

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 26-27, 2025

From: TANISHA TAYLOR, Executive Director

Reference Number: 4.1, Action

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Deputy Director

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Subject: State and Federal Legislative Matters

## **Recommendation:**

Staff recommends the California Transportation Commission (Commission) accept this report on state and federal legislation.

## **Issue:**

A list of bills monitored by staff pursuant to the Commission's bill monitoring policy is included as Attachment A.

The Commission previously took a support position on Senate Bill 470 (Laird): Bagley-Keene Open Meeting Act: teleconferencing. Commission staff is not recommending any new positions on bills at this time.

## **Background:**

### **State Legislation**

The deadline for bills to pass out of the house of origin was June 6. Policy committees in the Senate and Assembly have until June 18 to consider bills in the second house. The Legislature is scheduled to adjourn for Summer Recess on July 18 and will reconvene on August 18.

Staff continue to discuss bills that may affect the Commission with bill authors, legislative staff, and stakeholders to provide technical assistance.

### **State Budget**

Since the Governor submitted his updated 2025-26 budget proposal on May 14, the budget committees of the Senate and Assembly have met to consider the Administration's proposals. The Legislature must pass a budget for fiscal year 2025-26 by June 15, to take effect at the beginning of the fiscal year (July 1).

Negotiations on the final budget deal are expected to continue until the aforementioned deadline; Commission staff will provide an update on further budget developments at the Commission meeting.

### Federal Funding

On May 22, the House of Representatives approved a reconciliation bill pursuant to the budget framework previously approved in February. The reconciliation bill is currently pending in the Senate. If approved by the Senate and signed by the President into law, the bill would:

- Require states to collect annual registration fees of \$250 for electric vehicles and \$100 for hybrid vehicles through federal fiscal year 2035. These fees are estimated to generate total revenues of \$64 billion through 2035 for the federal Highway Trust Fund, which is currently supported by federal excise taxes on motor vehicle fuels and general revenues. The reconciliation bill does not adjust spending levels for programs funded by the Highway Trust Fund, and no estimate of California's expected share of revenues associated with the fees is available at this time.
- Rescind approximately \$3 billion for discretionary grant programs established by the Inflation Reduction Act and administered by the Federal Highway Administration, including the Neighborhood Access and Equity Grant Program, the Low Carbon Transportation Materials Program, and assistance for environmental review for transportation projects. None of the rescissions impact formula funding received by California or funding levels of programs administered by the Commission.

Commission staff continues to monitor actions at the federal level that may impact the availability of federal funds.

### Attachments

- Attachment A: Legislation Monitored by Commission Staff

**Legislation Monitored by Commission Staff**  
**Active Bills (2025-26 Regular Session)**  
(As of June 6, 2025)

Bill	Author	Subject	Description	Status
AB 66	Tangipa	California Environmental Quality Act: exemption: egress route projects: fire safety.	Exempts from the California Environmental Quality Act (CEQA) egress route projects undertaken by a public agency to improve emergency access to and evacuation from a subdivision without a secondary egress route under specified conditions until January 1, 2032.	Pending committee referral in Senate
AB 289*	Haney	State highway work zone speed safety program.	Authorizes the California Department of Transportation (Caltrans) to establish a program for automated speed enforcement in state highway construction or maintenance areas until January 1, 2032.	Pending committee referral in Senate
AB 334*	Petrie-Norris	Operators of toll facilities: interoperability programs: vehicle information.	Authorizes operators of toll facilities on federal-aid highways engaged in an interstate interoperability program to provide only the information regarding a vehicle's use of the toll facility that is intended to implement interstate interoperability.	Pending in Senate Transportation Committee
AB 390*	Wilson	Vehicles: highway safety.	Expands the requirement that drivers approach stationary marked Caltrans vehicles with caution to apply to all marked highway maintenance vehicles, as defined.	Pending in Senate Transportation Committee
AB 431	Wilson	Advanced Air Mobility Infrastructure Act.	Requires Caltrans to develop an advanced air mobility plan that includes vertiports, electric aviation charging, and the infrastructure needs of other advances in aviation technology, as specified.	Pending committee referral in Senate
AB 891	Zbur	Transportation: Quick-Build Project Pilot Program.	Establishes the Quick-Build Project Pilot Program within Caltrans's maintenance program to expedite the development and implementation of low-cost projects on the state highway system, as specified, and requires Caltrans to identify and commit to funding a minimum of six quick-build projects by December 31, 2028.	Pending committee referral in Senate
AB 902*	Schultz	Transportation projects: barriers to wildlife movement.	Requires lead agencies to incorporate wildlife passage features into transportation infrastructure projects in connectivity areas, except for projects on the state highway system where Caltrans is the lead agency, as specified.	Pending committee referral in Senate
AB 954	Bennett	State transportation improvement program: bicycle highway pilot program.	Requires Caltrans to prepare a proposal for the development of sites for a pilot program establishing branded networks of bicycle highways that are numbered and signed within 2 of California's major metropolitan areas.	Pending committee referral in Senate

