LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY

STAFF REPORT

SUBJECT: Legislative Update

FROM: Jennifer Yeamans, Senior Grants & Management Specialist

DATE: September 22, 2026

Action Requested
Receive an informational update on 2026 State and Federal legislative activities of interest to LAVTA.

Background
In March 2026, the Board of Directors approved LAVTA's 2026 Legislative Program to guide staff and the Board for legislative issues to support, watch and monitor, stay neutral, or oppose. This report provides a wrap-up of 2026 legislative activities in Washington, D.C., and Sacramento, with a look ahead to new and continuing issues to consider taking up in LAVTA's 2027 Legislative Program early next year.

Discussion

Federal Update
LAVTA's federal advocate Carpi & Clay has kept staff informed of activities in Washington, D.C., throughout the year. Significant events included completion of FY26 appropriations for federal surface-transportation programs authorized under the Infrastructure Investment and Jobs Act (IIJA) in February after two continuing resolutions, early work on a new surface-transportation reauthorization bill to succeed the five-year IIJA, which expires September 30, and passage of a continuing resolution (CR) to extend surface-transportation and other FY27 spending through December 11.

The FY27 appropriations process that began in early spring was impacted by the resignation of Rep. Eric Swalwell in April, leaving LAVTA and other sponsors of Community Project Funding requests from California's 14th district without a House sponsor for their legislation. Earlier this month, Rep. Swalwell's seat was filled for the remainder of the current term by former State Senator Aisha Wahab, whose office LAVTA visited in Sacramento in February to provide outreach and education about LAVTA's services, needs, and priorities.

In May, the House Transportation & Infrastructure Committee passed a new, bipartisan surface transportation authorization bill known as the BUILD America 250 Act to succeed IIJA. The bill did not advance to a floor vote in the House, and the relevant Senate committees have not begun drafting any legislation of their own, despite the IIJA's authorization ending

September 30, 2026. While the current CR extends IIJA through December, this is a short-term measure, and represents only a partial authorization for FY27 transit programs.

The most recent weekly federal transportation report from Carpi & Clay is included as Attachment 1.

State Update
Over 1,200 bills were passed this year before the Legislature adjourned the second of its two-year session early on September 1, and the Governor has until October 2 to sign or veto bills to go into effect January 1, 2027. Following November's elections, the Legislature will convene briefly in December for an organizational session and to swear in new members.

Much of LAVTA's effort this year was engagement with advocacy partners around developments with the California Air Resources Board (CARB) funding framework for Cap-and-Invest program funding. This work included late-session efforts by the Legislature to shore up programs funded by the Greenhouse Gas Reduction Fund that for many years have been continuously appropriated to support a broad sector of interests from affordable housing to transit operations.

LAVTA is also watching the regulatory landscape closely as California transit agencies have begun to request waivers from CARB for exemptions from the 2018 Innovative Clean Transit rule mandating the purchase of zero-emission transit buses for large operators beginning in 2023 and for small operators beginning in 2026. Under the current rule, starting in 2029, 100% of all new bus purchases for both small and large operators must be zero-emissions.

A full digest of this year's key activities and legislation of interest from LAVTA's Sacramento advocate Townsend Public Affairs is included as Attachment 2

2027 Look Ahead
Looking ahead to potential advocacy issues of interest to LAVTA in 2027, staff anticipates there will be considerable change under a new state Governor and Legislature in Sacramento, as well as changes with the new Congress in Washington, D.C.

On the federal side, further work on surface transportation reauthorization bill is expected to be taken up by the new Congress, with potential for impacts to federal transit programs. Staff expects both Carpi & Clay and the American Public Transportation Association to remain actively engaged, among other key stakeholders.

Staff plans to return to the Finance & Administration Committee early next year with a draft 2027 Legislative Program focused on addressing these and other issues of priority interest to LAVTA, to be developed in consultation with our federal and state advocates as well as regional partners, and in accordance with LAVTA's Strategic Plan.

Recommendation
None — information only.

Strategic Plan Goal
Advocacy and Partnerships: Continue to build and grow relationships with adjacent cities and counties, and State and Federal delegations.

Attachments:
1. Carpi & Clay Transportation Weekly Update (September 11)
2. Townsend Public Affairs 2026 End of Session Memorandum

**This issue covers actions from August 21 – September 11.*

September 11, 2026

NEXT WEEK IN CONGRESS

House Subcommittee to Hold FAA Oversight Hearing. On September 15, the Transportation, Housing and Urban Development (THUD) Subcommittee of the Appropriations Committee will hold an FAA oversight hearing. FAA Administrator Bryan Bedford will testify.
MORE INFORMATION

Senate Committee to Markup Transportation-Related Bills. On September 16, the Commerce, Science, & Transportation Committee will consider the following transportation-related bills:

- **S. 3929, the Air Traffic Situational Awareness Enhancement Act** – requires FAA to acquire and install airborne certified position reference tools at air traffic control towers.
- **S. 5224, the Runway SAFE-T Act** – improves training for airport drivers in the movement area at commercial service airports through the establishment of a task force and use of technology

MORE INFORMATION

Senate Committee to Hold Hearing on Assistant Secretary of Transportation. On September 17, the Commerce, Science, & Transportation will hold a nominations hearing to consider Leslie Becera, to be Assistant Secretary of Transportation.
MORE INFORMATION

THIS WEEK IN CONGRESS

House Passes CR. On September 1, the House passed the Senate version of the Continuing Resolution (CR) by a bipartisan vote of 370-48, extending federal government funding and surface transportation programs through December 11, although the surface transportation extension does not include advance appropriations. The CR also prohibits OMB from finalizing its proposed rule governing federal grants and funding, or a substantially similar rule, through December 11. President Trump signed the CR into law on September 2.

