



And, They're Off!

It's bill review season, and the Legislature has introduced 225 measures so far in 2026. We expect hundreds more before the February 20th Introduction Deadline.

Important Dates:

- February 20, 2026 Last day for bills to be introduced
- March 26 – April 6, 2026 Spring Recess
- April 24, 2026 Last day for policy committees to hear and report to fiscal committees
fiscal bills introduced in their house

Budget Problems Continue

Only a few weeks into the new session, but it's already clear that California's budget is dominating proceedings. While Gov. Newsom identified a deficit of under \$3 billion, the non-partisan Legislative Analysts' Office says the figure is closer to \$18 billion. Lawmakers seem skeptical of the projections from Newsom's office - and see threats to services everywhere.

Legislation

A report on APWA tracked legislation follows, but APWA members can always access the current report, sorted by measure or subject, here:

[Measure sort](#)

[Subject sort](#)

APM/DB/CMaR

[SB 935](#) ([Choi, R](#)) Existing law allows local agencies to use design-build contracts for public projects over \$1,000,000, choosing either the lowest bid or the best value. The law requires specific information from design-build entities to be certified under penalty of perjury. These provisions were set to be repealed on January 1, 2031. However, this bill would remove this repeal date, extending the law indefinitely. This change effectively expands the potential for perjury, which imposes a state-mandated local program. Although the California Constitution typically requires the state to reimburse local agencies for costs mandated by the state, the bill specifies that no reimbursement is necessary for this particular extension.

Location: 01/29/2026 - Senate RLS.

CAAPWA Position: Pending

Budget

[ACA 1 \(Valencia, D\)](#) The California Constitution limits the annual spending of the State and local governments to not exceed the prior year's limits, adjusted for changes in cost of living and population. Appropriations subject to this limit are well-defined. A Budget Stabilization Account (BSA) is established, requiring a transfer each fiscal year from the General Fund to the BSA, traditionally 15% of estimated revenues. Transfers that exceed 10% of the General Fund proceeds of taxes are prohibited. Proposed changes would adjust these percentages: the mandatory transfer percentage would be determined each year rather than fixed at 15%, and the cap on the BSA balance would increase from 10% to 20% of the General Fund taxes. Importantly, funds moved to the BSA would not count towards the annual spending limit.

Location: 12/02/2024 - Assembly PRINT

CAAPWA Position: Pending

CEQA

[AB 35 \(Alvarez, D\)](#) The Administrative Procedure Act outlines how state agencies should adopt and implement regulations. The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, passed as Proposition 4, approved issuing \$10 billion in bonds for various environmental and agricultural projects. Typically, regulations required for such programs can be adopted as emergency regulations, needing to be filed with the Office of Administrative Law. However, this bill exempts the adoption of regulations for these programs from the Administrative Procedure Act. Instead, state entities receiving funding must develop draft project guidelines and submit them to the Secretary of the Natural Resources Agency, who will post them online. The bill permits the use of existing guidelines and criteria and is set to take effect immediately as an urgency statute.

Location: 01/27/2026 - Senate RLS.

CAAPWA Position: Pending

[AB 609 \(Wicks, D\)](#) The California Environmental Quality Act (CEQA) mandates that a lead agency evaluates the environmental impact of projects potentially affecting the environment, requiring an environmental impact report unless it can issue a negative declaration, showing no significant effect, or a mitigated negative declaration if changes mitigate the impact. CEQA exempts certain projects, like housing developments that meet specific criteria, such as size, density, and proximity to freeways. This bill would exempt qualifying housing projects from some CEQA requirements but mandates an environmental assessment for hazardous substances. If hazards are found, further assessment and mitigation are required. The bill mandates local governments to determine project eligibility but states it does not require reimbursement to local agencies for compliance costs, as per California Constitution provisions.

Location: 05/20/2025 - Senate RLS.

CAAPWA Position: Watch

Climate

[AB 1243](#) ([Addis, D](#)) The California Global Warming Solutions Act of 2006 permits the State Air Resources Board to establish a market-based system to reduce greenhouse gas emissions until 2031. Revenue from this system goes to the Greenhouse Gas Reduction Fund, which finances efforts to lower emissions. The California Climate Crisis Act mandates achieving net-zero emissions by 2045 and further reducing emissions afterward. This bill, the Polluters Pay Climate Superfund Act of 2025, aims to financially hold fossil fuel companies accountable for their environmental impact from 1990 to 2024. The California Environmental Protection Agency will oversee this program, identifying responsible companies and calculating their share of the total climate-related damages to California, which include both past and future impacts until 2045. Companies must pay these costs, which go into the new Polluters Pay Climate Superfund. This fund supports projects mitigating climate damage in the state. The bill also outlines initial and ongoing costs for implementation, which responsible parties will help cover. It requires immediate enactment due to its urgency.

Location: 04/22/2025 - Assembly JUD.

CAAPWA Position: Pending

[SB 684](#) ([Menjivar, D](#)) The California Global Warming Solutions Act of 2006 authorized the State Air Resources Board to develop a market-based system to decrease greenhouse gas emissions, with funds collected funneled into the Greenhouse Gas Reduction Fund for emissions reduction initiatives. The California Climate Crisis Act aims for net-zero emissions by 2045, thereafter maintaining net-negative emissions to reduce greenhouse gases by 85% from 1990 levels. The proposed Polluters Pay Climate Superfund Act of 2025 targets fossil fuel companies, making them accountable for emissions from 1990 to 2024. The California Environmental Protection Agency will identify responsible entities, assess their contribution to greenhouse gas emissions, and require them to financially cover climate damage costs. Collected funds will support climate mitigation and adaptation projects. The Act mandates a climate cost study updated every five years, and ensures the Director of Finance assesses initial implementation costs, to be feasibly distributed among responsible parties. This bill is declared urgent for immediate effect.

