



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

SB-153 Transportation budget trailer bill. (2025-2026)

SHARE THIS:  

Date Published: 09/17/2025 09:00 PM

Senate Bill No. 153

CHAPTER 109

An act to add Section 39611 to the Health and Safety Code, to amend Section 75230 of the Public Resources Code, to amend Sections 30005, 30630.5, and 99250 of, and to add and repeal Section 100160.6 of, the Public Utilities Code, to amend Section 13020 of, and to add and repeal Section 35700.6 of, the Vehicle Code, and to amend Section 10 of Chapter 15 of the Statutes of 2025, relating to transportation, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor September 17, 2025. Filed with Secretary of State September 17, 2025.]

LEGISLATIVE COUNSEL'S DIGEST

SB 153, Committee on Budget and Fiscal Review. Transportation budget trailer bill.

(1) Existing law imposes various functions and duties on the State Air Resources Board relating to reducing emissions of air pollutants. Existing law requires the state board to identify toxic air contaminants that are emitted into the ambient air of the state and to adopt airborne toxic control measures to reduce emissions of toxic air contaminants. Pursuant to its authority, the state board has adopted the Transport Refrigeration Unit Regulation to reduce emissions of toxic air contaminants and other pollutants from diesel-fueled transport refrigeration units used to power electrically driven refrigerated shipping containers and trailers that are operated in California. Existing law authorizes the state board under certain circumstances to impose a fee to cover the cost of its regulation of specified activities.

This bill would authorize the state board to impose a fee on any entity regulated by the state board under the Transport Refrigeration Unit Regulation for the state board's reasonable regulatory costs associated with the implementation, administration, and enforcement of that regulation, as specified. The bill would require the revenues collected from the fee to be deposited into the Certification and Compliance Fund and to be expended, upon appropriation by the Legislature, for those costs.

(2) Existing law requires all moneys, except for fines and penalties, collected by the state board as part of a market-based compliance mechanism to be deposited into the Greenhouse Gas Reduction Fund and to be available upon appropriation. Existing law continuously appropriates specified portions of the annual proceeds in the fund to various programs, including 5% for the Low Carbon Transit Operations Program, which is administered by the Department of Transportation and provides operating and capital assistance for transit agencies to reduce the emissions of greenhouse gases and improve mobility. Existing law requires the Controller to allocate funding under the program for the 2019–20 to 2022–23, inclusive, fiscal years to recipient transit agencies pursuant to specified individual operator ratios published by the Controller.

This bill would extend the application of those individual operator ratios to the allocation of that funding through the 2025–26 fiscal year.

(3) Under existing law, public transportation systems funded under the Mills-Alquist-Deddeh Act that provide charter bus services are required to establish rates for those services that, among other things, are either at least equal to the average of the 3 lowest current rates charged by private charter bus carriers operating charters in the same service area of the system or at least equal to the fully allocated cost of each charter operated, as specified.

This bill would revise that rate requirement to instead require rates to be established that are either at least equal to the average of the 3 lowest current rates charged by private charter bus carriers operating charters in the same service area of the system or at least equal to the marginal cost of each charter operated, as specified.

(4) Existing law authorizes the Los Angeles County Metropolitan Transportation Authority, as the successor entity to the Southern California Rapid Transit District, to operate charter bus service, subject to certain limitations.

This bill would authorize the authority to provide charter bus service for the 2026 FIFA World Cup during the period from June 1, 2026, to July 31, 2026, inclusive, in the County of Los Angeles, subject to certain conditions, and would also authorize other public transportation providers, operating under contract with the authority, to provide charter bus services in the County of Los Angeles for the 2026 FIFA World Cup, as specified. The bill would also exempt the operation of these charter bus services from certain requirements applicable to charter bus services performed by public transportation systems receiving funding under the Mills-Alquist-Deddeh Act if the operator establishes rates for those services that meet specified requirements.

(5) Existing law authorizes the Santa Clara Valley Transportation Authority and the San Mateo County Transit District to operate charter bus service, subject to certain limitations.

This bill would authorize those entities and any other public transportation operator providing public transit services in any portion of the greater San Francisco Bay area, as defined, to provide charter bus service for the 2026 FIFA World Cup during the period from June 1, 2026, to July 31, 2026, inclusive, subject to certain conditions. The bill would also exempt the operation of these charter bus services from certain requirements applicable to charter bus services performed by public transportation systems receiving funding under the Mills-Alquist-Deddeh Act if the operator establishes rates for those services that meet specified requirements.

