

**BILL:** SB 71 (Wiener, D-San Francisco)  
Introduced January 14, 2025

**SUBJECT:** SB 71 indefinitely extends and makes clarifying changes to California Environmental Quality Act exemptions for certain transit and active transportation projects.

**STATUS:** Pending in the Senate Environmental Quality Committee  
Pending in the Senate Transportation Committee

**SUMMARY AS OF FEBRUARY 5, 2025:**

Previous legislation exempted certain transit and active transportation projects from the California Environmental Quality Act (CEQA) until January 1, 2030. These exemptions apply to projects such as new bus rapid transit, bus, or light rail services on public rail or highway rights-of-way; improvements to customer information and wayfinding for transit riders, cyclists, and pedestrians; zero-emission bus charging or refueling infrastructure; and pedestrian and bicycle facilities. Exemptions also extend to projects involving stop sign changes, the installation of transit queue jump lanes, changes to transit stops (e.g., transit bulbs and islands), and improvements to pedestrian access to transit.

To qualify for these exemptions, agencies must meet specific requirements. The project cannot create new automobile capacity and must be located within an existing public right-of-way. For projects that exceed certain project cost thresholds, over \$50 million, agencies must conduct specific analyses and hold public meetings. Additionally, projects cannot demolish affordable housing units and must meet labor requirements. SB 71 seeks to provide clarity for these requirements, particularly concerning public meetings and project cost thresholds. It stipulates that the governing board must approve the project in a public meeting if the local agency is going to use the exemption and clarifies that project cost thresholds are based on the engineer's estimate at the time the exemption is pursued, not the total project cost. SB 71 also allows the Office of Land Use and Climate Innovation to adjust these thresholds based on the California Consumer Price Index and removes the sunset provisions for this authority. Agencies that prefer not to follow these processes can still choose to pursue the standard CEQA process.

**EFFECTS ON ORANGE COUNTY:**

SB 71 will bring much-needed clarity to this CEQA exemption authority, which streamlines the process for delivering various transportation projects.

The Orange County Transportation Authority (OCTA) has already utilized this authority for the OC Connect active transportation project, which will create a four-mile biking and walking trail connection between the downtown areas of Garden Grove and Santa Ana as well as the Santa Ana River Trail and the countywide 66-mile OC Loop bikeway. While the CEQA streamlining authority helped expedite the project, several questions arose about its applicability and compliance. Despite the benefits of streamlining, the process

was confusing and led to longer-than-expected lead times. For example, there was uncertainty about the project cost thresholds, particularly whether the costs referred to total project costs. In OCTA's case, the project estimate was \$41 million, but the decision was made to adhere to the \$50 million threshold to account for potential inflation or cost increases during the Plans, Specifications, and Estimates phase. This created unnecessary complexity—had the statute been clearer, the engineers' estimate could have been documented as under \$50 million, avoiding the need to add extra scope to include various analyses as a part of the requirements. With SB 71, there would be clarity that the project threshold refers to the project engineer's cost estimate at the time the local agency takes action to approve the project.

Additionally, the indefinite extension of this authority will provide even more opportunities to use this authority in the future. While OCTA would not be required to use this authority for every project, its continued availability will be crucial in enabling more efficient and innovative transportation development.

This legislation is sponsored by the California Transit Association. A SUPPORT position is consistent with OCTA's 2025-26 State Legislative Platform principles to "Support streamlined environmental review and permitting processes for transportation projects and programs to avoid potentially duplicative and unnecessary analysis, while still maintaining traditional environmental protections."

**OCTA POSITION:**

Staff recommends: SUPPORT

**Introduced by Senator Wiener**  
(Coauthors: Assembly Members Chen and Lee)

January 14, 2025

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An act to amend Sections 21080.20 and 21080.25 of the Public Resources Code, relating to environmental quality.

LEGISLATIVE COUNSEL'S DIGEST

SB 71, as introduced, Wiener. California Environmental Quality Act: exemptions: transit projects.

The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.

CEQA, until January 1, 2030, exempts from its requirements active transportation plans, pedestrian plans, or bicycle transportation plans for the restriping of streets and highways, bicycle parking and storage, signal timing to improve street and highway intersection operations, and the related signage for bicycles, pedestrians, and vehicles.

This bill would extend the operation of the above-mentioned exemption indefinitely. The bill would also exempt a transit comprehensive operational analysis, as defined, a transit route readjustment, or other transit agency route addition, elimination, or

modification, from the requirements of CEQA. Because a lead agency would be required to determine whether a plan qualifies for this exemption, the bill would impose a state-mandated local program.

