and maintenance of the system, ensure long-term viability, and advance future expansion. The purposes include; increasing ridership and enhancing high-quality passenger rail service; enhancing and expanding a safe, connected and user-friendly pathway network; advancing regional connectivity to complete the rail and pathway from Larkspur to Cloverdale and to explore future expansions; and supporting freight movement and future rail service. Measure B would continue the accountability safeguards in the existing tax which include annual audits by an independent accountant and independent oversight by a Citizens Oversight Committee established by the Board of Directors.

The tax proposed by Measure B will become effective if approved by a majority of those voting on the measure.

A "yes" vote on Measure B will authorize SMART to extend the existing tax through March 31, 2059.

A "no" vote on Measure B will prohibit SMART from extending the tax, and the existing tax would continue in effect until March 31, 2029.

s/ Joshua A. Myers  
Sonoma County Counsel

s/ Brian Washington  
Marin County Counsel

**Continue to next page for arguments**



# Local Ballot Measure: B

Arguments and rebuttals are the opinions of the authors. They are printed exactly as submitted, including errors.

Argument in Favor of Measure B	Rebuttal to Argument in Favor of Measure B
<p>SMART is more than a train. For thousands of North Bay residents, it's a lifeline that connects the people and places of the North Bay.</p> <p>Every day, thousands of riders take the train and use the paths, relying on SMART to get to school, work, medical appointments, and more. SMART helps seniors stay mobile, gives students safe transportation to school, and lets working families get where they need to go without sitting in traffic.</p> <p>Yes on Measure B continues the existing SMART funding that voters already approved. It does not raise taxes. By extending our support for the train and pathway system, we can protect the services our communities depend on and keep SMART running for decades to come.</p> <p>SMART doesn't just help riders, it contributes to every community in Sonoma and Marin. By providing a reliable alternative to driving, the train helps reduce traffic on Highway 101, cuts pollution, and makes our region more connected and resilient. Whether you ride the train or not, fewer cars on the road benefits everyone.</p> <p>Our community has already invested millions in building SMART and the bicycle and pedestrian pathway that runs alongside it. Voting Yes on Measure B protects that investment, maintains clean and safe trains, and ensures this vital service remains available for the people who rely on it every day.</p> <p>SMART is locally controlled, with independent financial audits and citizen oversight to ensure funds are spent responsibly and only for SMART.</p> <p>For workers, students, seniors, and families across Sonoma and Marin counties, SMART is an important part of daily life.</p> <p>Please join us, along with the Sierra Club, the League of Women Voters, Sonoma County Bicycle Coalition, Marin County Bicycle Coalition, North Bay Labor Council, North Bay Leadership Council, and the chambers of commerce for Santa Rosa, San Rafael, and Petaluma, by voting Yes on Measure B to continue SMART service — without raising taxes — and keep our North Bay moving forward.</p> <p>LEAGUE OF WOMEN VOTERS OF MARIN COUNTY s/ Becky Bingea, President</p> <p>s/ Sarah Bellak Registered nurse</p> <p>s/ Nick Mason High School Student</p> <p>NORTH BAY LEADERSHP COUNCIL s/ Joanne K Webster, President and CEO</p> <p>s/ Maggie Fishman Santa Rosa Junior College, Trustee</p>	<p>SMART's proponents' arguments raise more questions than they answer. They include:</p> <p>It's Just a Renewal: Yes, but it's a renewal for 30 years; essentially a forever tax that will be paid by the next two generations. SMART will haul in \$1.5 billion in local sales taxes before inflation. All this to keep afloat a single-track, limited capacity, dirty diesel train. There are many higher and better needs for the funds.</p> <p>Seniors and Students Ride Free: Free riders comprise 43% of current passenger count, bolstering perceptions of SMART's growth and popularity. These freebies expire in June, just after the election. Will they be extended for 30 years? There is no commitment on whether they will be extended at all—never mind over 30 years. Ridership will likely contract materially; a virtual certainty with the next recession.</p> <p>Citizen Oversight Committee: This is false reassurance that polls well with voters. SMART's committee is like every other COC, just another rubber stamp. We have served on multiple committees. No COC has the real ability to challenge management on any issue.</p> <p>Taxpayer Subsidy: For the most frequent weekday riders taking five round trips: \$390 of taxpayer paid rides. Too much.</p> <p>Passenger Demographics: This ¼ -cent sales tax, like all sales taxes, is regressive. In SMART's case, it's even more egregious. Lower-income service workers who need door-to-door transportation must drive instead. They pay the freight but never take the ride. SMART is not even an afterthought in their lives or commute.</p> <p>Vote no on Measure B.</p> <p>COALITION OF SENSIBLE TAXPAYERS s/ Mimi Willard, President</p>



# Local Ballot Measure: B

Arguments and rebuttals are the opinions of the authors. They are printed exactly as submitted, including errors.