THIS WEEK AT THE DEPARTMENT OF TRANSPORTATION

DOT Publishes PROTECT NOFO. DOT has published a notice of funding opportunity (NOFO) for the availability of $787 million through the Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) Competitive Grant Program. The intent of the PROTECT Competitive Grant Program is to fund projects to improve the resilience of the surface transportation system, including highways, public transportation, ports, and intercity passenger rail. Program goals include protecting: surface transportation assets by making them more resilient; communities through resilience improvements and strategies that allow for the continued operation or rapid recovery of surface transportation systems; coastal infrastructure; and natural infrastructure that protects and enhances surface transportation assets. Applications are due by October 9, 2026.
MORE INFORMATION

DOT Releases New National AV Strategy. DOT has released its National Strategy for Automated Vehicles (AV) for FY 2026–2030, outlining a department-wide approach to the development and deployment of automated vehicles for passenger and freight transportation. The strategy focuses on four goals: prioritizing safety, providing greater regulatory certainty, supporting U.S. innovation and commercial deployment, and promoting interoperable transportation corridors across state lines. DOT identifies actions including modernizing federal vehicle safety standards, developing minimum performance standards for automated driving systems, streamlining exemption processes, and continuing research and demonstrations involving rural AV deployment, automated transit, emergency response, and digital infrastructure.
MORE INFORMATION

DOT Publishes Cause of Airline Delay and Cancellation Categories Under the FAA Reauthorization Act Final Rule. DOT has published a final rule that amends its regulations governing how air carriers report the causes of flight cancellations and delays. This action implements Section 511(b) of the FAA Reauthorization Act of 2024, which mandates that ten specific types of events be excluded from the “Air Carrier” causal reporting code. That code is reserved for circumstances that are within the carrier's control. This final rule creates a new reporting category to capture these ten specific events, ensuring that the data reported to the Department and shared with the traveling public accurately reflects the statutory distinction

between carrier-controllable events and the specific exclusions identified by Congress. The rule is effective on October 19, 2026.
MORE INFORMATION

DOT Announces AGCC Initiative. DOT has announced the America's Great Corridors of Commerce (AGCC) initiative, a voluntary program that would allow state DOTs and railroads to use or lease existing transportation rights-of-way for infrastructure such as electric transmission lines, fiber optic cables, water pipelines, and other utilities. The Build America Bureau plans to select up to five initial priority corridors and provide technical assistance, permitting support, and public-private partnership models, while revenues generated from utility leases could be used for transportation infrastructure maintenance and improvements.
MORE INFORMATION

DOT Announces ACPAC Public Meeting. DOT has announced a virtual two-day public meeting of the Aviation Consumer Protection Advisory Committee (ACPAC). The meeting will be September 23 – 24, 2026 from 10:00am to 5:00pm ET.
MORE INFORMATION

DOT Announces Beautifying Transportation Infrastructure Council Public Meeting. DOT has announced a public meeting of the Beautifying Transportation Infrastructure Council (Council) on September 30, 2026, from 10:00am to 4:00pm ET.
MORE INFORMATION

FAA Announces AIG Awards. FAA has announced $481 million in Airport Infrastructure Grants (AIG) awards to airports in 36 states. This funding will help support airport planning, development, terminal improvements, baggage system upgrades, runway and taxiway rehabilitation, roadway and access improvements, and other safety-related infrastructure needs.
MORE INFORMATION

FAA Announces Expansion of BEYOND Drone Integration Program. FAA has announced **Phase 2 of its BEYOND program**, which will double the program's current size by adding up to eight state, local, tribal, or territorial government participants to support the integration of advanced drone operations into the National Airspace System. Authorized by the FAA Reauthorization Act of 2024, the expanded program will focus on issues including beyond visual line of sight operations, public safety missions, airport operations, and other complex operating environments, building on data and experience from more than 70,000 flights conducted during Phase 1.
MORE INFORMATION

FHWA, FRA, and FTA Publishes NEPA Regulations Final Rule. FHWA, FRA, and FTA has published a final rule that revises the Agencies' National Environmental Policy Act (NEPA) of 1969 implementing regulations in light of the removal of the Council on Environmental Quality (CEQ) regulations, the amendments to NEPA included in the section of the Fiscal Responsibility Act (FR Act) of 2023, known as the Building United States Infrastructure through Limited Delays and Efficient Reviews (BUILDER) Act of 2023, amendments regarding efficient environmental reviews included in the Infrastructure Investment and Jobs Act (IIJA) of 2021, and the Supreme Court decision in *Seven County Infrastructure Coalition.* The Agencies provided a 30-day comment period for the public to review and comment on the IFR. This final rule addresses public comments received and finalizes the IFR with minor technical changes. The rule is effective on September 1, 2026.
MORE INFORMATION

FMCSA Publishes Fees for the UCR Plan and Agreement. FMCSA has amended the regulations governing the annual Unified Carrier Registration (UCR) Plan and Agreement registration fees that participating States collect from motor carriers, motor private carriers of property, brokers, freight forwarders, and leasing companies. On September 18, 2025, the UCR Board recommended a fee increase for the 2027 registration year and subsequent registration years. This recommended increase averages 20 percent over the fee structure adopted for 2025 and retained for 2026, with varying increases ranging between $9 and $9,329 per entity, depending on the applicable fee bracket. Although the fees for registration year 2027 are increased, they are less than those in effect during registration years 2019 through 2022. FMCSA adopts the recommended fee increase. The changes are effective on October 1, 2026.
MORE INFORMATION

