

Date of Hearing: May 13, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2679 (Hadwick) – As Amended April 13, 2026

Policy Committee: Transportation Vote: 15 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill authorizes a city to request that the State Controller provide the city with a supplemental apportionment from the State Highway Account (SHA)—the state’s primary funding source for state highway construction, maintenance, right-of-way acquisition and improvements—if, among other conditions, the city agrees to reimburse the SHA the amount of the supplemental apportionment from the city’s future funding from the Road Maintenance Reimbursement Account (RMRA).

The bill conditions a city’s ability to submit a request to the State Controller on all of the following:

- 1) The city’s RMRA apportionment for the applicable fiscal year is no more than \$200,000.
- 2) The cost of the city’s list of projects submitted to the California Transportation Commission (CTC) for the applicable fiscal year exceeds the amount of its RMRA apportionment for that fiscal year.
- 3) The city identifies the amount of supplemental funding to be provided from SHA as a loan that does not exceed the lesser of either of (a) the difference between the cost of the city’s list of projects submitted to CTC for the applicable fiscal year, as described above, and the amount of its RMRA apportionment for the applicable fiscal year, or (b) \$2 million.
- 4) The city agrees to reimburse the amount of RMRA supplemental funding provided from the SHA with future RMRA apportionments in accordance with terms and conditions established by the CTC.

The bill allows the city to spend its supplemental apportionment on the following project types only: road maintenance and rehabilitation; safety projects; railroad grade separations; complete street components, pedestrian and bicycle safety projects, transit facilities, and drainage and stormwater capture projects in conjunction with any other allowable project; and traffic control devices.

The bill requires the State Controller to agree to the city’s request if the Controller determines that the amount of supplemental funding is available as reserves in the SHA.

FISCAL EFFECT:

The State Controller's Office (SCO) asserts this bill, as written, will require it to separate the duties of one of its sections into two sections: one section that will be responsible for collecting, reviewing and determining eligibility of the loans and another section that will issue the loan payments and offset the RMRA payments. The SCO contends this adds workload, at a cost of about \$141,000 in the first year and \$291,000 in the second year and on-going (General Fund).

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

COMMENTS:

SB 1 (Beall) Chapter 5, Statutes of 2017, created the Road Maintenance and Rehabilitation Program (RMRP) to address deferred maintenance on the State Highway System and the local street and road system, and the RMRA for the deposit of various funds for the program. Half of RMRA funding is allocated to Caltrans and the other half is apportioned by population to eligible cities and counties by the SCO for basic road maintenance, rehabilitation and critical safety projects on the local streets and roads system.

The author contends that this distribution scheme leaves smaller, rural cities unable to pay for infrastructure projects. According to the author:

Small cities in California receive a tiny share of road funding based on population that is impractical to use for road repair projects. As rural cities lose population, construction costs rise, and revenue falls, many cities cannot piece together enough funding for a project, causing delays while roads crumble. Assembly Bill 2679 allows small cities to receive a funding advance for transportation projects from the State Highway Account to be repaid from their Roadside Maintenance Rehabilitation Account allocation. This bill will accelerate transportation projects for under resourced cities and help repair crumbling roads.

There is neither registered support for nor registered opposition against this bill.

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