

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: August 20-21, 2026

From: TANISHA TAYLOR, Executive Director

Reference Number: 4.1, Action

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Subject: State and Federal Legislative Matters

Recommendation:

Staff recommends the California Transportation Commission (Commission) accept this report on pending state legislation included as Attachment A and delegate to the Executive Director the authority to take positions on legislation, upon consultation with the Chair and Vice Chair, until the next regular Commission meeting.

Issue:

The Legislature returned from Summer Recess on August 3. Fiscal committees must meet and report bills to the floor by August 14. The Senate and Assembly will then have until August 31 to conclude business for the year before adjourning for Final Recess. The Governor will have until September 30 to sign or veto bills passed by the Legislature.

Attachment A includes a list of 36 bills monitored by staff, pursuant to the Commission's bill monitoring policy. Of these bills, 26 are still moving through the legislative process, while 10 failed to pass various deadlines and are inactive.

Because the Commission will not meet again prior to the constitutional deadlines for action by the Legislature and the Governor, and because bills could undergo substantial amendments during that time, staff recommends the Commission delegate the authority to take positions on pending legislation to the Executive Director, upon consultation with the Chair and Vice Chair, until the next regular Commission meeting. The Commission has delegated this authority to the Executive Director in a similar manner in prior years.

Background:

State Legislation

Commission staff are not recommending any new positions on bills at this time. Staff continues to discuss bills that may affect the Commission with bill authors, legislative staff, and stakeholders to provide technical assistance.

State Budget

Governor Newsom signed the final 2026-27 state budget on June 29. The enacted budget does not make significant changes to the Commission's core transportation funding programs or programming responsibilities. Budget negotiations are expected to continue in August regarding transit funding and responses to recent regulatory changes affecting the Greenhouse Gas Reduction Fund and programs it supports.

The Governor also signed Senate Bill 135, the transportation budget trailer bill, which includes technical and programmatic changes including increasing the cap on the State Route 710 Rehabilitation Account to support additional eligible expenditures.

Federal Funding

The Infrastructure Investment and Jobs Act (IIJA) is scheduled to expire on September 30, 2026. Congress has taken no further action to approve a reauthorization to the surface transportation bill since the House of Representatives approved the BUILD America 250 Act in May.

Commission staff continues to monitor federal surface transportation reauthorization and other federal actions that may affect transportation funding available to California and programs administered by the Commission.

Attachment:

- Attachment A: Legislation Monitored by Commission Staff

Legislation Monitored by Commission Staff
Active Bills (2025-26 Regular Session)
(As of July 21, 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 the Senate
AB 431	Wilson	Advanced Air Mobility Infrastructure Act.	Requires the California Department of Transportation (Caltrans), in coordination with specified agencies to include advanced air mobility, as defined, in the next update of the California Transportation Plan (CTP) prepared after January 1, 2027.	Pending in Senate Appropriations Committee
AB 599	Connolly	Short-Line Railroad Improvement Program.	Authorizes a project in the California Transportation Commission's (Commission) Short-Line Railroad Improvement Program implemented by a publicly owned railroad to use local, state, or federal funds to satisfy matching requirements, in addition to nongovernmental funds.	Pending in Senate Appropriations Committee
AB 954	Bennett	Interregional transportation strategic plan: bicycle highways.	Requires Caltrans, to the extent feasible and consistent with the CTP, to assess incorporating bicycle highways into strategic interregional corridors within the interregional transportation strategic plan.	Pending in the Senate
AB 1338	Solache	Department of Transportation: transferred property: City of Lynwood.	Requires Caltrans, upon request of the City of Lynwood, to develop and enter into an agreement with the City to release and remove a deed restriction imposed on a specific parcel previously transferred to the City under specified conditions.	Pending in Senate Appropriations Committee
AB 1594*	Harabedian	Surplus nonresidential property: sales by the Department of Transportation: net equity.	Allows nonprofit tenants operating residential facilities for families during medical treatment to purchase surplus nonresidential state property from Caltrans at no more than the lesser of fair market value or value in use, as specified.	Pending in Senate Appropriations Committee

