

Date of Hearing: July 1, 2026

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

SB 922 (Laird) – As Amended June 17, 2026

SENATE VOTE: 33-2

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

SUMMARY: Allows local agencies to impose taxes, permit fees, or other charges for the privilege of using their streets or highways provided they are not based on weight to recover costs for street repair associated with providing public services. Specifically, **this bill:**

- 1) States that a fee, charge, surcharge, or a component thereof, imposed upon the provider, or ratepayers for, public services by, or for, a local agency to recover the cost of street maintenance and repair and other costs associated with the use of its streets, roads or highways to provide public services is not a tax, permit fee, or other charge for the privilege of using streets or highways.
- 2) Allows local agencies to impose a fee, charge, or surcharge described in 1), above.
- 3) Allows local agencies to impose taxes, permit fees, or other charges for the privilege of using their streets or highways, provided they are not based on weight.
- 4) Contains findings and declarations to support its purposes.

EXISTING LAW: Prohibits local agencies from imposing taxes, permit fees, or other charges for the privilege of using their streets or highways, other than a permit fee for extra legal loads, after December 31, 1990, unless the local agency had imposed the fee prior to June 1, 1989 (Vehicle Code § 9400.8).

FISCAL EFFECT: None.

COMMENTS:

- 1) **Bill Summary and Author’s Statement.** This bill authorizes local agencies to impose taxes, permit fees, or other charges for the privilege of using their streets or highways provided they are not based on weight to recover costs for street repair associated with providing public services. The League of California Cities and the Rural County Representatives of California are the sponsors of this bill.

According to the Author, “Senate Bill 922 clarifies that the charge a local agency collects for public services, such as trash collection, may include the costs of repairing and maintaining public streets without violating Vehicle Code 9400.8.

“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.”

- 2) **Local Taxes, Fees, and Charges.** The California Constitution and various statutes grant local agencies the authority to impose various fees, charges, and taxes to pay for public services. 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). Under Proposition 26, any levy, charge, or exaction of any kind imposed by a local government is a tax, requiring voter approval, except for:

- a) A charge for a benefit or privilege conveyed directly to the payor and not conveyed to those not charged.
- b) A charge for a service or product provided directly to the payor and not provided to those not charged.
- c) A fee to cover certain costs of regulation.
- d) Entrance fees for state or local property.
- e) Fines imposed by a court or a local government.
- f) A charge imposed as a condition of property development.
- g) Assessments and property related fees governed by Proposition 218.

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. Many 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. Some 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.

- 3) **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 106, Statutes of 1989] increased weight fees. Along with these measures, the Legislature passed SB 286 (Campbell), Chapter 1337, Statutes of 1989, 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 extra legal loads, after December 31, 1990, unless the local agency had imposed the fee prior to June 1, 1989.

- 4) **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.
- 5) **Policy Consideration.** This bill seeks to restore local agencies' ability to include road repair costs in their waste hauling fees and for other public services, which the *Rogers* decision prohibited. However, this bill also limits the prohibition on fees for the privilege of using roads to weight fees. Consequently, as currently drafted, this bill could lead some local agencies to impose fees unrelated to the cost of street maintenance due to the use of streets to provide public services as long as those fees are not based on weight.

For example, concerns have been raised by the California Building Industry Association that, "Current law provides important guardrails that were carefully crafted to ensure that housing projects are not subjected to unpredictable or layered fee structures that can dramatically increase the cost of delivering new housing for California's working families. As currently drafted, SB 922 proposes changes to Vehicle Code Section 9400.8, which could have the unintended consequence of weakening these protections by inadvertently allowing local jurisdictions to impose additional or expanded construction-related fees beyond those currently authorized."

Additionally, in 2019, AB 1605 (Ting) would have allowed San Francisco to establish a reservation and pricing pilot program for vehicles that use Lombard Street aka the "Crooked Street." Governor Newsom vetoed this bill saying, "This bill would authorize the San Francisco Board of Supervisors to develop a reservation and pricing pilot program for a section of Lombard Street, creating an exemption from existing law, which prohibits local agencies from imposing new charges for the use of its streets and roads. As the former county supervisor representing this neighborhood, I am acutely aware of the need to address congestion and safety around Lombard Street. However, the pricing program proposed in this bill creates social equity issues. Access to this iconic attraction should be available to all, regardless of their ability to pay."

Ultimately, if SB 922 becomes law, local agencies could decide to impose similar fees without legislation so long as the fee is not based on weight. Given the concerns raised, the Committee may wish to consider if an expansion of the types of fees that can be charged beyond those for street maintenance associated with providing public services should be clarified to avoid this potential outcome.

- 6) **Committee Amendment.** To respond to the policy consideration above, the Committee may wish to consider if the bill should be amended as follows:

9400.8. (a) Notwithstanding any other law, a local agency shall not impose a tax, permit fee,

or other charge ~~based on weight~~ for the privilege of using its streets or highways, other than a permit fee for extralegal loads unless the local agency had imposed the fee prior to June 1, 1989.

