

2026 California Legislation
Bills for Discussion

SB 956 (Choi) – Pilot program in Orange County until January 1, 2032 requiring the display of license plates on e-bikes.

AB 2595 (Papan) – Pilot program in the County of San Mateo and its cities to restrict until 2031 children under the age of 12 from operating Class 1 and 2 e-bikes.

AB 2484 (Alvarez) – Enabling legislation for a San Diego Metropolitan Transit System qualified voter initiative that would be excluded from the combined local rate limit in the Revenue and Taxation Code.

AMENDED IN SENATE APRIL 06, 2026
AMENDED IN SENATE MARCH 09, 2026

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

SENATE BILL

NO. 956

Introduced by Senator Choi

February 02, 2026

An act to amend ~~Sections 312.5 and 21213 of, and to add Sections 21200.1 and 21206.5 to, the Vehicle Code, relating to vehicles. Section 39002 of, and to add Article 8.7 (commencing with Section 5180) to Chapter 1 of Division 3 of, the Vehicle Code, relating to vehicles.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 956, as amended, Choi. Vehicles: ~~electric bicycles.~~ *Electric Bicycle Special License Plate Pilot Program.*

Under existing law, a person riding an electric bicycle is subject to the laws pertaining to the operation of a bicycle upon a highway. For these purposes, existing law defines an electric bicycle as a bicycle equipped with fully operable pedals and an electric motor of less than 750 watts, and classifies electric bicycles into 3 classes with different restrictions, as specified. Existing law states that these provisions do not prevent local authorities, by ordinance, from regulating the registration of bicycles and the parking and operation of bicycles on pedestrian or bicycle facilities, provided such regulation is not in conflict with the Vehicle Code. Existing law prohibits a ~~motorized bicycle from operating on a bicycle path or trail, bikeway, bicycle lane, equestrian trail, or hiking or recreational trail, except as specified. Existing law prohibits a person under 16 years of age from operating a class 3 electric bicycle and prohibits a person or passenger from operating or riding upon a class 3 electric bicycle unless the person is wearing a properly fitted and fastened bicycle helmet that meets certain standards: city or county, which adopts a bicycle licensing ordinance or resolution, from prohibiting the operation of an unlicensed bicycle.~~

~~This bill would exempt a person riding an electric bicycle from the laws pertaining to the operation of a bicycle if the exemption is from a local ordinance. The bill would authorize a city, county, or city and county to adopt and enforce local ordinances regulating the operation, registration, speed limits, and equipment requirements for electric bicycles consistent with general safety and public welfare, including imposing, among other things, speed limits, age requirements, and equipment standards, including, but not limited to, helmet and safety equipment requirements for electric bicycles. The bill would authorize a local law enforcement agency to enforce these provisions. The bill would authorize a local authority, by way of an adopted ordinance, to allow a person under 16 years of age to operate a class 3 electric bicycle, as specified.~~

The bill would, until January 1, 2032, authorize the County of Orange to establish a pilot program to require the display of a special license plate on electric bicycles. The bill would authorize the county to adopt ordinances or resolutions to implement the pilot program, and would make a person operating an electric bicycle in violation of this requirement guilty of an infraction punishable by specified fines and mandatory attendance of the Department of the California Highway Patrol-approved electric bicycle training course. By creating a new crime, the bill would impose a state-mandated local program. The bill would also exempt electric bicycles from

the prohibition described above. The bill would, by January 1, 2032, require the county to submit a report to the Legislature, as specified.

Attachment 2

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 no reimbursement is required by this act for a specified reason.

Digest Key

Vote: majority Appropriation: no Fiscal Committee: ~~no~~yes Local Program: ~~no~~yes

Bill Text

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

SECTION 1. *Article 8.7 (commencing with Section 5180) is added to Chapter 1 of Division 3 of the Vehicle Code, to read:*

Article 8.7. Electric Bicycle Special License Plate Pilot Program

5180. (a) Notwithstanding any other law, the County of Orange may establish a pilot program to require the display of a special license plate on electric bicycles, as defined in Section 312.5.