U.S. Department of Transportation
Federal Railroad Administration

FRA Issues Safety Advisory on Restricted Speed. FRA has issued Safety Advisory 2026-01 to remind railroads and their employees of the importance of compliance with Federal regulations and railroad operating rules governing restricted speed. This Safety Advisory contains a summary of seven recent train accidents involving failure to operate at restricted speed and makes recommendations to railroads to ensure employee compliance with restricted speed requirements, with particular emphasis on operations in positive train control (PTC) Restricted Mode.
MORE INFORMATION

Federal Transit Administration

FTA Announces ASAP Grant Awards. FTA has announced $223 million in grants through the All-Stations Accessibility Program (ASAP) to eight projects in five states. ASAP helps transit agencies modernize some of the nation's oldest and busiest rail transit stations and ensure they are equipped to meet the needs of passengers.
MORE INFORMATION

FTA Announces Rail Vehicle Replacement Grant Awards. FTA has announced $166 million to upgrade passenger rail vehicles. Funding will go to three projects:

- **$82.7 million to Pennsylvania's Port Authority of Allegheny County (Pittsburgh Regional Transit)** to buy 45 new light rail vehicles–replacing some models that have been in service for nearly 50 years.
- **$70 million to Texas' Dallas Area Rapid Transit (DART)** to replace 53 light rail vehicles originally purchased in the 1990s.
- **$13.3 million to Pennsylvania's Southeastern Pennsylvania Transportation Authority (SEPTA)** to replace 50-year-old Silverliner IV electrical multiple unit commuter railcars in service on its regional rail system.

MORE INFORMATION

FTA Announces Ferry Grant Awards. FTA has announced $665 million in ferry grants to 23 projects in 14 states and the U.S. Virgin Islands. The ferry grant program helps modernize

terminal infrastructure, launch new ferry routes, and fund new ferries to connect Americans to their jobs and new communities.
MORE INFORMATION

NHTSA
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

NHTSA Publishes FMVSS No. 213a, No. 213, No. 213b Final Rule. NHTSA has published a final rule that amends the safety standards for child restraint systems (CRSs). NHTSA is amending Federal motor vehicle safety standard (FMVSS) No. 213a, "Child restraint systems—side impact protection," to exempt school bus CRSs from the standard's requirements as long as they meet specified labeling requirements; to delay the compliance date from June 30, 2025 to December 5, 2026; to amend the dummy selection requirements so that the Child Restraint Air Bag Interaction twelve-month-old test dummy (CRABI-12MO) will not be used to test forward-facing CRSs; and to amend positioning procedures for that dummy. The first two of these amendments are in response to petitions from CRS manufacturers. NHTSA is also amending FMVSS No. 213, "Child restraint systems" and FMVSS No. 213b, "Child restraint systems; Mandatory applicability beginning December 5, 2026," to exclude school bus CRSs from the requirements to provide attachments for connection to the vehicle's child restraint anchorage system and to change certain labeling requirements to reflect how school bus child restraints are used. The rule is effective on October 9. 2026.
MORE INFORMATION

NHTSA Publishes Interpretive Rule Resetting the Fuel Economy Program. NHTSA has issued an interpretive rule regarding the scope of its authority to set fuel economy standards for commercial medium- and heavy-duty on-highway vehicles and work trucks. This rule describes NHTSA's authority to set vehicle standards, which does not include the authority to set separate standards for engines. NHTSA will review its existing standards applicable to commercial medium- and heavy-duty on-highway vehicles and work trucks for consistency with this interpretation in a separate rulemaking. Pending the rulemaking process, NHTSA will exercise its enforcement authority with regard to affected standards in accordance with the interpretation set forth in this rule. This interpretive rule is applicable as of August 31, 2026.
MORE INFORMATION

OTHER

GAO Publishes Report on High School Aviation Maintenance Programs. The Government Accountability Office has published a report titled **High School Aviation Management Programs: FAA Should Assess Expanding Access to the Mechanic Knowledge Test**. The report examines high school aviation maintenance programs and barriers students face in pursuing careers as FAA-certificated aircraft mechanics. GAO identified 11 FAA-certificated high schools and 43 other certificated schools that serve high school students, as well as at least 43 high schools offering aviation maintenance programs that are not FAA-certificated but found limited data on graduates' career outcomes. Stakeholders cited limited awareness of aviation maintenance careers and restrictions preventing graduates of uncertificated programs from taking FAA's general mechanic knowledge test without additional education or work experience as key barriers. GAO recommends that FAA convene industry stakeholders and aviation experts to assess whether students who complete aviation maintenance curricula at uncertificated schools should be permitted to take the knowledge test; DOT concurred with the recommendation.

GAO Publishes Report on Flight Simulators. GAO has published a report titled **Flight Simulators: FAA Should Take Steps to Ensure Oversight Efforts Address Increased Workload**. The report examines FAA's oversight of flight simulators and how its National Simulator Program has managed a growing workload as the number of simulators increased by more than 500 percent from 1990 to 2025 while staffing remained relatively flat. GAO found that FAA has relied in part on its Extended Evaluation Interval program, which allows qualifying simulators to go up to 36 months between evaluations, but has not adequately communicated with simulator sponsors about how eligibility and evaluation intervals are determined. GAO also found that the program has identified staffing and skills gaps, including in standards development, but has not fully addressed all mission-critical needs. GAO recommends that FAA establish a mechanism for communicating with and receiving feedback from simulator sponsors and develop a process to address identified skills gaps; DOT concurred with both recommendations.

