2025-26 SESSION

SENATE
THIRD READING PACKET

TUESDAY, JANUARY 27, 2026

OFFICE OF SENATE FLOOR ANALYSES
651-4171

SENATE THIRD READING PACKET

Attached are analyses of bills on the Daily File for Tuesday, January 27, 2026.

Note	Measure	Author	Location
	SB 25	Umberg	Unfinished Business
	SB 46	Umberg	Senate Bills - Third Reading File
	SB 73	Cervantes	Senate Bills - Third Reading File
+	SB 99	Blakespear	Senate Bills - Third Reading File
+	SB 239	Arreguín	Senate Bills - Third Reading File
	SB 247	Smallwood-Cuevas	Senate Bills - Third Reading File
	SB 260	Wahab	Senate Bills - Third Reading File
+	SB 288	Seyarto	Senate Bills - Third Reading File
	SB 310	Wiener	Senate Bills - Third Reading File
	SB 327	McNerney	Senate Bills - Third Reading File
+	SB 381	Wahab	Senate Bills - Third Reading File
	SB 401	Hurtado	Senate Bills - Third Reading File
+	SB 417	Cabaldon	Senate Bills - Third Reading File
+	SB 492	Menjivar	Senate Bills - Third Reading File
	SB 501	Allen	Senate Bills - Third Reading File
	SB 505	Richardson	Senate Bills - Third Reading File
+	SB 555	Caballero	Senate Bills - Third Reading File
	SB 557	Hurtado	Special Consent Calendar No.19
	SB 574	Umberg	Special Consent Calendar No.19
	SB 608	Menjivar	Senate Bills - Third Reading File
	SB 623	Archuleta	Special Consent Calendar No.19
+	SB 667	Archuleta	Senate Bills - Third Reading File
	SB 691	Wahab	Senate Bills - Third Reading File
+	SB 747	Wiener	Senate Bills - Third Reading File
+	SB 758	Umberg	Senate Bills - Third Reading File
	SB 762	Arreguín	Senate Bills - Third Reading File
	SB 795	Richardson	Senate Bills - Third Reading File
+	SB 811	Caballero	Senate Bills - Third Reading File
	SB 813	McNerney	Senate Bills - Third Reading File
	SB 837	Reyes	Special Consent Calendar No.19
	SCR 89	Smallwood-Cuevas	Senate Bills - Third Reading File
	SCR 109	Grove	Senate Bills - Third Reading File
	SCR 110	Grove	Senate Bills - Third Reading File
	SR 67	Blakespear	Senate Bills - Third Reading File
	SR 68	Cervantes	Senate Bills - Third Reading File
	SR 69	Niello	Senate Bills - Third Reading File
	ACR 71	Kalra	Assembly Bills - Third Reading File
	ACR 115	Bennett	Assembly Bills - Third Reading File
	ACR 117	Sharp-Collins	Assembly Bills - Third Reading File

\+ ADDS
RA Revised Analysis
* Analysis pending

Office of Senate Floor Analyses
(916) 651-4171

UNFINISHED BUSINESS

Bill No: SB 25
Author: Umberg (D)
Amended: 1/14/26 in Assembly
Vote: 21

SENATE JUDICIARY COMMITTEE: 12-0, 4/8/25
AYES: Umberg, Niello, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Valladares

SENATE APPROPRIATIONS COMMITTEE: 6-0, 5/23/25
AYES: Caballero, Seyarto, Cabaldon, Grayson, Richardson, Wahab
NO VOTE RECORDED: Dahle

SENATE FLOOR: 36-1, 6/2/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener
NOES: Strickland
NO VOTE RECORDED: Hurtado, Reyes, Valladares

ASSEMBLY FLOOR: 52-17, 1/22/26 - See last page for vote

SUBJECT: Antitrust: premerger notification

SOURCE: California Commission on Uniform State Laws

DIGEST: This bill (1) requires a person who is obligated to file a notification pursuant to the federal Hart-Scott-Rodino Antitrust Improvements Act of 1976 (HSR Act) to file a copy of that form and any additional documentation, as specified, with the Attorney General (AG) if the person meets certain requirements; (2) prohibits the AG from disclosing the information received, with

limited exceptions, and (3) authorizes the AG to impose a civil penalty for a violation of the filing requirement.