CEQA, until January 1, 2030, exempts from its requirements certain transportation-related projects, such as pedestrian and bicycles facilities, transit prioritization projects, public projects for the institution or increase of bus rapid transit, bus, or light rail service, including the construction or rehabilitation of stations, terminals, or existing operations facilities, and public projects for the construction or maintenance of infrastructure of facilities to charge, refuel, or maintain zero-emission public transit buses, trains, or ferries, as provided. CEQA requires, except as provided, those exempted projects to be carried out by a local agency and meet certain requirements, including certain labor requirements.

This bill would extend the operation of the above-mentioned exemption indefinitely. The bill would exempt from the requirements of CEQA a public project for the improvement of bus rapid transit, bus, or light rail service, including the maintenance, public projects for the improvement, institution, or increase of shuttles and ferries, and for the maintenance, construction, or rehabilitation of stops which will be exclusively used by zero-emission, near-zero-emission, low oxide of nitrogen engine, compressed natural gas fuel, fuel cell, or hybrid powertrain buses, shuttles, ferries, or light rail vehicles, as provided. The bill would exempt a project carried out by a public transit agency conducted in compliance with specified regulations of the State Air Resources Board relating to commercial harbor craft and in-use locomotives. Because a lead agency would be required to determine whether a project qualifies for this exemption, the bill would impose a state-mandated local program.

Existing law requires a CEQA exempt project exceeding specified dollar amounts to meet certain criteria, as provided.

This bill would instead require a CEQA exempt project that is, based on the project engineer's cost estimate, anticipated to exceed a specified dollar amount, to meet certain criteria, as provided. The bill would require the Office of Land Use and Climate Innovation, beginning January 1, 2026, and every two years thereafter, to adjust these amounts to reflect changes in the California Consumer Price Index, and publish the updated amounts on its internet website.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 21080.20 of the Public Resources Code  
2 is amended to read:

3 21080.20. (a) (1) (A) This division does not apply to an active  
4 transportation plan, a pedestrian plan, or a bicycle transportation  
5 plan for the restriping of streets and highways, bicycle parking  
6 and storage, signal timing to improve street and highway  
7 intersection operations, and the related signage for bicycles,  
8 pedestrians, and vehicles.

9 (B) *This division does not apply to a transit comprehensive*  
10 *operational analysis, transit route readjustment, or other transit*  
11 *agency route addition, elimination, or modification.*

12 (2) An active transportation plan or pedestrian plan is  
13 encouraged to include the consideration of environmental factors,  
14 but that consideration does not inhibit or preclude the application  
15 of this section.

16 (3) An individual project that is a part of an active transportation  
17 ~~plan or plan~~, pedestrian ~~plan~~ plan, or transit comprehensive  
18 *operational analysis* remains subject to this division unless another  
19 exemption applies to that project.

20 (b) Before determining that a project described in subdivision  
21 (a) is exempt pursuant to this section, the lead agency shall hold  
22 noticed public hearings in areas affected by the project to hear and  
23 respond to public comments. Publication of the notice shall be no  
24 fewer times than required by Section 6061 of the Government  
25 Code by the public agency in a newspaper of general circulation  
26 in the area affected by the proposed project. If more than one area  
27 will be affected, the notice shall be published in the newspaper of  
28 largest circulation from among the newspapers of general  
29 circulation in those areas.

1 (c) If a local agency determines that a project is not subject to  
 2 this division pursuant to this section and it determines to approve  
 3 or carry out that project, the notice shall be filed with the Office  
 4 of Planning and Research and the county clerk in the county in  
 5 which the project is located in the manner specified in subdivisions  
 6 (b) and (c) of Section 21152.

7 (d) For purposes of this section, the following definitions apply:

8 (1) “Active transportation plan” means a plan developed by a  
 9 local jurisdiction that promotes and encourages people to choose  
 10 walking, bicycling, or rolling through the creation of safe,  
 11 comfortable, connected, and accessible walking, bicycling, or  
 12 rolling networks, and encourages alternatives to single-occupancy  
 13 vehicle trips.

14 (2) “Pedestrian plan” means a plan developed by a local  
 15 jurisdiction that establishes a comprehensive, coordinated approach  
 16 to improving pedestrian infrastructure and safety.

17 (3) “*Transit comprehensive operational analysis*” means a plan  
 18 that redesigns or modifies a transit operator’s or local agency’s  
 19 public transit service network, including the routing of fixed route  
 20 and microtransit services.