LEGISLATIVE UPDATE

To: **Christy Wegener, Executive Director**
Livermore Amador Valley Transit Authority

Jennifer Yeamans, Senior Grants & Management Specialist
Livermore Amador Valley Transit Authority

From **Townsend Public Affairs**
Niccolo De Luca, Vice President
Carlin Shelby, Deputy Director

Date: **September 4, 2026**

Subject: **2026 Legislative End of Session Overview**

2026 STATE LEGISLATIVE WRAP UP

The state's 2026 session entered its final days with lawmakers managing a crowded agenda over the final weekend of August, convening mid-day Sunday August 30 working late into the evening both Sunday and Monday before returning early Tuesday morning on September 1 to conclude the second year of the two-year Session. More than 1,200 measures remained active after the summer recess, creating a compressed final stretch of fiscal committee hearings, floor votes, concurrence decisions, and negotiations over late amendments. Housing policy, Brown Act legislation, voting rights, wildfire preparedness, budget volatility, climate resilience, labor costs, emerging technology infrastructure, and more all dominated headlines throughout the year, with tensions mounting in the latter half of session.

Under the shadow of the November 2026 election, the Legislature made adjustments to proposals, ballot initiatives, and revenue-generating mechanisms as Governor Newsom is terming out. On the ballot, voters will select his successor and decide the outcome of a laundry list of ballot initiatives involving taxation, housing finance, state reserves, and environmental review. That transition encouraged the Legislature and Administration to lock in various priorities under their purview, while leaving several difficult implementation and funding decisions to the next Governor and Legislature.

BUDGET & FISCAL POLICY

At the outset of the year, the Legislature and Administration grappled with a budget deficit estimated upwards of $18.5 billion setting a dismal tone for state and local programs that rely on state funding. As the year progressed, stronger near-term revenues helped ease California's structural imbalance as well as the implementation of new revenue generating mechanisms including limits on the use of business tax credits, changes to the managed care organization tax, and application of the sales and use tax to certain prewritten software transactions. Although met with some skepticism from the business community, these provisions will produce additional state and local revenue to help balance the state's budget, and foreshadows the potential for additional tax policy tools under future Administrations.

While the main budget was passed in [AB 109](#) in June, additional trailer bills were drafted, heard, and shepherded through to the Governor's desk in the final few days of session advancing proposals involving health, developmental services, preparation for the 2028 Olympics, energy transmission wildfire mitigation, and long-awaited allocations from the Greenhouse Gas Reduction Fund. The Governor also touted setting up future balanced budgets, without any new broad-based taxes on individual Californians.

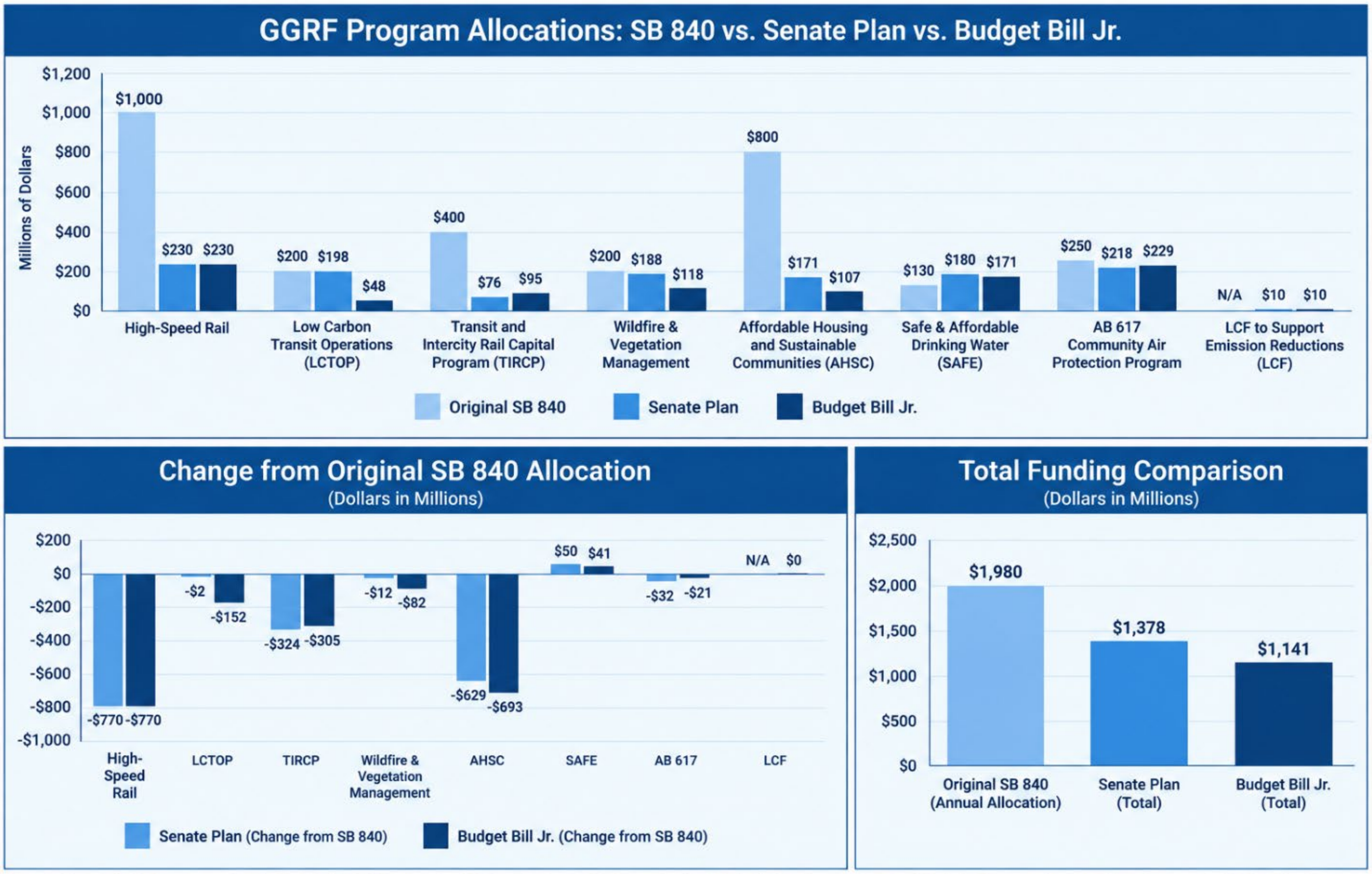
On June 29, the Governor signed the Budget Act of 2026-27, a $351.7 billion spending plan that includes $251.5 billion in General Fund spending, alongside roughly $187 billion in federal funds flowing through state accounts. The enacted budget also builds total reserves to a record $35.2 billion, including a $15.1 billion Budget Stabilization Account balance, $4.5 billion in the Special Fund for Economic Uncertainties, and $9.2 billion in the Public School System Stabilization Account. Legislative leaders credited the agreement with cutting the state's projected structural deficit for 2029-30 nearly in half, from $23 billion under the Governor's January proposal to $8.4 billion in the enacted plan, while also rejecting several of the Administration's proposed health and human services reductions, including cuts to In-Home Supportive Services and a proposed Medi-Cal asset test.

