

Date of Hearing: April 7, 2025

ASSEMBLY COMMITTEE ON TRANSPORTATION

Lori D. Wilson, Chair

AB 1237 (McKinnor) – As Amended April 1, 2025

SUBJECT: County of Los Angeles: sporting events: ticket charge: public transit

SUMMARY: Authorizes the Los Angeles County Transportation Authority (LA Metro) and Santa Clara Valley Transportation Authority (VTA) to impose a charge of up to \$5 on the purchaser of a ticket from a ticket vendor to a sporting event in the counties of Los Angeles or Santa Clara for the 2026 FIFA World Cup and the 2026 National Collegiate Athletic Association (NCAA) Men's or Women's Basketball Championship. Specifically, **this bill:**

- 1) Restricts the fee to apply only to the original purchase of the ticket and not resale tickets.
- 2) Places responsibility on a ticket vendor to collect the charge from the purchaser and remit the revenues from that charge to LA Metro or VTA.
- 3) Requires revenues collected be used to support transit operations.
- 4) Requires LA Metro to allow any person to use its transit services at no charge on the day of a sporting event in the County of Los Angeles for the 2026 Fédération Internationale de Football Association (FIFA) World Cup if the person presents a ticket to that sporting event at the location where the authority collects fares for transit services.
- 5) Requires VTA to allow any person to use its transit services at no charge on the day of a sporting event in the County of Santa Clara for the 2026 FIFA World Cup or the NCAA Basketball championship games if the person presents a ticket to that sporting event at the location where the authority collects fares for transit services.
- 6) Requires LA Metro and VTA to each submit a report to the Legislature by January 1, 2027 that includes the amount of the charge authorized and the amount of revenue collected as a result of the charge, the number of free trips taken as a result of the fee, and the amount of money spent and a detailed account of additional transit services provided to serve the sporting events.

EXISTING LAW:

- 1) Establishes VTA within Santa Clara County to operate and construct transit projects. (Public Utilities Code section (PUC) 100000).
- 2) Prohibits VTA from levying any tax unless approved by the electors voting on the measure (PUC 100113).
- 3) Establishes LA Metro to operate and construct transit projects within Los Angeles County (PUC 130050.2)

FISCAL EFFECT: Unknown

COMMENTS: To meet the state’s climate goals and to develop more integrated, livable communities, the state must have a robust, efficient, and reliable public transit network. For many Californians transit is a lifeline, providing an affordable transportation option to work and school. It is estimated that almost 60% of California residents who commute via public transit have a household income below \$35,000. Over half a million California households own no vehicle and rely on public transit daily.

Transit will be a necessary component of the state’s goal to reach carbon neutrality by 2045. According to the California Air Resource Board’s (CARB) 2022 Scoping Plan, including the transition to cleaner vehicles and low-carbon fuels, the path to carbon neutrality by 2045 also depends on reducing the amount people drive or vehicle miles traveled (VMT) by 25% by 2030 and 30% by 2045. These goals heavily hinge on a reliable and convenient public transit system. CARB identified the need to double the capacity and service frequencies of the existing local public transit networks by 2030, including having transit stops much closer to where people need to go and providing reliable, shorter frequencies.

According to the author, “AB 1237 will provide sports fans participating in the World Cup with an easy way to utilize transit when attending these sporting events, reduce traffic congestion, improve local air quality and provide critical support for local transit services as Los Angeles prepares to host the world in the coming years.”

2026, 2027, and 2028 will make California a major tourist destination for sports events. In 2026 Los Angeles at SoFi Stadium (home to the former San Diego Chargers and the Los Angeles Rams) and Levi Stadium (home to the San Francisco 49ers in Santa Clara County) will host the the FIFA World Cup. The SAP Center in San Jose (Home to the San Jose Sharks) will host the West Regional semifinal and final games for the NCAA men’s tournament. In 2026 Levi Stadium will host the Super Bowl. SoFi will host the Super Bowl in 2027 and Los Angeles will host the Olympics in 2028.

SoFi Stadium is a 3.1 million square foot stadium with a seating capacity of 70,000 persons that can expand to 100,000 persons. Levi’s Stadium seats 68,500 persons and can be extended to 75,000 for major events like the Super Bowl. The SAP Center seats 18,500 for basketball games.

