

Mark Watts Advocacy, LLC

Government and legislative Affairs

November 10, 2025

MEMORANDUM

To: Lindy Johnson

From: Mark Watts

Subject: **October Legislative, Budget & Administrative Updates**

I am pleased to provide the following report on recent legislative advocacy and other legislative and administrative updates. This report will cover activities from mid-October 2025, through the present.

Legislative Updates

October 13, 2025, was the deadline for action by the Governor on the many bills that were passed to his desk.

Of great interest to CCTA: -

SB 63 (Wiener). Following approval by the Senate on a 29-8 vote and the Assembly on a 46-20 vote during the final days of the legislative session, on October 13, 2025, Governor Newsom signed SB 63 (Wiener & Arreguin) related to a 2026 Bay Area transit funding.

In a signing message related to SB 63 and three other bills making statutory changes to local transportation tax measures, the Governor highlighted recent state investments in transit, including the extension of “Cap-and-Invest” funding for transit operations and capital improvements. The Governor stated that “the public's willingness to support repeated taxes cannot be assumed. Some transit systems fail to adequately demonstrate stewardship, accountability, and innovation. As such, the transit systems supported by these bills bear the responsibility of showing how the additional revenues, if approved by voters, will produce tangible outcomes and measurable results.”

Cap-and-Trade Extension

On September 19, Governor Newsom signed a last-minute, six-bill energy and climate package negotiated behind closed doors and approved on the final day of the legislative session. The deal included an extension of the state's Cap-and-Trade program (renamed “Cap-and-Invest”) for another 15 years, from 2030 through 2045. The program, which requires the California Air Resources Board (CARB) to develop a market-based emissions program that requires large emitters to purchase allowances for greenhouse gas (GHG) emissions, has been a cornerstone of California's climate policy since 2013.

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Government and legislative Affairs

The package, along with related action on the state budget, protects one-time and ongoing funding for High Speed Rail, transit operations expenses and capital projects, and other investments in affordable housing, wildfire prevention, and safe drinking water. The two key “Cap-and-Invest” bills are:

- [AB 1207](#) (Irwin): Cap-and-Invest extension and program changes
- [SB 840](#) (McGuire and Limón): Cap-and-Invest auction proceeds expenditure plan

SB 840 includes the following ongoing investments from Cap-and-Invest auction proceeds beginning in 2026-27:

- 1st Priority:
 - Backfill of manufacturing, research and development sales tax exemption – (\$152.7 million in calendar year 2024)
 - CalFIRE operations – \$90 million
 - Legislative Counsel Climate Bureau – \$3 million
- 2nd Priority:
 - High-Speed Rail – \$1 billion
 - Legislative priorities (to be negotiated during the budget process) – \$1 billion
- 3rd Priority: (previous continuous appropriations programs)
 - Affordable Housing and Sustainable Communities Program – \$800 million
 - Transit and Intercity Rail Capital Program – \$400 million
 - Community Air Protection Programs – \$250 million
 - Low Carbon Transit Operations Program – \$200 million

New category -

- Wildfire Prevention and Forest Health – \$200 million
- Safe and Affordable Drinking Water Program – \$130 million

Any remaining funding would be allocated by the Legislature through the budget process.

For 2026-27, the following items are included in the \$1 billion allocated pursuant to legislative priorities.

- Transit fare-free and reduced-fee programs – \$125 million
- Climate-focused technological innovation, related research, and the deployment of climate solutions identified in the scoping plan (CARB’s plan to meet GHG reduction goals) – \$ 85 million
- University of California Climate Research Center – \$25 million
- Rebuilding Topanga Park – \$15 million

Senate Leadership Change coming soon

On Friday, September 12, the Senate voted for Senate President Pro Tempore-Elect Monique Limón (D- Santa Barbara) to formally assume and take over the leadership role from Pro Tem McGuire effective November 17. As is typical after a leadership shake-up, the incoming Pro Tem is likely to appoint new leadership for numerous committees. Previously rumored appointments from last summer include Senator Laura Richardson (D-Los Angeles) as majority leader, Senator Christopher

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Government and legislative Affairs

Cabaldon (D-Yolo) as Budget chair, Senator Angelique Ashby (D-Sacramento) as Appropriations chair, and Senator Akilah Weber-Pierson (D-San Diego) as Health chair.

Brown Act Remote Meeting Bill

Governor Newsom signed SB 707 by Senate Local Government Committee Chair Durazo (D-Los Angeles).

This bill extends until 2030 “just cause” flexibilities for members of Brown Act bodies to participate remotely, as well the ability of advisory committees to meet remotely without requiring an in-person quorum. In addition to the prior new requirements related to language access, the final amendments to SB 707 add provisions requiring districts and local governments in large jurisdictions to adopt specified policies on how meetings will proceed when there is an outage of virtual teleconferencing technology during a meeting.

Administrative Update – November 12 Update

Transit Transformation Task Force

SB 125 (Committee on Budget, 2023) required the California State Transportation Agency (CalSTA) to establish and convene the Transit Transformation Task Force on or before January 1, 2024, and include representatives from the department, various local agencies, academic institutions, nongovernmental organizations, and other stakeholders.

CalSTA is required to prepare and submit a report of findings and policy recommendations based on the task force’s efforts to the appropriate policy and fiscal committees of the Legislature on or before October 31, 2025. While the report must include a detailed analysis of specified issues and recommendations on specified topics, including, among others, it has not been filed per statutory requirements as of this date.

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2025 Key Bill Tracking

November 2025

BILL	POLICY	DESCRIPTION	STATUS
AB 33 (Aguiar-Curry)	Autonomous Vehicles	Prohibits an autonomous vehicle (AV) without a human operator from delivering commercial goods directly to a residence or to a business for its use or retail sale. Provides DMV authority to revoke a permit.	Senate Inactive
AB 259 (Rubio)	Local Agency Teleconference	Indefinitely extends authority for local agency teleconferences for open meetings.	Senate Local Gov. 2-year bill.
AB 891 (Zbur)	ATP Quick Builds	Sets new Quick Build pilot within Caltrans for conventional roadway ATP/Bike facilities.	Senate Approps., dead
AB 939 (Schultz)	Transportation Bond Act	Authorizes a \$20,000,000,000 State Bond Act to finance transit and passenger rail improvements, local streets and roads and active transportation projects, zero-emission vehicle investments among other items.	Assembly Transportation. 2-year bill
AB 1070 (Ward)	Transit Governing Boards	Would add nonvoting members from transit system users (1) and affiliated labor organizations (1) to each transit district.	Assembly Local Government. 2-year bill.
AB 1421 (Wilson)	Road Charge TAC extension	The bill will become the focus of policy discussion and debate over Road User Charge this year.	Assembly Transportation. 2-year bill; interim hearings to be set on future of gas tax
SB 63 (Wiener)	Funding for SF Bay Area	Would create the <i>Transit Revenue Measure District</i> to include SF, Alameda and Contra Costa Counties, allowing it to impose a district tax either directly or by voter initiative.	Chaptered
SB 71 (Wiener)	Extends current CEQA exemptions indefinitely.	CEQA exemptions for transit and non-motorized transport systems would provide relief from state environmental laws.	Chaptered
SB 480 (Archuleta)	Autonomous Vehicles (AVs)	Requires “marker lights” to be displayed when AV system is engaged within a vehicle.	Chaptered
SB 512 (Perez)	District Initiatives	Authorizes voters of a district with sales tax authority for transportation purposes to impose the tax by initiative.	Vetoed