NATURAL RESOURCES & ENVIRONMENT

Greenhouse Gas Reduction Fund Allocations
Since the reauthorization of the state's Cap-and-Invest system in 2025, recipients of funding from the Greenhouse Gas Reduction Fund (GGRF) have anxiously awaited the state's spending plan that would divvy up commitments from lower-than-expected auction revenues. The enacted expenditure plan includes major commitments for the Department of Forestry & Fire Protection (CAL FIRE), the High-Speed Rail, affordable housing support programs, public transit funding, and other climate investments. Poor performance in early 2026 stymied optimism that the reauthorized program could adequately support prior commitments to GGRF-dependent projects and programs. As such, impacted stakeholders pressed the Legislature and Administration to avoid using volatile auction proceeds as a substitute for stable General Fund support. The final enacted spending plan provides important resources but also leaves investment programs competing for a limited pool of revenue. August auction proceeds reflected an uptick in quarterly auction settlement prices, reflecting growing market confidence amidst greater regulatory certainty, but members of the Legislature have already expressed a willingness to take a closer look at GGRF revenue streams.

California Air Resources Board Regulation Updates
At the outset of the year, the California Air Resources Board (CARB) advanced major updates to the Cap-and-Invest system which modified allowance budgets, cost-containment mechanisms, and industrial assistance, including a Manufacturing Decarbonization Incentive supported by a limited pool of incentive allowances. During public comment, stakeholders warned that the structure could reduce near-term auction revenue available for the GGRF, while CARB emphasized the need to align their programming with the state's longer-term emissions targets and protect trade-exposed industries.

Ultimately, CARB adopted the regulatory package in May and transmitted the final rulemaking to the Office of Administrative Law in July. Auction proceeds, allowance prices, and final implementation guidance will determine how much funding is actually available for climate, housing, transit, and other programs, and whether the new industrial incentives achieve their intended emissions reductions. Though, the LAO estimates that CARB's changes will result in $2



Note: AHSC original SB 840 amount combines $560 million (Affordable Housing) and $240 million (Sustainable Communities) for a total of $800 million.

Note: Totals include all programs listed. LCF did not have an original SB 840 allocation.

billion less for programs that auction proceeds fund. Tables with expected outlays are below:

LABOR & PUBLIC EMPLOYMENT

Public Retirement Policy

Far and away, one of the most watched measures impacting local agencies in 2026 was [AB 1383 (McKinnor)](), which would make one of the more significant amendments to PEPRA since its 2013 enactment. Through a few rounds of amendments, the bill adds a fourth safety-member retirement formula (3% at age 55, alongside the existing 2%, 2.5%, and 2.7% at age 57 options), lowers the safety retirement age from 57 to 55, raises the PEPRA pensionable-compensation cap toward the higher federal limit used for tax-qualified plans, and allows an employer and its safety employees to negotiate formula upgrades and member cost-sharing through a memorandum of understanding. The changes would apply to service performed on or after January 1, 2027.

The bill has been cited by supporters as a recruitment and retention tool following years of PEPRA-driven benefit reductions, namely in the public safety space. Throughout the year, a coalition of local government associations has opposed the proposed changes over new annual normal-cost contributions estimated in the hundreds of millions of dollars and billions in added present-value liability layered onto CalPERS' existing unfunded liability. In July, the Department of Finance announced its opposition to the measure because it "unwinds" PEPRA objectives, safeguards, and cost containment guardrails, and it would create a potential inequity between safety and non-safety members. The Department notes the bill raises the pensionable-compensation cap through a two-step change: resets the calculation base from 2013 to the 2027 federal Social Security 430(b) limit and raises the applicable percentage for members outside Social Security from 120% to 135%, while separately lowering the safety retirement age from 57 to 55 across three existing formulas and adding the fourth, noted earlier. Setting aside the fourth tier, Finance estimates the changes add $4.8 billion in present value of future benefits and $282 million in first-year normal cost contributions system-wide across CalPERS. If the fourth tier is adopted, Finance projects an additional $353 million in annual normal cost and $3.4 billion in present value of benefits, including normal-cost increases of 5.51 percent for the State Safety plan, 2.18 percent for State Peace Officers and Firefighters, and 1.14 percent for the CHP plan. For the 20 counties operating under the 1937 Act, Finance cites a SACRS estimate that a single medium-sized county could see present-value liability rise by more than $700 million over 30 years, or roughly $20 million more annually in safety-plan contributions, several of which have told Finance they cannot absorb increases of that scale. Finance also points out that PERF is only 79 percent funded as of June 30, 2025, that the bill would deepen that shortfall and expose plans to greater contribution volatility tied to investment performance, and that enhancing benefits only for safety classifications, combined with a compensation cap and normal cost that apply uniformly across a bargaining unit regardless of individual pay, risks having lower-compensated members effectively subsidize the richer benefits accruing to their higher-paid counterparts.