Assembly Amendments of 1/14/26 change the date this bill would apply to only premerger notifications filed on or after January 1, 2027.

ANALYSIS:

Existing federal law:

1) Establishes the Sherman Antitrust Act of 1890 (Sherman Act). (15 United States Code (U.S.C.) §§ 1-7.) Makes illegal, under the Sherman Act, every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the states or with foreign nations. (15 U.S.C. § 1.) Authorizes a state attorney general to bring a civil action in the name of the state in any district court of the United States having jurisdiction over the defendant to secure monetary relief, as provided, for violations of the Sherman Act. (15 U.S.C. § 15c.)

2) Establishes the Clayton Act. (15 U.S.C. §§ 12-27.) Defines "antitrust laws" to include the Sherman Act, certain provisions of the Wilson Tariff Act, and the Clayton Act, as amended. (15 U.S.C. § 12). Makes illegal the acquiring, by a person engaged in commerce, of stock or other share capital or assets of another person also engaged in commerce or in any activity affecting commerce, where the effect of such acquisition may be substantially to lessen competition or to tend to create a monopoly. (15 U.S.C § 18.)

3) Establishes the HSR Act to require businesses to file pre-merger notifications for certain transactions with the Federal Trade Commission (FTC), as specified, and provides a waiting period before the merger may be commenced. (15 U.S.C. § 18a.) Declares unfair methods of competition in or affecting commerce and unfair or deceptive acts or practices in or affecting commerce to be unlawful, and authorizes the FTC to enforce these provisions, with certain exceptions. (15 U.S.C. § 45.)

Existing state law:

1) Establishes the Cartwright Act as California's antitrust law that prohibits anticompetitive activity. (Business (Bus.) & Professions (Prof.) Code §§ 16700 et. seq.) Provides that, except as expressly provided, every trust is unlawful, against public policy, and void. (Bus. & Prof. Code § 16726.) Authorizes the

AG to bring an action on behalf of the state or any of its political subdivisions or public agencies for a violation of the Cartwright Act or any comparable federal law, as provided. (Bus. & Prof. Code §§ 16750 et. seq.) Makes every trust unlawful, against public policy, and void, except as exempted under the Cartwright Act. (Bus. & Prof. Code, § 16726.)

2) Establishes the Unfair Competition Law, which provides for a civil penalty for unfair competition, defined to include any unlawful, unfair, or fraudulent business act or practice and any unfair, deceptive, untrue, or misleading advertising. (Bus. & Prof. Code §§ 17200 et. seq.)

3) Prohibits, under the Unfair Practices Act, acts which injure competition, including sales below cost, locality discrimination, and secret rebates or unearned discounts. (Bus. & Prof. Code §§ 17000 et. seq.)

This bill:

1) Enacts the Uniform Antitrust Premerger Notification Act (Act), and provides that the Act only apply to a premerger notification filed on or after January 1, 2026.

2) Requires a person who files a pre-merger notification form under the HSR Act to file that form with the AG within one business day of filing that from if either of the following apply:

   a) the person has its principal place of business in this state; or
   b) the person or a person it controls directly or indirectly had annual net sales in this state of the goods or services involved in the transaction of at least 20% of the filing threshold.

3) Requires a person filing under 2)a), above, to include a copy of any additional documentary material when filing with the AG.

4) Provides that, upon request of the AG, a person filing under 2)b), above, must also file a copy of any additional documentary material to the AG within seven business days after receipt of the request.

5) Prohibits the AG from charging a fee connected with the filing of the initial form or any additional documentary material, except as specified.

6) Prohibits the AG from disclosing or making public any of the following:

   a) an HSR Act form filed pursuant to 2), above;
   b) any additional documentary material filed pursuant to 2), above;
   c) an HSR Act form or additional documentary material provided by the attorney general of another state;
   d) the fact that a form or additional documentary material was filed or provided by the attorney general of another state; and
   e) the merger proposed in the form.

7) Provides that a form, additional documentary material, and other information listed in 6), above, are exempt from disclosure under the California Public Records Act (CPRA).