(b) The special license plate shall be affixed to the rear of the electric bicycle and shall be clearly visible and legible at all times.

5181. (a) The county may adopt ordinances or resolutions to implement this article, including, but not limited to, ordinances on all of the following:

- (1) Application and issuance of special license plates.*
- (2) Plate size, placement, and visibility requirements.*
- (3) Special license plate fees in an amount not to exceed the reasonable regulatory cost of issuing or renewing the special license plates.*
- (4) Proof of ownership requirements, including the provision of a serial number for the registered electric bicycle.*

(b) (1) If an ordinance or resolution is adopted pursuant to this section, the county shall, by January 1, 2031, submit a report to the Legislature that includes all of the following:

- (A) Total number of different electric bicycles registered, the amount of registration fees collected, and the operational costs of the program.*
- (B) Data on traffic citations and accidents involving registered versus unregistered electric bicycles, and whether the special license plates aided in identifying electric bikes involved in reckless incidents.*

*(C) Analysis of the rate of compliance among owners and the effectiveness of law enforcement in identifying motorized bicycles or mopeds, as defined in Section 406, illegally **Attachment 2** classified as electric bicycles.*

(D) Evaluation of how the program affected electric bicycle usage, public safety, and potential barriers to access.

(E) Challenges faced by the county in issuing special license plates, maintaining a registry, and collaborating with local law enforcement.

(2) A report submitted pursuant to this section shall be submitted in compliance with Section 9795 of the Government Code.

5182. (a) A person operating an electric bicycle in violation of this article is guilty of an infraction punishable by a fine not to exceed one hundred dollars (\$100) for the first offense, two hundred dollars (\$200) for a second offense, and two hundred fifty dollars (\$250) for each subsequent offense.

(b) A person operating an electric bicycle in violation of this article shall attend the Department of the California Highway Patrol-approved electric bicycle training course.

5183. This article shall remain in effect only until January 1, 2032, and as of that date is repealed.

SEC. 2. *Section 39002 of the Vehicle Code is amended to read:*

39002. (a) A city or county, which adopts a bicycle licensing ordinance or resolution, shall not prohibit the operation of an unlicensed ~~bicycle.~~ *bicycle, except for an electric bicycle, as defined in Section 312.5.*

(b) It is unlawful for any person to tamper with, destroy, mutilate, or alter any license indicia or registration form, or to remove, alter, or mutilate the serial number, or the identifying marks of a licensing agency's identifying symbol, on any bicycle frame licensed under this division.

SEC. 3. *No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.*

~~SECTION 1. Section 312.5 of the Vehicle Code is amended to read:~~

~~312.5.(a) An "electric bicycle" is a bicycle equipped with fully operable pedals and an electric motor that does not exceed 750 watts of power.~~

~~(1) A "class 1 electric bicycle," or "low-speed pedal-assisted electric bicycle," is a bicycle equipped with a motor that provides assistance only when the rider is pedaling, that is not capable of exclusively propelling the bicycle, except as provided in paragraph (4), that ceases to provide assistance when the bicycle reaches the speed of 20 miles per hour, and that is not capable of providing assistance to reach speeds greater than 20 miles per hour.~~

~~(2) A "class 2 electric bicycle," or "low-speed throttle-assisted electric bicycle," is a bicycle equipped with a motor that may be used exclusively to propel the bicycle, and that is not capable of providing assistance when the bicycle reaches the speed of 20 miles per hour.~~

~~(3) A "class 3 electric bicycle," or "speed pedal-assisted electric bicycle," is a bicycle equipped with a motor that provides assistance only when the rider is pedaling, that is not capable of exclusively propelling the bicycle, except as provided in paragraph (4), and that ceases to provide assistance when the bicycle reaches the speed of 28 miles per hour, and equipped with a speedometer.~~