Argument Against Measure B	Rebuttal to Argument Against Measure B
<p>In 2020, concerned citizens' groups in Sonoma and Marin Counties campaigned together to defeat Measure I, SMART's attempt impose its existing \$0.25 sales tax for 30 years. We won by 11 points. In doing so, we and our experts convinced voters that greenhouse gas emission savings were microscopic, relief from 101 traffic congestion was non-existent (and indeed worse in San Rafael), and ridership numbers and projections were suspect. Most importantly, the cost to taxpayers per-rider was prohibitive, more than \$45 every time someone set foot on the train. That, and the billions needed to finish the line to Cloverdale, would be better spent on buses rather than a single-track, limited capacity diesel train.</p> <p>So, what has changed in the last six years? Answer: They moved the goal posts. Special legislation was passed in Sacramento to allow this SMART tax measure to be put on the ballot as a "citizens' initiative" that needs only 50%+1 voter approval. A charm offensive was then announced to juice up ridership numbers. Seniors and students now ride for free and comprise 42% of total ridership. Taxpayers are on the hook for all these "free rides" We calculate the subsidy at \$90 per round-trip, even with the freebies.</p> <p>Then, the special interests kicked in, forming The SMART Initiative PAC. Major contributions were raised from unions, consultants, engineering firms and others. They contributed in some cases tens of thousands of dollars. Per recent filings, the PAC has raised over \$850,000 and paid out almost \$700,000 on professional signature gatherers and other campaign-related expenses. We believe millions more will be spent by interested parties during the campaign itself.</p> <p>This "citizens" initiative is really just politics-as-usual charade. Who benefits? Not taxpayers.</p> <p>We ask that you do your homework, understand the facts and vote No on Measure B on June 2<sup>nd</sup>.</p> <p>COALITION OF SENSIBLE TAXPAYERS s/ M.C. Willard, President</p>	<p>Let's be clear about who is behind the opposition. The argument against Measure B was submitted by a group calling itself the Marin "Coalition of Sensible Taxpayers." Their message is the same one we always hear from the wealthy, well-funded interests that try to undermine public services and privatize the things working people depend on.</p> <p>They ask, "Who benefits?"</p> <p>The answer is easy: all of us.</p> <p>A Yes vote on Measure B protects the SMART train service and pathway system that thousands of North Bay residents rely on every day — seniors getting to medical appointments, students traveling to school, and working people commuting to jobs. It also benefits everyone who drives on Highway 101 by reducing congestion and providing a reliable alternative to sitting in traffic.</p> <p>SMART delivers over twenty thousand rides per week. It supports local businesses, connects communities across Sonoma and Marin, and protects our extensive public investment in the rail and pathway system. Our community built the train, and our community uses it.</p> <p>Measure B does not create a new tax. It simply continues the existing local funding that voters already approved for SMART's construction and operation. Without Measure B, service cuts and shutdowns will become necessary, causing commuters, seniors, students, and local economies across the North Bay to suffer.</p> <p>The choice before voters is straightforward:</p> <p>Protect our public transportation, or let private interests dismantle it.</p> <p>For our families, our environment, and our connected communities:</p> <p>Vote Yes on Measure B!</p> <p><a href="http://www.TheSMARTInitiative.org">www.TheSMARTInitiative.org</a></p> <p>SIERRA CLUB REDWOOD CHAPTER s/ Shirley Johnson, Chapter President</p> <p>SONOMA COUNTY LEAGUE OF WOMEN VOTERS s/ Robyn Bramhall, Officer</p> <p>s/ Mark Stapp Mayor of Santa Rosa</p> <p>s/ Rachel Farac Mayor of Novato</p> <p>s/ Mike McGuire State Senator</p>



# Local Ballot Measure: B

## Full Text of Measure B

The people of the Sonoma-Marín Area Rail Transit District do ordain as follows:

### Section 1. Title.

This Act shall be known as “The Safe, Modern, and Accessible Rail and Transit Initiative” (“The SMART Initiative”).

