



November 20, 2025

To: Legislative and Communications Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Status Report of State Legislation Enacted in 2025

Overview

At the conclusion of the 2025 state legislative session, 794 bills were signed into law by Governor Newsom and chaptered by the Secretary of State, while 123 bills were vetoed. A report containing an analysis of legislation relevant to the Orange County Transportation Authority is provided.

Recommendation

Receive and file as an information item.

Discussion

2025 Legislative Session Adjourns

Following the State Legislature's adjournment, the Governor had until October 13, 2025, to either sign or veto all legislation submitted to his office. Of the 917 bills sent to the Governor this year, 123 bills were vetoed, or 13.4 percent of the total number of bills passed by the Legislature. The Governor acted on 289 fewer bills this year than last year.

The Orange County Transportation Authority (OCTA) Board of Directors, legislative staff, and advocates were successful in advancing many of OCTA's interests in 2025. A detailed summary of legislation relevant to OCTA is included as Attachment A. Among the bills considered this session were the following proposals:

Status of Legislation Considered in 2025 – Notable Bills Signed**AB 394 (Chapter 147, Statutes of 2025): Public transportation providers.**

Position: Support

Sponsored by the California Transit Association (CTA), AB 394 enhances safety protections for public transportation employees, contractors, and riders by expanding enforcement tools available to transit agencies. The bill extends existing battery protections to include all public transportation employees, not just operators or drivers, ensuring that all workers involved in providing transit service receive equal protection under the law. It also authorizes transit agencies and their legal representatives to seek temporary restraining orders in cases of workplace violence, harassment, or threats, and allows state, local, and transit law enforcement to enforce those orders. By recognizing battery and stalking offenses against transit employees and strengthening agencies' ability to act against repeat offenders, AB 394 provides a clearer legal framework to safeguard transit workers and the public.

AB 1085 (Chapter 179, Statutes of 2025): License plates: obstruction or alteration.

Position: Support

AB 1085 expands existing law to explicitly prohibit the manufacture and use of tints, shades, and other materials designed to prevent visual or electronic recognition of vehicle license plates. The legislation establishes a fine of \$1,000 per item manufactured or sold in violation of the law, with the goal of curbing the use of license plate-obscuring materials that allow drivers to evade toll collection and other automated enforcement systems, such as those used for express lanes and red-light cameras. OCTA supported AB 1085 because it directly addresses a persistent challenge affecting toll operations on the 91 Express Lanes and the 405 Express Lanes. Obstructed or unreadable license plates have resulted in toll revenue losses estimated at more than \$200,000 annually on the 91 Express Lanes alone and have hindered enforcement efforts. By prohibiting the production and sale of license plate-blocking devices, AB 1085 provides OCTA and other toll agencies with a clear legal basis to deter violations and recover lost revenue.

AB 1207 (Chapter 117, Statutes of 2025) and SB 840 (Chapter 121, Statutes of 2025): Cap-and-Invest Reauthorization and Revenue Distribution.

Position: Monitor

AB 1207 renamed the Cap-and-Trade Program to Cap-and-Invest and also reauthorized the program through 2045. AB 1207 also updates emissions

reduction and cap-and-invest rules to meet future climate targets and adjusts how industry and utility allowances are managed.

Beginning July 1, 2026, SB 840 establishes a new tiered framework for distributing Greenhouse Gas Reduction Fund (GGRF) revenues based on cap-and-invest auction proceeds. The California High-Speed Rail Project will receive \$1 billion off the top, followed by a \$1 billion allocation for "Legislature Discretionary" purposes. Included in fiscal year 2026-27 is \$125 million for transit passes through the Legislature Discretionary pot. At this time, details regarding eligible uses, accountability, and distribution among transit agencies remain unclear.

Remaining revenues will be directed to ongoing programs, including the Transit and Intercity Rail Capital Program (TIRCP) and the Low Carbon Transit Operations Program (LCTOP). Under this new structure, transit programs will receive fixed annual allocations rather than a percentage of total revenues, meaning funding will not increase if auction proceeds exceed projections and will be the first to be reduced during years of lower revenues. Under this structure, TIRCP will receive \$400 million annually and LCTOP will receive \$200 million annually. Additional discussions are anticipated over the next year to refine this distribution framework. It is important to note that OCTA uses TIRCP and LCTOP funding for important projects and programs, such as the OC Streetcar, the Coastal Rail Resiliency Project, and the Youth Ride Free Program. Left also unclear is how the funding provided through SB 125 (Chapter 54, Statutes of 2023), which was to be used for transit operations and capital and backfilled by the GGRF, will be provided under this framework.

AB 1250 (Chapter 725, Statutes of 2025): Transit operators: paratransit: recertification of eligibility.

