



State Legislative Updates

Policy, Grants, and Technology Committee

April 15, 2026

Alan Abbs

Legislative Officer

Legislative and Government Affairs Division

Abbreviations

- Assembly Bill (AB)
- Senate Bill (SB)
- California Air Resources Board (CARB)
- California Environmental Quality Act (CEQA)
- California Public Utilities Commission (CPUC)
- Heating, Ventilation, and Air Conditioning (HVAC)
- South Coast Air Quality Management District (South Coast AQMD)

Recommended Action

Recommend to the Board of Directors that the Board adopt positions on pending state legislative bills where appropriate, including, but not limited to the following Air District staff recommendations:

SUPPORT	OPPOSE
AB 2349 (Solache)	AB 2057 (DeMaio)
SB 1159 (Cabaldon)	AB 2102 (DeMaio)
	SB 1039 (Grove)
	SB 1075 (Reyes)

2026 Legislative Session

Date/Deadline	Description
May 29, 2026	Last day for each house to pass bills introduced in that house
August 31, 2026	Last day for each house to pass bills
September 30, 2026	Last day for the Governor to sign or veto bills passed by the Legislature before September 1 and in the Governor's possession on or after September 1
November 3, 2026	General Election
November 30, 2026	Adjournment <i>sine die</i> at midnight
December 7, 2026	12 Noon convening of the 2027-28 Regular Session
January 1, 2027	Statutes take effect



Board-Approved-Position Bills

As of April 1, 2026

SB 222 (Wiener)

Heat Pump Access Act

This bill would make cost-saving, energy efficient heat pump water heater and HVAC installations faster, simpler and more affordable by streamlining the permitting process.

Position: Co-Sponsor (approved by the Board on February 4, 2026)

AB 907 (Chen)

State Air Resources Board: Board Members: Compensation

The bill proposal would provide that CARB board members representing air districts receive the same level of compensation as other Governor-appointed voting CARB board members. Per current statute, Health and Safety Code Section 39512.5, air district CARB Board members only receive \$100 per meeting plus actual and necessary expenses.

Position: Support (approved by the Board on February 5, 2025)

AB 1777 (Garcia)

Air Pollution: Indirect Sources

This bill would authorize CARB, if necessary to carry out that duty to achieve those ambient air quality standards, to adopt regulations to reduce or mitigate emissions from indirect sources of pollution.

Position: Support (approved by the Board on March 4, 2026)

AB 2313 (Berman)

Gas Corporations: Gas Distribution Service Line Replacements: Alternatives

This bill, the Home Energy Choice Act, would require the CPUC in a new or existing proceeding, to require each gas corporation to offer a Gas Distribution Service Line Replacement Alternatives Program, on or before January 1, 2028, to provide gas customers served by a gas distribution service line, planned or forecasted for replacement over the next 5 years, or prioritized for replacement by the commission, with a monetary incentive to deploy gas distribution service line replacement alternatives, as defined, and cease gas service to avoid the gas distribution service line replacement, as specified.

Position: Support (approved by the Board on April 1, 2026)

SB 299 (Cabaldon)

CEQA: Exemption: Day Care Center: Family Daycare Home: Zoning

This bill would provide that an exemption from CEQA applies to a day care center on a parcel of land zoned exclusively for residential use. This bill seeks to fix problems with SB 131 (Committee on Budget and Fiscal Review, Chapter 24, Statutes of 2025) – a budget trailer bill from 2025 – which provided a CEQA exemption for day care centers proposed on a parcel of land zoned as industrial, which ultimately made it easier to zone day care centers in industrial areas rather than residential areas.

Position: Support (approved by the Board on April 1, 2026)

SB 954 (Blakespear)

CEQA : Advanced Manufacturing Facilities: Exemption

This bill amends SB 131 (Committee on Budget and Fiscal Review, Chapter 24, Statutes of 2025) – a budget trailer bill from 2025 – that provided broad CEQA exemptions for “advanced manufacturing facilities” which ended up including a long list of industrial activities.