~~(4)A class 1 or class 3 electric bicycle may have start assistance or a walk mode that propels the electric bicycle on motor power alone, up to a maximum speed of 3.7 miles per hour.~~

~~(b)A person riding an electric bicycle, as defined in this section, is subject to Article 4 (commencing with Section 21200) of Chapter 1 of Division 11, unless a local ordinance provides otherwise.~~

~~(c)On and after January 1, 2017, manufacturers and distributors of electric bicycles shall apply a label that is permanently affixed, in a prominent location, to each electric bicycle. The label shall contain the classification number, top assisted speed, and motor wattage of the electric bicycle, and shall be printed in Arial font in at least 9-point type.~~

~~(d)The following vehicles are not electric bicycles under this code and shall not be advertised, sold, offered for sale, or labeled as electric bicycles:~~

~~(1)A vehicle with two or three wheels powered by an electric motor that is intended by the manufacturer to be modifiable to attain a speed greater than 20 miles per hour on motor power alone or to attain more than 750 watts of power.~~

~~(2)A vehicle that is modified to attain a speed greater than 20 miles per hour on motor power alone or to have motor power of more than 750 watts.~~

~~(3)A vehicle that is modified to have its operable pedals removed.~~

~~SEC. 2. Section 21200.1 is added to the Vehicle Code, to read:~~

~~21200.1. Notwithstanding any other law, nothing in this article shall be construed to restrict the authority of a city, county, or city and county to adopt and enforce local ordinances regulating the operation, registration, speed limits, and equipment requirements for electric bicycles consistent with general safety and public welfare.~~

~~SEC. 3. Section 21206.5 is added to the Vehicle Code, to read:~~

~~21206.5.(a) Notwithstanding Section 21207.5, a local authority may, by ordinance, do all of the following:~~

~~(1) Regulate the operation of class 1, class 2, or class 3 electric bicycles upon a street, bikeway, as defined in Section 890.4 of the Streets and Highways Code, or any other public bicycle path or trail over which the local authority has jurisdiction.~~

~~(2) Impose, among other things, speed limits, age requirements, equipment standards, including, but not limited to, helmet and safety equipment requirements, and other operational rules for electric bicycles within its jurisdiction, if those rules and standards are consistent with general safety and public welfare.~~

~~(3) Issue license plates for, or require the registration of, electric bicycles within its jurisdiction.~~

~~(b) For purposes of enforcement, a local ordinance pursuant to this section may be enforced by a local law enforcement agency.~~

~~SEC. 4. Section 21213 of the Vehicle Code is amended to read:~~

~~21213.(a) Except as otherwise provided by local ordinance adopted pursuant to Section 21206.5, a person under 16 years of age shall not operate a class 3 electric bicycle.~~

~~(b) Except as otherwise provided by local ordinance adopted pursuant to Section 21206.5, operators and passengers of class 3 electric bicycles shall wear a properly fitted and fastened bicycle helmet that meets the standards of either the American Society for Testing and Materials (ASTM) or the United States Consumer Product Safety Commission (CPSC), or standards subsequently established by those entities.~~

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

ASSEMBLY BILL

NO. 2595

Introduced by Assembly Member Papan

February 20, 2026

An act to add and repeal Section 21214.9 of the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 2595, as introduced, Papan. Vehicles: electric bicycles.

Existing law defines an electric bicycle and classifies electric bicycles into 3 classes with different restrictions. Under existing law, a “class 1 electric bicycle” is a bicycle equipped with a motor that provides assistance only when the rider is pedaling and ceases to provide assistance when the bicycle reaches the speed of 20 miles per hour. Under existing law, a “class 2 electric bicycle” is a bicycle equipped with a motor that may be used exclusively to propel the bicycle and is not capable of providing assistance when the bicycle reaches the speed of 20 miles per hour. Under existing law, a “class 3 electric bicycle” is a bicycle equipped with a speedometer and a motor that provides assistance only when the rider is pedaling, and that ceases to provide assistance when the bicycle reaches the speed of 28 miles per hour. Existing law prohibits a person under 16 years of age from operating a class 3 electric bicycle.

