

***Receive State and
Federal Legislative
Update and Consider
Positions on AB 476
(Gonzalez) and SB 63
(Wiener)***

**JPB Board Meeting
May 1, 2025**



Federal

- **Budget Update:**

- The CR funded the government through Sept. 30.
- The House T&I Committee had reconciliation markup on April 30.
- Republicans in the House and Senate are working on a budget reconciliation package.
- Speaker Johnson aims to have a single reconciliation bill passed by Congress and at the President's desk by May 26.
- Reconciliation package "Dear Colleague" letter is [linked here](#).

- **Tariffs:**

- On April 9, the President paused individualized tariffs, saying over 70 countries reached out to negotiate new trade deals, except on China which now has an added tariff of 125%.
- Tariffs are likely to increase the cost of cars, but also the cost of items like maintenance equipment.

- **Appropriations:**

- House Appropriations Committee Chair Tom Cole released guidance for the House's FY26 community project funding and programmatic request process
- Members will continue to be limited to fifteen requests for FY26.

State - Governor Newsom Spotlights Caltrain

Apr 9, 2025

Ridership for this critical train line is surging thanks to California's investments in rail

"California's commitment to building sustainable transportation corridors is already paying dividends as more travelers in the Bay Area are choosing electric trains to arrive at their destinations faster and cleaner. Caltrain is providing our state with a proof-of-concept in real time — demonstrating that efficient, affordable, and convenient mobility can be achieved as we clean our air and move away from fossil fuels."

Governor Gavin Newsom



Federal

- **April 8 EO Regarding State and Local Cap and Trade Programs – "[Protecting American Energy from State Overreach](#)"**
 - Targets state and local climate change laws and policies.
 - Directs U.S. AG to identify state and local acts that may be “unconstitutional” or “preempted by federal law.”
 - AG must report back on findings within 60 days.
 - AG to prioritize identifying state laws addressing “climate change” or involving “environmental, social, and governance” initiatives, “environmental justice,” carbon or “greenhouse gas” emissions, and funds to collect carbon penalties or carbon taxes.
 - California's Cap and Trade Program is specifically called out in the Executive Order.
 - Could impact: Transit and Intercity Rail Capital Program Funding, LCTOP funding, CHSRA funding and value of LCFS credits which the agency is now participating in

State

- **Legislative Update**

- The deadline for policy committees to meet and hear bills with a fiscal impact is May 2 (May 9 for non-fiscal) for bills in the first house.

- **Cap and Trade Reauthorization**

- On April 15, Governor Newsom, Senate President pro Tempore McGuire and Assembly Speaker Rivas announced they will seek an extension of CA's Cap and Trade Program during this legislative year.
- We expect legislative hearings on Cap and Trade reauthorization to begin in May

- **\$2 Billion Budget Request for transit statewide**

- Caltrain supported the request led by Senator Arreguín and Assemblymember González urging the Governor and State Legislature of California to provide \$2 billion in flexible funding over two years for public transit and to explore all options to close the Bay Area transit agencies transportation funding gap.
- This request continues to move through the state budget process

AB 1372 (Papan) - Caltrain Energy Bill (Sponsor)

AB 1372 (Papan) Electricity: electrified commuter railroads: regenerative braking: net energy.

- The bill was not given a hearing and will not be moving forward.

SB 30 (Cortese) - Concerns

SB 30 (Cortese) Diesel-powered on-track equipment: decommissioning: resale and transfer restrictions.

- This bill would prohibit a public entity that owns diesel-powered on-track equipment from selling, donating, or otherwise transferring that equipment for continued use after the public entity decommissions the equipment.
- The bill was heard in the Senate Transportation Committee on April 8 and passed 11-3.
- Caltrain and the other passenger rail operators in the state sent a letter of concern with suggested amendments.
- The bill was heard and passed in the Senate Environmental Quality Committee on April 30, with some amendments offered. The bill would now allow Tier 2 and above to be sold or transferred, but only if agencies can show an air quality benefit.
- The bill would still ban transfer or sale of Tier 0 or Tier 1 locomotives, even if an air quality benefit could be shown.
- The provision regarding lower tier locomotives would impact all of Caltrain's remaining diesel fleet and all remaining diesel on-track equipment and would negatively impact the agency financially.

