

State and Federal Legislation Update



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Transportation Authority Board - Agenda Item 13
June 23, 2026

State Updates

- **State Legislation**
- **Cap-and-Invest Amendments**
- **State Budget**
- **State Autonomous Vehicle Policy Developments**



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State Legislation Status (1 of 2)

BILL # (AUTHOR)	BILL TITLE	BILL STATUS*	POSITION
AB 1421 (Wilson)	Road Usage Charge Technical Advisory Committee	Senate Rules	Support
AB 1837 (Gonzalez)	Video imaging of parking violations	Senate Transportation	Support
AB 2276 (Soria)	Active intelligent speed assistance devices	Dead	Support if amended
AB 2308 (Haney)	Redevelopment: successor agency debt: San Francisco	Senate Appropriations	Support

State Legislation Status (2 of 2)

BILL # (AUTHOR)	BILL TITLE	BILL STATUS*	POSITION
SB 1167 (Blakespear)	Electric bicycles	Assembly Transportation	Support
SB 1246 (Cortese)	Autonomous vehicles	Assembly Transportation	Watch
SB 1411 (Stern)	Greenhouse Gas Reduction Funds: high-speed rail	Dead	Watch

State Legislative Deadlines

Jul 2 Last day for policy committees to meet; recess begins

Aug 3 Legislature reconvenes

Aug 14 Last day for fiscal committees to report bills to the Floor

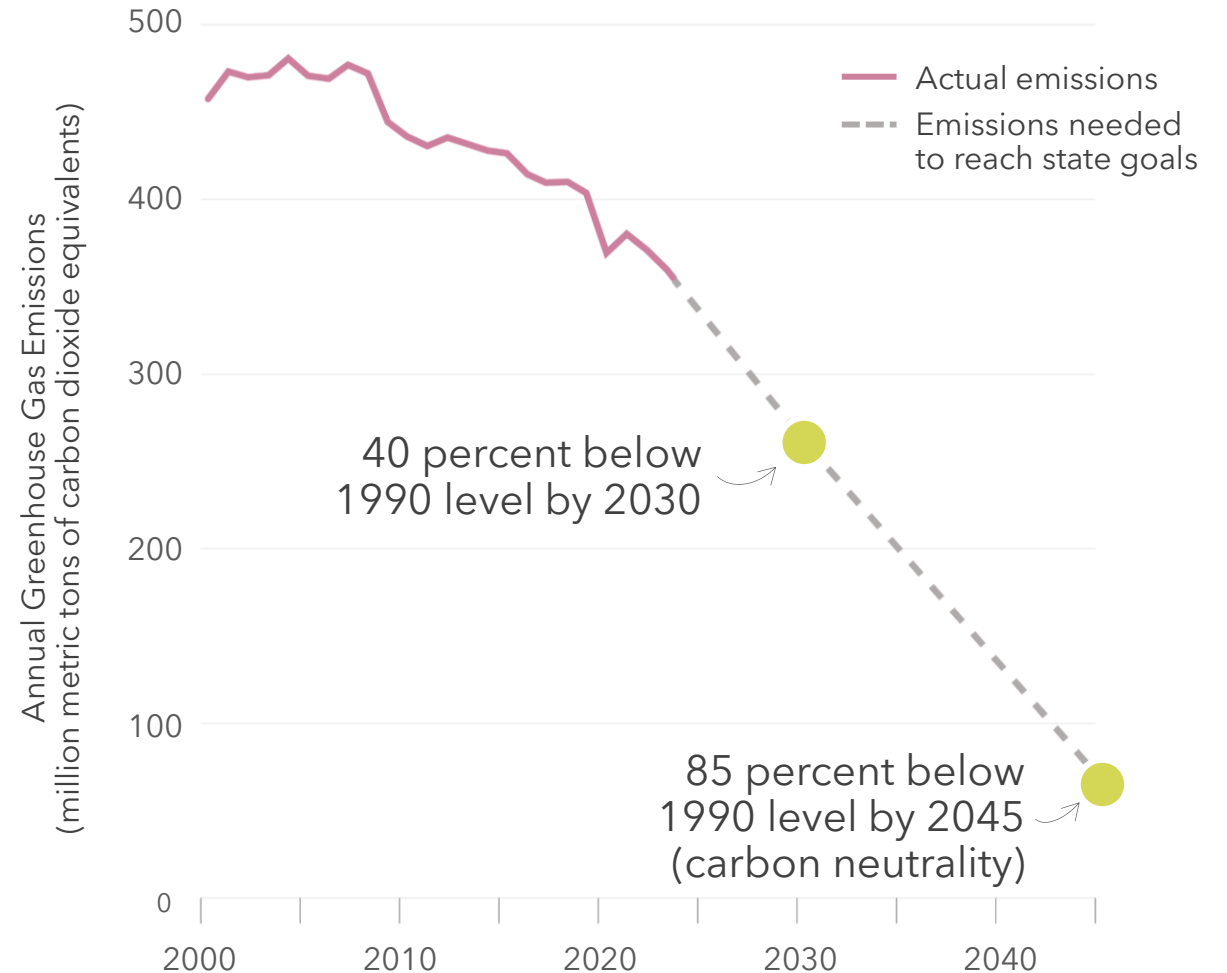
Aug 31 Last day for each house to pass bills