### Section 2. Findings and Declarations.

The people of the Sonoma-Marín Area Rail Transit District hereby find and declare the following:

(a) Sonoma-Marín Area Rail Transit (SMART) provides a safe, reliable and congestion-free transportation option for Marin and Sonoma counties, thereby improving the quality of life for North Bay residents. SMART’s financial viability is critical to our region and our way of life.

(b) In 2008, voters approved Measure Q to provide the initial funding and public mandate necessary for SMART to construct and operate a passenger rail system and bicycle-pedestrian pathway, addressing critical unmet needs for infrastructure, mobility, and regional connectivity in Marin and Sonoma Counties.

(c) For 17 years, Measure Q has been a vital resource for our community, enabling SMART to leverage these local funds to secure \$735 million in outside grants, to date. This support has allowed SMART to build and operate a new passenger rail and pathway system that spans Larkspur, in Marin County, to Windsor, in Sonoma County, connecting the North Bay regions, reducing congestion and benefitting the environment by reducing the number of cars on local highways.

(d) SMART has made impressive strides by successfully securing grants for rail enhancement projects such as extending the rail and pathway system, constructing new rail stations, upgrading railroad safety systems, and conducting project development on the East/West corridor.

(e) As envisioned in the Measure Q expenditure plan, SMART has leveraged the retail sales tax to obtain grants that have more than doubled the community’s investment in the transportation infrastructure across the two counties.

(f) With a track record of over 1.1 million passengers and 146,000 bicycles transported in 2025 alone, SMART service is proving itself essential. Currently, SMART carries over 100,000 rail passengers and serves 100,000 pathway trips monthly. As of 2025, SMART is offering more service, and fares are more budget-friendly, than ever. Record-high ridership reflects SMART’s success, having achieved the highest post-pandemic ridership recovery rate of any transit system in the Bay Area.

(g) With the opening of Petaluma North and Windsor Stations, SMART anticipates even greater ridership growth in the future and is actively planning to extend service to Healdsburg and ultimately Cloverdale. To complete these extensions, pathway connections and maintenance projects on the existing system, SMART plans to use measure funds and matching grants to build an estimated \$510 million in capital construction and state of good repair projects.

(h) To provide the funding necessary to operate and maintain the existing passenger rail and pathway system, SMART requires the extension of the retail sales tax.

(i) The measure would not change the ¼ of one cent rate people pay today, but it would extend the sales tax past its current expiration date.

(j) If the voters approve this measure, approximately \$51 million will be collected annually to enhance our community’s transportation infrastructure.

(k) This crucial funding will provide SMART with the necessary resources to continue to operate and maintain the existing SMART system, complete essential expansion projects, and support the development of future rail and pathway extensions.

(l) Extending the existing sales tax measure will enable SMART to help achieve community goals, such as relieving traffic congestion, lowering

greenhouse gas emissions, creating economic opportunities, and providing transportation options.

(m) Extension of this sales tax will continue the momentum for a better-connected future in Marin and Sonoma Counties, offering convenient rail connections to ferry, bus, and regional transit services across the North Bay by providing a passenger rail and bicycle/pedestrian pathway system linking 17 stations across both counties.

(n) All funds will be invested in environmentally responsible transportation solutions within Marin and Sonoma Counties, driving economic growth and generating local jobs.

(o) All sales tax revenues from this measure will be managed by local officials on the Sonoma-Marín Area Rail Transit District Board of Directors and cannot be taken away by State or federal action.

(p) Local control of revenues and accountability to citizens are essential for our community’s success. The measure ensures transparency, protects the public’s investment in SMART, and includes vital safeguards to uphold the community’s transportation priorities. Local officials, who understand our community’s needs best, will make informed decisions with valuable input from the public and a dedicated Citizen’s Oversight Committee.

(q) Continued financial support from the community is essential; it empowers SMART to maximize its current local ¼ of one cent sales tax to access additional funding sources that would otherwise be unavailable to the region.

### Section 3. Purpose and Intent.

It is the people of the Sonoma-Marín Area Rail Transit District’s intent to do all of the following with The Safe, Modern, and Accessible Rail and Transit Initiative:

(a) Without raising taxes, extend the existing retail transactions and use tax at the same rate of one-quarter of one cent (¼-cent) to:

(1) Continue providing a clean and safe regional rail and pathway system and offer accessible, convenient, and affordable transportation for all including seniors, students, essential workers, and low-income households.