8) Authorizes the AG to disclose the information listed in 6), above, subject to a protective order entered by an agency, court, or judicial officer in an administrative proceeding or judicial action, if the proposed merger is relevant to the proceeding or action.

9) Specifies that the bill does not do any of the following:

   a) limit any other confidentiality or information-security obligation of the AG;
   b) preclude the AG from sharing information with the FTC or the U. S. Department of Justice Antitrust Division, or a successor agency; or
   c) share information with the attorney general of another state, as provided in 10), below.

10) Authorizes the AG to disclose an HSR Act form and additional documentary information with the attorney general of another state that enacts the Uniform Antitrust Premerger Notification Act or a substantively equivalent act, so long as the other state's act includes confidentiality provisions at least as protective as the confidentiality provisions of the Uniform Antitrust Premerger Notification Act. Requires the AG to give at least two business days-notice to the filer before making a disclosure to the attorney general of another state.

11) Authorizes the AG to impose a civil penalty of not more than $10,000 per day of noncompliance on a person that fails to comply with 2) through 4), above.

12) Provides that in applying and construing the Act a court is to consider the promotion of uniformity of the law among jurisdictions that enact it.

13) Defines various terms under the Act.

14) States that the Legislature finds and declares that the premerger notification information and materials subject to this act are highly sensitive, future-looking business information. Release of these materials outside of law enforcement and investigatory purposes could cause material harm to the filing companies and foster securities law violations and anticompetitive conduct by third parties. This is why these filings are confidential at the federal level and must remain confidential at the state level.

Comments

The HSR Act amended the Clayton Act to require businesses to file notifications with the FTC and the Antitrust Division of the federal Department of Justice before a merger of significant size occurs so that the transaction can be reviewed to ensure it will not violate federal antitrust laws – i.e. may substantially lessen competition or tend to create a monopoly.[1] A waiting period applies after the filing of an HSR Act form before the transaction can be completed. If federal regulators require further information or documentation to assess the merger, the waiting period can be extended or the federal regulators can file an injunction to stop the transaction from occurring. As of February 2025, a transaction that exceeds $126.4 million must be reported under the HSR Act, and filers must pay a filing fee that ranges from $30,000 (for transactions under $179.4 million) to $2,390,000 (for transaction $5.555 billion or more).[2] All information and documents submitted to the federal government under the HSR Act are confidential and exempt from disclosure to the public under the Freedom of Information Act, with specified exceptions including in certain judicial or administrative proceedings.

In 2022, the California Law Revision Commission (CLRC) was granted approval by the Legislature to study topics relating to antitrust law and its enforcement. (ACR 95 (Cunningham, Chapter 147, Statutes of 2022)) As a result of this, the CLRC formed eight working groups to study various topics related to antitrust law, including mergers and acquisitions.[3] In the CLRC's report on mergers and acquisitions it was noted that at the time of the report being written that "the

[1] 15 U.S.C. § 18.
[2] *New HSR threshold and filing fees for 2025*, FTC, (Feb. 6, 2025), available at https://www.ftc.gov/enforcement/competition-matters/2025/02/new-hsr-thresholds-filing-fees-2025.
[3] *Antitrust Law – Study B-750*, Cal. Law Rev. Comm., (rev. Mar. 25, 2025) available at https://clrc.ca.gov/B750.html.

California Attorney General's office reviews only about five mergers per year, most of them in conjunction with the relevant federal agency."[4]

The Uniform Law Commission (ULC) provides non-partisan legislation to states with the goal of offering uniform rules and procedures on various legal issues. The Uniform Antitrust Premerger Notification Act was drafted and proposed by the ULC in 2024. The ULC states that the uniform act: improves state attorneys general's ability to investigate potential mergers; places no significant new burdens on business or state attorneys generals; provides strong confidentiality protections; and offers the potential for cooperation between enacting states.[5] As of the time this analysis was written, seven states—California, Colorado, Hawaii, New Mexico, Washington, West Virginia, and Utah—and the District of Columbia have introduced legislation to enact the uniform act.[6]