<b>Bill</b>	<b>Author</b>	<b>Subject</b>	<b>Description</b>	<b>Status</b>
AB 975	Gallagher	Lake and streambed alteration agreements: exemptions: culverts and bridges.	Exempts until January 1, 2027, projects to repair or reconstruct a bridge 30 feet long or less, or a culvert 70 feet long or less within the County of Sutter that has been damaged by a natural disaster in, or after, 2021 from provisions required by the Department of Fish and Wildlife.	Pending in Senate Natural Resources and Water Committee
AB 1244	Wicks	California Environmental Quality Act: transportation impact mitigation: Transit-Oriented Development Implementation Program.	Authorizes a project to satisfy CEQA mitigation requirements for transportation impacts by contributing an amount of money per vehicle mile traveled set by the Governor's Office of Land Use and Climate Innovation to the Transit-Oriented Development Implementation Fund, as specified, and authorizes the Department of Housing and Community Development to use those moneys to fund developments located in the same region as the project.	Pending committee referral in Senate
AB 1275	Elhawary	Regional housing needs: regional transportation plan.	Modifies the timeline for the Department of Housing and Community Development to update each region's existing and projected housing need, requires each council of governments to consider the development pattern set forth in the region's sustainable communities strategy of its regional transportation plan in developing the methodology for its regional housing needs allocation, and requires each region's housing needs allocation plan be informed by the applicable sustainable communities strategy, instead of being consistent with that strategy.	Pending hearing in Senate Housing Committee
SB 10	Padilla	Otay Mesa East Toll Facility Act: toll revenues.	Authorizes toll revenues generated by the Otay Mesa East Toll Facility Act to also be used to assist in the maintenance of the South Bay International Boundary and Water Commission sewage treatment facility and additional sanitation infrastructure related to the Tijuana River, consistent with applicable federal and state laws.	Pending committee referral in Assembly
SB 63*	Wiener	San Francisco Bay area: local revenue measure: transportation funding.	Establishes the Transportation Revenue Measure District in Alameda and Contra Costa Counties and the City and County of San Francisco to be governed by the Metropolitan Transportation Commission's governing board, and authorizes the district's board or a qualified voter initiative to impose a retail transaction and use tax to fund operating expenses of specified transit operators and public transportation expenses in the counties comprising the district.	Pending committee referral in Assembly