Sep 30 Last day for Governor to sign or veto bills

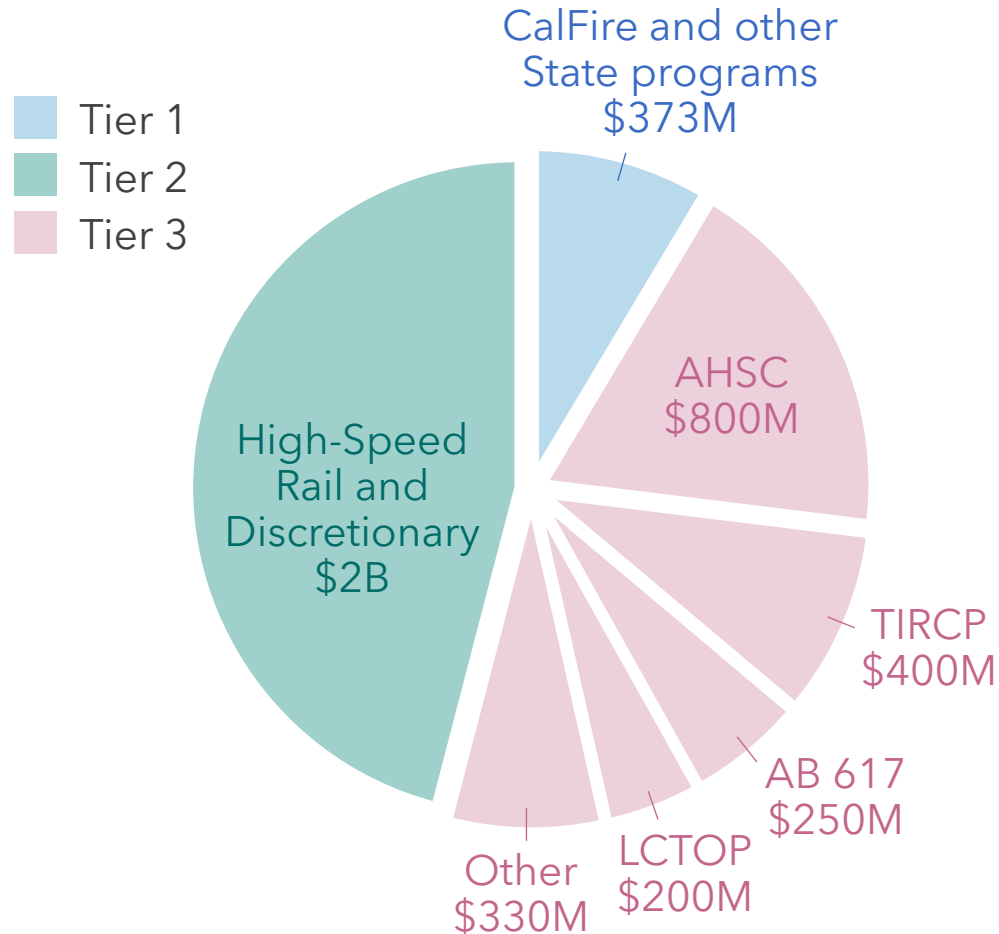
Cap-and-Invest Overview

- Market-based emissions regulatory framework administered by Air Resources Board (CARB)
- Requires polluters to reduce emissions over time in support of carbon neutrality by 2045
- Polluters need allowances to emit, some of which can be acquired through auctions with revenues flowing to the Greenhouse Gas Reduction Fund (GGRF)