This bill is substantially similar to the ULC's Uniform Antitrust Premerger Notification Act. This bill requires a person who is obligated to file a pre-merger notification under the HSR Act to file a copy of that notice with the AG if: (1) the person has its principal place of business in California, or (2) the person or a person it controls directly or indirectly had annual net sales in this state of the goods or services involved in the transaction of at least 20% of the filing threshold. In order to protect the sensitive business information included in the filing, this bill makes that information confidential and not subject to disclosure under the CPRA. The only exceptions to this are: (1) the information can be released subject to a protective order entered by an agency, court, or judicial officer in an administrative proceeding or judicial action if the proposed merger is relevant to the proceeding or action, and (2) to the attorney general of another state that enacts the Uniform Antitrust Premerger Notification Act, so long as the other state's act includes confidentiality provisions that are as protective as the confidentiality provisions of the Act. The bill also authorizes the AG to impose a civil penalty of not more than $10,000 per day for noncompliance of the filing requirement.

California generally recognizes that public access to information concerning the conduct of the people's business is a fundamental and necessary right. At the same time, the state recognizes that this right must be balanced against the right to

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[4] *California Antirust Law and Mergers*, Cal. Law Rev. Comm. fn. 30, at p. 16, available at https://clrc.ca.gov/pub/Misc-Report/ExRpt-B750-Grp2.pdf.

[5] *Why Your State Should Adopt the Uniform Antitrust Pre-Merger Notification Act*, Uniform Law Comm., available at https://www.uniformlaws.org/HigherLogic/System/DownloadDocumentFile.ashx?DocumentFileKey=334dd57b-7d3f-0524-acc0-9256891a4cc2&forceDialog=0.

[6] 2024 Antitrust Pre-Merger Notification Act: Legislative Bill Tracking, Uniform Law Comm. available at https://www.uniformlaws.org/committees/community-home?communitykey=6bf5d101-d698-4c72-b7c1-0191302a6a95#LegBillTrackingAnchor.

privacy. The general right of access to public records may, therefore, be limited where the Legislature finds a public policy reason necessitating the limit on access. In light of the proprietary and sensitive nature of the information contained in an HSR Act filing form and additional documentary information, this bill's finding on the need for limiting access to this information seems warranted.

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

The Senate Appropriations Committee writes:

Unknown, potentially significant costs to the DOJ, resulting from the implementation of this bill, with annual costs potentially reaching into the millions of dollars (General Fund). These costs would be associated with the development, implementation, and maintenance of a secure electronic filing system capable of preventing the inadvertent disclosure of confidential or sensitive information. Additional ongoing expenditures would be required for staff to review submitted notices for statutory compliance and for legal costs for associated litigation. Notably, this bill prohibits the imposition of filing fees, thereby removing the DOJ's ability to offset expenditures.

Cost pressures to the state funded trial court system (Trial Court Trust Fund, General Fund) by allowing the Attorney General to bring civil penalties for violations of this bill and by authorizing disclosure of specified materials pursuant to a protective order. Cost pressures may also arise to the extent that this bill contributes to litigation regarding potential business mergers that otherwise would not have been brought. It is unclear how many proceedings would actually be commenced that otherwise would not have as a result of this bill. The fiscal impact of this bill to the courts will depend on many unknown factors, including the number or proceedings and the factors unique to each case. An eight-hour court day costs approximately $10,500 in staff workload. The Governor's 2025-26 budget proposes a $40 million ongoing increase in discretionary funding from the General Fund to help pay for increased trial court operation costs beginning in 2025-26. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a need for increased funding for courts from the General Fund to fund additional staff and resources and to increase the amount appropriated to backfill for trial court operations. If funding is not provided for the new workload created by this bill, it may result in delays and prioritization of court cases.