<b>Bill</b>	<b>Author</b>	<b>Subject</b>	<b>Description</b>	<b>Status</b>
SB 71*	Wiener	California Environmental Quality Act: exemptions: environmental leadership transit projects.	Extends existing CEQA exemptions for certain types of active transportation and transit projects indefinitely and exempts specified other types of transit projects from the requirements of CEQA until January 1, 2032, and specified types of passenger rail projects until January 1, 2040.	Pending committee referral in Assembly
SB 74	Seyarto	Office of Land Use and Climate Innovation: Infrastructure Gap-Fund Program.	Requires the Governor's Office of Land Use and Climate Innovation to establish the Infrastructure Gap-Fund Program to provide grants to local agencies for the development and construction of infrastructure projects, as specified.	Pending in Assembly Local Government Committee
SB 78	Seyarto	Department of Transportation: report: state highway system: safety enhancements.	Requires Caltrans to prepare a report to identify types of safety enhancements that could be implemented on the state highway system, as well as common factors contributing to delays in those enhancements, and strategies to expedite them.	Pending in Assembly Transportation Committee
SB 298	Caballero	State Energy Resources Conservation and Development Commission: seaports: plan: alternative fuels.	Requires the California Energy Commission, in coordination with the California State Transportation Agency (CalSTA), the California Air Resources Board, and the State Lands Commission, to develop a plan for the alternative fuel needs of oceangoing vessels at California's public seaports that would enable the seaports to meet their emissions goals.	Pending committee referral in Assembly
SB 359	Niello	Use Fuel Tax Law: Diesel Fuel Tax Law: exempt bus operation.	Applies the exemptions from the provisions of the Diesel Fuel Tax Law and the Use Fuel Tax Law to counties that own and operate a local transit system, as provided.	Pending in Assembly Revenue and Taxation Committee
SB 419*	Caballero	Hydrogen fuel.	Provides an exemption from the state taxes imposed by the Sales and Use Tax Law for hydrogen fuel.	Pending committee referral in Assembly
SB 445	Wiener	Transportation: planning: complete streets facilities: sustainable transportation projects.	Delays the existing requirement that Caltrans develop and adopt a project intake, evaluation, and encroachment review process for complete streets facilities that are sponsored by a local jurisdiction or transit agency from January 1, 2027, to February 1, 2027.	Pending committee referral in Assembly
SB 470	Laird	Bagley-Keene Open Meeting Act: teleconferencing.	Extends alternative teleconferencing provisions for the Bagley-Keene Open Meeting Act until January 1, 2030.	Pending committee referral in Assembly
SB 569	Blakespear	Department of Transportation: homeless encampments.	Requires Caltrans to establish a dedicated liaison to facilitate communication with local governments and relevant state agencies to address homeless encampments within the state highway system, as specified.	Pending committee referral in Assembly

<b>Bill</b>	<b>Author</b>	<b>Subject</b>	<b>Description</b>	<b>Status</b>
SB 661*	Hurtado	Airports: financial assistance.	Redirects 50% of revenues generated by state sales and use taxes on jet fuel from the General Fund to the Aeronautics Account and requires Caltrans' Division of Aeronautics to annually allocate those funds to qualifying general aviation airports and commercial airports for specified uses, and requires the remaining 50% to be retained by the airport at which the jet fuel is sold to be used only for purposes related to airport operations, capital improvements, maintenance, and other aviation-related infrastructure, as specified..	Pending committee referral in Assembly
SB 695	Cortese	Transportation: climate resiliency: projects of statewide and regional significance.	Requires Caltrans, in consultation with the Commission and CalSTA, to create and submit to the Legislature a prioritized list of projects of statewide and regional significance to better prepare the state for extreme weather-related events, as specified, by July 1, 2026 and annually thereafter.	Pending in Assembly Transportation Committee
SB 741	Blakespear	Coastal resources: coastal development permit: exemption: Los Angeles-San Diego-San Luis Obispo Rail Corridor.	Expands the exemptions from the coastal development permitting process to include certain emergency projects undertaken by a public agency to maintain, repair, or restore existing railroad tracks along the Los Angeles-San Diego-San Luis Obispo Rail Corridor, as provided.	Pending in Assembly Natural Resources Committee
SB 840	Limón	Greenhouse gases: report.	Extends indefinitely the requirement for the Legislative Analyst's Office to annually submit to the Legislature the report on the economic impacts and benefits of the State Air Resources Board's greenhouse gas emissions targets.	Pending committee referral in Assembly

Total Active Measures: 26

Note: Measures marked with "\*" were amended since most recent staff report.

