



**2025 STATE AND FEDERAL LEGISLATIVE RECAP  
& 2026 PRIORITIES OUTLOOK**

**DECEMBER 5, 2025**



# Overview

**Dynamics Affecting Legislation & Actions**

**Legislative Strategy**

**Recap of 2025 Legislative Sessions & Outlook for 2026:**

- State
- Federal

**Path Forward**

# Dynamics Affecting Legislation & Actions

## State

- Over 30% turnover in Legislature
- High staff turnover
- 35 bill limit per Legislator
- Budget deficit
- External pressures: Uncertain economy & wildfires
- Federal actions targeting California

## Federal

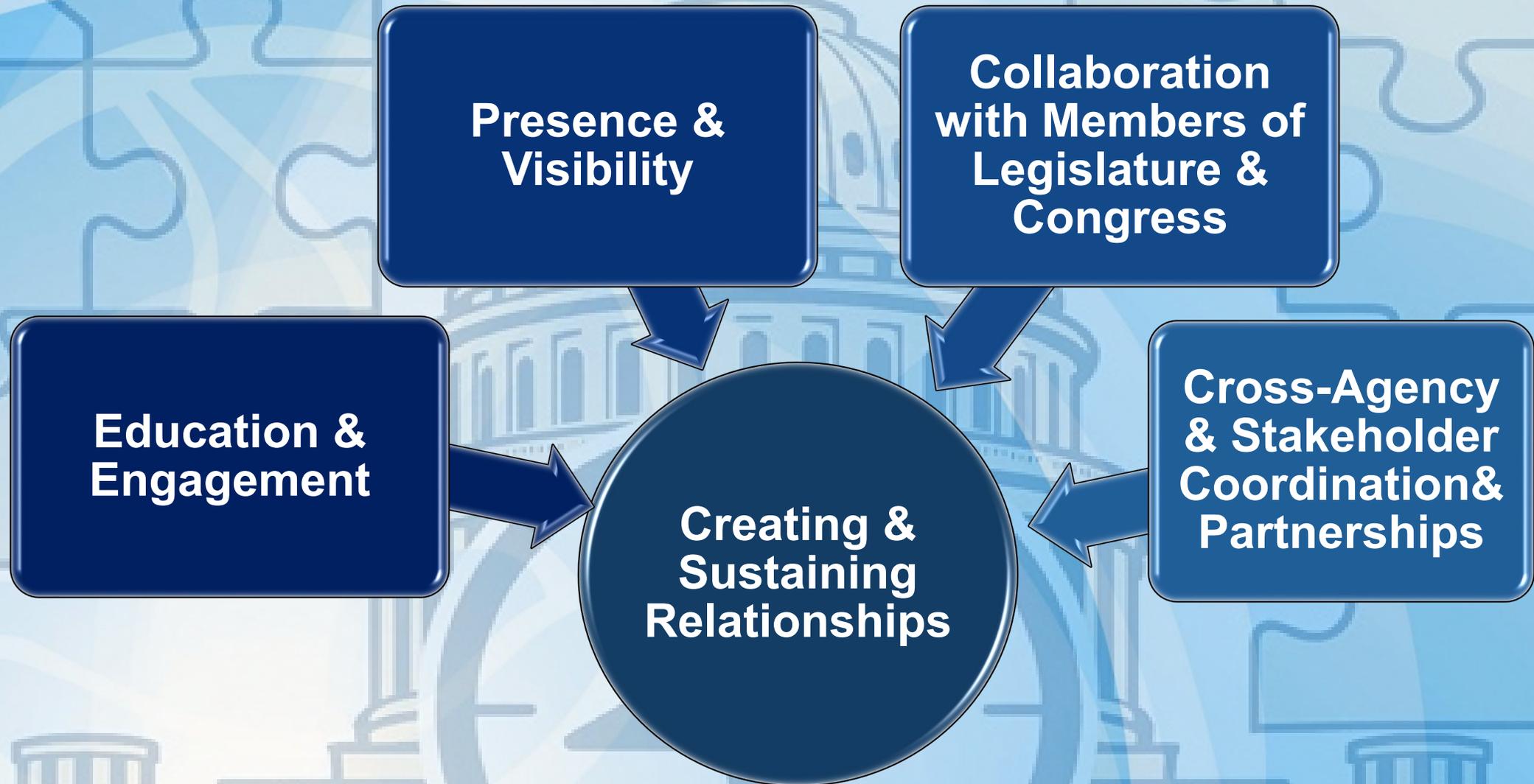
- Divided Congress with narrow majorities
- Administrative Actions: Executive Orders, Rescinding & Changing Regulations, Programs & Grants
- Litigation
- Uncertain economy
- Mid-term elections / Redistricting