SUPPORT: (Verified 1/22/26)

California Commission on Uniform State Laws (sponsor)
Media Alliance
Uniform Law Commission

OPPOSITION: (Verified 1/22/2026)

None received

ARGUMENTS IN SUPPORT: The author writes:

> SB 25 aims to make the merger review process more efficient to the benefit of both the California Attorney General (AG) and merging parties. Federal anti-trust law, namely the Hart-Scott-Rodino Antitrust Improvements Act of 1976 ("HSR"), requires that companies proposing to engage in most significant mergers and acquisitions file a notice to the Federal Trade Commission and the Justice Department's Antitrust Division. These notices detail information such as corporate structure and presentations about the merger presented to the company's board of directors. HSR filings enable federal antitrust agencies to efficiently engage with merging parties by allowing the agencies to scrutinize and challenge mergers and acquisitions before they are finalized.
>
> However, state AGs do not have access to these filings because of the HSR's strict confidentiality requirement. The subpoena process for the filings is time-consuming and disadvantages state AGs during merger review. Furthermore, the subpoena process for HSR filings creates additional uncertainty for the merging parties, causing them to experience further costs in time and resources to address the state AGs concerns on top of the federal concerns. This creates a dragged out merger process that is not desirable for both state AGs and businesses.
>
> SB 25 attempts to solve this issue that hampers the merger review process by providing the AG with earlier access to HSR filings. This would not only give the AG more time to object to anticompetitive mergers, but also give businesses more timely warnings to address concerns from the AG.
> The California Commission on Uniform State Laws, the sponsor of the bill, writes that the notifications provided to the federal government under the HSR:

> […] provide substantial information about the proposed merger, and allow federal agencies to timely determine if there are any potential antitrust issues. However, under current state law, businesses are not required to provide the premerger notifications to the State of California. As a result, the state often does not timely learn of the details of a proposed merger deal that could have a substantial impact on local competition. This often leads to delayed subpoenas and duplicative and unnecessary expenses for the state and the business parties.
>
> SB 25 solves this problem. […] SB 25 will allow for California to make timely decisions on proposed merger deals, thereby reducing unnecessary litigation and providing businesses with enhanced certainty about the mergers in a timely manner.

ASSEMBLY FLOOR: 52-17, 1/22/26
AYES: Aguiar-Curry, Ahrens, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wicks, Wilson, Zbur, Rivas
NOES: Alanis, Castillo, Chen, Davies, DeMaio, Dixon, Ellis, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Johnson, Macedo, Patterson, Ta, Tangipa, Wallis
NO VOTE RECORDED: Addis, Arambula, Bonta, Flora, Lackey, Muratsuchi, Nguyen, Quirk-Silva, Celeste Rodriguez, Sanchez, Schiavo

Prepared by: Amanda Mattson / JUD. / (916) 651-4113
1/23/26 15:39:07

****** END ******

THIRD READING

Bill No: SB 46
Author: Umberg (D)
Amended: 1/5/26
Vote: 21

SENATE JUDICIARY COMMITTEE: 11-2, 1/13/26
AYES: Umberg, Allen, Ashby, Caballero, Durazo, Laird, Reyes, Stern, Wahab, Weber Pierson, Wiener
NOES: Niello, Valladares

SENATE ELECTIONS & C.A. COMMITTEE: 4-1, 1/13/26
AYES: Cervantes, Allen, Durazo, Umberg
NOES: Choi

SENATE APPROPRIATIONS COMMITTEE: 5-2, 1/22/26
AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto, Dahle

SUBJECT: Presidential elections: qualifications for office

SOURCE: Author

DIGEST: This bill prohibits the California Secretary of State (SOS) from placing the name of a candidate for U.S. President or Vice President on a ballot, unless the candidate affirms, under oath, that the candidate meets the requirements for one of the aforementioned offices and the SOS does not have a reasonable suspicion the candidate is lying.

ANALYSIS:

Existing law:

1) States, pursuant to the U.S. Constitution, that "[n]o person except a natural born citizen, or a citizen of the United States, at the time of adoption of this Constitution, shall be eligible to the office of President; neither shall any person

be eligible to that office who shall not have attained to the age of thirty-five years, and been fourteen years a resident within the United States."

2) States, pursuant to the U.S. Constitution, that "[n]o person shall be a Senator or Representative in Congress, or elector of President and Vice-President, or hold any office, civil or military, under the United States, or under any State, who, having previously taken an oath, as a member of Congress, or as an officer of the United States, or as a member of any State legislature, or as an executive or judicial officer of any State, to support the Constitution of the United States, shall have engaged in insurrection or rebellion against the same, or given aid or comfort to the enemies thereof. But Congress may by a vote of two-thirds of each House, remove such disability."