Bill	Author	Subject	Description	Status
AB 1599	Ahrens	Public transit: California Transit Stop Registry: transit datasets.	Requires Caltrans to create the California Transit Stop Registry to serve as a centralized dataset of information on transit stops, as specified, and requires transit operators to ensure that the name and location of each stop conforms with information contained in the registry.	Pending in Senate Appropriations Committee
AB 1729	Lee	State employment: telework programs.	Requires the Department of General Services (DGS) to establish a telework dashboard showing the cost-effectiveness and efficiency benefits of state telework programs. Requires each state agency, every 10 years, to evaluate its telework programs to ensure that it aligns with the agency's operational needs and provisions, as specified.	Pending in Senate Appropriations Committee
AB 1947	Ta	Surplus land.	Removes the exemption for highway lands from the requirement that each state agency annually review all proprietary state lands and report unused, underutilized, and surplus properties to DGS, as specified, and requires all state agencies, specifically including Caltrans, to annually report to DGS.	Pending in Senate Appropriations Committee
AB 1976*	Wicks	Streets and highways: pedestrian and bicycle facilities.	Prohibits a city or county from holding a community input meeting to reconsider, delay, or prevent implementation of a proposed bicycle or pedestrian safety project after that project has passed 90% design, and exempts the establishment or expansion of a pedestrian mall from the requirements of CEQA.	Pending in Senate Appropriations Committee
AB 2059	Wilson	California Environmental Quality Act: transportation impacts: vehicle miles traveled: mitigation.	Specifies that a transportation project is presumed to have a less than significant transportation impact as determined by the vehicle-miles-traveled metric if at least 80% of the project is within a nonmetropolitan county.	Pending in Senate Appropriations Committee
AB 2168*	Wicks	Active Transportation Program: guidelines.	Requires by January 1, 2028, the Commission's Active Transportation Program (ATP) guidelines to include incentives to maximize the potential for attracting funds other than program funds for eligible projects, a progressive range of penalties for an applicant that failed to use previously received ATP funds in a timely manner, and a requirement for applicants to consult with an executive officer of a transit agency if the project is adjacent to transit facilities, as specified.	Pending in Senate Appropriations Committee
AB 2329*	Fong	Surplus residential property: condition- adjusted fair market value: Cities of Pasadena and South Pasadena.	Modifies the requirements for Caltrans' disposal of surplus residential property along the State Route 710 corridor in the Cities of Pasadena and South Pasadena.	Pending in Senate Appropriations Committee

Bill	Author	Subject	Description	Status
AB 2560	Schultz	Climate Action Plan for Transportation Infrastructure: goals.	Codifies specified goals for the Climate Action Plan for Transportation Infrastructure.	Pending in Senate Appropriations Committee
AB 2788*	Wilson	Transportation: omnibus bill.	Includes minor, technical changes to transportation statutes, including the process for the Alameda County Transportation Commission to file an amendment to its Local Alternative Transportation Improvement Program for approval by the Commission.	Pending in Senate Appropriations Committee
SB 508	Martinez 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 in Assembly Business and Professions Committee
SB 569*	Blakespear	Bikeways: reversions and modifications.	Prohibits a bikeway constructed using money from the State General Fund from being reverted to a nonactive transportation use or modified for a minimum of 20 years, as specified.	Pending in the Assembly
SB 661*	Hurtado	Airports: financial assistance.	Requires the Controller, by September 1 of each year, to transfer an amount calculated to represent the sales and use tax revenues derived from the sale, use, and storage of jet fuel, as provided, from the Retail Sales Tax Fund to the Aeronautics Account for allocation in specified percentages and amounts to airports, and other aviation-related purposes, as specified.	Pending in Assembly Appropriations Committee
SB 741*	Blakespear	Low Carbon Transit Operations Program.	Revises the Low Carbon Transit Operations Program to require program funds to be expended only on the maintenance or expansion of bus, rail, or ferry services, transit fare subsidies, or network and fare integration technology improvements, as specified, and modifies reporting requirements for recipient agencies.	Pending in Assembly Appropriations Committee
SB 922*	Laird	Vehicles: local agency charges: use of streets or highways.	Provides that a fee, charge, or surcharge imposed upon the provider of public services by a local agency to recover the cost of street maintenance associated with the use of its streets, roads, or highways is not a prohibited tax, permit fee, or other charge.	Pending in the Assembly
SB 935	Choi	Local agency design-build projects authorization.	Extends the authorization for local agencies to use the design-build procurement process for projects in excess of \$1 million indefinitely.	Signed by the Governor and chaptered
SB 1008	Ochoa Bogh	California Environmental Quality Act: exemption: railroad grade crossing closure.	Exempts the closure of a railroad grade crossing by order of the California Public Utilities Commission (CPUC) from CEQA, if the CPUC finds the crossing to be a threat to public safety.	Pending in Assembly Appropriations Committee