21 ~~(e) This section shall remain in effect only until January 1, 2030,~~  
 22 ~~and as of that date is repealed.~~

23 SEC. 2. Section 21080.25 of the Public Resources Code is  
 24 amended to read:

25 21080.25. (a) For purposes of this section, the following  
 26 definitions apply:

27 (1) “Affordable housing” means any of the following:

28 (A) Housing that is subject to a recorded covenant, ordinance,  
 29 or law that restricts rents or sales prices to levels affordable, as  
 30 defined in Section 50052.5 or 50053 of the Health and Safety  
 31 Code, to persons and families of moderate, lower, or very low  
 32 income, as defined in Section 50079.5, 50093, or 50105 of the  
 33 Health and Safety Code, respectively.

34 (B) Housing that is subject to any form of rent or price control  
 35 through a public entity’s valid exercise of its police power.

36 (C) Housing that had been occupied by tenants within five years  
 37 from the date of approval of the development agreement by a  
 38 primary tenant who was low income and did not leave voluntarily.

1 (2) “Bicycle facilities” includes, but is not limited to, bicycle  
2 parking, bicycle sharing facilities, and bikeways as defined in  
3 Section 890.4 of the Streets and Highways Code.

4 (3) “High-occupancy vehicle” means a vehicle with three or  
5 more occupants.

6 (4) “Highway” means a way or place of whatever nature,  
7 publicly maintained and open to the use of the public for purposes  
8 of vehicular travel. “Highway” includes a street.

9 (5) “Local agency” means a public transit operator, city, county,  
10 city and county, special district, joint powers authority, local or  
11 regional transportation agency, or congestion management agency.

12 (6) “Part-time transit lanes” means designated highway  
13 shoulders that support the operation of transit vehicles during  
14 specified times and are not open to nonpublic transit vehicles at  
15 any time.

16 (7) “Project labor agreement” has the same meaning as defined  
17 in paragraph (1) of subdivision (b) of Section 2500 of the Public  
18 Contract Code.

19 (8) “Public transit operator” has the same meaning as in Section  
20 99210 of the Public Utilities Code.

21 (9) “Skilled and trained workforce” has the same meaning as  
22 provided in Chapter 2.9 (commencing with Section 2600) of Part  
23 1 of Division 2 of the Public Contract Code.

24 (10) “Transit lanes” means street design elements that delineate  
25 space within the roadbed as exclusive to transit use, either full or  
26 part time.

27 (11) “Transit prioritization projects” means any of the following  
28 transit project types on highways or in the public right-of-way:

29 (A) Signal and sign changes, such as signal coordination, signal  
30 timing modifications, signal modifications, or the installation of  
31 traffic signs or new signals.

32 (B) The installation of wayside technology and onboard  
33 technology.

34 (C) The installation of ramp meters.

35 (D) The conversion to dedicated transit lanes, including transit  
36 queue jump or bypass lanes, shared turning lanes and turn  
37 restrictions, the narrowing of lanes to allow for dedicated transit  
38 lanes or transit reliability improvements, or the widening of existing  
39 transit travel lanes by removing or restricting street parking.

1 (E) Transit stop access and safety improvements, including, but  
2 not limited to, the installation of *bus shelters*, *lighting*, transit bulbs  
3 and the installation of transit boarding islands.

4 (12) “Transportation demand management program” means a  
5 specific program of strategies, incentives, and tools to be  
6 implemented, including, with specified annual status reporting  
7 obligations, to reduce vehicle trips by providing opportunities for  
8 the public to choose sustainable travel options, such as transit,  
9 bicycle riding, or walking. A specific program of strategies,  
10 incentives, and tools includes, but is not limited to, any of the  
11 following:

12 (A) Provision of onsite electric vehicle charging stations in  
13 excess of applicable requirements.

14 (B) Provision of dedicated parking for car share or zero-emission  
15 vehicles, or both types of vehicles, in excess of applicable  
16 requirements.

17 (C) Provision of bicycle parking in excess of applicable  
18 requirements.

19 (b) This division does not apply to any of the following projects:

20 (1) Pedestrian and bicycle facilities that improve safety, access,  
21 or mobility, including new facilities, within the public right-of-way.

22 (2) Projects that improve customer information and wayfinding  
23 for transit riders, bicyclists, or pedestrians within the public  
24 right-of-way.

25 (3) Transit prioritization projects.