This bill, the San Mateo Electric Bicycle Safety Pilot Program, would, until January 1, 2031, authorize a local authority within the County of San Mateo, or the County of San Mateo in unincorporated areas, to adopt an ordinance or resolution that would prohibit a person under 12 years of age from operating a class 1 or 2 electric bicycle. For the first 60 days following the adoption of an ordinance or resolution for this purpose, the bill would make a violation of the ordinance or resolution punishable by a warning notice. After 60 days, the bill would make a violation of the ordinance or resolution punishable by a fine of \$25, except as specified. This bill would make a parent or legal guardian with control or custody of an unemancipated minor who violates the ordinance or resolution jointly and severally liable with the minor for the amount of the fine imposed. The bill would, if an ordinance or resolution is adopted, require the county to, by January 1, 2030, submit a report to the Legislature that includes, among other things, the total number of traffic stops initiated for a violation of the ordinance or resolution, the results of those traffic stops, and the actions taken by a peace officer during a traffic stop, as specified. The bill would require a local authority or county to administer a public information campaign for at least 30 calendar days prior to the enactment of the ordinance or resolution, as specified.

Digest Key

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

Bill Text

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

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SECTION 1. Section 21214.9 is added to the Vehicle Code, to read:

21214.9. (a) This section shall be known, and may be cited, as the San Mateo Electric Bicycle Safety Pilot Program.

(b) A local authority within the County of San Mateo, or the County of San Mateo in unincorporated areas, may, by ordinance or resolution, prohibit a person under 12 years of age from operating a class 1 or 2 electric bicycle.

(c) (1) A violation of an ordinance or resolution adopted pursuant to this section shall be punishable as follows:

(A) For the first 60 days after the prohibition comes into effect, a warning notice.

(B) After the first 60 days, a violation of the ordinance or resolution shall be an infraction punishable by a fine of twenty-five dollars (\$25).

(2) A record of the action shall not be transmitted to the court and a fee shall not be imposed upon a citation for this infraction if the parent or legal guardian of the person who violated the prohibition delivers proof to the issuing agency within 120 days after the citation was issued that the person has completed an electric bicycle safety and training program pursuant to Section 894 of the Streets and Highways Code.

(3) If an unemancipated minor violates an ordinance or resolution adopted pursuant to this section, a parent or legal guardian with control or custody of the minor shall be jointly and severally liable with the minor for the amount of a fine imposed pursuant to this subdivision.

(d) (1) If an ordinance or resolution is adopted pursuant to this section, the county shall, by January 1, 2030, submit a report to the Legislature that includes all of the following:

(A) The total number of traffic stops initiated for a violation of the ordinance or resolution adopted pursuant to this section.

(B) The results of those traffic stops, including whether a warning or citation was issued, property was seized, or an arrest was made.

(C) The number of times a person was stopped for allegedly operating a class 1 or class 2 electric bicycle while under 12 years of age but was found to be over the age limit.

(D) If a warning or citation was issued, a description of the warning or the violation cited.

(E) If an arrest or traffic stop was made, the offense cited by the officer for the arrest or traffic stop and the perceived race or ethnicity, gender, and approximate age of the person stopped, provided that the identification of these characteristics is solely based on the observation and perception of the peace officer who initiated the traffic stop.

(F) The actions taken by a peace officer during a traffic stop, including, but not limited to, all of the following:

(i) Whether the peace officer asked for consent to search the person and, if so, whether consent was provided.

(ii) Whether the peace officer searched the person or property, and, if so, the basis for the search and the type of contraband or evidence discovered. **Attachment 2**

(iii) Whether the peace officer seized property and, if so, the type of property that was seized and the basis for seizing the property.

(G) The number of times a person opted to complete, and did complete, the training course in lieu of paying the fine.