Position: Support (approved by the Board on April 1, 2026)

AB 1791 (Sanchez)

State Air Resources Board: South Coast AQMD: Regulations: Prohibition: Costs

This bill would prohibit the South Coast AQMD from adopting any regulation or rule that would add more than \$0.02 to the cost of a gallon of gasoline, add \$2,000 or more to the cost to build any home, or add \$5,000 or more to the cost to build a nonresidential building. The bill would require the South Coast AQMD to submit data to the relevant policy committees of the Legislature that demonstrates how a proposed regulation is compliant with this prohibition.

Position: Oppose (approved by the Board of April 1, 2026)

AB 2752 (Ávila Farías)

Bay Area Air Quality Management District and South Coast Air Quality Management District: Policies: Oil Refineries

This bill would require the Bay Area Air District and the South Coast AQMD to analyze all of their policies that have been adopted and all future policies that they are considering adopting that impact oil refineries located in their districts and determine the cost of compliance, potential cost to consumers, impacts on state and local tax revenue, and refinery employment.

Position: Oppose (approved by the Board on April 1, 2026)

SB 1392 (Cortese)

Smog Check: Exemption: Collector Motor Vehicles

This bill would redefine “collector motor vehicle” in state law and further exempt a collector motor vehicle manufactured before the 1981 model year from the requirement to pass biennial smog check. The bill would extend the applicability of this exemption by one model year each year, beginning on and after January 1, 2028, until the final extension takes effect on and after January 1, 2032, that would exempt a collector motor vehicle manufactured before the 1986 model year from the requirement to obtain the certificate of compliance or noncompliance.

Position: Oppose (approved by the Board on April 1, 2026)



Air District Staff Recommendations

AB 2057 (DeMaio)

Natural Gas: Appliances

This bill would prohibit a state agency or local government from adopting or enforcing a rule, regulation, resolution, or ordinance that directly or indirectly results in prohibiting the use of gas appliances in residential or nonresidential buildings.

Staff Recommendation: Oppose

AB 2102 (DeMaio)

Wildfire: Vegetation Management: Fuel Reduction Activities

The bill would make several changes to existing fuel reduction activities, including:

- Require all public lands, on or before January 1, 2028, to have 200-foot firebreaks on all borders with private property
- Wildfire fuel reduction activities pursuant to this section shall be exempt from CEQA
- A state agency, including, but not limited to, CARB or its successor entity, shall not impose additional permitting, emissions limitation, or regulatory requirements on activities conducted pursuant to this section
- A city, county, or special district shall not impose discretionary review, conditional use permits, or additional environmental review requirements for activities authorized by this part

Staff Recommendation: Oppose

AB 2349 (Solache)

State Air Resources Board: Regional Air Quality Incident Response Program

This bill would establish a statewide network of Air Quality Incident Response Centers in collaboration with CARB and local air districts. The program would strengthen California's emergency air monitoring capacity and support coordinated state and local responses during wildfires, industrial accidents, and other air quality emergencies.

Staff Recommendation: Support

SB 1039 (Grove)

Air Resources: Refinery-Related Community Air Monitoring System

This bill would require air districts with refineries to include a process for a petroleum refinery to provide substantial evidence to the appropriate air district to exclude a pollutant for monitoring in a fence-line monitoring system and would authorize the air district to exclude a pollutant for monitoring at a petroleum refinery fence-line monitoring system if the air district determines that substantial evidence supports certain considerations.

Staff Recommendation: Oppose

SB 1075 (Reyes)

Air Resources: Toxic Air Contaminants: Criteria Air Pollutants: Community Emissions Reduction Programs: Local Community Emissions Reduction Plans

Among other things, this bill would tie requirements to support AB 617 communities to the achievement of Federal Ambient Air Quality Standards. The bill would add one additional member to the governing board of any air district with a selected community or a grant recipient, appointed by CARB in collaboration with the steering committee of the community. The bill would also restrict land use decisions of cities and counties with AB 617 communities unless the decisions conform with the local Community Emission Reduction Plan and would provide legal recourse to individuals challenging those land decisions.

Staff Recommendation: Oppose

SB 1159 (Cabaldon)

Artificial Intelligence: Transparency and Governance

This bill would specify that, for purposes of the California Public Records Act, the Bagley-Keene Open Meeting Act, the Ralph M. Brown Act, the Political Reform Act of 1974, the Administrative Procedure Act, and CEQA, “person,” “interested person,” “participant,” “member of the public,” as applicable, and any other similar terms under each act referring to those who may engage with governmental agencies, do not include artificial intelligence, as defined, systems, autonomous agents, robots, or other nonhuman entities, whether physical or digital. The bill would make findings and declarations related to these provisions.