(6) Existing law authorizes the Department of Motor Vehicles to establish a pilot program to evaluate the use of optional mobile or digital alternatives to driver's licenses and identification cards, subject to certain requirements, including, but not limited to, the voluntary participation of persons in the program and a limitation on the percentage of licensed drivers who can participate in the program.

This bill would expand the percentage of licensed drivers who can participate in the program from 5% to 15%.

(7) Existing law authorizes the Department of Transportation, upon adoption of an ordinance or resolution by certain cities, to issue a special permit to the operator of a vehicle, combination of vehicles, or mobile equipment, permitting the operation and movement of the vehicle, combination, or equipment, and its load, on specified portions of state highways, if the vehicle, combination, or equipment, meets specified criteria.

This bill would additionally authorize the department to issue the above-described special permit to operate and move a vehicle, combination of vehicles, or mobile equipment, and its load, on the 1.7-mile portion of State Route 185 that is between High Street and Hegenberger Road, known as International Boulevard in the City of Oakland, if the vehicle, combination, or equipment meets that specified criteria. The bill would authorize the department to issue those permits until December 31, 2031, or until an alternate truck route to San Leandro Street becomes available, as specified. The bill would require the City of Oakland to report certain data to the Legislature and the Department of Transportation on or before January 1, 2031. By increasing the duties of a city, the bill would impose a state-mandated local program.

(8) The Administrative Procedure Act sets forth the requirements for the adoption, publication, review, and implementation of regulations by state agencies.

Existing law, for the 2025–26 fiscal year, appropriates \$132,175,000 from the Air Pollution Control Fund to the State Air Resources Board when funds are available from the Hino Consent Decree, to be administered through the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project, as provided.

This bill would exempt from the requirements of the Administrative Procedure Act guidelines or other standards adopted and used in administering those appropriated moneys.

(9) 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, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

(10) Existing law establishes the Air Pollution Control Fund for the California Air Resources Board to carry out its duties and functions.

This bill would appropriate, for the 2025–26 fiscal year, \$1,000 from the Air Pollution Control Fund to the California Air Resources Board for the Transport Refrigeration Unit Program.

(11) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Vote: majority Appropriation: yes Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 39611 is added to the Health and Safety Code, to read:

39611. (a) The state board may impose a fee on any entity regulated by the state board under the Transport Refrigeration Unit Regulation (Sections 2477 to 2477.24, inclusive, of Title 13 of the California Code of Regulations).

(b) Revenues collected from the imposition of a fee pursuant to this section shall be used to recover the state board's reasonable regulatory costs, consistent with paragraph (3) of subdivision (b) of Section 3 of Article XIII A of the California Constitution, associated with the implementation, administration, and enforcement of the regulation described in subdivision (a), including, but not limited to, costs related to certification, registration, reporting, auditing, inspections, and compliance assurance.

(c) (1) Subject to paragraph (2), the state board shall set the amounts of the fees imposed pursuant to subdivision (a) to the amounts established by Section 2477.21 of Title 13 of the California Code of Regulations, as that section read on January 1, 2025, and, notwithstanding any other law except paragraph (2), shall increase those fees annually based on the Consumer Price Index as compiled and reported by the Department of Industrial Relations.

(2) The state board shall not set the fees pursuant to paragraph (1) to an amount that is more than necessary to recover its reasonable costs in developing, implementing, and enforcing the regulation described in subdivision (a), including any administrative costs.

(d) The state board may change the fee to recover its costs described in subdivision (a) so long as the fee does not exceed the amounts established under subdivision (c).

(e) The Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) does not apply to the determination of fees under this section.

(f) All revenues collected pursuant to this section shall be deposited into the Certification and Compliance Fund and shall be available, upon appropriation by the Legislature, for the purposes described in subdivision (b).

SEC. 2. Section 75230 of the Public Resources Code is amended to read:

75230. (a) The Low Carbon Transit Operations Program is hereby created to provide operating and capital assistance for transit agencies to reduce the emissions of greenhouse gases and improve mobility, with a priority on serving disadvantaged communities.

(b) Funding for the program is continuously appropriated pursuant to Section 39719 of the Health and Safety Code from the Greenhouse Gas Reduction Fund established pursuant to Section 16428.8 of the Government Code.

(c) (1) Except as provided in paragraph (2), funding shall be allocated by the Controller on a formula basis consistent with the requirements of this part and with Section 39719 of the Health and Safety Code, upon a determination by the Department of Transportation that the expenditures proposed by a recipient transit agency meet the requirements of this part and guidelines developed pursuant to this section, and that the amount of funding requested is currently available.