3) States, pursuant to the U.S. Constitution, that "[n]o person shall be elected to the office of the President more than twice, and no person who has held the office of President, or acted as President, for more than two years of a term to which some other person was elected President shall be elected to the office of the President more than once."

4) States, pursuant to the U.S. Constitution, that when electors of a state meet and vote "for President and Vice President, one of whom, at least, shall not be an inhabitant of the same state with themselves…"

5) States, pursuant to the U.S. Constitution, that "[t]he executive power shall be vested in a President of the United States of America. He shall… be elected, as follows… Each State shall appoint, in such manner as the legislature thereof may direct, a number of electors, equal to the whole number of Senators and Representatives to which the state may be entitled in the Congress…"

6) Permits, pursuant to the California Constitution, the Legislature to provide for partisan elections for presidential candidates, including a "presidential primary whereby the candidates on the ballot are those found by the SOS to be recognized candidates throughout the nation or throughout California for the office of President of the U.S., and those whose names are placed on the ballot by petition, but excluding any candidate who has withdrawn by filing an affidavit of noncandidacy."

7) Provides specific procedures by which the Democratic Party, the Republican Party, the American Independent Party, the Peace and Freedom Party, and the Green Party to participate in a presidential primary election.

8) Requires the SOS to place the name of a candidate seeking the nomination of the Democratic Party, the Republican Party, the American Independent Party, the Peace and Freedom Party, or the Green Party for the office of President on the presidential primary ballot when the SOS determines that the candidate is generally advocated for or recognized, as defined, throughout the U.S. as actively seeking the nomination of the party.

9) Requires a candidate to submit a form to the SOS proving a candidate meets the criteria defining a "general advocated for or recognized candidate" or "recognized candidate."

10) Requires the SOS to announce and distribute to the news media a list of candidates the SOS intends to place on the ballot on or before the 88th day preceding a presidential primary. The SOS may add names to this list but not delete any.

11) Requires the SOS to place on the general election ballot the names of the candidates for President and Vice President that the political parties have selected.

12) Permits an elector to seek a writ of mandate alleging that an error or omission has occurred, or is about to occur, in the placing of a name on, or in the printing of, a ballot, county voter information guide, state voter information guide, or other official matter, or that any neglect of duty has occurred, or is about to occur. A peremptory writ of mandate shall issue only upon proof of both of the following:

    a) That the error, omission, or neglect is in violation of the Elections Code or the California Constitution.
    b) That issuance of the writ will not substantially interfere with the conduct of the election.

This bill:

1) Reiterates the qualifications contained in the U.S. Constitution for serving as President and further notes that these apply to the Vice President.

2) Prohibits the SOS from certifying and placing the name of any candidate for President or Vice President on a primary or general election ballot, if the candidate does not affirm, under oath, that the candidate will fully meet the qualifications to be elected to and hold the office of President or Vice President.

3) Directs the SOS to investigate whether a candidate meets the qualifications, if the SOS has reasonable suspicion based on articulable fact that a candidate for President or Vice President does not meet the constitutional qualifications for the office. The SOS may request the candidate provide proof of constitutional eligibility.

4) Allows a candidate, who the SOS does not certify and therefore does not announce to include on a ballot for President or Vice President, to petition the Sacramento Superior Court to challenge the SOS's determination. The SOS has the burden to sustain the candidate's exclusion from the ballot by a preponderance of the evidence. (A preponderance of the evidence means that the claim is more likely true than not based on the evidence presented to the court.)

5) Permits an elector, which is any person qualified to be a California voter, to challenge the qualifications of a candidate for President or Vice President by filing a petition in the Sacramento County Superior Court. The elector has the burden to sustain the challenge by a preponderance of the evidence.

6) Requires the petitions in 4) and 5) must be filed no later than five days after the SOS certifies the list of candidates. The court shall hold a hearing on the qualifications of the candidate not less than five days nor more than ten days after the SOS certifies candidates. At the hearing, the court shall hear testimony and other evidence and then within 48 hours of the close of the hearing determine whether the candidate has the required qualifications.