Position: Monitor

AB 1250 requires transit operators to implement a simplified recertification process for Americans with Disabilities Act (ADA) paratransit riders whose disability and level of access to fixed-route transit are not expected to improve. Beginning January 1, 2027, agencies like OCTA must allow recertification through accessible remote methods such as telephone, mail, teleconference, or online forms, and conduct recertification only once every five years for eligible riders. This change is intended to reduce administrative burdens and make the process easier for riders with permanent disabilities. For OCTA, this could mean revising eligibility procedures, updating forms and systems, modifying contracts with third-party eligibility assessors, and ensuring compliance with accessibility and privacy requirements.

SB 71 (Chapter 742, Statutes of 2025): California Environmental Quality Act: exemptions: transit projects.

Position: Support

Sponsored by CTA, SB 71 extends and refines existing California Environmental Quality Act (CEQA) exemptions for certain public transit, active transportation, and passenger rail projects. Current law provides these exemptions until January 1, 2030; SB 71 would extend them until January 1, 2040, with a sunset date of January 1, 2032, for projects serving low-emission rather than fully zero-emission vehicles. The bill broadens eligibility to include maintenance activities for passenger rail service improvements and prohibits the use of Tier 4 locomotives in projects that seek to use this exemption when located in air basins classified as serious, severe, or extreme nonattainment areas. To qualify for an exemption, projects must be located within existing public rights-of-way, avoid adding automobile capacity, and comply with requirements related to project cost thresholds, public meetings, labor standards, and housing protections.

SB 71 clarifies that project cost thresholds are based on the engineer's estimate at the time of approval, not the total project cost, and authorizes the Office of Land Use and Climate Innovation to adjust these thresholds according to inflation. It also requires that the governing body approve the use of the exemption in a public meeting, ensuring greater transparency, while preserving the option for agencies to pursue the standard CEQA process if desired. Under existing law, ambiguity around cost thresholds and inflation adjustments has created uncertainty for agencies seeking to use CEQA exemptions. The bill also expands CEQA streamlining authority to include smaller infrastructure improvements, such as bus shelters and lighting, that enhance safety, accessibility, and transit connectivity.

SB 79 (Chapter 512, Statutes of 2025): Housing development: transit-oriented development.

Position: Monitor

SB 79 establishes statewide standards to promote housing development near major transit stops by authorizing increased building height and density minimums, and by streamlining local approval processes for qualifying transit-oriented developments (TOD).

Under SB 79, "urban transit counties," defined as counties with at least 15 passenger rail stations, must apply the new TOD streamlining provisions to designated "transit-oriented development stops." These include major transit stations and stops served by heavy rail, light rail, bus rapid transit, or high-frequency commuter rail. While Orange County does not currently qualify as an urban transit county, the launch of OC Streetcar service will likely meet

this threshold, as the law classifies streetcar service as “light rail.” Once that occurs, Orange County will become subject to SB 79’s TOD requirements.

The bill defines two tiers of TOD stops with varying development standards:

- Tier 1 TOD stops include those served by heavy rail or very high-frequency commuter rail (72 or more trains per day).
- Tier 2 TOD stops encompass light rail, streetcar, or high-frequency commuter rail (48 or more trains per day) services.

Metrolink service in Orange County may meet Tier 1 thresholds depending on how frequency is measured statewide. However, SB 79 leaves ambiguity in how to count trains by stop or line, and further guidance is expected. OC Streetcar stops will clearly fall under Tier 2 TOD definitions.

The California Department of Housing and Community Development (HCD) will play a central role in implementation by issuing statewide technical guidance, reviewing local compliance plans, and working with the Southern California Association of Governments (SCAG) to map TOD zones and their proximity tiers. These maps will determine which parcels qualify for streamlined housing development under the new law. Beginning in 2027, cities that deny eligible projects in high-resource areas could face penalties under the Housing Accountability Act.

SB 79 also authorizes transit agencies to adopt “agency transit-oriented development zoning standards” for land they own near stations, allowing them to set minimum densities and land uses consistent with state policy. OCTA currently does not plan to exercise this authority but will continue monitoring state and regional guidance. Once the OC Streetcar begins operation, OCTA may need to coordinate with HCD, SCAG, and local jurisdictions to ensure compliance with SB 79’s implementation framework. This includes identifying affected station areas, evaluating local zoning consistency, and assessing potential impacts to agency-owned parcels.

SB 364 (Chapter 313, Statutes of 2025): Outdoor advertising displays: permits: new alignments.