(2) Leverage local funding to secure federal, state, regional, and local grants.

(3) Complete planned rail and pathway expansion and continue extending the rail and pathway system while working toward corridor preservation and project development of East/West rail alignment.

(4) Continue to build upon record ridership and pathway use by serving millions of rail and pathway trips annually.

(5) Relieve traffic congestion, improve travel time and reliability, reduce greenhouse gas emissions, and provide an alternative to sitting in traffic while effectively decreasing vehicle miles traveled and transportation emissions.

(6) Maintain and modernize SMART’s infrastructure to ensure the system remains safe and serviceable and meets the needs of the community.

(7) Provide accountability and protect taxpayers with strict accountability measures through a Citizen’s Oversight Committee and independent audits, to protect the public’s investments and ensure funds are spent as intended by voters.

(8) Guarantee that the measure’s funding goes directly to Sonoma-Marín Area Rail Transit District’s priorities.

### Section 4. Definitions.

For purposes of this chapter, the following definitions shall apply:

(a) “Act” means “The Safe, Modern, and Accessible Rail and Transit Initiative”.



# Local Ballot Measure: B

## Full Text of Measure B (Continued)

(b) "Board" or "Board of Directors" means the Sonoma-Marín Area Rail Transit District Board of Directors.

(c) "Citizen's Oversight Committee" means the Citizen's Oversight Committee established by the Board pursuant to Section 20 of this Act.

(d) "District" or "SMART" means the Sonoma-Marín Area Rail Transit District.

(e) "Fund" means the SMART Initiative Fund.

(f) "Operative Date" means April 1, 2029.

### Section 5. Purpose.

This Act shall be applicable in the incorporated and unincorporated territory of the Counties of Sonoma and Marin.

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

(a) To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, and Section 105115 of the Public Utilities Code which authorizes the District to adopt this tax ordinance, which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

(b) To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

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

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

### Section 6. Contract With State.

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

### Section 7. Transactions Tax Rate.

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated and unincorporated territory of the District at the rate of one quarter of one percent (0.25%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

### Section 8. Place Of Sale.

For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross

receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

### Section 9. Use Tax Rate.

An excise tax is hereby imposed on the storage, use or other consumption in the District of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of one quarter of one percent (0.25%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

### Section 10. Adoption Of Provisions Of State Law.

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

### Section 11. Limitations On Adoption Of State Law And Collection Of Use Taxes.

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

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

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

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

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

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

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

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

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

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



# Local Ballot Measure: B

## Full Text of Measure B (Continued)

### Section 12. Permit Not Required.

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

### Section 13. Exemptions And Exclusions.

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

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

(1) Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the District in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

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

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

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

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

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

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

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

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

(2) Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

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

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

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

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

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

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

### Section 14. Amendments.

All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

### Section 15. Enjoining Collection Forbidden.

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

### Section 16. The SMART Initiative Fund

There is hereby established in the treasury of the District a special fund called the SMART Initiative Fund, which shall be maintained by the District.

### Section 17. Receipt of Proceeds

All revenue generated by this Act shall be deposited into the SMART Initiative Fund.



# Local Ballot Measure: B

## Full Text of Measure B (Continued)

The uses and expenditures of money allocated to the SMART Initiative Fund shall be governed by and subject to the requirements set forth in Section 19.

### Section 18. Use of Proceeds

Moneys in the SMART Initiative Fund shall be used to reimburse the District for the costs imposed by the California Department of Tax and Fee Administration to administer and operate this tax pursuant to Section 6.

The remaining moneys in the Fund shall be appropriated pursuant to Section 19.

### Section 19. Expenditure Plan.

(a) Consistent with paragraph (2) of subdivision (b) of Section 105115 of the Public Utilities Code, the proceeds in the SMART Initiative Fund shall be expended consistent with the purpose of providing a rail transit system under the jurisdiction of the District, including for (1) operations and maintenance; (2) capital and state of good repair, (3) and maintaining reserves.

(b) To fund the essential capital projects needed to complete and improve the SMART rail and pathway system, the Board may allocate revenue generated by this Act to serve as a local match for federal, state, regional, local, or private grants, including the project and grant funding outlined in SMART's 2025–2030 Strategic Plan.