Bill	Author	Subject	Description	Status
SB 1087*	Cabaldon	Transportation planning: sustainable communities strategies: transportation funding programs.	Requires every other update of a Regional Transportation Plan (RTP) to include a Sustainable Communities Strategy (SCS); instead of every update, requires Caltrans to allocate funding from the RMRA currently allocated to local planning grants to regional transportation planning agencies for local and regional planning that furthers the goals of an SCS or Alternative Planning Strategy (APS), provides that projects included in an APS are eligible for funding in the Trade Corridor Enhancement Program and Solutions for Congested Corridors Program (SCCP), and eliminates the requirement that projects be part of a Comprehensive Multimodal Corridor Plan to receive funding in the SCCP.	Pending in Assembly Appropriations Committee
SB 1174	Martinez Valladares	Public contracts: Department of Transportation: bid preferences: employee stock ownership plans.	Requires Caltrans to provide bid preferences for contractors or subcontractors with an employee stock ownership plan beginning January 1, 2028.	Pending in Assembly Appropriations Committee
SB 1250	Cortese	State highway system: wildlife connectivity.	Requires the targets and performance measures adopted by the Commission for the Transportation Asset Management Plan (TAMP) to include targets and performance measures reflecting transportation goals and objectives for wildlife connectivity assets, as specified, and requires Caltrans to include wildlife connectivity assets in the TAMP.	Pending in Assembly Appropriations Committee

Total Active Measures: 26

Note: Measures marked with “*” were amended since the most recent staff update.

Legislation Monitored by Commission Staff
Inactive Bills (2025-26 Regular Session)
(As of July 21, 2026)

Bill	Author	Subject	Description
AB 1421	Wilson	Vehicles: Road Usage Charge Technical Advisory Committee.	Requires the Commission, in consultation with the California State Transportation Agency (CalSTA), 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.
AB 1745	Gonzalez, Jeff	Motor Vehicle Fuel Tax law: suspension of tax.	Suspends the imposition of the tax on motor vehicle fuels for one year.
AB 1783	Demaio	Vehicle miles traveled: local tax and state fund prohibition.	Prohibits a state agency from expending funds studying, planning, testing, designing, implementing, administering, or evaluating a tax, fee, or charge that is calculated based on the number of miles traveled by a motor vehicle and reverts funds appropriated for this purpose. Prohibits a city, county, or any political subdivision from imposing a tax, fee, or charge that is calculated based on the number of miles traveled, and provides that any existing program, pilot program, or regulation inconsistent with this prohibition is void.
AB 1855	Gonzalez, Jeff	California Environmental Quality Act: exemption: passenger rail service.	Expands an exemption from CEQA where certain projects for the improvement, institution, or increase of passenger rail service for zero-emission trains to also non-zero-emission trains until January 1, 2040.
AB 2267	Garcia	State bridges and overpasses: suicide prevention.	Requires Caltrans to develop and maintain a set of preapproved designs that local governments may use to install suicide prevention barriers.
AB 2454	Solache	State highways: report: southeast Los Angeles County.	Requires Caltrans, in collaboration with the Commission, to prepare a report to the Legislature by February 1, 2028, to assess the services provided by Caltrans to maintain and improve the state highway system, and the needs of state infrastructure, in the southeast portion of the County of Los Angeles.
AB 2569	Hart	California Environmental Quality Act: natural hazards and adverse environmental conditions.	Expands the definition of "significant effect on the environment" for the purposes of CEQA to include impacts on people, as specified, and requires a lead agency to include a statement on any significant effects from locating a project near existing or foreseeable natural or environmental hazards in an environmental impact report for that project.
SB 1042	Seyarto	Vehicle registration modernization study.	Requests the Milton Marks "Little Hoover" Commission on California State Government Organization and Economy to conduct a study on modernizing vehicle registration in the state and submit a report to the Legislature no later than January 1, 2028.
SB 1275	McNerney	Sales and use tax exemption: vehicle license fee imposition: motor vehicles.	Exempts from July 1, 2027, to July 1, 2032, the sale of a used or new motor vehicle from state sales tax and imposes an additional vehicle license fee on the sale of a used vehicle or the first sale of a new motor vehicle equal to 3.9375% of the gross receipt, to be deposited in the state General Fund.

Bill	Author	Subject	Description
SB 1334	Alvarado-Gil	Route 59: Adoption.	Requires the Commission to reach an agreement with the Counties of Merced, Stanislaus, and Tuolumne for the acquisition and adoption of county road J59 as a state highway, as specified, without the Counties being required to upgrade the county road to meet state highway standards.

Total Inactive Measures: 10