(2) For the portion of funding allocated pursuant to paragraph (1) under the formula set forth in Section 99314 of the Public Utilities Code, the Controller shall allocate that funding for the 2019–20 to 2025–26, inclusive, fiscal years based on the individual operator ratios described in Section 99314.10 of the Public Utilities Code.

(d) A recipient transit agency shall demonstrate that each expenditure of program moneys allocated to the agency reduces the emissions of greenhouse gases.

(e) A recipient transit agency shall demonstrate that each expenditure of program moneys does not supplant another source of funds.

(f) Moneys for the program shall be expended to provide transit operating or capital assistance that meets any of the following:

(1) Expenditures that directly enhance or expand transit service by supporting new or expanded bus or rail services, new or expanded waterborne transit, or expanded intermodal transit facilities, and may include equipment acquisition, fueling, and maintenance, and other costs to operate those services or facilities.

(2) Operational expenditures that increase transit mode share.

(3) Expenditures related to the purchase of zero-emission buses, including electric buses, and the installation of the necessary equipment and infrastructure to operate and support these zero-emission buses.

(g) (1) For a recipient transit agency whose service area includes disadvantaged communities, as identified pursuant to Section 39711 of the Health and Safety Code, at least 50 percent of the total moneys received pursuant to this part shall be expended on projects or services that meet the requirements of subdivisions (d), (e), and (f) and benefit the disadvantaged communities, as identified consistent with the guidance developed by the State Air Resources Board pursuant to Section 39715 of the Health and Safety Code.

(2) The requirement of paragraph (1) is waived if the recipient transit agency expends the funding provided pursuant to this section on any of the following:

(A) New or expanded transit service that connects with transit service serving disadvantaged communities, as identified pursuant to Section 39711 of, or in low-income communities, as defined in paragraph (2) of subdivision (d) of Section 39713 of, the Health and Safety Code.

(B) Transit fare subsidies and network and fare integration technology improvements, including, but not limited to, discounted or free student transit passes.

(C) The purchase of zero-emission transit buses and supporting infrastructure.

(3) Expenditures made pursuant to paragraph (2) shall be deemed to have met all applicable requirements established pursuant to Section 39713 of the Health and Safety Code.

(4) This section does not require a recipient transit agency to provide individual rider data to the Department of Transportation or to the State Air Resources Board.

(h) The Department of Transportation, in coordination with the State Air Resources Board, shall develop guidelines that describe the methodologies that a recipient transit agency shall use to demonstrate that proposed expenditures will meet the criteria in subdivisions (d), (e), (f), and (g) and establish the reporting requirements for documenting ongoing compliance with those criteria.

(i) Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the development of guidelines for the program pursuant to this section.

(j) A recipient transit agency shall submit the following information to the Department of Transportation before seeking a disbursement of funds pursuant to this part:

(1) A list of proposed expense types for anticipated funding levels.

(2) The documentation required by the guidelines developed pursuant to this section to demonstrate compliance with subdivisions (d), (e), (f), and (g).

(k) For capital projects, a recipient transit agency shall also do all of the following:

(1) Specify the phases of work for which the recipient transit agency is seeking an allocation of moneys from the program.

(2) Identify the sources and timing of all moneys required to undertake and complete any phase of a project for which the recipient transit agency is seeking an allocation of moneys from the program.

(3) Describe intended sources and timing of funding to complete any subsequent phases of the project, through construction or procurement.

(l) Except as specified in subdivision (m), a recipient transit agency that has used program moneys for any type of operational assistance allowed by subdivision (f) in a previous fiscal year may use program moneys to continue the same service or program in any subsequent fiscal year if the agency can demonstrate that reductions in the emissions of greenhouse gases can be realized.

(m) A recipient transit agency using program moneys for the continuation of a free or reduced fare transit program shall not be subject to subdivision (l) and may continue to use program moneys for that purpose without any restriction to length of time. The recipient transit agency shall submit an initial allocation request to the department and meet all requirements of this section,

except subdivision (l). After the initial allocation for a recipient transit agency's free or reduced fare transit program is funded pursuant to this subdivision, the recipient transit agency shall not be required to submit an additional allocation request for the next three fiscal years, but instead shall provide documentation necessary to meet the requirements of subdivision (s) and for the free or reduced fare transit program to maintain compliance with this section as detailed in the initial allocation request submitted to the department. A recipient transit agency using funds for a free or reduced fare transit program funded pursuant to this subdivision shall submit the reports required by subdivision (s).