Staff Recommendation: Support



Additional Bills for Discussion

AB 2635 (C. Rodriguez)

Air Pollution: Small Off-Road Engines: Rebate Programs: Local Regulation

This bill would require each air pollution control and air quality management district, no later than January 1, 2028, to implement and maintain a commercial rebate program to support the transition to zero-emission small off-road equipment consistent with specified requirements. By requiring districts to establish a new program, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Recap: Recommended Action

Recommend to the Board of Directors that the Board adopt positions on pending state legislative bills where appropriate, including, but not limited to the following Air District staff recommendations:

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SB 1159 (Cabaldon)	AB 2102 (DeMaio)
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Questions & Discussion

For more information:

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Transportation Fund for Clean Air 40% Fund Allocation and Expenditure Plans for Fiscal Year Ending 2027

Policy, Grants, and Technology Committee

April 15, 2026

Jason Newman

Staff Specialist I

Strategic Incentives Division

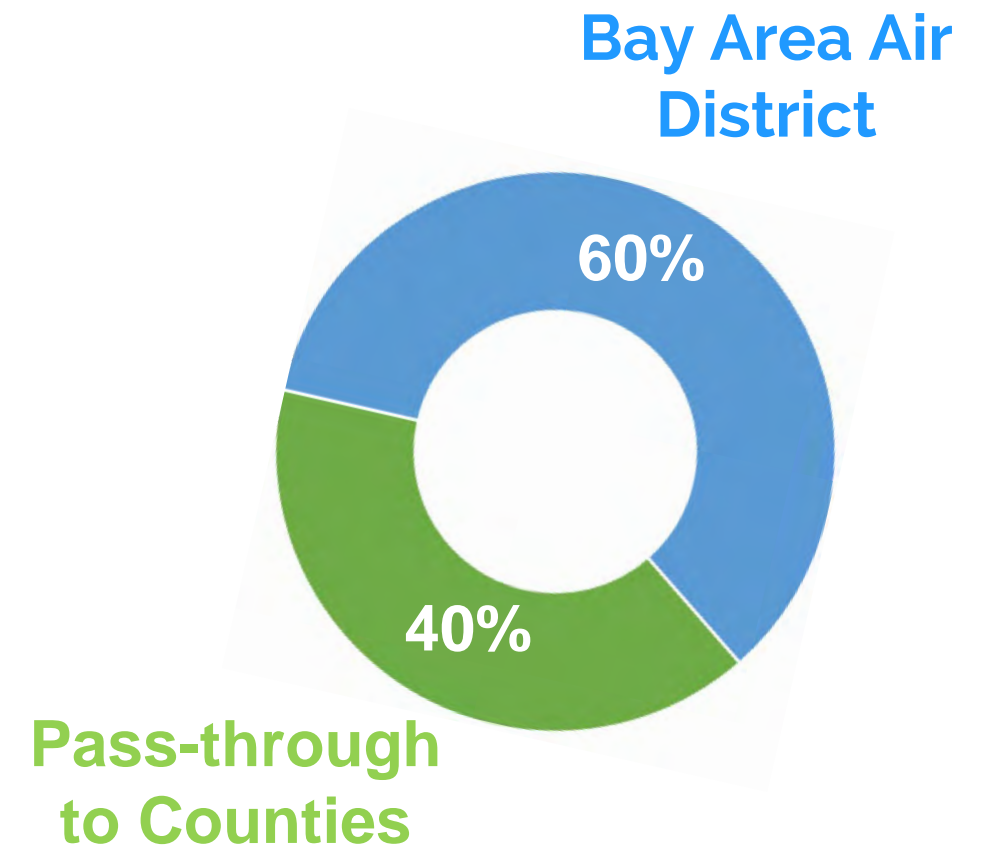
Recommendations

Recommend to the Board of Directors that the Board take the following actions:

1. Approve the proposed allocation and expenditure plans for the estimated new Transportation Fund for Clean Air (TFCA) revenue to each of the nine Administering Agencies for Fiscal Year Ending (FYE) 2027 that will be funded by the 40% portion of the TFCA;
2. Approve the proposed allocation of additional funding for bikeway and bike parking projects to each of the nine Administering Agencies for FYE 2027 that will be funded by prior years' revenue under the 60% portion of TFCA fund; and
3. Authorize the Executive Officer/APCO to enter into funding agreements with the Administering Agencies for TFCA revenues to be programmed in FYE 2027.