AB 810 (Irwin) - Seeking Feedback

AB-810 (Irwin) Local government: internet websites and email addresses.

- This bill would require a city, county, special district, joint powers authority, or other political subdivision to change its website address to ".gov" by Jan 1, 2031.
- This would impact Caltrain's website and require significant resources to comply with.
- This bill was heard in the Assembly Privacy and Consumer Protection Committee on April 22.
- Staff are seeking feedback on this bill.

AB 476 (González) - *Recommend Support*

AB 476 (González): Copper Wire Theft Prevention

- The price of copper is near historic highs and theft is increasing, despite relatively strict state law and efforts of cities to ramp up enforcement.
- This bill strengthens enforcement against copper wire theft impacting public infrastructure by:
 - Expanding the information junk dealers and recyclers must collect before purchasing nonferrous metals (any metal that does not contain iron such as copper, aluminum, etc.).
 - Requiring sellers of copper to obtain a state-issued license unless they hold specific trade or contractor credentials.
- This bill will help law enforcement track and prevent illegal sales
- Supporters include:
 - League of California Cities (Co-Sponsor)
 - City of San Jose (Co-Sponsor)
 - Los Angeles Cleantech Incubator (LACI) (Co-Sponsor)

Staff is recommending a support position.

SB 63 (Wiener)

SB 63 (Wiener) San Francisco Bay area: local revenue measure: transportation funding.

- Heard in Senate Transportation on April 22. Passed by a 10-3 vote. Must pass Senate by June 6.
- Creates new district governed by MTC with 3 Counties included (Alameda, Contra Costa, and SF) with San Mateo and Santa Clara able to opt-in.
- Tax would be between 10 to 15 years at .5 cent but allows SF to go between .5 cent and 1 cent.
- Separate from this regional measure, allows SF and SMC flexibility on amounts up to 1 cent in 1/8 cent increments for their own sales tax measures put on the ballot by Supervisors for a 2/3 vote.
- Requires recipient agencies to have third party review, maintain effort, and only use funds for operating unless granted an exception.
- Caltrain JPB member agencies would determine financial responsibility for Caltrain.

SB 63 (Wiener)

SB 63 (Wiener) San Francisco Bay area: local revenue measure: transportation funding.

- Up to 10% would go to MTC for transit transformation and 1% would go to MTC for administration.
- Allows MTC to withhold operations funding from agencies who it deems non-compliant with RNM policies regarding goals of Transit Transformation Action Plan or successor plans.
- Agencies can object to MTC withholding funds, but it's a process, including an analysis of potential fare increases to cover the cost of MTC requirement(s); and operating funds could be withheld while the objection process plays out.
- No specific expenditure plan but plans to create one through TFRIP before July 31, 2025.

New Amendments

- New amendments accepted at 4/22 hearing include removal of TFRIP language but TFRIP process is "ongoing."
- The 4/22 amendments also to clarify that the bill will not require specific expenditures from non-participating counties.
- However, author's office has conveyed that an understanding of target contributions from non-participating counties remains important in determining the expenditure plan of the regional measure.

SB 63 (Wiener) – *Recommend Support*

Staff recommend Support as the requested amendments were largely addressed:

1. Clarify and limit circumstances under which operations funding could be withheld.
 - Withholding funding should require two-thirds vote of the full MTC Commission
**(MTC staff confirmed that withholding would be by board vote;
MTC Chair letter indicates would recommend MTC not oppose a change to 2/3 vote).**
 - Include a grace period before funding is withheld to allow operators to object or correct
(MTC Chair letter agrees).
2. Legislation's expenditure plan should only include SF, Alameda and Contra Costa and any remaining counties that choose to opt in.
(Addressed by amendments taken in Transportation Committee)
3. Change references to "Peninsula Rail Transit District" to "Peninsula Corridor Joint Powers Board"
(Author has agreed to address)

Staff recommend working with the author to seek clarity on the expenditure plan, including appropriate funding level for Caltrain, and appropriate funding level for Transit Transformation which is currently listed at up to 10%.

Staff also recommend working with the author regarding incorporating limits on MTC ability to withhold operating funds that MTC agrees with or would not oppose.

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