(n) Before authorizing the disbursement of funds, the Department of Transportation, in coordination with the State Air Resources Board, shall determine the eligibility, in whole or in part, of the proposed list of expense types, based on the documentation provided by a recipient transit agency to ensure ongoing compliance with the guidelines developed pursuant to this section.

(o) The Department of Transportation shall notify the Controller of approved expenditures for each recipient transit agency, and the amount of the allocation for each agency determined to be available at that time of approval.

(p) A recipient transit agency that does not submit an expenditure for funding in a particular fiscal year may retain its funding share, and may accumulate and use that funding share in a subsequent fiscal year for a larger expenditure, including operating assistance. The recipient transit agency shall first specify the number of fiscal years that it intends to retain its funding share and the expenditure for which the agency intends to use these moneys. A recipient transit agency may only retain its funding share for a maximum of four fiscal years.

(q) A recipient transit agency may, in any particular fiscal year, loan or transfer its funding share to another recipient transit agency within the same region for any identified eligible expenditure under the program, including operating assistance, in accordance with procedures incorporated by the Department of Transportation in the guidelines developed pursuant to this section, which procedures shall be consistent with the requirement in subdivision (g).

(r) A recipient transit agency may apply to the Department of Transportation to reassign any savings of surplus moneys allocated under this section to the agency for an expenditure that has been completed to another eligible expenditure under the program, including operating assistance. A recipient transit agency may also apply to the Department of Transportation to reassign to another eligible expenditure any moneys from the program previously allocated to the agency for an expenditure that the agency has determined is no longer a priority for the use of those moneys.

(s) A recipient transit agency shall provide annual reports to the Department of Transportation, in the format and manner prescribed by the department, consistent with the internal administrative procedures for the use of the fund proceeds developed by the State Air Resources Board.

(t) The Department of Transportation and recipient transit agencies shall comply with the guidelines developed by the State Air Resources Board pursuant to Section 39715 of the Health and Safety Code to ensure that the requirements of Section 39713 of the Health and Safety Code are met to maximize the benefits to disadvantaged communities, as identified pursuant to Section 39711 of the Health and Safety Code.

(u) A recipient transit agency shall comply with all applicable legal requirements, including the requirements of the California Environmental Quality Act (Division 13 (commencing with Section 21000)), and civil rights and environmental justice obligations under state and federal law. This section does not expand or extend the applicability of those laws to recipient transit agencies.

(v) The audit of public transportation operator finances already required under the Mills-Alquist-Deddeh Act (Chapter 4 (commencing with Section 99200) of Part 11 of Division 10 of the Public Utilities Code) pursuant to Section 99245 of the Public Utilities Code shall be expanded to include verification of receipt and appropriate expenditure of moneys from the program. Each recipient transit agency receiving moneys from the program in a fiscal year for which an audit is conducted shall transmit a copy of the audit to the Department of Transportation, and the department shall make the audits available to the Legislature and the Controller for review on request.

SEC. 3. Section 30005 of the Public Utilities Code is amended to read:

30005. (a) "Rapid transit," as used in this part, means the transportation of passengers only and their incidental baggage by means other than by chartered bus, sightseeing bus, taxi, or any other motor vehicle not on an individual passenger fare paying basis, except as otherwise provided in subdivision (b).

(b) This section does not prohibit the district from doing any of the following:

(1) Leasing its buses to private certified public carriers.

(2) Providing school bus service for the transportation of pupils between their homes and schools.

(3) Providing charter bus services to governmental agencies, if comparable service is unavailable through privately operated bus companies, and to special events, other than regular and preseason scheduled professional and amateur sporting events.

(c) Notwithstanding subdivision (a) or paragraph (3) of subdivision (b), this section does not prohibit the district from providing charter bus services, which are incidental to the holding of the 2026 FIFA World Cup in the County of Los Angeles, to any party or to any event during the period from June 1, 2026, to July 31, 2026, inclusive, if the district complies with all of the requirements set forth in subdivision (b) of Section 30630.5.

SEC. 4. Section 30630.5 of the Public Utilities Code is amended to read:

30630.5. (a) Except as provided in subdivision (b), the district may operate charter bus service, subject to all of the following limitations:

(1) Bus equipment that is designed solely for charter service shall not be purchased. A bus equipped with a toilet or underfloor baggage compartment shall be deemed to be bus equipment that is designed solely for charter service.