7) Provides the SOS not placing the name of a candidate on the ballot for failure to meet the constitutional eligibility requirements to be elected to or hold office will not substantially interfere with the conduct of the election when a peremptory writ of mandate is under consideration following an elector's allegation that an error or omission has occurred, or will occur, on the ballot or in specified election materials.

Background

Presidential Elections in California. The process of electing the President and Vice President in California is different than electing individuals to other federal and state offices. For the most part, the process is partisan with each political party holding a primary to provide direction for the state party's delegation at, typically, a national convention.

As previously mentioned, candidates need to be recognized by the SOS to be on a political party's presidential primary ballot. Voters, at the statewide primary election, receive a ballot based on their political party preference. Following the statewide presidential primary and after every state has their presidential primary or caucus, the delegations from each state convene at their national conventions to select their party's nominee for President and Vice President. When these conventions conclude and by a specified deadline, each political party in California notifies the SOS of their nominees and submit a slate of electors for that political party's nominee. The SOS publishes a certified list of candidates.

Interestingly, voters do not directly elect the President and Vice President. Instead, the U.S. Constitution requires each state to appoint electors who have the responsibility of choosing the President and Vice President. Each state is allocated a number of electors equal to the number of Senators and Representatives the state is entitled to in Congress. The electors from all the states are referred to as the "Electoral College." When Californians mark their ballots for President and Vice President, they actually are casting their votes for a slate of presidential elector candidates selected by the political party that nominated that presidential ticket (or, in the case of an independent presidential ticket not affiliated with a political party, for a slate of elector candidates that has pledged to vote for that ticket).

Following the statewide presidential general election, the winning slate of electors meet at the California State Capitol to officially vote for President and Vice President. The results are then submitted to Congress for certification.

Comments

Author's Statement. Having our political candidates meet basic constitutional requirements should be an obvious prerequisite for placing them on the ballot. Sadly, rhetoric advocating the dismissal of these requirements continues to permeate national news discussions as the 2028 presidential election approaches. For more than five years, President Trump has maintained that a third term or third presidential run is possible. This is a clear violation of the 22nd Amendment, which has existed for 75 years, and illustrates one of the most clear and unambiguous Article Two requirements. If President Trump cannot condone such obviously unconstitutional actions, states must be able to disqualify candidates who seek to be placed on the ballot who don't meet basic constitutional requirements, such as age, place of birth, and number of previous terms served.

Faith in Democracy. Democracy depends on voters having faith in the system used to elect their representatives. Political parties nominate candidates and each state holds an election to decide how to assign its Electoral College votes. This

decides who is selected as the next President and Vice President and Congress must affirm this selection.

In recent years, many have lost faith in this process, believing the political parties are not to be trusted and the Electoral College system is unrepresentative of the wishes of the American people. This bill reflects that loss of faith, and so provides an administrative and legal path to remove from the ballot candidates nominated by political parties, so those candidates cannot receive California's Electoral College votes.

Keyes v. Bowen. In 2008, former presidential candidate Alan Keyes sued California SOS Debra Bowen and others. Keyes challenged Barack Obama's qualifications to be President based on where he was born. The case argued the SOS must investigate whether a presidential candidate meets the qualifications to be President, before listing the candidate on the ballot. Ultimately, the California Court of Appeals decided if a qualified party certifies a presidential nominee, the SOS must list the person on the November ballot. The court wrote in its decision:

> Among other things, we conclude that the Secretary of State does not have a duty to investigate and determine whether a presidential candidate meets eligibility requirements of the United State Constitution. As we will explain, the presidential nominating process is not subject to each of the 50 states' election officials independently deciding whether a presidential nominee is qualified, as this could lead to chaotic results. Were the courts of 50 states at liberty to issue injunctions restricting certification of duly-elected presidential electors, the result could be conflicting rulings and delayed transition of power in derogation of statutory and constitutional deadlines. Any investigation of eligibility is best left to each party, which presumably will conduct the appropriate background check or risk that its nominee's election will be derailed by an objection in Congress, which is authorized to entertain and resolve the validity of objections following the submission of the electoral votes.

