Metropolitan Transportation Commission and Association of Bay Area Governments
Joint MTC ABAG Legislation Committee

March 13, 2026 **Agenda Item 3a**

State Legislative Session Update

Subject:

Overview of the legislative landscape in Sacramento as it relates to the MTC-ABAG advocacy program.

Summary:

The 2026 Legislative Session is underway in Sacramento, with the February 20, 2026 bill introduction deadline now passed. Thousands of bills are now active, and the policy committee process is underway.

This year's session is unfolding amid pervasive uncertainty regarding federal funding and federal policy direction, and what those developments may mean for California. The evolving federal landscape is contributing to a cautious approach in Sacramento as lawmakers assess potential fiscal and policy implications for the state. At the same time, there is heightened attention on the state's budget outlook. While state revenues are currently strong, driven largely by growth in the artificial intelligence sector, fiscal analysts continue to project structural deficits in the out-years. As a result, Sacramento leaders are signaling caution regarding new ongoing spending commitments.

Against this fiscal backdrop, affordability is expected to be a major focus of the 2026 session. Legislative discussions are anticipated to center on addressing cost pressures facing Californians, including housing affordability and broader cost-of-living concerns.

Staff will provide a more detailed update on the transportation, housing and environmental policy landscape and key bills of interest at your meeting.

Recommendation:

Information

Attachments:

None

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