State Emissions Targets



Cap-and-Invest GGRF



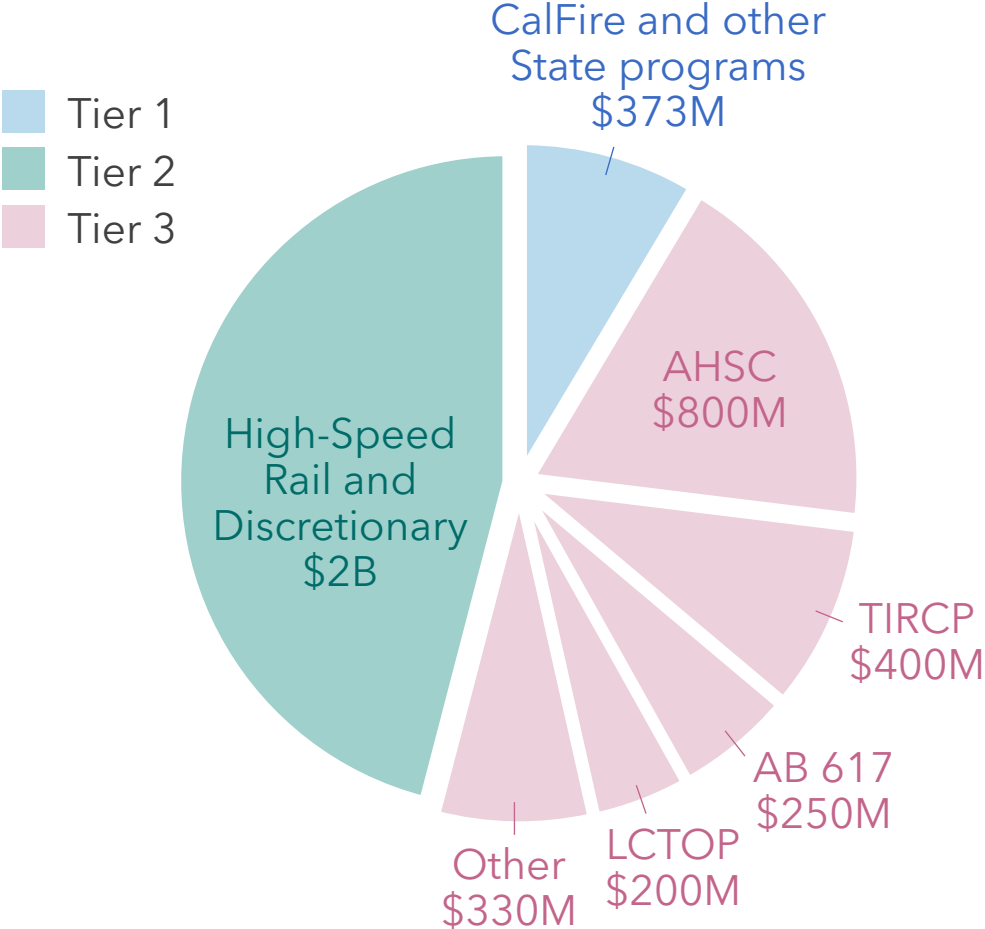
GGRF Annual Expenditures (SB 840) - \$4.4B

GGRF funds programs in three Tiers on a waterfall basis

Tier 3 includes:

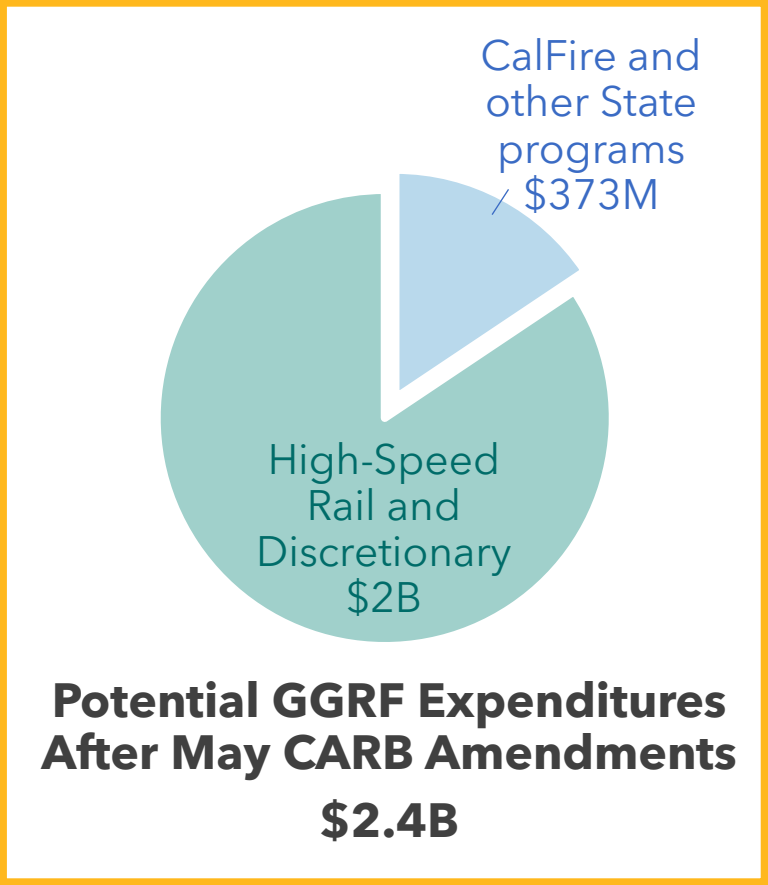
- Affordable Housing and Sustainable Communities (AHSC)
- Transit and Intercity Rail Capital Program (TIRCP)
- Community Air Protection Program (AB 617)
- Low Carbon Transit Operations Program (LCTOP)
- Other programs such as wildfire/forest resilience, safe drinking water, etc.

Cap-and-Invest GGRF



GGRF Annual Expenditures (SB 840) - \$4.4B

Up to 50% reduction in GGRF revenues



**Potential GGRF Expenditures
After May CARB Amendments
\$2.4B**

For illustrative purposes only. Assumes \$2 billion less GGRF revenues and elimination of all Tier 3 programs

Cap-and-Invest GGRF Investments in San Francisco

AHSC



2,100 affordable housing units since 2018 and **\$8.5 million average annual awards for transportation**

TIRCP



\$1.7 billion for transit capital investments for BART, Caltrain, SFMTA and The Portal including train control and electrification improvements

AB 617



Ongoing community air pollution initiatives in Bayview Hunters Point

LCTOP



Operations and capital for BART, Caltrain, and SFMTA including **\$17 million per year for free and reduced Muni for seniors, people with disabilities, and youth**



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State Budget

- Legislature adopted draft budget on June 15, but key issues remain unaddressed, including Cap-and-Invest amendment impacts to GGRF
 - Majority of GGRF expenditure deferred except for wildfire and public safety programs
 - Adopts placeholder language for statutory changes to Cap-and-Invest program
- Senate outlined its GGRF priorities, including fully funding \$1 billion legislative discretionary and Tier 3 Programs (including TIRCP, LCTOP, AHSC, AB 617 programs)
- Negotiations on main budget bill must conclude by July 1, but some budget items will be dealt with in trailer bills

State AV Policy Developments

- New Department of Motor Vehicles (DMV) regulations announced in May 2026
 - Establishes new Notice of AV Noncompliance
 - Statewide vehicle miles traveled must be reported in both deployment and testing phases
 - Allows DMV to restrict, suspend, or revoke a testing or deployment permits
- Letter of concern to DMV from Assemblymembers Stefani and Haney
 - Need for vehicle miles traveled data by county
 - Need clear consequences associated with Notice of AV Noncompliance
 - Request coordination with local agencies on plan for how to mitigate risk and protect the public during mass resilience events
- SB 1246 (Cortese) on AV enforcement and emergency response being heard next in Assembly committees

Federal Surface Transportation Bill Reauthorization



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What is Reauthorization?

