

(Without Reference to File)

SENATE THIRD READING

SB 169 (Committee on Budget and Fiscal Review)

As Amended June 26, 2026

Majority vote. Budget Bill Appropriations Take Effect Immediately

SUMMARY

The bill is the omnibus Transportation budget trailer bill. It contains provisions necessary to implement the Budget Act of 2026.

Major Provisions

- 1) Authorizes the Department of Motor Vehicles (DMV) to participate in American Association of Motor Vehicle Administrators (AAMVA)'s State-to-State (S2S) Verification System to enable compliance with federal REAL ID Act requirements, while establishing first-in-the-nation privacy, oversight, and accountability safeguards to protect Californians. Specifically, the bill:
 - a) Authorizes DMV to share social security numbers solely for the purpose of verifying and exchanging driver's license, ID card, and driver history records with other participating states.
 - b) Limits data sharing to only that required by federal law: name, date of birth, social security number (SSN), state of record, license/ID number, credential type, REAL ID indicator, and Commercial Driver License Information System indicator. Limits sharing of SSN to only last five digits, until a match is confirmed. Requires DMV to disclose on its website a list of the information shared through the S2S system.
 - c) Prohibits sharing of sensitive data including address, photograph, gender marker, biometric data, and AB 60 (undocumented-eligible) license status, unless required by federal law.
 - d) Requires annual reporting to the Legislature's budget and privacy committees, and on DMV's website (starting Feb. 1, 2028), detailing requests by jurisdiction, reason, and any detected misuse, breaches of contract, or AAMVA policy changes that might affect Californians' privacy.
 - e) Requires DMV, to adopt and maintain a monitoring plan to minimize data sharing, respond to data breaches and abuses of the S2S system by any participating jurisdiction, notify affected Californians if their data has been accessed for purposes other than DL/ID verification, and take other actions to protect the privacy of Californians, including keeping audit-logs of all data requests, implementing anomaly detection, heightened review of high-risk jurisdictions, and limiting, delaying or declining bulk, batch, exploratory or automated queries.
 - f) Establishes a stakeholder advisory group including representation from the Department of Justice, with members appointed by the Senate and Assembly, including privacy,

immigrant rights, LGBTQ+ rights, and reproductive justice advocates to convene twice annually by November 1, 2026, to inform the Monitoring Plan.

- g) Requires DMV to notify AAMVA, Department of Justice (DOJ), and any affected Californians if a jurisdiction is suspected of misusing S2S data. Requires DMV to refer any suspected misuse to the DOJ for potential prosecution.
 - h) Authorizes the Attorney General (AG) to bring actions on behalf of any affected Californians against AAMVA, participating states, or others to enforce the provisions and seek injunctive relief.
 - i) Conditions DMV's participation on a contractual agreement with AAMVA that is consistent with these statutory requirements, including data minimization, breach notice, access restrictions, suspension triggers for misuse, and a 14-day (or shorter) data retention cap for other states. Prohibits DMV from agreeing to any amendment to its contract with AAMVA that reduces, conflicts with, delays, or waives the privacy protections of California residents or the department's ability to detect, prevent, and respond to unauthorized requests.
 - j) Requires DMV to notify the Legislature at least 30 days in advance of any material modifications of contractual data-sharing terms with AAMVA.
 - k) Requires the State Auditor to conduct an audit of DMV's compliance with these requirements no later than January 1, 2030. Does not impair ability of Legislature to request an audit prior to that date.
- 2) Authorizes automated enforcement of the State Highway System portion of the Games Route Network for the 2028 Los Angeles Olympic and Paralympic Games.
 - 3) Increases the cap on the mobile driver license pilot program from 15 percent to 60 percent of licensed drivers.
 - 4) Requires the High-Speed Rail Authority Office of Inspector General to produce publicly available reports of its reviews and investigations, subject only to limited exceptions, and create a clear statutory framework for retention and protection of workpapers and other communications.
 - 5) Suspends penalties for not maintaining the prescribed ratio of fare revenues to operating costs on transit operators during the 2026-27 fiscal year and exempts transit operators from meeting specified efficiency standards through the 2026-27 fiscal year.
 - 6) Requires the California Department of Transportation to reserve \$30 million of state transportation funds for the High Road Construction Careers program.
 - 7) Increases the cap on the State Route 710 Rehabilitation Account, for the purpose of providing repairs to homes for affordable sales, from \$1.2 million to \$15 million.
 - 8) Eliminates requirements for the Department of Motor Vehicle to send driver license expiration courtesy notices via mail, print driver license handbooks, and mail new disabled

person parking placards every two years, among other changes to streamline customer communications and operations.

COMMENTS

According to the Author

The bill is the omnibus Transportation budget trailer bill. It contains provisions necessary to implement the Budget Act of 2026.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

Increases the cap on the State Route 710 Rehabilitation Account from \$1.2 million to \$15 million.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 26, 2026

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