

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: October 15-16, 2026

From: TANISHA TAYLOR, Executive Director

Reference Number: 4.1, Action

Prepared By: Sasha Linker
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Subject: State and Federal Legislative Matters

Recommendation:

Staff recommends that the California Transportation Commission (Commission) accept the report on state legislation included as Attachment A.

Issue:

The Legislature adjourned for Final Recess of the 2025-2026 legislative session on September 1, 2026. The Governor had until September 30 to sign or veto bills passed by the Legislature. In most cases, signed bills will take effect on January 1, 2026.

Attachment A includes a list of bills monitored by staff, pursuant to the Commission's bill monitoring policy.

At the August Commission meeting, the Commission delegated 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 Executive Director did not take any positions on bills during this time.

Background:

State Funding

Before adjourning, the Legislature approved multiple bills related to the state budget and funding for state transit programs. The bills include Senate Bill 113 (Laird), which provides \$230 million from the Greenhouse Gas Reduction Fund for the Zero-Emission Transit Capital Program established by Senate Bill 125 (Committee on Budget and Fiscal Review, Chapter 54, Statutes of 2023). The final budget does not include the sustainable aviation fuel tax credit backed by the diesel excise tax that was included in an earlier version of the budget.

Federal Funding

The Infrastructure Investment and Jobs Act (IIJA) was scheduled to expire on September 30, 2026. A continuing resolution was signed by the President on September 2, 2026, also known as the Continuing Appropriations and Extensions Act, 2027, to extend federal funding and surface transportation programs through December 11, 2026. The continuing resolution does not include advance appropriations for Federal Fiscal Year 2027 that were previously included in IIJA. If a long-term reauthorization is not enacted, California could see approximately \$1.1 billion in annual federal transportation funding at risk, including approximately \$575 million for the Bridge Formula Program and additional funding for several highway safety and public transit programs. In addition, approximately \$26 billion in annual federal competitive transportation funding could be unavailable. Congress has taken no further action to approve a long-term reauthorization to the surface transportation funding act.

Attachment:

- Attachment A: Legislation Monitored by Commission Staff

Legislation Monitored by Commission Staff
Bills Signed by the Governor (2025-26 Regular Session)
(As of September 30, 2026)

Bill	Author	Subject	Description
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.
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.
AB 1599*	Ahrens	Public transit: California Transit Stop Registry: transit datasets.	Requires Caltrans to create, with input from transit operators, 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.
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 the California Environmental Quality Act (CEQA).
AB 2059*	Wilson	California Environmental Quality Act: transportation impacts: vehicle miles traveled: mitigation.	Requires Caltrans, by December 31, 2030, to develop guidelines on vehicle-miles-travel mitigation measures in nonmetropolitan counties, as provided, and specifies that a transportation project where the lead agency has issued a notice of preparation for the project's environmental impact report by December 31, 2031 is presumed to have a less than significant transportation impact as determined by the vehicle-miles-traveled metric if at least 70% of the project is within a nonmetropolitan county.
AB 2168	Wicks	Active Transportation Program: guidelines.	Requires by January 1, 2028, the California Transportation Commission's (Commission) 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.
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, with additional special conditions in the Cities of Pasadena and South Pasadena.
Bill	Author	Subject	Description

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.
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.
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.
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.
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.
SB 1087*	Cabaldon	Transportation planning: sustainable communities' strategies: transportation funding programs.	Revises the requirements for a Regional Transportation Plan (RTP) to include a Sustainable Communities Strategy (SCS) every 8 years instead of every 4 years, 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), and provides that projects included in an APS are eligible for funding in the Trade Corridor Enhancement Program and Solutions for Congested Corridors Program (SCCP).

Bill	Author	Subject	Description
SB 1250*	Cortese	State highway system: wildlife connectivity.	Requires Caltrans to include wildlife connectivity as an objective in the State Highway System Management Plan and to prepare a supplemental list of wildlife connectivity improvements in connection with each four-year revision of the Transportation Asset Management Plan (TAMP) and submit the list to the Commission for review and comments prior to the final list being published.

Total Measures Signed: 14

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

Legislation Monitored by Commission Staff
Bills Vetoed by the Governor (2025-26 Regular Session)
(As of September 30, 2026)

Bill	Author	Subject	Description
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.
SB 661*	Hurtado	Airports: financial assistance.	Requires the State 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.

Total Measures Vetoed: 2

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

Legislation Monitored by Commission Staff
Bills Not Passed by the Legislature (2025-26 Regular Session)
(As of September 30, 2026)

Bill	Author	Subject	Description
AB 66	Tangipa	California Environmental Quality Act: exemption: egress route projects: fire safety.	Exempts from 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.
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.
AB 599	Connolly	Short-Line Railroad Improvement Program.	Authorizes a project in the Commission's 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.
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.
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 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.
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.

Bill	Author	Subject	Description
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.
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 2560	Schultz	Climate Action Plan for Transportation Infrastructure: goals.	Codifies specified goals for the Climate Action Plan for Transportation Infrastructure.
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 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.
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.
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 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.
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: 20

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