

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: January 29-30, 2026

From: TANISHA TAYLOR, Executive Director

Reference Number: 4.1, Action

Prepared By: Justin Behrens
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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:

Attachment A includes a list of bills monitored by staff, pursuant to the Commission's bill monitoring policy. This policy directs staff to identify transportation-related bills having a statewide impact and that involve funding, greenhouse gas emissions reductions, land use and planning, the environmental process, or project delivery. It also directs staff to monitor all bills that directly affect the Commission. Including bills introduced last year that are eligible to be heard this year, Commission staff has identified 16 bills for monitoring in the regular session, with many more bills expected to be introduced in the coming weeks.

Commission staff is not recommending any positions on bills at this time.

The Governor submitted the 2026-27 proposed state budget to the Legislature on January 9. Details of the proposed budget are described below.

Background:

State Legislation

The Legislature returned from interim recess for the second year of the 2025-26 legislative session on January 5, 2026. The deadline for bills introduced last year to be passed out of their house of origin is January 31, and the deadline for new bills to be introduced is February 20.

Policy committees will meet in January to consider bills introduced in the first year of the legislative session and are expected to meet to consider new bills in March.

State Budget

On January 9, the Governor submitted the proposed 2026-27 state budget to the Legislature. The proposed balanced budget includes \$348.9 billion in spending and a modest projected General Fund deficit of \$2.9 billion. While the proposed budget maintains spending levels from previous budget years, it does not include significant new spending. The proposed budget does not augment or reduce any of the one-time transportation spending included in previous budgets, and it does not include any proposals that affect the Commission or its programs. The proposed budget does include statutory changes to authorize the Metropolitan Transportation Commission to provide short-term loans to transit agencies facing cash flow challenges.

Budget committees and subcommittees in both houses of the Legislature are expected to begin meeting to consider the Governor's proposed budget in late February.

Attachment:

- Attachment A: Legislation Monitored by Commission Staff

Legislation Monitored by Commission Staff
Active Bills (2025-26 Regular Session)
(As of January 8, 2026)

| 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 in Senate Natural Resources and Water Committee |
| AB 334 | Petrie-Norris | Operators of toll facilities: interoperability programs: vehicle information. | Authorizes an operator of a toll facility on federal-aid highways engaged in an interstate interoperability program to provide to an out-of-state agency only the information regarding a vehicle's use of the toll facility that is required by specified national interoperability specifications. | Pending in Senate |
| AB 431 | Wilson | Advanced Air Mobility Infrastructure Act. | Requires the California Department of Transportation (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 in Senate Transportation Committee |
| 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. | Pending in Assembly Governmental Organization Committee |
| AB 954 | Bennett | Interregional transportation strategic plan: bicycle highways. | Requires Caltrans, to the extent feasible and consistent with the California Transportation Plan, to assess incorporating bicycle highways into strategic interregional corridors within the interregional transportation strategic plan. | Pending in Senate |
| 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. | Pending in Assembly Transportation Committee |
| 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. | Pending in Assembly Transportation Committee |

| Bill | Author | Subject | Description | Status |
|-------------|---------------|--|--|--|
| 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 in Senate Environmental Quality Committee |
| 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. | Pending in Assembly Transportation Committee |
| 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. | Pending in Assembly Transportation Committee |
| AB 1421* | Wilson | Vehicles: Road Usage Charge Technical Advisory Committee. | Requires the California Transportation Commission, in consultation with the California State Transportation Agency, to consolidate and prepare research and recommendations related to a road user charge or a mileage-based fee system, and submit a report to the Legislature by January 1, 2027, as specified. | Pending in Assembly Transportation 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 in Assembly Transportation Committee |
| SB 508 | Valladares | California Environmental Quality Act: transportation impact mitigation. | Requires a contribution to the Transit-Oriented Development Implementation Fund made to mitigate the transportation impact of a project to a less than significant level under CEQA to be deemed full and complete mitigation for that portion of the project's significant transportation impact. | Pending hearing in Assembly Business and Professions Committee |
| 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 in Assembly Transportation Committee |

| Bill | Author | Subject | Description | Status |
|-------------|---------------|--|---|--|
| SB 661 | Hurtado | Airports: financial assistance. | Requires the revenues from the imposition of state sales and use taxes on jet fuel to be transferred to the Aeronautics Account for allocation in specified percentages to qualifying airports, and other aviation-related purposes, as specified. Requires remaining revenue to be retained by the airport at which the fuel is sold for airport operations, as specified. | Pending in Assembly Revenue and Taxation 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 track along the Los Angeles-San Diego-San Luis Obispo Rail Corridor, as provided. | Pending in Assembly Natural Resources Committee |

Total Active Measures: 16

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