The bill continued to move through Senate committees into the final weeks of Session, clearing a policy committee unanimously in June, the suspense file in early August, and Senate floor amendments concurred in on August 30, so its scope was still in motion as adjournment approached. Post-enrollment, advocacy against the bill has shifted to the Governor’s office, supported by arguments made by his Administration’s Department of Finance.

SELECTED LABOR & PUBLIC EMPLOYMENT BILLS		
BILL	**SUMMARY**	**STATUS**
AB 187 (Budget)	Extends goat-herder/sheep-herder wage parity through January 1, 2029, and funds a follow-up wage study.	Signed into law.
AB 1198 (Haney)	Revises how prevailing wage updates apply to certain public works contracts by extending new wage determinations to large contracts and creating a faster process to challenge those rates.	Pending Governor's signature or veto.
AB 1383 (McKinnor)	Adds a fourth PEPRA safety retirement formula (3% at 55), lowers the safety retirement age to 55, and raises the pensionable-compensation cap; opposed by the Department of Finance.	Pending Governor's signature or veto.
SB 577 (Laird)	Raises the evidentiary standard for childhood sexual assault claims against public entities filed by plaintiffs 40 or older, sets filing deadlines for claims tied to specified closed juvenile facilities, and	Pending Governor's signature or veto.

	adjusts bad-faith litigation and bond-validation procedures.	

PUBLIC SAFETY

Electric Bicycles & E-Conveyances
E-bike safety and regulation was another active area this session, with several measures advancing to address youth safety, equipment standards, and consumer clarity around what legally qualifies as an electric bicycle.

AB 1569 (Davies) requires the State Department of Education, in consultation with the California Highway Patrol, to develop by March 1, 2028, a standardized electric bicycle safety and training program for pupils in grades 7 through 12. The Department may collaborate with local law enforcement agencies and local governments that have already implemented e-bike training programs to ensure the statewide curriculum reflects proven local practices, and local educational agencies and parent organizations are encouraged to offer hands-on training demonstrations in partnership with local law enforcement.

AB 1614 (Dixon) extends existing seat requirements under the California Bicycle Transportation Act, which currently requires bicycle (including e-bicycle) riders and passengers on a highway to ride upon a permanent, regular seat, to also apply specifically to operation on a Class I bikeway. This is a narrower, technical clarification, closing a gap in where the existing seat requirement applies.

AB 2346 (Wilson) imposes new equipment standards on electric bicycles sold in California starting January 1, 2029: all Class 2 e-bikes must be equipped with a speedometer, and all e-bikes generally must include an integrated or detachable front lamp and rear lamp. The bill also requires sellers and distributors to disclose specified information to consumers at or before the point of sale.

SB 1167 (Blakespear) amends the list of vehicles prohibited from being advertised, sold, or labeled as electric bicycles, adding motor-driven cycles and mopeds among other categories, to close labeling loopholes that have allowed non-compliant vehicles to be marketed as e-bikes.

This package reflects a broader legislative effort to draw clearer lines around what qualifies as a legal e-bike, tighten safety and equipment standards, and build youth safety education into the school system, while stopping short of the more restrictive registration or licensing proposals that were considered and did not advance this session.

SELECTED PUBLIC SAFETY BILLS		
BILL	**SUMMARY**	**STATUS**
AB 1830 (Petrie-Norris)	As amended, retains ignition interlock devices as a component of restricted driving privileges rather than a blanket first-offense mandate.	Failed to advance.
AB 1546 (Schultz)	Expands felony eligibility for repeat DUIs and lengthens license-revocation and IID terms for repeat offenders.	Pending Governor's signature or veto.

SB 907 (Archuleta)	Mandates enhanced sentencing for hit-and-run drivers with prior DUI or gross vehicular manslaughter convictions.	Pending Governor's signature or veto.
AB 1685 (Lackey)	Raises DMV point assessments for vehicular manslaughter and vehicular manslaughter while intoxicated.	Pending Governor's signature or veto.
AB 1687 (Lackey)	Authorizes immediate license removal for repeat DUI offenders and extends the reinstatement period.	Pending Governor's signature or veto.
AB 1569 (Davies)	Directs CDE/CHP to develop a statewide e-bike safety training program for grades 7–12 by March 1, 2028.	Signed into law.
AB 1614 (Dixon)	Extends the existing bicycle-seat requirement to Class I bikeways.	Signed into law.
AB 2346 (Wilson)	Sets new e-bike equipment standards (speedometers, lamps) and point-of-sale disclosure requirements.	Pending Governor's signature or veto.
SB 1167 (Blakespear)	Closes labeling loopholes that allow motor-driven cycles and mopeds to be marketed as e-bikes.	Pending Governor's signature or veto.