**Legislation Monitored by Commission Staff  
Inactive Bills (2025-26 Regular Session)  
(As of June 6, 2025)**

<b>Bill</b>	<b>Author</b>	<b>Subject</b>	<b>Description</b>
AB 52	Aguiar-Curry	Native American resources.	Modifies the processes and requirements for consultation with federally recognized tribes and non-federally recognized tribes under the Planning and Zoning Law and CEQA.
AB 612	Rogers	Transportation: Highway Design Manual: emergency response times.	Requires Caltrans to update the Highway Design Manual to direct local governments to consult with local fire departments to ensure road improvements do not negatively impact emergency response times.
AB 707	Soria	San Luis and Delta-Mendota Water Authority: B.F. Sisk Dam Raise and Reservoir Expansion Project.	Appropriates \$455.5 million from the General Fund to the San Luis and Delta-Mendota Water Authority for the purpose of funding the State Highway 152 Route improvements required to complete the B.F. Sisk Dam Raise and Reservoir Expansion Project.
AB 733	Tangipa	Agency Reports.	Requires each state agency that is required to submit one or more reports to the Legislature to submit, by April 1 of each year, a list of all reports the agency has not yet submitted to the Legislature along with a status summary and provides that the Legislature may withhold appropriations for an agency that fails to submit timely reports.
AB 939	Schultz	The Safe, Sustainable, Traffic-Reducing Transportation Bond Act of 2026.	Enacts the Safe, Sustainable, Traffic-Reducing Transportation Bond Act of 2026 which, if approved by the voters, authorizes \$20 billion in bonds to finance transit and passenger rail improvements, local streets and roads, and active transportation projects, zero-emission vehicle investments, transportation freight infrastructure improvements, and grade separations and other critical safety improvements.
AB 1058	Gonzalez, Jeff	Motor Vehicle Fuel Tax Law: suspension of tax.	Suspends the imposition of the tax on motor vehicle fuels for one year and requires the State Controller to transfer an amount equal to the amount collected under the tax in Fiscal Year 2023-24 from the General Fund.
AB 1168	Solache	Department of Transportation: transferred property: City of Lynwood.	Requires Caltrans to release and remove the deed restriction that it imposed on a parcel, previously transferred to the City of Lynwood, that requires a portion of the property to be used exclusively for public purposes for a period of 15 years from the recorded date of the deed.
AB 1268	Macedo	Motor Vehicle Fuel Tax Law: adjustment suspension.	Authorizes the Governor to suspend an inflationary adjustment to the motor vehicle fuel tax upon deciding that the adjustment would impose an undue burden on low-income and middle-class families, as provided.
AB 1343	Gallagher	Local alternative transportation improvement program: Feather River crossing.	Authorizes affected local agencies with canceled planned state transportation facilities over the Feather River in Sutter and Yuba Counties, to develop and file with the Commission a local alternative transportation improvement program in the area that was to be served by the planned facilities.

Bill	Author	Subject	Description
AB 1399	Hoover	Department of Transportation: encroachment permits: broadband facilities.	Requires Caltrans to perform additional actions for an encroachment permit application for a broadband facility, as specified.
AB 1421	Wilson	Vehicles: Road Usage Charge Technical Advisory Committee.	Extends the operation of the California Transportation Commission's Road Usage Charge Technical Advisory Committee until January 1, 2035.
AB 1491	Ta	Transportation: road safety.	States the intent of the Legislature to enact legislation to improve safety on the roads in the state.
ACA 12	Wallis	Road usage charges: vote and voter approval requirements.	Provides that the imposition of a road usage charge to be subject to a 2/3 vote requirement for approval. Requires that any road usage charge be imposed at a uniform rate, and not vary based on any factor. Prohibits the Legislature from imposing both a road usage charge, and either a motor vehicle fuel tax or a tax on the sale, storage, or use of motor vehicle fuels used in vehicles subject to a road usage charge.
SB 73	Cervantes, Sabrina	California Environmental Quality Act: exemptions.	Exempts those projects located in a very low vehicle travel area from CEQA requirements, as defined.
SB 752	Richardson	Sales and use taxes: exemptions: California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project: transit buses.	Extends the exemption for specified zero-emission technology transit buses from existing sales and use taxes until January 1, 2028.

Total Inactive Measures: 15