## Results:

- Legislation impacting local authority
- Policies with unintended consequences
- Unfunded mandates
- Dysfunctional State & Federal Relationship

# Optimizing Legislative Strategy



# Sponsored State Legislation



**AB 907 (Chen):** CARB Board Member Compensation

- 2-year bill, Senate Environmental Quality



**AB 1338 (Solache):** Metal Shredding Facilities

- 2-year bill in Senate Environmental Quality



**AB 1106 (Rodriguez):** Air Incident Response

- Held in Assembly Appropriations suspense file

# Priority State Legislation



## AB 1266 (Solache): Administrative Procedures Act

- No position taken - Assemblymember worked with South Coast AQMD
- Resolved before a position was taken



## SB 34 (Richardson): Air Pollution: South Coast AQMD: Mobile Sources: Ports

- Oppose
- Vetoed by Governor



## SB 318 (Becker): Air Pollution: Stationary Sources: Best Available Control Technology

- Oppose
- Failed deadline in Senate Appropriations



## SB 415 (Reyes): Planning and Zoning: Logistics Use Developments: Truck Routes

- Work with Author
- Chaptered 316, Statutes of 2025
- Amended prior bill, AB 98
- \$1M secured in Budget



## SB 526 (Menjivar): South Coast Air Quality Management District: Air Quality

- Work with Author
- Partnership with Senator Menjivar to reduce emissions from Aggregate Recycling facilities & other sources in Sun Valley

# Budget & Cap-and-Invest Reauthorization

## 2026 -27 Budget: AB 617

\$45M  
Implementation

\$50M Incentives

\$5M Community  
Air Grants

## Cap-and-Invest

Reauthorized  
through 2045

Up to **\$250M**  
annually from  
Greenhouse  
Gas Reduction  
Fund for AB  
617

Dependent  
upon funds  
generated  
through  
auctions

# Outlook: 2026 Issues / Bills of Interest

## 2026-27 Budget

Legislative Analyst Office:

- Anticipates \$18B budget shortfall
  - \$5B more than Administration anticipated in June
  - Revenues have increased but structural deficit is growing
  - California's budget may be less prepared for downturns

# Outlook: 2026 Issues / Bills of Interest

## AB 617 Program

- During Cap-and-Invest negotiations, some changes were made to AB 617 program with a commitment to work on future legislation
- Hearings will be held in 2026

## AB 914 (Garcia): Air Pollution Indirect Sources

- Would have required CARB to adopt indirect source rules and authorizes agency to adopt fees to implement the rules

## Other Legislation

- CEQA Exemptions – clean-up
- Non-automation – potentially larger bill covering several trades



**Federal**

# Focus of Federal Legislative Efforts



Protect U.S. EPA  
INVEST CLEAN Grant  
Approx. \$500M for  
Zero-Emissions Goods  
Movement

Budget  
Reconciliation



H.R. 1, the "One  
Big Beautiful Bill"



Recissions



Appropriations

# Fiscal Year 2026 Appropriations

- **Targeted Airshed Grants**

- House - \$67.8M
- Senate - \$68.8M

- **Section 103/105**

- House - \$232.6M
- Senate - \$235.9M

- **Diesel Emissions Reduction Act**

- House - \$90M
- Senate - \$60M

**Interior, Environment  
& Related Agencies**



- **National Electric Infrastructure Program**

- No new funding.

