



November 17, 2025

To: Members of the Board of Directors
From: Jason Jewell, Managing Director 
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 Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency 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.

A summary of the enacted legislation relevant to the Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor Agency is included in 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: Monitor

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 1207 (Chapter 117, Statutes of 2025) & 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-trade 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 this Legislature Discretionary pot for FY 2026-27 is \$125 million for transit passes. 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. 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.

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

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 (TODs). 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.

Because LOSSAN service operates through multiple counties with varying rail infrastructure, implementation of SB 79 may affect local jurisdictions along the LOSSAN corridor differently. Several LOSSAN counties already qualify as "urban transit counties" and will therefore be required to adopt TOD streamlining provisions around designated rail stations.

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).

Depending on how service frequency is measured statewide, some Metrolink and Amtrak Pacific Surfliner stations along the LOSSAN corridor could meet Tier 1 thresholds. However, SB 79 leaves ambiguity regarding whether train frequency is calculated per stop or per line, and further state guidance is anticipated.

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) and other metropolitan planning organizations 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 establish minimum densities and land uses consistent with state policy. While LOSSAN does not directly own property adjacent to stations, the agency will monitor how host rail agencies and local jurisdictions implement these provisions along the corridor. LOSSAN may also coordinate with HCD, SCAG, Caltrans, and member agencies to ensure consistency with SB 79’s implementation framework and assess any implications for rail corridor planning and station-area development.

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

Position: Monitor

SB 707 amends the Ralph M. Brown Act by revising teleconferencing rules, clarifying eligibility for remote participation, and expanding accessibility requirements for public meetings. The bill codifies Attorney General guidance allowing members of legislative bodies with disabilities to participate remotely as a reasonable accommodation without posting an agenda or providing public access to their remote location, provided they participate by audio and video and disclose whether any adults are present. SB 707 also extends alternative teleconferencing options, such as participation for “just cause” or during emergencies, and applies them to all local agencies, including LOSSAN. The bill also extends remote participation to advisory and multijurisdictional bodies; for LOSSAN, this may apply

to the Technical Advisory Committee if the Board adopts and renews findings every six months supporting remote participation to enhance access and diversity.

While SB 707 imposes new requirements for remote public participation, translated agendas, and accessible meeting webpages, these apply only to “Eligible Legislative Bodies” such as cities, counties, or certain large special districts. LOSSAN does not meet this definition and is therefore exempt from those mandates. Other changes that do apply to LOSSAN include requiring that all members receive a copy of the Brown Act, prohibiting compensation adjustments at special meetings, and extending conduct and decorum rules to remote participants.

The provisions relevant to LOSSAN take effect January 1, 2026, while the additional requirements for eligible bodies take effect July 1, 2026.

Additional Bills of Interest – Vetoed

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

Position: Monitor

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 along the LOSSAN Rail Corridor. 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 summary report on all state legislation enacted in 2025 affecting the LOSSAN Rail Corridor Agency is provided for review by the Board of Directors.

Attachment

A. 2025 End of Year Legislative Report

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