Reauthorization is legislation that serves as a roadmap for federal surface transportation spending, typically for 5 or 6-year periods

How does this impact San Francisco?

- Establishes programs for a breadth of transportation projects and programs
- Directs formula funds to states and regions with suballocations to local agencies
- Authorizes major discretionary grant programs
- Establishes or changes policies, including some that may impact city projects or pre-empt city authorities

Reauthorization Bills Since 1990



Federal Operating, State of Good Repair, and Vehicle Support for SFMTA

PROGRAM OR PROJECT	FY25+26 FUNDING
Light Rail Vehicle Replacement Procurements	\$94.8 million
Preventative Maintenance	\$58.8 million
Train Control & Signal Systems Rehabilitation	\$37.5 million
40' Motor Coach Replacement Procurements	\$33.8 million
Battery-Electric Bus Replacement Procurement	\$15.1 million
ADA Paratransit Assistance	\$5.5 million
Tunnel Repairs and Rail Replacement	\$0.2 million
Total	\$246 million

Source: Metropolitan Transportation Commission Transportation Capital Priorities Resolution No. 4674, revised 10/22/25



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Federal Capital Investment Grants (CIG) for Transit Projects in San Francisco

PROJECT (AGREEMENT YEAR)	FUNDING RECEIVED
BART Transbay Core Capacity Program (2022)	\$1.2 billion
Caltrain Electrification (2017)	\$647 million
Van Ness Bus Rapid Transit (2016)	\$75 million
Central Subway (2012)	\$942 million
Total	\$2.9 billion

The Portal's approved future federal share of project costs is \$3.4 billion

Examples of Federal Support for Other Transportation Projects in San Francisco

PROGRAM OR PROJECT	REAUTHORIZATION PROGRAM	PROJECT TYPE	AMOUNT
Geary Fillmore Underpass Community Study	Reconnecting Communities	Planning Study	\$2 million
24 Hybrid Electric Buses	Low or No Emission Grant Program	Vehicle Procurement	\$40 million
Smart and Integrated Management and Fleet Charging	Strengthening Mobility and Revolutionizing Transportation	Emerging Technology	\$2 million
Western Addition Community Safe Streets Project	Safe Streets 4 All	Construction	\$18 million

\$49 million in federal funds are anticipated for the FY27-30 One Bay Area Grant (OBAG) County Program currently underway

BUILD America 250 Act Introduced

- Introduced in House in May
- \$580 billion total funding over 5 years - offers a solid starting point for reauthorization
- Funds core highway and transit programs but eliminates many programs authorized by IIJA, which expires on September 30, 2026
- Still needs to be considered by full House and Senate
- Congress may pass an extension if unable to reach consensus on reauthorization before IIJA expires



Federal Autonomous Vehicle Policy Developments



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Federal Autonomous Vehicle Policy

- Recent AV Policy Legislation
 - SELF DRIVE Act
 - BUILD 250 Act
 - AV Safety Data Act - H.R. 4376 / S. 3742 by Representative Kevin Mullin (D-CA) and Senator Edward Markey (D-MA)
- National Highway Traffic Safety Administration announces series of planned AV rulemaking



Federal Autonomous Vehicle Policy

- Themes from recent legislation and other administrative action
 - There is broad support for ensuring safety and emergency responsiveness
 - Significant focus on heavy duty AVs (goods movement)
 - There is some interest from the Administration on performance-based standards
 - We are monitoring AV policy framework (e.g. SELF DRIVE Act) and remain concerned about federal preemption of state and local roles, currently proposed for heavy duty AVs
- Outlook – unlikely to see significant AV policy approved this year (e.g. SELF DRIVE Act, AV Safety Data Act)



Federal AV Policy Strategy – Prop L Appropriation

Federal Engagement and Policy Development

- Briefed San Francisco Representatives and California Senators
- Policy and strategy discussions with peer cities (e.g. Seattle, Boston)
- Engagement in high profile federal AV policy development (e.g. National Highway Traffic Safety Administration events)

Tracking Different Proposed Approaches to AV Deployment (e.g. New York City, Washington, D.C.)

Thank you.

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