- **Maritime Infrastructure**

- House - \$5M
- Senate - \$2M

- **Port Infrastructure Development Program**

- House - \$123.4M
- Senate - \$96.4M

**Transportation,  
Housing & Urban  
Development**



- **Building Technologies/Building Energy Codes**

- House - \$10M

- **HVAC Modernization**

- House - \$2M

- **Weatherization Assistance Program Residential Buildings Integration Programs**

- House - \$0

- **Advanced Technology Vehicles Manufacturing Loan Program**

- House - \$13M

**Energy & Water**

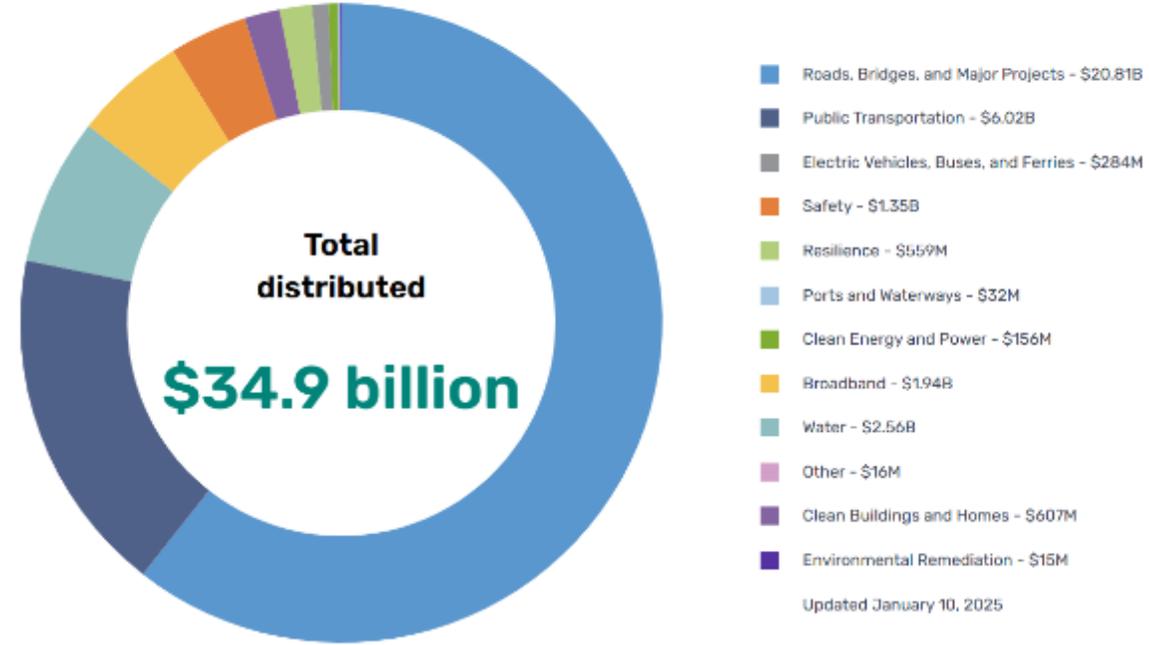


# Surface Transportation Reauthorization

- Formula allocation and discretionary grants
- Authorization ends September 30, 2026