(2) The board shall hold a public hearing before adopting a charter rate schedule or any amendment to the charter rate schedule. Notice of the hearing shall be mailed to each charter-party carrier operating within the district at least 30 days before the date of the hearing. The notice shall include the proposed charter rate schedule. At the close of the public hearing, the board may adopt charter rate schedules, which shall not be less than the average for the three largest private charter-party carriers operating similar service in the district.

(3) Charter service operations by the district shall originate and terminate within the area served by the district, unless a private charter-party carrier requests the district to provide service beyond that area.

(b) (1) The district may provide charter bus service for the 2026 FIFA World Cup during the period from June 1, 2026, to July 31, 2026, inclusive, in the County of Los Angeles if all of the following conditions are met:

(A) The district establishes a schedule of rates for charter bus services that are incidental to the holding of the 2026 FIFA World Cup in the County of Los Angeles subject to the following requirements:

(i) The rates for charter-party bus services established under this paragraph are sufficient to pay all marginal costs related to those charter bus services and contribute financially to the reduction of deficits incurred by the district in the operation of scheduled route services.

(ii) The rates are at least equal to the average of the lowest rates charged by the three largest private charter-party carriers operating similar service in the County of Los Angeles.

(iii) The schedule of rates are effective from June 1, 2026, to July 31, 2026, inclusive.

(B) The district provides charter bus service for the events to the extent that private charter-party carriers are not capable of providing that service.

(C) The district provides charter bus service in compliance with paragraphs (1) and (3) of subdivision (a).

(2) Other public transportation providers, operating under contract with the district, may provide charter bus service under this subdivision in the County of Los Angeles for the 2026 FIFA World Cup.

(3) This subdivision does not override any collective bargaining agreement between the district or a public transportation provider operating under contract with the district and a labor organization that represents employees of those entities, as applicable, and does not authorize the district or a public transportation provider operating under contract with the district to provide charter bus service via contracting with private entities. Any charter bus service provided pursuant to this subdivision shall be operated by the district, or a public transportation provider operating under contract with the district, with employees of the entity providing the charter service.

(4) For purposes of this subdivision, "not capable of providing that service" includes, but is not limited to, the inability to meet requirements including, but not limited to, requirements with regard to unique equipment, fuel type, number of doors, frequency, public safety, accommodations for standing passengers, handicap accessibility, or the nature of the service.

(5) This subdivision shall become inoperative on January 1, 2027.

SEC. 5. Section 99250 of the Public Utilities Code is amended to read:

99250. (a) All charter bus services authorized to be performed by a public transportation system receiving funding under this chapter shall contribute financially to the reduction of deficits incurred in the operation of scheduled route service. In addition, the

charter bus service shall not interfere with regularly scheduled service to the public or compete unfairly with private operators where the private operators are willing and able to provide charter bus service.

(b) Except as provided in subdivision (d), charter bus service rates and minimums shall be established that are either of the following:

(1) At least equal to the average of the three lowest current rates charged by private charter bus carriers actually operating charters originating in the same service area of the public transportation system during the prior year.

(2) At least equal to the marginal cost of each charter operated.

(c) All charter bus service rates shall be reviewed and adjusted not less than semiannually to reflect variations in actual and assumed costs, as well as private charter bus carrier rates.

(d) If the operator of a public transportation system determines that there is a public need that cannot otherwise be met, the operator may provide charter bus services to charitable or public service organizations at direct cost, not to exceed ten thousand dollars (\$10,000) or a total of 40 charter buses per year, whichever occurs first.

(e) (1) This section does not apply to charter bus services that are incidental to the holding of the 2026 FIFA World Cup in the County of Los Angeles and the greater San Francisco Bay area during the period from June 1, 2026, to July 31, 2026, inclusive, if the public transportation system establishes charter bus rates for those services that are sufficient to pay all marginal costs related to those services, that are at least equal to the average of the lowest rates charged by the three largest private charter party carriers operating similar service within the County of Los Angeles or the greater San Francisco Bay area, as applicable, and that contribute financially to the reduction of deficits incurred by the system in the operation of scheduled route service.

(2) For purposes of this subdivision, "greater San Francisco Bay area" means the region comprised of the City and County of San Francisco and the Counties of Alameda, Contra Costa, Marin, Monterey, Napa, San Benito, San Mateo, Santa Clara, Santa Cruz, Solano, and Sonoma.