Levi Stadium has direct access to both rail and bus services. Light rail is the most direct route for the greater South Bay area. Routes are scheduled daily to and from Mountain View, Sunnyvale, Milpitas, San Jose, Santa Clara, and Campbell. VTA light rail trains will drop off and pick up passengers at the Great America Station located on the North side of the stadium. VTA buses service the local South Bay reaching the greater San Jose area, Mountain View, Cupertino, and Sunnyvale. VTA buses will drop off guests in two locations: the Intersection of Tasman Drive and Great America Parkway and the Intersection of Tasman Drive and Calle Del Sol. In addition, The Capitol Corridor Trains stop at Levi Stadium and provide services to Levi’s Stadium from Auburn, Rocklin, Roseville, Sacramento, Davis, Suisun, Fairfield, Martinez, Richmond, Berkeley, Emeryville, Oakland, Hayward, Santa Clara, Fremont/Centerville, and San Jose. The Altamont Commuter Express (ACE) provides direct rail service to Levi’s Stadium from Stockton, Lathrop/Manteca, Tracy, Vasco, Livermore, Pleasanton, and Fremont.

The SAP Center is served by VTA light rail, Caltrain, and bus service. SoFi Stadium has no direct rail service to its stadium. Instead, transit riders can take a free shuttle from the Metro K Line to SoFi stadium.

LA Metro, a co-sponsor of this bill, argues “Los Angeles County will host a number of major events in the next few years, including the 2026 FIFA World Cup. This bill would provide a simple way for fans to utilize transit as part of their experience, leading to increased ridership and reduced congestion. Funding received through the fee added to the tickets purchased will support the increased transportation operational needs associated with the County hosting these major events. Fees would be assessed only on those who are attending the events, providing a climate-friendly vehicle for transporting these fans and ensuring that Metro’s core ridership and system are further supported.”

Major events at these stadiums have caused massive traffic delays. According to mobility company Streetlight, Taylor Swift’s Eras Tour caused significant traffic delays both at Levi Stadium and at SoFi Stadium. Average vehicle hours of delay increased by 473% at Levi’s Stadium for the tour despite its massive public transit offerings. SoFi Stadium, having learned the lessons of the Levi Stadium traffic, saw a more modest 181% delay (the national average for the Eras Tour was 277%).

The World Cup has the potential to impact traffic in a manner far more significant than the Swift Eras Tour. SoFi will host eight games of the World Cup, starting with the opening game in June of 2026 and the quarterfinal game in July. Levi Stadium will host five games.

Howard Jarvis Taxpayers Association, writing in opposition to this bill, argue “we believe [AB 1237] it is a special tax that needs two-thirds voter approval. AB 1237 would authorize the Los Angeles Metropolitan Transportation Authority to impose a \$5 charge on the purchase of a ticket to the 2026 World Cup or the 2028 Olympics or Paralympics to support LA Metro transit systems. Ticket holders could then ride the transit systems for free on the day of their ticket. Article XIII C, § 2(a), of the California Constitution provides: “(a) All taxes imposed by any local government shall be deemed to be either general taxes or special taxes. Special purpose districts or agencies, including school districts, shall have no power to levy general taxes.

Although the World Cup and the Olympics may be held at government-owned venues, we are not aware of any of those venues being owned by LA Metro. It seems doubtful that a court would interpret Exemption 4 to mean that one local agency can charge a fee for entrance to property owned by another local agency.

Payors who take an Uber, take a taxi, drive their own car, get dropped off by a friend, live within walking distance of the venue, stay at a hotel within walking distance of the venue, stay at a hotel that offers a shuttle, or come in from a nearby community on transit not operated by LA Metro, will be paying the \$5 charge but not receiving a free ride.

Since the \$5 charge does not appear to qualify as an exception, it is a special tax that needs the approval of two-thirds of the voters residing within the territory of LA Metro, i.e., all of Los Angeles County, including all its cities.”

Committee comments: Requiring all purchasers of NCAA Championship games and the FIFA World Cup games may allow LA Metro and VTA to provide additional transit services to these games, reducing congestion for locals while also reducing the carbon footprint of these games. The fee also may help to offset some additional costs that these counties face as a result of hosting these events, such as having to provide additional bus service. The report back from

both transit agencies may help the Legislature determine if such game fees help shift fans to use transit to attend major events.

The way the fee is structured, however, may provide some disadvantages for Californians traveling further for games to Levi Stadium. While VTA riders will be able to use their tickets to access free transit, transit riders using ACE, Caltrain, or Capitol Corridor will be subsidizing VTA riders while receiving no reciprocal benefit.

This bill also will not take effect until January 1st, 2026. Ticket sales for FIFA World Cup and NCAA 2026 Basketball games may go on sale this year. This could result in a substantial number of individuals receiving free transit to the games and not paying the \$5 fee. The Legislature may wish to consider either putting an urgency clause measure on this bill or considering it as part of the budget process so it takes effect immediately.

REGISTERED SUPPORT / OPPOSITION:**Support**

California Federation of Labor Unions, AFL-CIO
California Labor Federation, AFL-CIO
Los Angeles County Metropolitan Transportation Authority
Move LA
Santa Clara Valley Transportation Authority
Streets for All

Opposition

Howard Jarvis Taxpayers Association

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