(H) The number of times that a person under 12 years of age was operating an electric bicycle and was involved in a crash that resulted in a permanent, serious injury, as defined in Section 20001, or a fatality in the six months prior to the adoption of the ordinance or resolution, the cause of the crash, and the class of the electric bicycle that was being operated at the time of the crash.

(I) The number of times that a person under 12 years of age was operating an electric bicycle and was involved in a crash that resulted in a permanent, serious injury, as defined in Section 20001, or a fatality after the adoption of the ordinance or resolution, the cause of the crash, and the class of the electric bicycle that was being operated at the time of the crash.

(2) A report submitted pursuant to this section shall be submitted in compliance with Section 9795 of the Government Code.

(e) A local authority shall administer a public information campaign for at least 30 calendar days prior to the enactment of an ordinance or resolution adopted pursuant to this section, which shall include public announcements in major media outlets and press releases.

(f) This section shall remain in effect only until January 1, 2031, and as of that date is repealed.

AMENDED IN ASSEMBLY MARCH 24, 2026

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

ASSEMBLY BILL**NO. 2484****Introduced by Assembly Member Alvarez
(Coauthor: Assembly Member Ward)**

February 20, 2026

An act to amend Sections 120480, 120481, 120485, and 120486 of, and to repeal Section 120482 of, the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2484, as amended, Alvarez. San Diego Metropolitan Transit System: transactions and use tax: voter initiatives.

The Mills-Deddeh Transit Development Act establishes the San Diego Metropolitan Transit Development Board, also known as the San Diego Metropolitan Transit System (MTS), governed by a 15-member board with specified powers and duties related to the operation of public transit services in the southern portion of the County of San Diego. The act authorizes MTS to impose a transactions and use tax of up to 0.5% for public transit purposes within its jurisdiction, or a portion of its jurisdiction, pursuant to the Transactions and Use Tax Law and subject to voter approval and various other requirements.

This bill would also authorize those taxes to be imposed by a qualified voter initiative. To the extent that the bill would impose additional duties on a county elections official, the bill would impose a state-mandated local program.

The Transactions and Use Tax Law limits the combined rate of all taxes that may be imposed in accordance with that law in any county to 2%.

This bill would prohibit the tax rate of 0.5% described above that may be imposed by MTS or a qualified voter initiative from being considered for purposes of the combined rate limit under the Transactions and Use Tax Law.

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.

Digest Key

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

Bill Text

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

SECTION 1. *The Legislature finds and declares all of the following:*

(a) The San Diego Metropolitan Transit System, also referred to as MTS, provides public transit services to the urbanized areas of the County of San Diego, including 10 cities and a portion of the unincorporated areas of the county, serving approximately 3,000,000 people in the County of San Diego.

(b) MTS connects to other local and regional transportation systems in southern California.

(c) The MTS transit network is a critical component of the overall transportation network in the County of San Diego, and as such MTS has aggressively taken steps to improve and optimize public transportation for the benefit of all communities in the County of San Diego.

(d) Through these improvements, MTS has realized a strong transit ridership recovery, having recovered more than 95 percent of its ridership compared to pre-COVID-19 levels and recording 81.1 million trips in the 2025–26 fiscal year.

(e) MTS has prioritized ridership recovery lost from the COVID-19 pandemic, rising eight spots nationwide to the 13th ranked system on ridership as of the 2025–26 fiscal year.

(f) While MTS has seen success and ridership growth since the COVID-19 pandemic, it is still experiencing a structural deficit and approaching what is commonly known as the transit fiscal cliff in 2030.

(g) Since the COVID-19 pandemic, MTS has seen the onset of a fiscal cliff due to reasons such as regaining lost ridership from the pandemic, rising workforce costs, higher operating expenses, flat sales tax revenues, and limited local funding.