SEC. 6. Section 100160.6 is added to the Public Utilities Code, to read:

100160.6. (a) Notwithstanding Section 100160.5 or any other law, a district may provide charter bus service for the 2026 FIFA World Cup during the period from June 1, 2026, to July 31, 2026, inclusive, if all of the following conditions are met:

(1) Bus equipment that is designed solely for charter service is not purchased. A bus equipped with a toilet or underfloor baggage compartment shall be deemed charter equipment.

(2) Charter service originates and terminates within the area served by the district unless a private charter-party carrier requests the district to provide service beyond the area served by the district.

(3) The district establishes a schedule of rates for charter bus services that are incidental to the holding of the 2026 FIFA World Cup in the area authorized to be served pursuant to paragraph (2) subject to the following requirements:

(A) The rates for charter-party bus services established under this subdivision are sufficient to pay all marginal costs related to those charter bus services and contribute financially to the reduction of deficits incurred by the district in the operation of scheduled route services.

(B) The rates are at least equal to the average of the lowest rates charged by the three largest private charter-party carriers operating similar service in the greater San Francisco Bay area.

(C) The schedule of rates are effective from June 1, 2026, to July 31, 2026, inclusive.

(4) The district provides charter bus service for the events to the extent that private charter-party carriers are not capable of providing that service.

(b) This section does not override any collective bargaining agreement between the district and a labor organization that represents employees of the district and does not authorize the district to provide charter bus service via contracting with private entities. Any charter bus service provided pursuant to this section shall be operated by the district with employees of the district.

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

(1) "District" means the VTA and any other public transportation operator providing public transit services in any portion of the greater San Francisco Bay area.

(2) "Greater San Francisco Bay area" means the region comprised of the City and County of San Francisco and the Counties of Alameda, Contra Costa, Marin, Monterey, Napa, San Benito, San Mateo, Santa Clara, Santa Cruz, Solano, and Sonoma.

(3) "Not capable of providing that service" includes, but is not limited to, the inability to meet requirements, including, but not limited to, requirements with regard to unique equipment, fuel type, number of doors, frequency, public safety, accommodations for standing passengers, handicap accessibility, or the nature of the service.

(d) This section shall remain in effect only until January 1, 2027, and as of that date is repealed.

SEC. 7. Section 13020 of the Vehicle Code is amended to read:

13020. (a) The department may establish a pilot program to evaluate the use of optional mobile or digital alternatives to driver's licenses and identification cards, subject to all of the following requirements:

(1) A pilot program established by the department pursuant to this subdivision shall be limited to both of the following:

(A) Persons who have voluntarily chosen to participate in the pilot program.

(B) No more than 15 percent of licensed drivers for the purpose of evaluation.

(2) A participant in a pilot program established by the department pursuant to this subdivision may terminate their participation in the pilot program at any time and may, upon termination, request the deletion of any data associated with their participation in the program. Within 10 days of any such request, the department and all entities contracted with the department for the purpose of effectuating the pilot program shall delete all data collected or maintained pursuant to the participant's participation in the program.

(3) All participants shall receive both a physical and, if requested, an immutable and unique driver's license or identification card.

(b) In developing and implementing the use of digital driver's licenses and identification cards, the department shall ensure the protection of personal information and include security features that protect against unauthorized access to information, including, but not limited to, all of the following:

(1) Ensuring that remote access to the digital driver's license or identification card shall require the express, affirmative, real-time consent of the person whose digital driver's license or identification card is being requested for each piece of information being requested and shall be limited to only the information that is provided on a physical driver's license or identification card.

(2) Ensuring that the digital driver's license or identification card, as well as any mobile application required for the digital driver's license or identification card, shall not contain or collect any information not strictly necessary for the functioning of the digital driver's license, identification card, or mobile application, including, but not limited to, information relating to movement or location.

(3) Ensuring that the information transmitted to the digital driver's license or identification card, as well as any mobile application required for the digital driver's license or identification card, is encrypted and protected to the highest reasonable security standards broadly available, including ISO-18013-5, FIPS 140-3, and NIST 800-53 Moderate, and cannot be intercepted while being transmitted from the department.

(c) (1) In the conduct of a pilot program established pursuant to this section, any data exchanged between the department and an electronic device, between the department and the provider of an electronic device, and between an electronic device and the provider of that electronic device shall be limited to those data necessary to display the information necessary for a driver's license or identification card.

(2) An entity contracted with the department for this purpose shall not use, share, sell, or disclose any information obtained as part of this contract, including, but not limited to, information about the holder of a digital driver's license or identification card, except as is necessary to satisfy the terms of the contract. Upon termination or expiration of a contract entered into for this purpose, the contracting entity shall delete any data collected or generated in the course of activities pursuant to the contract within 30 days.