26 (4) A project for the designation and conversion of general  
27 purpose lanes to high-occupancy vehicle lanes or bus-only lanes,  
28 or highway shoulders to part-time transit lanes, for use either during  
29 peak congestion hours or all day on highways with existing public  
30 transit service or where a public transit agency will be  
31 implementing public transit service as identified in a short range  
32 transit plan.

33 (5) A public project for the ~~institution~~ *improvement, institution,*  
34 or increase of bus rapid transit, *shuttle*, bus, *ferry*, or light rail  
35 service, including the ~~construction~~ *maintenance, construction,* or  
36 rehabilitation of *stops*, stations, terminals, or existing operations  
37 facilities, which will be exclusively used by zero-emission,  
38 near-zero-emission, low oxide of nitrogen engine, compressed  
39 natural gas fuel, fuel cell, or hybrid powertrain ~~buses~~ *buses,*  
40 *shuttles, ferries,* or light rail vehicles, on existing public



1 rights-of-way or existing highway rights-of-way, whether or not  
2 the right-of-way is in use for public mass transit. The project shall  
3 be located on a site that is wholly within the boundaries of an  
4 urbanized area or urban cluster, as designated by the United States  
5 Census Bureau.

6 (6) A public project for the institution or increase of passenger  
7 rail service, other than light rail service eligible under paragraph  
8 (5), including the construction or rehabilitation of stations,  
9 terminals, or existing operations facilities, which will be  
10 exclusively used by zero-emission trains. The project shall be  
11 located entirely within an existing rail right-of-way or existing  
12 highway right-of-way, whether or not the right-of-way is in use  
13 for passenger rail transit.

14 (7) (A) A public project to construct or maintain infrastructure  
15 or facilities to charge, refuel, power, or maintain zero-emission  
16 public transit buses, trains, or ferries, provided the project is carried  
17 out by a public transit agency in compliance with, the State Air  
18 Resources Board’s Innovative Clean Transit regulations (Article  
19 4.3 (commencing with Section 2023) of Chapter 1 of Division 3  
20 of Title 13 of the California Code of ~~Regulations~~ *Regulations*),  
21 *the Commercial Harbor Craft regulations (Article 4.3 (commencing*  
22 *with Section 2299.5) of Chapter 5.1 of Division 3 of Title 13 of the*  
23 *California Code of Regulations and Article 4.3 (commencing with*  
24 *Section 93118.5) of Chapter 1 of Division 3 of Title 17 of the*  
25 *California Code of Regulations*), *the In-Use Locomotive*  
26 *regulations (Article 8 (commencing with Section 2478) of Chapter*  
27 *9 of Division 3 of Title 13 of the California Code of Regulations*),  
28 or any regulations identified by the State Air Resources Board’s  
29 2020 Mobile Source Strategy, adopted on October 28, 2021, and  
30 the project is located on property owned by the local agency or  
31 within an existing public right-of-way or on property owned by a  
32 public or private utility.

33 (B) A lead agency applying an exemption pursuant to this  
34 paragraph for hydrogen refueling infrastructure or facilities  
35 necessary to refuel or maintain zero-emission public transit buses,  
36 trains, or ferries shall comply with clauses (i), (iii), and (iv) of  
37 subparagraph (D) of, and with subparagraph (E) of, paragraph (1)  
38 of subdivision (d).

1 (8) The maintenance, repair, relocation, replacement, or removal  
2 of any utility infrastructure associated with a project identified in  
3 paragraphs (1) to (7), inclusive.

4 (9) A project that consists exclusively of a combination of any  
5 of the components of a project identified in paragraphs (1) to (8),  
6 inclusive.

7 (10) A planning decision carried out by a local agency to reduce  
8 or eliminate minimum parking requirements or institute parking  
9 maximums, remove or restrict parking, or implement transportation  
10 demand management requirements or programs.

11 (c) Except as provided in subdivision (g), a project exempt from  
12 this division under this section shall meet all of the following  
13 criteria:

14 (1) (A) A local agency is carrying out the project and is the lead  
15 agency for the project.

16 (B) *The lead agency's governing board shall take an action at  
17 a public meeting to approve a project subject to subdivision (b).*

18 (2) The project does not induce single-occupancy vehicle trips,  
19 add additional highway lanes, widen highways, or add physical  
20 infrastructure or striping to highways except for minor  
21 modifications needed for the efficient and safe movement of transit  
22 vehicles, bicycles, or high-occupancy vehicles, such as extended  
23 merging lanes, shoulder improvements, or improvements to the  
24 roadway within the existing right of way. The project shall not  
25 include the addition of any auxiliary lanes.