- 7) **Arguments in Support.** According to the League of California Cities, the Rural County Representatives of California, and a coalition of supporters, “Local streets and roads are critical infrastructure that support daily community needs across California. Essential public services, including garbage, recycling, and green waste collection, rely on the regular and frequent use of local streets by heavy service vehicles. These vehicles are vital to protecting public health and environmental quality, and their routine operation necessarily contributes to pavement wear and roadway deterioration over time.

“For decades, local governments and service providers, including waste haulers, have worked collaboratively under established rates, fees, and franchise agreements to account for these impacts as part of delivering essential services. These arrangements are familiar, transparent, and predictable, and they allow service providers to operate efficiently while ensuring that local streets remain safe and functional for the communities they serve.

“Recently, a court decision created uncertainty around these long-standing practices. As a result, existing service-related cost recovery mechanisms are being challenged, placing street maintenance funding at risk and creating uncertainty for both local governments and the service providers that rely on well-maintained roads to deliver essential services.

“SB 922 would address this uncertainty by clarifying that restrictions on local road charges apply only to weight-based charges imposed for the privilege of using streets or highways. The bill further makes clear that fees associated with providing public services may continue to include recovery of street maintenance and repair costs related to those services. By reaffirming existing practices, SB 922 would restore clarity, reduce unnecessary litigation, and provide greater certainty for local agencies and service providers alike.”

- 8) **Arguments in Opposition.** According to the California Taxpayers Association. “...SB 922 expands the authority of local governments to charge for public road use. Local agencies would be authorized to shift road-repair costs into specialized charges embedded within other service fees, setting a precedent for cost-shifting to ratepayers under the guise of “service-related fees.” Such practices reduce visibility in public-facing programs, such as the source of funding for roadway maintenance or the cost of building infrastructure. Reduced transparency leads to weakened accountability in the administration of these programs, diminishing the public’s trust in local government.

“...Proposition 26 (2010) broadened the definition of ‘tax’ to prevent governments from imposing revenue-generating charges disguised as fees. Under Proposition 26, any levy or charge imposed by a local government is presumed to be a tax unless it meets a narrow set of exemptions, such as providing a direct and proportionate benefit to the payer. By reclassifying certain roadway-related fees as categorically ‘not taxes,’ SB 922 attempts to sidestep the voter-approval requirements that Proposition 26 guarantees. Proposition 26 was enacted precisely to prevent government entities from avoiding the ballot box by renaming taxes as fees. SB 922 undermines this constitutional safeguard by carving out a broad category of charges that would be insulated from voter oversight.

“...SB 922 is positioned as a legislative fix to litigation outcomes, including *Rogers v. City of Redlands*, which found certain road-repair cost recovery practices impermissible under existing law. Rather than addressing the underlying statutory and fiscal issues within the framework that voters created, SB 922 attempts to redefine these fees in a way that diminishes taxpayer protections and invites future overreach. SB 922 could generate new legal ambiguities as taxpayers face a patchwork of new assessments that vary across jurisdictions.”

REGISTERED SUPPORT / OPPOSITION:

Support

League of California Cities [SPONSOR]
Rural County Representatives of California [SPONSOR]
American Federation of State, County, and Municipal Employees, AFL-CIO
American Society of Civil Engineers, Region 9
California Chapters of the American Public Works Association
California Contract Cities Association
California Police Chiefs Association
California Special Districts Association
California State Association of Counties
Californians Against Waste
City and County of San Francisco
City of Belmont
City of Beverly Hills
City of Camarillo
City of Campbell
City of Capitola
City of Chino Hills
City of Concord
City of El Cerrito
City of Fairfield
City of Foster City
City of Fullerton
City of Garden Grove
City of Glendale
City of Goleta
City of Gonzales
City of Grover Beach
City of Hollister
City of Hueneme
City of Lafayette
City of Lakewood
City of Marina
City of Moorpark
City of Moreno Valley
City of Murrieta
City of Norwalk
City of Oceanside

City of Orinda
City of Oxnard
City of Pacific Grove
City of Paramount
City of Paso Robles
City of Pico Rivera
City of Rancho Cucamonga
City of Redondo Beach
City of Redwood City
City of Rocklin
City of Salinas
City of San Bernardino
City of San Diego
City of San Luis Obispo
City of San Mateo
City of Santa Barbara
City of Santa Paula
City of Scotts Valley
City of Soledad
City of Stanton
City of Thousand Oaks
City of Torrance
City of Tulare
City of Union City
City of Upland
City of Vacaville
City of Ventura
City of Vernon
City of Walnut Creek
City of Westminster
CR&R, Inc.
Contra Costa County
Lamorinda Legislative Coalition
Madera County
Marin County
Monterey County
Recology
RecycleSmart
Republic Services
Santa Cruz County
Service Employees Union International, California
Shasta County
Sonoma County Mayor's and Councilmembers' Association
StopWaste
Town of Apple Valley
Town of Truckee
West Valley Solid Waste Management Authority

Opposition

Alameda County Taxpayers' Association
California Building Industry Association
California Taxpayers Association
Coalition of Sensible Taxpayers
Contra Costa Taxpayers Association
Long Beach Reform Coalition
Monterey Peninsula Taxpayers Association
National Motorists Association (unless amended)

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