(d) (1) The holder of a digital driver's license or identification card shall not be required to turn over their electronic device to any person or entity in order to use the digital driver's license or identification card for identity verification.

(2) The holder of a digital driver's license or identification card showing or turning over their electronic device to any person or entity in order to use the digital driver's license or identification card for identity verification shall not constitute consent to a search nor shall it constitute consent for access to any information other than that which is immediately available on the digital driver's license or identification card. Information incidentally obtained in the process of viewing a digital driver's license or identification card in order to verify the identity of the holder shall not be used to establish probable cause for a warrant to search the electronic device.

(3) A request for remote access to their digital driver's license or identification card for identity verification shall require the express consent of the holder of the digital driver's license or identification card shall be limited to the content of the digital driver's license or identification card specified in the request for remote access and shall not exceed the information available on a physical driver's license or identification card.

(4) Consent to remote access to a digital driver's license or identification card by the holder shall not constitute consent to a search nor shall it constitute consent for access to information other than that which is immediately available on the digital driver's license or identification card. Information incidentally obtained in the process of remotely accessing a digital driver's license or identification card shall not be used to establish probable cause for a warrant to search the electronic device.

(e) (1) A participant in a pilot program established by the department pursuant to this section shall not be required to use a digital driver's license or identification card rather than a physical driver's license or identification card for the purpose of identity verification nor shall their participation in the pilot program preclude their use of a physical driver's license or identification card under any circumstances.

(2) A person or entity shall not provide preferential service based on a person's use of a digital driver's license or identification card rather than a physical driver's license or identification card.

(f) The pilot program may include the issuance of mobile or digital Real ID driver's license or identification cards upon authorization of the United States Secretary of Homeland Security.

(g) If the department establishes the pilot program authorized in subdivision (a), the department shall, no later than July 1, 2026, submit a report regarding the pilot program to the Legislature, in compliance with Section 9795 of the Government Code, that includes, but is not limited to, all of the following:

(1) A review of all products evaluated in the pilot program and of the features of those products. The report shall note any security features to protect against unauthorized access to information.

(2) Lessons learned from the pilot program with regards to the utility of a mobile driver's license program or risks and solutions related to the implementation of a mobile driver's license program.

(3) Recommendations for subsequent actions, if any, that should be taken with regard to alternative options for digital driver's licenses or identification cards evaluated in the pilot program.

(4) An estimate of the fiscal impact of the deployment of a mobile driver's license program, including the estimated impact to the Motor Vehicle Account established pursuant to Section 42271.

(h) As part of the 2022–23 budget, the department shall report to the Legislature on the status of the pilot program, including, but not limited to, all of the following:

(1) The scope of the pilot program, including pilot program goals and processes.

(2) The timeline for the pilot program.

(3) The fiscal impact of the pilot program.

SEC. 8. Section 35700.6 is added to the Vehicle Code, to read:

35700.6. (a) The Department of Transportation, upon adoption of an ordinance or resolution that is in conformance with the provisions of this section by the City of Oakland, covering the designated route, may issue a special permit to the operator of a vehicle, combination of vehicles, or mobile equipment, permitting the operation and movement of the vehicle, combination, or equipment, and its load, on the 1.7-mile portion of State Route 185 that is between High Street and Hegenberger Road known as International Boulevard in the City of Oakland, if the vehicle, combination, or equipment meets all of the following criteria:

(1) The vehicle, combination of vehicles, or mobile equipment is used to transport intermodal cargo containers that are moving in international commerce.

(2) The vehicle, combination of vehicles, or mobile equipment, in combination with its load, has a maximum gross weight in excess of the maximum gross weight limit of vehicles and loads specified in this chapter, but does not exceed 95,000 pounds gross vehicle weight.

(3) (A) The vehicle, combination of vehicles, or mobile equipment conforms to the axle weight limits specified in Section 35550.

(B) The vehicle, combination of vehicles, or mobile equipment conforms to the axle weight limits in Section 35551, except as specified in subparagraph (C).

(C) Vehicles, combinations of vehicles, or mobile equipment that impose more than 80,000 pounds total gross weight on the highway by any group of two or more consecutive axles, exceed 60 feet in length between the extremes of any group of two or more consecutive axles, or have more than six axles shall conform to weight limits that shall be determined by the Department of Transportation.