26 (3) The construction of the project shall not require the  
27 demolition of affordable housing units.

28 (d) (1) ~~For a project exceeding one hundred million dollars~~  
29 ~~(\$100,000,000), a project exempt from this division under this~~  
30 ~~section~~ *A project that is exempt from this division under this section*  
31 *that is, based on the project engineer's cost estimate at the time*  
32 *the local agency takes an action pursuant to subparagraph (B) of*  
33 *paragraph (1) of subdivision (c), anticipated to exceed one hundred*  
34 *million dollars (\$100,000,000) shall also meet all of the following:*  
35 *following criteria:*

36 (A) The project is incorporated in a regional transportation plan,  
37 sustainable communities strategy, general plan, or other plan that  
38 has undergone a programmatic-level environmental review  
39 pursuant to this division within 10 years of the approval of the  
40 project.

1 (B) The project’s construction impacts are fully mitigated  
2 consistent with applicable law.

3 (C) (i) The lead agency shall complete and consider the results  
4 of a project business case and a racial equity analysis. The Office  
5 of Planning and Research may set guidelines for the project  
6 business case and the racial equity analysis or delegate that  
7 authority to metropolitan planning organizations.

8 ~~(ii) The project business case required under this subparagraph~~  
9 ~~shall set forth the rationale for why the project should be~~  
10 ~~implemented to solve a problem or address an opportunity, outline~~  
11 ~~strategic goals and objectives of the project, evaluate other options~~  
12 ~~to achieve the project’s objectives, describe the economic costs~~  
13 ~~and benefits of the project, describe the financial implications of~~  
14 ~~the project, and establish what is required to deliver and operate~~  
15 ~~the project.~~

16 (iii)

17 (ii) The racial equity analysis required under this subparagraph  
18 shall identify the racial equity impacts of the project, identify who  
19 will benefit from and be burdened by the project, and, where  
20 significant or disproportionate impacts exist, suggest strategies,  
21 designs, or actions to mitigate those impacts.

22 (D) The lead agency shall hold noticed public meetings as  
23 follows:

24 (i) Before determining that a project is exempt pursuant to this  
25 section, the lead agency shall hold at least three noticed public  
26 meetings in the project area to hear and respond to public  
27 comments.

28 (ii) At least one of the three public meetings shall review the  
29 project business case and the racial equity analysis. The review of  
30 these documents does not inhibit or preclude application of this  
31 section.

32 (iii) The lead agency shall conduct at least two noticed public  
33 meetings annually during project construction for the public to  
34 provide comments.

35 (iv) The public meetings held pursuant to clauses (i) to (iii),  
36 inclusive, shall be in the form of either a public community  
37 planning meeting held in the project area or in the form of a  
38 regularly scheduled meeting of the governing body of the lead  
39 agency.

1 (E) The lead agency shall give public notice of the meetings in  
2 subparagraph (D) to the last known name and address of all the  
3 organizations and individuals that have previously requested notice  
4 and shall also give the general public notice using at least one of  
5 the following procedures:

6 (i) Publication of the notice in a newspaper of general circulation  
7 in the area affected by the project. If more than one area will be  
8 affected, the notice shall be published in the newspaper of largest  
9 circulation from among the newspapers of general circulation in  
10 those areas.

11 (ii) Posting of the notice onsite and offsite in the area where the  
12 project is located.

13 (iii) Posting of the notice on the lead agency's internet website  
14 and social media accounts.

15 (2) In addition to the requirements of paragraph (1), for a project  
16 described in that paragraph for which at least 50 percent of the  
17 project or project's stops and stations are located in an area that is  
18 at risk of residential displacement and that will have a maximum  
19 of 15-minute peak headways, the local agency shall complete an  
20 analysis of residential displacement and suggest antidisplacement  
21 strategies, designs, or actions. For a project subject to this  
22 paragraph, the lead agency shall define or identify areas at risk of  
23 residential displacement.