Location: 04/03/2025 - Senate JUD.

CAAPWA Position: Pending

Codes

[AB 306](#) ([Schultz, D](#)) The proposed bill introduces several changes to existing California building regulations, specifically focusing on residential units, and will be in effect from October 1, 2025, to June 1, 2031. Key aspects of this bill include: 1. ****Local Authorities' Limitations****: It restricts cities and counties from altering building standards for residential units unless deemed

necessary by the commission for health and safety emergencies. 2. **Commission's Role**: The California Building Standards Commission must reject any modifications to residential building standards unless they are urgent for health and safety. The commission will review changes within 45 days. 3. **Model Code Redefinition**: The bill updates the definition of "model code" to include the latest edition of the International Wildland-Urban Interface Code. 4. **Standard Adoption Pause**: It suspends the standard 18-month adoption cycle for residential building standards, only allowing emergency changes deemed necessary by the commission. 5. **Permitting Consistency**: Building standards in effect during the approval of model home designs will apply to all future residential dwellings using the same design in that jurisdiction. 6. **Restrictive Standards**: Cities and counties cannot adopt stricter building standards for residential units without emergency justification. 7. **Code Publication**: Changes during non-standard adoption periods are restricted to editorial, clarity, urgent safety amendments, or administrative modifications. 8. **Statewide Concern**: The changes address statewide concerns, applying to all cities, including those with charters. 9. **No Reimbursement Requirement**: The bill specifies that there is no requirement for state reimbursement for costs incurred by local agencies. 10. **Urgency Statute**: The bill is designated as an urgency statute, meaning it will take effect immediately to address important issues.

Location: 04/23/2025 - Senate HOUSING

CAAPWA Position: Pending

Infrastructure

[AJR 22](#) ([Arambula, D](#)) The measure supports urging the U.S. Congress to pass HR 1235, which proposes the creation of a Federal Infrastructure Bank. This bank would help finance critical infrastructure projects across the United States.

Location: 08/21/2025 - Assembly TRANS.

CAAPWA Position: Pending

[SB 769](#) ([Caballero, D](#)) This bill allows the Golden State Infrastructure Corporation Act to establish a non-profit corporation within the State Treasurer's Office. This corporation would manage and finance infrastructure projects and be governed by a board of directors and an executive director, appointed by the Treasurer. The corporation can enter financing transactions, borrow money, and issue bonds, but the state is not liable for its obligations. The corporation must report annually on its activities to government bodies. It can finance infrastructure projects for government entities or infrastructure companies if certain criteria are met. The corporation can issue revenue bonds to fund its operations and projects. The bill ensures operational policies are in place before funding projects and exempts specific corporate and infrastructure information from public disclosure laws. Additionally, it creates a dedicated fund for the corporation's financial resources, continuously available for its operations.

Location: 09/04/2025 - Assembly INACTIVE FILE

CAAPWA Position: Pending

Public Works

[AB 1658](#) ([Kalra, D](#)) The Local Agency Public Construction Act governs how local agencies, like counties and special districts, manage their contracting processes. It sets rules for counties engaged in projects such as highways, bridges, and waterworks, including how change orders are authorized and capped based on the original contract value. Currently, laws effective until January 1, 2027, allow Los Angeles and Santa Clara Counties to implement higher change order caps for large contracts, with adjustments annually based on the California Consumer Price Index. For Los Angeles, similar caps apply to bridges, subways, waterworks, and flood control contracts. These counties were originally limited to modifying no more than seven contracts under these rules and had to report on these changes by July 2026. The bill proposes removing the limit on the number of modified contracts and the requirement for filing a review report. Additionally, it seeks to extend these provisions indefinitely beyond the 2027 deadline, justifying this change with specific legislative findings for Los Angeles and Santa Clara Counties.

Location: 01/29/2026 - Assembly PRINT

CAAPWA Position:

Taxes

[SB 512](#) ([Pérez, D](#)) The existing law outlines how a proposed ordinance can be presented to a district's governing board via an initiative measure, but this does not apply to certain districts, especially those without election procedures. The proposed bill aims to allow voters in any district with the power to levy a tax for transportation to impose a retail transactions and use tax through an initiative measure. This initiative tax must not exceed the district's maximum authorized tax rate and must include all relevant spending limitations and accountability standards. If implementing the bill increases responsibilities for county election officials, it would create a state-mandated local program. The California Constitution requires state reimbursement to local agencies and school districts for specific mandated costs. The bill states that any costs confirmed by the Commission on State Mandates as mandated by the state will be reimbursed according to existing statutory procedures.

Location: 10/13/2025 - Senate VETOED

CAAPWA Position: Watch

Transportation

[AB 1421](#) ([Wilson, D](#)) Existing law mandates the Chair of the California Transportation Commission to set up a Road Usage Charge Technical Advisory Committee with the Secretary of Transportation. This committee is tasked with guiding a pilot program that explores replacing the

gas tax system with mileage-based revenue collection. The Transportation Agency, in consultation with the commission, must implement this pilot, which is set to be repealed on January 1, 2027. This bill requires that the commission, alongside the Transportation Agency, compiles research and provides recommendations on implementing a road user charge or mileage-based fee system. The commission must submit a report detailing this research and recommendations to relevant legislative committees by January 1, 2027, after consulting with state agencies and other stakeholders.

Location: 01/29/2026 - Senate RLS.

CAAPWA Position: Pending