TRANSPORTATION

Transportation policy was shaped by similar funding tension seen throughout the state's budget process. Transit, active transportation, and local mobility programs were compelled into dependence on dwindling funding sources and future appropriations, and projects with multiyear development schedules became increasingly difficult to deliver. The state's final spending plan maintained a $1 billion GGRF commitment to the High-Speed Rail, the Authority for which also released an updated business plan in June hinting at the likelihood of future proposals to establish tax increment financing (TIF) districts. Earlier in the year, the Authority's Draft 2026 Business Plan argued it should have the capacity to establish land value capture districts that rely in TIF to support its budget. The proposal was met with significant resistance, and the Authority walked back the proposal as the year progressed, yet the project's updated June business plan still recommended the need for a strengthened financing authority.

Similarly, gas tax revenues have continued to decline, forcing the state to consider alternative transportation funding sources to support local roads and transportation modalities. An emerging proposal is the vehicle miles traveled (VMT) path, which has begun to intersect with long-term transportation financing options. California's fuel-tax model is under pressure as vehicles become more efficient and zero-emission vehicle adoption reduces taxable gasoline and diesel consumption. Policymakers have therefore continued studying road-usage-charge concepts that would assess a per-mile fee rather than relying solely on gallons purchased.

During the year, several measures emerged to provide some relief for local agencies in the transportation space. AB 2059 (Wilson) proposed a targeted approach to vehicle miles traveled analysis in nonmetropolitan counties. The measure caps the cost of California Environmental Quality Act (CEQA) mitigation measures for significant transportation impacts of a transportation project located within a county under 200,000 population at 5% of the estimated total project cost, reflecting continuing concern that a statewide VMT framework can produce inequitable outcomes in rural areas with limited transit options and long travel distances. SB 922 (Laird) was another significant measure insulating local governments from liability over the use of fees for road maintenance, and ensuring fees can be used to repair local roads. The measure authorizes local charges associated with specified uses of streets and highways, giving agencies another tool to recover public costs.

SELECTED TRANSPORTATION BILLS		
BILL	**SUMMARY**	**STATUS**
AB 2059 (Wilson)	Addresses CEQA/VMT analysis for transportation projects in nonmetropolitan counties; the original 5%-of-cost mitigation cap was replaced with an 80%-nonmetropolitan-county presumption standard as the bill was amended.	Pending Governor's signature or veto.
AB 2307 (Sanchez)	Authorizes the Western Riverside Council of Governments, in coordination with the Department of Transportation, to run a traffic signal synchronization pilot program for its member agencies.	Signed into law.
SB 922 (Laird)	Confirms local agencies' authority to recover street maintenance and repair costs through service-related fees and charges.	Pending Governor's signature or veto.
SB 1218 (Arreguín)	Authorizes a peace officer to immobilize a vehicle if the registered owner has unpaid citations or failure to appear notices for illegal dumping.	

LOCAL GOVERNMENT & ELECTIONS

Public Meetings & Public Records

The Legislature revisited several 2025 transparency mandates that had raised cost and implementation concerns for local agencies, namely SB 707 (Durazo), which instituted new translation, remote participation, and public access requirements for specified legislative bodies. Upon passage of SB 707, Senator Durazo committed to readdressing comments raised on her original legislation this year. SB 1187 (Durazo) took shape in 2026 as the vehicle for SB 707 clean-up. Specifically, SB 1187 removes selected requirements related to electronic agenda fulfillment and agenda translation or interpretation for eligible bodies, while still retaining remote public participation provisions.

In an age of ample local public comment and Public Records Act (PRA) requests, legislators took note of the increased activity of bots and AI-generated public comments and PRA requests, which served as the impetus for SB 1159 (Cabaldon), as well as the often arduous PRA request process, which breathed life into AB 1821 (Pacheco).

SB 1159 clarifies that AI systems, autonomous agents, and robots do not qualify as a "person," "participant," or "member of the public" under the Public Records Act, the Brown Act, the Bagley-

Keene Act, the Political Reform Act, the Administrative Procedure Act, or CEQA. The bill followed a widely reported episode in which tens of thousands of AI-generated comments were submitted to a Southern California air district and were credited with influencing the agency's decision to abandon a gas-appliance phase-out proposal. It passed with broad, largely bipartisan support and will give agencies clearer footing to distinguish organic public comment from automated submissions in the record, though verifying authorship at scale remains an open operational question.

In a similar vein, AB 1821 began as a broader rewrite of Public Records Act response and fee provisions, including proposed fee-shifting for high-volume "commercial" requesters and a path for agencies to seek relief from "malicious" requests, before receiving pushback from various organizations. The version that advanced through the Senate, and ultimately sent to the Governor, is narrower, mainly converting the initial records-response deadline from calendar days to business days to give agencies a more workable turnaround on a growing volume of requests.

Voting Rights & Local Revenue
Substantial revisions to the California Voting Rights Act, including a complete repeal and replacement, were proposed in SB 1164 (Cervantes), to form the "California Voting Rights Act of 2026." Among other changes, it would have broadened standing to include the Attorney General or any aggrieved party, create a 45-day window for a jurisdiction to resolve a vote-dilution allegation before suit can be filed, and add a preclearance-style review track for jurisdictions with a recent record of discrimination findings, responding in part to the U.S. Supreme Court's *Louisiana v. Callais* decision narrowing federal vote-dilution protections. Notably for cities and counties that shifted from at-large to district-based elections under the 2001 CVRA's safe harbor from further suit, SB 1164 would have reopened that safe harbor to new litigation.

Coming out of the Assembly Appropriations Committee, the author agreed to substantial amendments that encouraged local government organizations to remove their opposition. Specific amendments particularly addressed the potential exposure for cities that have already transitioned to district-based elections, the treatment of hybrid systems that include a citywide elected mayor, and the risk that the existence of an at-large system could be treated as sufficient evidence of a violation. Instead of repealing and recasting the original CVRA, the final version revised and expanded the CVRA with a state voting rights act that seeks to protect voters from voter suppression and vote dilution.