Transportation Fund for Clean Air

- Funding provided by \$4 surcharge on motor vehicle registrations
- 40% of monies passed through to nine-county Administering Agencies
- Funds distributed are proportional to the fees paid by vehicle owners in each county
- Requires expenditure plans be approved by the Board of Directors



Project Types Funded in Previous Years

Trip Reduction Projects

- Existing Ridesharing Services
- Existing First- and Last-Mile Connections
- Pilot Trip Reduction
- Bikeways and Bicycle Parking
- Infrastructure Improvements (e.g., pedestrian crossing)
- Telecommuting Demonstration

Clean Air Vehicle Projects

- Alternative Fuel Vehicles
- Alternative Fuel Infrastructure



New: Additional Allocation

- Unspent TFCFA Funds
 - 40% Fund (Counties): Counties reallocate funds to new projects
 - 60% Fund (Air District): Air District reallocates funds to new programs or projects
 - Held in interest-bearing account
 - Includes: Fall-out from pandemic, projects that come in under budget and interest
- Utilize some of the 60% Funds as additional allocation to passthrough to Counties
 - Bikeways and bike parking

Why Bikeways and Bike Parking?

- 2023 Mobile Source and Climate Impacts Committee Discussion
 - Cost-effective projects and programs: Vehicle Buy Back program
 - Zero-emission technology: trucks, school buses and supporting infrastructure
 - **Public health benefits and longest lasting impact: bikeway and bike parking**
- Engaged County Administering Agencies
 - Determine best approach to funding bikeways and allocation
 - Amounts and funding source
 - Timelines

Proposed Additional Bikeway Allocation

- **TFCA 60% Fund Account: ~\$19.3 Million**
 - \$16.5 Million regionally
 - \$2.8 Million Assembly Bill (AB) 617 communities
- Base amount of \$1 million + proportion based on vehicle registration
- Counties with AB 617 communities
 - An additional base amount of \$500,000 + proportion based on vehicle registration
- Bikeway projects will follow same policies, guidelines, cost-effectiveness limits and timelines as other projects

Proposed Expenditure Plan for Counties in FYE 2027

Administering Agency	TFCA 40% Fund Allocation		TFCA 60% Additional Allocation		Estimated Total FYE 2027 TFCA Funds
	Estimated New TFCA Revenue	Reconciliation & Reprogrammed TFCA Funds	Bikeway Funding Allocation	Additional AB617 Bikeway Funding Allocation	
Alameda County Transportation Commission	\$1,990,945	\$2,452,097	\$3,127,500	\$1,251,000	\$8,821,542
Contra Costa Transportation Authority	\$1,593,438	\$584,000	\$2,539,500	\$1,015,800	\$5,732,738
Transportation Authority of Marin	\$363,508	\$44,816	\$1,000,000	-	\$1,408,324
Napa Valley Transportation Authority	\$205,390	\$76,587	\$1,000,000	-	\$1,281,977
San Francisco County Transportation Authority	\$711,289	\$169,628	\$1,116,000	\$500,000	\$2,496,917
San Mateo City/County Association of Governments	\$1,080,294	\$195,300	\$1,755,000	-	\$3,030,594
Santa Clara Valley Transportation Authority	\$2,521,887	\$186,133	\$3,970,500	-	\$6,678,520
Solano Transportation Authority	\$346,168	\$11,564	\$1,000,000	-	\$1,357,732
Sonoma County Transportation Authority	\$656,114	\$89,524	\$1,041,000	-	\$1,786,638
Total Allocation	\$9,469,033	\$3,809,649	\$16,549,500	\$2,766,800	\$32,594,982

*Numbers may differ by one dollar from expenditure plans submitted by the Counties due to rounding.

Recommendations

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Questions & Discussion

For more information:

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