24 (3) *The amount in paragraph (1) shall be adjusted pursuant to*  
25 *subdivision (j).*

26 (e) ~~For a project exceeding fifty million dollars (\$50,000,000);~~  
27 ~~a project exempt from this division under this section (1) A project~~  
28 ~~that is exempt from this division under this section that is, based~~  
29 ~~on the project engineer's cost estimate at the time the local agency~~  
30 ~~takes an action pursuant to subparagraph (B) of paragraph (1) of~~  
31 ~~subdivision (c), anticipated to exceed fifty million dollars~~  
32 ~~(\$50,000,000) shall also comply with clauses (i), (iii), and (iv) of~~  
33 ~~subparagraph (D) of, and with subparagraph (E) of, paragraph (1)~~  
34 ~~of subdivision (d).~~

35 (2) *The amount in paragraph (1) shall be adjusted pursuant to*  
36 *subdivision (j).*

37 (f) (1) (A) Except as provided in subdivision (g), ~~in addition~~  
38 ~~to the requirements of as part of the lead agency's governing board~~  
39 ~~action pursuant to subparagraph (B) of paragraph (1) of~~  
40 ~~subdivision (c), following the granting of an exemption under this~~

1 ~~section~~, the lead agency shall ~~take an action at a public meeting~~  
2 ~~of its governing board~~ to certify that the project will be completed  
3 by a skilled and trained workforce.

4 (B) Subparagraph (A) does not apply if the lead agency has an  
5 existing policy or certification approved by its governing board  
6 that requires the use of a skilled and trained workforce to complete  
7 the project if the lead agency is a signatory to a project labor  
8 agreement that will require the use of a skilled and trained  
9 workforce on the project.

10 (2) (A) Except as provided in subparagraph (B), for a project  
11 that is exempted under this section, the lead agency shall not enter  
12 into a construction contract with any entity unless the entity  
13 provides to the lead agency an enforceable commitment that the  
14 entity and its subcontractors at every tier will use a skilled and  
15 trained workforce to perform all work on the project or a contract  
16 that falls within an apprenticeship occupation in the building and  
17 construction trades in accordance with Chapter 2.9 (commencing  
18 with Section 2600) of Part 1 of Division 2 of the Public Contract  
19 Code.

20 (B) Subparagraph (A) does not apply if any of the following  
21 requirements are met:

22 (i) The lead agency has entered into a project labor agreement  
23 that will bind all contractors and subcontractors performing work  
24 on the project to use a skilled and trained workforce and the entity  
25 has agreed to be bound by that project labor agreement.

26 (ii) The project or contract is being performed under the  
27 extension or renewal of a project labor agreement that was entered  
28 into by the lead agency before January 1, 2021.

29 (iii) The entity contracted to perform the project entered into a  
30 project labor agreement that will bind the entity and all its  
31 subcontractors at every tier performing the project to use a skilled  
32 and trained workforce.

33 (g) Subdivisions (c) and (f) do not apply to a project described  
34 in paragraph (10) of subdivision (b).

35 (h) If the lead agency determines that a project is not subject to  
36 this division pursuant to this section, and the lead agency  
37 determines to carry out that project, the lead agency shall file a  
38 notice of exemption with the Office of Planning and Research and  
39 the county clerk of the county in which the project is located in  
40 the manner specified in subdivisions (b) and (c) of Section 21152.

1 (i) (1) The amendments made to paragraph (5) of subdivision  
 2 (b) by Chapter 987 of the Statutes of 2022 (Senate Bill 922 of the  
 3 2021–22 Regular Session) may apply to projects for which a lead  
 4 agency has filed a notice of exemption under this section before  
 5 January 1, 2023.

6 (2) For projects for which a lead agency has filed a notice of  
 7 exemption under this section before January 1, 2023,  
 8 notwithstanding subdivision (d), as it read on December 31, 2022,  
 9 the lead agency may certify that the project will be completed by  
 10 a skilled and trained workforce after the granting of the exemption  
 11 under this section or the lead agency may demonstrate compliance  
 12 with subparagraph (B) of paragraph (1) of subdivision (f).

13 ~~(j) This section shall remain in effect only until January 1, 2030,~~  
 14 ~~and as of that date is repealed.~~

15 *(j) Beginning January 1, 2026, and every two years thereafter,*  
 16 *the Office of Land Use and Climate Innovation shall adjust the*  
 17 *amounts reflected in paragraph (1) of subdivision (c) and*  
 18 *paragraph (1) of subdivision (e) to reflect changes in the California*  
 19 *Consumer Price Index, and publish the updated amounts on its*  
 20 *internet website.*

21 SEC. 3. No reimbursement is required by this act pursuant to  
 22 Section 6 of Article XIII B of the California Constitution because  
 23 a local agency or school district has the authority to levy service  
 24 charges, fees, or assessments sufficient to pay for the program or  
 25 level of service mandated by this act, within the meaning of Section  
 26 17556 of the Government Code.