Separately, the Legislature placed ACA 22 on the November ballot as Proposition 43, in a negotiated compromise under which the Howard Jarvis Taxpayers Association agreed to withdraw a broader citizen initiative and legislative leaders dropped a competing constitutional amendment. Proposition 43 would apply a higher vote threshold for citizen-initiated local special taxes to pass, requiring the same two-thirds vote already required for special taxes placed on the ballot by a governing body. If approved, the change applies only prospectively, to measures qualifying on or after January 1, 2027, and would not disturb taxes already approved. Local agencies that rely on citizen-initiated revenue measures for parks, libraries, transit, or public safety should factor the pending two-thirds threshold into 2027 planning regardless of the outcome, given the broader trend toward tightening both the legislative and initiative paths to new local revenue, especially considering this has been a recurring effort at the ballot box.

SELECTED LOCAL GOVERNMENT & ELECTIONS BILLS		
BILL	**SUMMARY**	**STATUS**

AB 643 (Wilson)	Permits local jurisdictions to count organic material used as a beneficial agricultural amendment for up to 10% of their recovered organic waste procurement target.	Pending Governor's signature or veto.
AB 1786 (Harabedian)	Authorizes additional entities use best value contracting, reduce the dollar threshold for eligible projects, and extend the existing sunset date to January 1, 2032.	Pending Governor's signature or veto.
AB 1821 (Pacheco)	Narrowed from a broader fee/response-time overhaul to mainly converting the initial Public Records Act response deadline from calendar days to business days.	Pending Governor's signature or veto.
AB 2529 (Johnson)	Requires a signed declaration of accuracy on Government Claims Act filings to curb questionable claims against public entities.	Pending Governor's signature or veto.
SB 1159 (Cabaldon)	Clarifies that AI systems, autonomous agents, and robots are not a "person" or "member of the public" under the Brown Act, the Public Records Act, and related open-government statutes.	Pending Governor's signature or veto.
SB 1164 (Cervantes)	Revises and expands the 2001 California Voting Rights Act (paired with SB 1360) to address voter suppression and vote dilution, with amendments addressing local government exposure concerns.	Pending Governor's signature or veto.
SB 1187 (Durazo)	Repeals the July 1, 2026 agenda-translation and electronic-fulfillment mandates created by SB 707, while retaining remote-participation requirements.	Pending Governor's signature or veto.
ACA 22 (Wicks)	Would raise the vote threshold for citizen-initiated local special taxes to two-thirds, prospectively from Jan. 1, 2027.	Placed on the November 2026 ballot as Proposition 43.

LOOKING AHEAD

New Incoming Executive Administration

Democrat Xavier Becerra and Republican Steve Hilton advanced to the November runoff to succeed termed-out Governor Newsom, with independent polling in August showing Becerra with a substantial lead. The two offer sharply different postures on issues that bear directly on voter sentiment: Becerra has signaled openness to revisiting the state's climate targets in the name of affordability and has floated a state of emergency to freeze utility and insurance rates, while Hilton has pledged to roll back clean-energy mandates, expand fossil fuel production, and reduce the regulatory footprint of state climate programs. Whoever prevails will inherit the state's structural budget imbalance, Cap-and-Invest implementation, a new slough of legislative proposals, and would direct agencies amidst .

November 2026 Ballot

Beyond the Governor's race, several November measures carry direct implications for local agencies. Proposition 1 (SB 417) would authorize an $11.25 billion housing and veterans bond, including $200 million for the Local Housing Trust Fund Program that cities, counties, and regional housing trusts can apply for directly. Proposition 2 would revise the state's Rainy Day Fund. Proposition 43 (ACA 22) would raise the vote threshold for citizen-initiated local special taxes, as discussed above. Proposition 45, a citizen initiative rather than a legislatively referred measure, would substantially rework CEQA for a defined set of housing, transportation, water, and health projects, imposing a 365-business-day limit on environmental review, tightening court timelines for legal challenges, and narrowing tribal consultation and public-comment procedures. Recent polling has shown strong public support, and the outcome would meaningfully affect how local agencies process CEQA review and defend project approvals going forward.

Tort Reform

Towards the end of this Session, a coalition of more than 65 cities, counties, and special districts pushed for public entity liability reform, pointing to a 370% increase in local agency insurance premiums since 2016 and more than $7 billion in known liability exposure accumulated since 2019. The most direct legislative vehicle, SB 577 (Laird) revises numerous statutes related to civil procedures governing claims against public entities, including those for childhood sexual assault, modifies local government training and recordkeeping statutes, and modifies the procedures for local agencies that issue public debt obligations. Meanwhile, AB 2529 (Johnson) would tighten the Government Claims Act process to curb what sponsoring cities describe as a rise in questionable claims, and is backed by the California Contract Cities Association and PRISM. The broader civil-justice landscape moved unevenly this session: Governor Newsom signed SB 623 (Umberg) in June to curb inflated medical-billing practices in auto-accident litigation. Despite the movement of these measures, more is likely to come next Session as public entities expressed concerns over the provisions of SB 577, potentially reopening conversations regarding local government liability.

Cap-and-Invest Funding Allocations

CARB's May regulatory package now sits with the Office of Administrative Law, and the practical stakes for GGRF beneficiaries will play out over the coming year rather than in any single vote. Auction results, final implementation guidance, and allowance pricing through 2027 will determine how much GGRF revenue remains for the climate, transit, and community investment programs many agencies depend on. Given the volatility already seen in 2026 auction performance, expect continued legislative interest in revisiting how GGRF revenue is allocated and whether the state should backstop priority programs with more stable General Fund support.