(h) MTS has developed a comprehensive financial sustainability strategy to delay its fiscal cliff to the 2030–31 fiscal year. This includes delaying noncritical infrastructure improvements, finding more sources of nonfare revenue, such as advertising and property leases, extending timelines for pension bond payments, exploring fare increase opportunities, and more.

(i) Also, as part of the financial sustainability strategy, MTS is pursuing a Comprehensive Operational Analysis to analyze MTS services and to provide strategic data necessary for making decisions on major network changes, while also exploring viability of a local revenue measure in 2028.

(j) The County of San Diego is at the forefront of housing expansion and leads the state in housing production per capita. MTS has contributed to regional housing goals in the County of San Diego with its own Transit-Oriented Development Program with a focus on affordable housing. MTS has built 476 homes since 2019, is under construction on 79 homes, has 147 homes at the permitting and financing stage, and has 929 homes in the negotiation stage.

(k) Continuing this housing growth requires robust transit service to match and ultimately grow with the region to sustain the needs of its residents, particularly those who are transit dependent, of which 78 percent of MTS ridership is classified.

(l) Public transit is of regional and local benefit, serving both regional and local trips for residents of all income levels. As of the most recent customer survey, more than two-thirds of current MTS riders are using bus and trolley services primarily to access jobs or education.

(m) MTS plays a vital role in transportation access to major events, conventions, and sports and entertainment venues in the San Diego region, including Comic-Con, Snapdragon Stadium, and Petco Park, enabling residents, workers, and visitors to attend sporting events and other large-scale gatherings while reducing traffic congestion, parking demand, and greenhouse gas emissions. In the 2025–26 fiscal year, MTS provided roughly over 1,000,000 trips to special events in the San Diego region.

(n) The County of San Diego needs a world-class, reliable, affordable, and connected transportation network that meets the needs of San Diego residents, businesses, and visitors while also helping combat the climate crisis. Furthermore, MTS serves as a critical binational economic connector between the United States and Mexico at the busiest land port of entry in the Western Hemisphere. MTS carries more than one-half of the pedestrians crossing every day at the Otay Mesa and San Ysidro ports of entry.

(o) The County of San Diego needs a public transit network that offers safe, clean, frequent, accessible, easy-to-navigate, and reliable service that gets transit riders where they want and need to go safely, affordably, quickly, and seamlessly.

(p) Preserving, improving, and expanding public transit to ensure a world-class transit network is critical to enhance access to opportunity, lower emissions of greenhouse gases, strengthen the region's economy, support increased housing production, and improve quality of life.

(q) To achieve these goals, local funding is critical to sustaining and improving public transit service in the County of San Diego for future generations to come.

(r) This act is critical to ensure ample time for planning and preparation in advance of a local funding initiative effort.

SECTION 1. SEC. 2. Section 120480 of the Public Utilities Code is amended to read:

120480. (a) (1) A retail transactions and use tax ordinance applicable to the entirety of, or a portion of, the incorporated and unincorporated territory within the area of the board pursuant to Section 120054 shall be imposed by the board in accordance with Section 120485, the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code), and Section 2 of Article XIII C of the California Constitution. The county shall conduct an election called by the board pursuant to this paragraph in the same manner as provided by law for the conduct of elections by a county.

(2) Notwithstanding Section 9300 of the Elections Code or any other law, the retail transactions and use tax ordinance described in paragraph (1) may also be imposed by a qualified voter initiative pursuant to Chapter 4 (commencing with Section 9300) of Division 9 of the Elections Code and in accordance with Section 120485 and the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code).

(b) The tax ordinance shall take effect at the close of the polls on the day of election at which the proposition is adopted. The initial collection of the transactions and use tax shall take place in accordance with Section 120483.

(c) If, at any time, the voters do not approve the imposition of the transactions and use tax, this chapter remains in full force and effect. At any time thereafter, the same, or a different, measure may be submitted to the voters by the board or a qualified voter initiative in accordance with this chapter.

(d) The portion of the area of the board to which the tax would apply shall be determined by the board or the qualified voter initiative, as applicable, before the electors vote on the measure.