Position: Support

SB 364 provides a targeted clarification to the Outdoor Advertising Act to ensure a more efficient permitting process for outdoor advertising displays along newly aligned interstate and primary highways. The bill prohibits the California Department of Transportation (Caltrans) from denying or delaying the acceptance of a permit application for a new advertising display solely because a highway project has not yet been formally accepted as complete, provided that

the section of highway is already open to public vehicular travel within 1,000 feet of the proposed display location.

Under existing Caltrans regulations, permit applications for new advertising displays could not be processed until a highway alignment project was fully accepted as complete. This requirement often created unnecessary delays in cases where new highway segments were already open and operational but had not yet received final administrative acceptance. SB 364 closes this procedural gap by allowing advertising permit applications to move forward as soon as a new alignment is open to the public, ensuring that infrastructure already in service is not hindered by bureaucratic timing. The bill maintains all existing safety, environmental, and regulatory oversight requirements under the Outdoor Advertising Act while aligning permit timelines more closely with real-world project delivery. By clarifying when Caltrans must accept and process permit applications, SB 364 promotes timely coordination between public infrastructure completion and private sector investment along new highway corridors.

SB 707 (Chapter 327, Statutes of 2025): Open meetings: meeting and teleconference requirements.

Position: Monitor

SB 707 updates the Ralph M. Brown Act by introducing new teleconferencing requirements, enhanced accessibility for members of the public, and detailing eligibility rules for members of legislative bodies to participate remotely. The bill expands teleconferencing options, allowing Board Members with disabilities to participate remotely as a reasonable accommodation without posting an agenda or providing public access to their location, consistent with recent Attorney General guidance. It preserves the traditional teleconferencing allowances that requires public access at each remote site but also extends the “alternative teleconferencing” framework introduced during the pandemic. Under this system, members may participate remotely for “just cause” or emergency circumstances, such as illness, medical needs, family care, or official travel, with limits on how many times this option may be used each year.

The bill also allows certain advisory and multijurisdictional bodies to meet remotely if doing so promotes access, diversity, or participation across large service areas. In addition, SB 707 strengthens public accessibility requirements by requiring agencies to offer remote public comment via phone or video, provide closed captioning where available, maintain accessible meeting webpages, and translate agendas into languages spoken by at least 20 percent of the jurisdiction’s limited English proficient population. It further clarifies compensation and conduct rules and mandates that all members receive copies of the Brown Act.

SB 707 takes effect July 1, 2026, and will directly affect OCTA as its Board qualifies as an eligible legislative body.

Additional Bills of Interest – Vetoed

AB 986 (Muratsuchi, D-Torrance): State of emergency and local emergency: landslides and climate change.

Position: Support

AB 986 sought to expand the definition of events qualifying for a state or local emergency under the California Emergency Services Act to include landslides. The bill was introduced in response to recurring landslides in the City of Rancho Palos Verdes, which sponsored the measure to ensure that local governments could more clearly declare and respond to geologic hazards under the state's emergency framework.

AB 986 aimed to provide clarity that landslides, often triggered by sea-level rise, heavy rainfall, or coastal erosion, qualified as emergency conditions, enabling faster access to state and federal resources. Although prompted by issues in Los Angeles County, AB 986 also aligned with challenges faced in Orange County, particularly along the Los Angeles – San Diego – San Luis Obispo Rail Corridor in the City of San Clemente, where repeated slide activity has disrupted passenger and freight rail operations. The bill would have strengthened the legal basis for emergency declarations, helping transportation agencies expedite permits, secure funding, and mobilize stabilization efforts to protect vital infrastructure. Governor Newsom vetoed AB 986, explaining that the bill was unnecessary because existing law already grants the Governor broad authority to declare emergencies in response to “conditions of disaster or extreme peril,” which includes landslides and similar hazards. The Governor cautioned that specifically adding “landslide” as a separate category could unintentionally narrow this authority by implying that unlisted events are ineligible for emergency declarations.

SB 512 (Perez, D): District elections: initiatives.

Position: Monitor

Sponsored by the Self-Help Counties Coalition, SB 512 sought to clarify that any tax approved by initiative adhere to the same spending limitations, accountability standards, and transportation expenditure plan process that apply when enacted through traditional authority. The Governor vetoed SB 512, explaining that courts have already affirmed jurisdictions' existing authority to use the initiative process for imposing transportation-related sales taxes, making the bill unnecessary.

Summary

A report containing an analysis of legislation enacted in 2025 affecting OCTA is provided.

Attachment

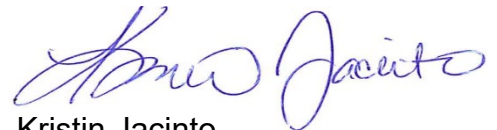
- A. Orange County Transportation Authority 2025 End of Year Legislative Report

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