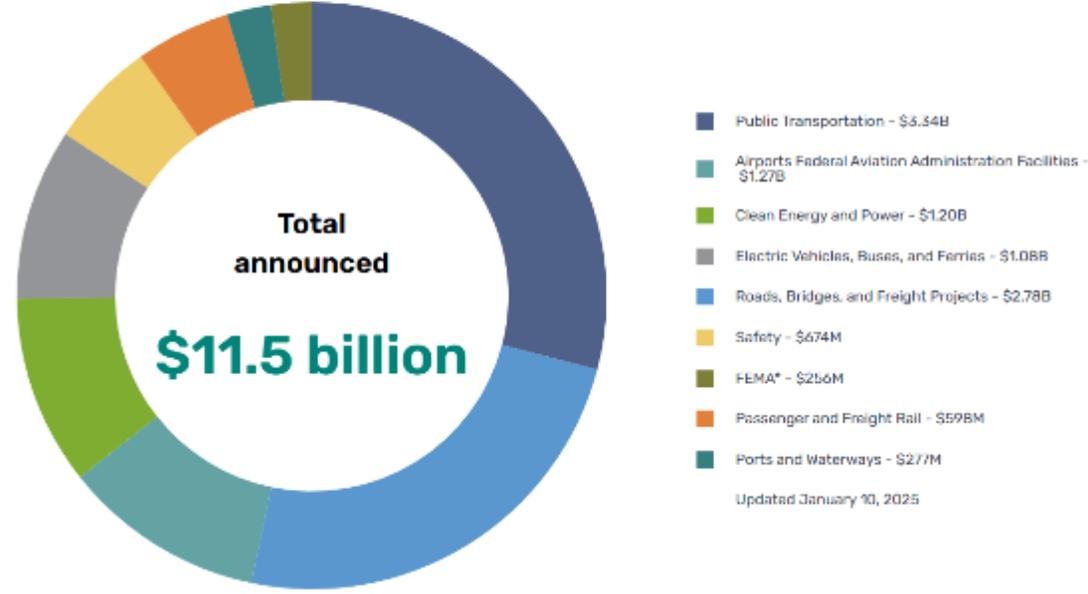
**FY 2026 – South Coast AQMD focus on Goods Movement related programs such as charging & fueling infrastructure**

## Formula based IIJA programs by category



## Discretionary Grants IIJA programs by category

The Infrastructure Investment and Jobs Act (IIJA) provides funding to the Department of Transportation to improve roadways and bridges, freight projects, public transportation, safety, and address climate change.



Source: Building CA, <https://build.ca.gov/iija-by-the-numbers>

# Clean Air Act

## Challenges to Clean Air Act Reform in this Congress

- House Energy & Commerce Committee may have floor time in mid-December, but bill package uncertain
- Bill(s) would require 60 votes in Senate

### South Coast AQMD Priorities

- Federal Mobile Sources & issues related to Extreme Nonattainment Areas

### Examples of Proposed Legislation

- Roll-back National Ambient Air Quality Standards
- Prohibit building decarbonization & zero-emission appliance programs
- Repeal emission standards

### Some Actions Taken or Pending

- Revoked California Clean Air Act Waivers for Advanced Clean Cars II, Heavy-Duty Low NOx OMINBUS, and Advanced Clean Truck rules
- Repeal Endangerment Finding

# Outlook: 2026 Issues / Bills of Interest



## FY 2026 Appropriations

- House & Senate Funding Levels are similar for TAG, DERA & Section 103 / 105

## Fiscal Year 2027 Budget & Appropriations

- President's Budget normally released in February which should coincide with start of FY 2027 Appropriations process

## Surface Transportation Reauthorization

- Draft bill language expected end of year or early 2027

## Clean Air Act

- House Energy & Commerce is expected to have floor time in mid-December, but uncertain what will be in package

# Turning Challenge into Opportunity: Legislative Strategy

## Education & Engagement

- Webinars, Clean Air Day in Sacramento, In District Tours

## Presence & Visibility

- Strong presence in Sacramento, Advocacy Trips, Local Government Affairs Committees

## Legislative Partnerships

- Resource on Legislation and Local issues, Support District Activities

## Cross-Agency & Stakeholder Coordination

- Educational Outreach, Convene Local & Regional discussions

## State:

- AB 617
- Sponsor Bills
- Budget

## Federal:

- INVEST CLEAN
- Appropriations
- Surface Transportation
- Clean Air Act



South Coast AQMD legislative team is looking forward to a successful 2026 legislative session