(e) If the tax only applies to a portion of an area of the board, both of the following shall apply:

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(1) (A) The incorporated area of each city and of contiguous cities within the area of the board shall be either wholly included within that portion or wholly excluded from that portion. For purposes of this subparagraph, “contiguous cities” means two or more cities with shared borders.

(B) The entire unincorporated area of the board shall either be wholly included within that portion or wholly excluded from that portion.

(2) (A) The board shall not enter into a construction contract over one million dollars (\$1,000,000) that would be in part or wholly financed through the tax with any entity unless the entity provides to the board an enforceable commitment that the entity and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the project or a contract that falls within an apprenticeship occupation in the building and construction trades in accordance with Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code.

(B) This paragraph shall not apply if any of the following requirements are met:

(i) The board has entered into a project labor agreement that will bind all contractors and subcontractors performing work on the project.

(ii) The board has contracted to use a skilled and trained workforce and the entity has agreed to be bound by that project labor agreement.

(iii) The project or contract is being performed under the extension or renewal of a project labor agreement that was entered into by the board before January 1, 2019.

(iv) The entity has entered into a project labor agreement that will bind the entity and all its subcontractors at every tier performing the project or the entity has contracted to use a skilled and trained workforce.

(C) For purposes of this paragraph, “project labor agreement” has the same meaning as defined in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

(f) The revenues derived from the tax shall be spent within, or for the benefit of, the portion of the area of the board to which the tax applies, and shall be spent only on transportation and transit infrastructure and services.

(g) Any revenues derived from the tax shall supplement, and not supplant, other transportation revenues available to the portion of the area of the board to which the tax applies.

~~SEC. 2.~~ **SEC. 3.** Section 120481 of the Public Utilities Code is amended to read:

120481. (a) The ordinance shall state the nature of the tax to be imposed, the tax rate or the maximum tax rate, the purposes for which the revenue derived from the tax will be used, the portion of the area of the board to which the tax would apply, and may set a term during which the tax will be imposed. The purposes for which the tax revenues may be used shall be limited to public transit purposes serving the area of jurisdiction of the board, including the administration of this division and legal actions related thereto. These purposes include expenditures for planning, environmental reviews, engineering and design costs, and related right-of-way acquisition. The ordinance shall contain an expenditure plan that shall include the allocation of revenues for the purposes authorized by this section.

(b) As used in this section, “public transit purposes” includes the public transit responsibilities under the jurisdiction of the board and any repair, redesign, or ongoing maintenance of a right-of-way upon which transit is intended to travel, or any bikeway, bicycle path, sidewalk, trail, pedestrian access, or pedestrian accessway.

~~SEC. 3.~~**SEC. 4.** Section 120482 of the Public Utilities Code is repealed.

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~~SEC. 4.~~**SEC. 5.** Section 120485 of the Public Utilities Code is amended to read:

120485. (a) Subject to the approval of the voters within the portion of the county to which the tax would apply, a maximum tax rate of one-half of 1 percent may be imposed under this article and the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code). The tax at a rate other than one-half or one-fourth of 1 percent shall not be levied unless specifically authorized by the Legislature.

(b) A retail transactions and use tax may be imposed pursuant to subdivision (a) that, in combination with all taxes imposed in accordance with Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, exceeds the limit established in Section 7251.1 of the Revenue and Taxation Code.

(c) Notwithstanding Section 7251.1 of the Revenue and Taxation Code, the tax rate authorized pursuant to this section shall not be considered for purposes of the combined rate limit established by Section 7251.1 of the Revenue and Taxation Code.

~~SEC. 5.~~**SEC. 6.** Section 120486 of the Public Utilities Code is amended to read:

120486. The board or a qualified voter initiative, as part of the ballot proposition to approve the imposition of a retail transactions and use tax, may seek authorization to issue bonds payable from the proceeds of the tax.

~~SEC. 6.~~**SEC. 7.** 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.