
THIRD READING

Bill No: SB 922
Author: Laird (D), et al.
Amended: 3/11/26
Vote: 21

SENATE LOCAL GOVERNMENT COMMITTEE: 7-0, 3/18/26
AYES: Durazo, Choi, Arreguín, Ashby, Cervantes, Laird, Seyarto

SUBJECT: Vehicles: local agency charges: use of streets or highways

SOURCE: Author

DIGEST: This bill allows local agencies to impose taxes, permit fees, or other charges for the privilege of using its streets or highways provided they are not based on weight to recover costs for street repair and public services.

ANALYSIS:

Existing law:

- 1) Grants local agencies the authority to impose various fees, charges, and taxes to pay for public services.
- 2) Prohibits local agencies from imposing taxes, permit fees, or other charges for the privilege of using its streets or highways, other than a permit fee for particularly large loads, after December 31, 1990, unless the local agency had imposed the fee prior to June 1, 1989.

This bill:

- 1) States that fees, charges, or surcharges for local agencies to recover costs of street maintenance, repair, and other costs to provide public services do not count as a tax, permit fee, or other charge for the privilege of using its streets or highways.
- 2) Allows local agencies to impose a fee, charge, or surcharge described above.

- 3) Allows local agencies to impose taxes, permit fees, or other charges for the privilege of using its streets or highways, provided they are not based on weight.

Background

Local taxes, fees, and charges. Prior to 1978, local agencies could enact taxes by ordinance. Proposition 13 (1978) amended the Constitution to require a 2/3 vote of the electorate to enact a local special tax. Proposition 62 (1986) prohibited local agencies from imposing general taxes without majority approval of local voters, and clarified the 2/3 vote necessary to impose special taxes. Proposition 218 (1996) extended those vote thresholds to charter cities and required local agencies to obtain voter approval to levy new assessments, fees, and taxes, which was subsequently limited by Proposition 26 (2010). Local agencies impose taxes, fees, and charges to finance a variety of public services. For example, state law requires local agencies to provide solid waste handling services, or contract with another local agency or solid waste enterprise. If the local agency provides the service, they charge customers directly. Most jurisdictions in the state operate with some form of “franchise,” or contract, that limits solid waste hauling within the jurisdiction to one or more specified companies. Under these agreements, the local agency charges the franchisee for the benefit of operating within the public right-of-way. The franchisee then charges customers for providing waste hauling services. Many local agencies include the costs to cover the wear and tear on the roads from the heavy waste hauling trucks in their fees. A typical car weighs roughly 4,400 pounds, while a loaded garbage truck can weigh as much as 60,000 pounds.

Weight fees. California collects fees based on weight from commercial vehicles to finance transportation projects, which generates over \$1 billion annually. In 1989, the Legislature passed Senate Constitutional Amendment 1, which became Proposition 111 on the June 1990 ballot. Proposition 111, along with its implementing legislation (AB 471, Katz, Chapter 1337, Statutes of 1989) increased weight fees. Along with these measures, the Legislature passed SB 286 (Campbell), which, when Proposition 111 passed, prohibited local agencies from imposing taxes, permit fees, or other charges for the privilege of using its streets or highways, other than a permit fee for particularly large loads, after December 31, 1990, unless the local agency had imposed the fee prior to June 1, 1989. The Legislature intended for this measure to assuage concerns that local agencies would follow suit and increase local fees, charges, or taxes for the privilege of using their roads.

Rogers v. Redlands. In 2025, a resident of Redlands, a city of over 70,000 residents in San Bernardino County, sued the city alleging that the portion of their waste hauling fees used to repair road damage from garbage trucks constituted a charge for the privilege of using the city's roads, violating SB 286's prohibition on these charges. In *Rogers v. Redlands* 112 Cal. App. 5th 667, the California Court of Appeals affirmed the Superior Court of San Bernardino's decision that agreed with the resident and required Redlands to stop factoring road repair into their waste hauling fees. The California Supreme Court denied the opportunity to review the case.

Comments

Purpose of this bill. According to the author, "Senate Bill 922 affirms the local agency authority to collect service-related fees from public service operations, such as waste hauling, to recover street maintenance and repair costs. While local agencies have historically integrated these infrastructure costs into utility rates or franchise agreements, a 2025 court interpretation of existing law challenged this practice. SB 922 clarifies the statute to restore regulatory certainty, ensuring local agencies will continue to have funding for the repair of pavement deterioration caused by heavy-duty service vehicles."

Getting it right. SB 922 seeks to address two issues. First, it seeks to restore local agencies' ability to include road repair costs in their waste hauling fees, which the *Rogers* decision prohibited. Second, it seeks to limit the prohibition on fees for the privilege of using roads to weight fees so that other charges do not face similar legal challenges to those in *Rogers*. However, making these two changes could lead some local agencies to seek to impose fees, charges, and taxes for the privilege of using their roads—contrary to what may have been the intent of SB 286—merely by avoiding basing those fees on weight. For example, in 2019, the Legislature passed AB 1605 (Ting), which sought to impose a fee to mitigate congestion on and around the 1000 block of Lombard Street in the City and County of San Francisco (known as the "Crooked Street"). However, Governor Newsom vetoed the measure in part because it violated SB 286's prohibition. If SB 922 becomes law, San Francisco could decide to revisit this fee without legislation so long as the fee is not based on weight. The Committee may wish to consider narrowing the types of fees, charges, and taxes that local agencies can impose for the privilege of using its roads.

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

SUPPORT: (Verified 3/18/26)

Mayor Todd Gloria, City of San Diego
American Federation of State, County and Municipal Employees, Afl-cio
California Police Chiefs Association
California Special Districts Association
California State Association of Counties
California State Council of Service Employees International Union
Californians Against Waste
City and County of San Francisco
City of Beverly Hills
City of Capitola
City of Fullerton
City of Glendale
City of Goleta
City of Gonzales
City of Grover Beach
City of Hollister
City of Lakewood CA
City of Marina
City of Moreno Valley
City of Oxnard
City of Oxnard Public Works
City of Port Hueneme
City of Rancho Cucamonga
City of Redondo Beach
City of Salinas
City of San Bernardino
City of Santa Paula
City of Scotts Valley
City of Stanton
City of Tulare
City of Upland
County of Madera
County of Monterey
League of California Cities
Recology
Recyclesmart
Republic Services
Rural County Representatives of California
Town of Apple Valley

Town of Truckee
West Valley Solid Waste Management Authority

OPPOSITION: (Verified 3/18/26)

California Building Industry Association
California Taxpayers Association

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