(4) The vehicle, combination of vehicles, or mobile equipment only operate during the hours determined to be appropriate by the Department of Transportation, in concurrence with the City of Oakland.

(b) The permit issued by the Department of Transportation shall be required to authorize the operation or movement of a vehicle, combination of vehicles, or mobile equipment described in subdivision (a). The permit shall not authorize the movement of hazardous materials or hazardous wastes, as those terms are defined by local, state, and federal law. The following criteria shall be included in the application for the permit:

(1) A description of the loads and vehicles to be operated under the permit.

(2) An agreement wherein each applicant agrees to be responsible for all injuries to persons and for all damage to real or personal property of the state and others directly caused by or resulting from the operation of the applicant's vehicles or combination of vehicles under the conditions of the permit. The applicant shall agree to hold harmless and indemnify the state and all its agents for all costs or claims arising out of or caused by the movement of vehicles or combination of vehicles under the conditions of the permit.

(3) The applicant shall provide proof of financial responsibility that covers the movement of the shipment as described in subdivision (a). The insurance shall meet the minimum requirements established by law.

(4) An agreement to carry a copy of the permit in the vehicle at all times and furnish the copy upon request of an employee of the Department of the California Highway Patrol or the Department of Transportation.

(5) An agreement to place an indicia, developed by the Department of Transportation, in consultation with the Department of the California Highway Patrol, upon the vehicle identifying it as a vehicle possibly operating under this section. The indicia shall be displayed in the lower right area of the front windshield of the power unit. The Department of Transportation may charge a fee to cover the cost of producing and issuing this indicia.

(c) The permit issued pursuant to subdivision (a) shall be valid for one year. The permit may be canceled by the Department of Transportation for any of the following reasons:

(1) The failure of the applicant to maintain any of the conditions required pursuant to subdivision (b).

(2) The failure of the applicant to maintain a satisfactory rating, as required by Section 34501.12.

(3) A determination by the Department of Transportation that there is sufficient cause to cancel the permit because the continued movement of the applicant's vehicles under the permit would jeopardize the safety of the motorists on the roadway or result in undue damage to the highways listed in this section.

(d) This section does not authorize an applicant or holder of a special permit under subdivision (a) to operate a vehicle or combination of vehicles in excess of the maximum gross weight limit of vehicles and loads specified in this chapter outside of the designated corridors identified in subdivision (a). A violation of this subdivision shall result in the revocation of the permit.

(e) The Department of Transportation may charge a fee to cover the cost of issuing a permit pursuant to subdivision (a).

(f) On or before January 1, 2031, the City of Oakland shall submit to the Legislature and the Department of Transportation, in conformance with Section 9795 of the Government Code, a report on all of the following:

(1) The cost of road repairs caused by the vehicle, combination of vehicles, or mobile equipment on International Boulevard.

(2) Community impacts, including safety impacts, of the vehicle, combination of vehicles, or mobile equipment on International Boulevard.

(3) Status of evaluating and implementing an alternate truck route providing freight movement direct access to San Leandro Street instead of International Boulevard.

(g) This section shall remain in effect only until an alternate truck route to San Leandro Street becomes available pursuant to a notice by the Department of Transportation, or until December 31, 2031, whichever occurs first, and as of that date is repealed.

SEC. 9. Section 10 of Chapter 15 of the Statutes of 2025 is amended to read:

SEC. 10. (a) The sum of one hundred thirty-two million one hundred seventy-five thousand dollars (\$132,175,000) is hereby appropriated from the Air Pollution Control Fund to the State Air Resources Board for the 2025–26 fiscal year, when funds are available from the Hino Consent Decree entered by the court on May 9, 2025, to be administered through the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project. Eligibility for these incentive funds shall be administered in a manner that enhances market development of medium- and heavy-duty vehicles and benefits disadvantaged communities and small businesses. These incentive funds shall be available for encumbrance or expenditure until June 30, 2027, and shall be available for liquidation until June 30, 2029.

(b) No more than 5 percent of the appropriated funds shall be used to cover the State Air Resources Board's administrative costs and shall be available for encumbrance or expenditure until June 30, 2029.

(c) The Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) does not apply to guidelines or other standards adopted and used in administering the funds appropriated in this section.

SEC. 10. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 11. The sum of one thousand dollars (\$1,000) is hereby appropriated from the Air Pollution Control Fund to the California Air Resources Board for the 2025–26 fiscal year. These funds shall be used for the Transport Refrigeration Unit Program.

SEC. 12. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.