(c) Proceeds deposited into the SMART Initiative Fund shall be used to support the operations and maintenance of the system, ensure its long-term viability, and advance future expansion. To that end, expenditures may be made for, but are not limited to, the following purposes:

(1) Increasing Ridership and Enhancing Passenger Rail Service. To help achieve the goal of 5,000 daily riders and provide high-quality rail service, proceeds may fund:

- (A) Safe, clean, reliable, and accessible passenger rail service
- (B) Affordable and user-friendly fare programs
- (C) Improved first/last mile transit connections
- (D) Coordination with local transit agencies in Marin County and Sonoma County
- (E) Enhanced auto and bicycle parking options
- (F) Adjustments to service levels based on ridership demand
- (G) Customer experience improvements
- (H) Marketing, outreach, and communications
- (I) System maintenance
- (J) Fleet expansion and replacement
- (K) Adoption of low- and zero-emission fleet technologies
- (L) Climate-resilient infrastructure and operations
- (M) Workforce development and training programs

(2) Enhancing and Expanding the Pathway System. To develop and maintain a safe, connected, and user-friendly pathway network, proceeds may fund:

- (A) Construction of gap closures in the SMART Pathway and Great Redwood Trail
- (B) Construction of pathways associated with rail extensions
- (C) Maintenance of the existing pathway in a state of good repair
- (D) Enhanced pathway amenities, such as signage, wayfinding, safety, and connectivity
- (E) Upgrades to the pathway website and digital tools
- (F) Development of plans for future pathway segments and enhancements

(3) Advancing Regional Connectivity. To complete the rail and pathway system from Larkspur to Cloverdale and explore future expansion, proceeds may fund:

- (A) Completion of currently funded rail and pathway projects
- (B) Grant-seeking efforts to support unfunded extensions
- (C) Planning and development of East/West rail corridors
- (D) Expansion of rail fleet, yards, and supporting facilities

(4) Supporting Freight Movement and Future Rail Service. In alignment with SMART's statutory mandate to accommodate freight and preserve future rail corridors, proceeds may fund:

- (A) Freight-compatible design for new rail extensions
- (B) Preservation of the East/West passenger rail corridor
- (C) Continued project development for future passenger service on the East/West alignment

### Section 20. Citizen's Oversight Committee

Administration of the proceeds from the tax shall be subject to review by the Citizen's Oversight Committee, as established by the Board, to verify that the proceeds are invested in a way that is consistent with the purpose of the tax. The Citizen's Oversight Committee shall receive the annual audit, hold a public hearing and issue a report annually to provide the public with information regarding how tax proceeds are being spent. The hearing will be held at a public meeting subject to the Ralph M. Brown Act.

### Section 21. Annual Report.

The Chief Financial Officer of the Sonoma-Marine Area Rail Transit District shall annually prepare a report setting forth the amount of funds collected and expended; and the status of operations and projects funded by this Act.

### Section 22. Annual Appropriations Limit.

The appropriations limit for the District shall be adjusted periodically by the aggregate sum collected by levy of this Act.

### Section 23. Termination Date.

This Act shall remain in effect for thirty (30) years from its effective date and shall be repealed by operation of this section on that date, unless a later measure is adopted before that date which deletes or extends the termination date.

### Section 24. Effective Date.

This ordinance shall be considered adopted upon the date the vote is declared by the District board, and shall go into effect 10 days after that date. Although this ordinance shall be deemed to be effective once adopted a simple majority vote of the electors voting, the new term and related tax and fiscal provisions of this Act shall not be in effect until April 1, 2029.

### Section 25. Severability.

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

### Section 26. Amendment.

Except for amendments that would change the amount of the tax imposed by this Act, the District Board of Directors may amend this Act without submitting the amendment to the voters for approval, provided that the amendment is consistent with and furthers the purposes of this Act as enacted by the voters.

### Section 27. Liberal Construction

This measure is an exercise of the initiative power of the People of the Sonoma-Marine Area Rail Transit District to implement a special tax to fund the purposes set forth in the Act, and it shall be liberally construed to effectuate these purposes.

### Section 28. Conflicting Measures

This Act is intended to be comprehensive. It is the intent of the People of the Sonoma-Marine Area Rail Transit District that, in the event this measure and one or more measures relating to a special tax in the Sonoma-Marine Area Rail Transit District shall appear on the same ballot, the provisions of the other measure or measures shall be deemed in conflict with this measure. In the event that this measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and all provisions of the other measure or measures shall be null and void.