Timing. To successfully administer an election, there are a number of steps and deadlines that need to be met in order to provide the necessary information to election officials and voters. This results in a relatively fast-paced schedule where if a deadline is not met, it could have a ripple effect later in the election administrative process. This bill provides a process for an elector to challenge the lack of a listing of a presidential candidate from the SOS' list of certified candidates in a 12-day process where the matter is litigated. For example, for the presidential general election, this process could begin as late as the 68th day before

the election. If all 12 days are used, then the matter should be resolved in Superior Court by the 56th day prior to Election Day. This bill's contents do not contemplate an appeal to a Superior Court's ruling.

This issue has the ability to delay the printing of ballots and election materials. For instance, election officials begin to process applications for military and overseas voter ballots 60 days before Election Day. Federal law stipulates that military and overseas voter ballots must be sent to voters by the 45th day before Election Day. If any delay occurs as a result of who is or is not listed on the ballot due to litigation, it may become difficult for voters to receive accurate election information, candidate information, and ballots in a timely manner.

Under Oath. This bill stipulates the SOS cannot certify the name of any candidate for President and Vice President or place that person on a ballot unless the candidate affirms, under oath, that the candidate meets the qualifications for the office upon which they seek. Moving forward, the author should consider how the oath should be administered and whether the oath needs to be taken in person. It may be difficult to have candidates, for the primary and the general election, travel to California to take this oath.

SOS Investigates. This bill requires the SOS with reasonable suspicion to investigate a candidate's eligibility for President or Vice President. It is unknown how that process would unfold and there may be different approaches based on who is SOS. For example, if someone questions whether a candidate is a U.S. citizen, the SOS could request a birth certificate. This investigative authority may create an impression the SOS is taking a partisan position on the eligibility of candidates because the SOS' role in placing candidates on the ballot for President and Vice President is largely administrative and ministerial.

Who Decides. Generally, it is not explicit on who determines the candidate's eligibility and at what point during the electoral process the determination is made. This bill creates a larger role for the SOS by having them decide whether a candidate for President and Vice President meets the qualifications in the U.S. Constitution. The SOS, the political parties, the voters, the Electoral College, Congress, and the courts may each have an argument that they are the appropriate entity to decide a candidate's qualifications.

Related/Prior Legislation

AB 1539 (Addis) of the current legislative session requires, before the SOS may place candidates on the ballot, a representative of each political party to certify, under penalty of perjury, that the party's nominees for President and Vice

President are qualified under the 22nd Amendment to the U.S. Constitution to be President.

SB 929 (Min) of 2024 would have required the SOS, before placing the name of a candidate for President or Vice President on the ballot for the general election, to determine whether the candidate satisfies the qualifications for the office described in the U.S. Constitution. The bill also would have prohibited the SOS from placing on the ballot the name of any candidate who the SOS determines is not eligible in accordance with these provisions. The bill was referred to the Senate Committee on Elections and Constitutional Amendments but was not heard.

SB 637 (Min) of 2023 stated it was the intent of the Legislature to enact legislation authorizing the SOS to disqualify a candidate from the ballot if the candidate is prohibited from holding office under Section 3 of the 14th Amendment of the U.S. Constitution. The bill died in the Senate Committee on Rules without referral.

SB 505 (Umberg, Chapter 149, Statutes of 2019) made changes to the filing requirements for presidential candidates seeking to compete in California's primary election.

SCA 3 (Alquist, Resolution Chapter 274, Statutes of 1971), among other provisions, placed on the 1972 primary ballot the question whether California should have a Presidential primary that requires the SOS to place all publicly recognized candidates for President on the primary ballot. This appeared as Proposition 4 where it was approved by California voters.

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

According to the Senate Committee on Appropriations:

SOS administrative costs have yet to be identified, but could exceed $50,000 annually (General Fund).

SUPPORT: (Verified 1/22/26)

Citizens for Responsibility and Ethics in Washington

OPPOSITION: (Verified 1/22/26)

One individual

Prepared by: Carrie Cornwell and Scott Matsumoto / E. & C.A. / (916) 651-4106,
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1/23/26 15:39:08

****** END ******

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THIRD READING

Bill No: SB 73
Author: Cervantes (D)
Amended: 1/5/26
Vote: 27 - Urgency

SENATE ELECTIONS & C.A. COMMITTEE: 4-1, 1/13/26
AYES: Cervantes, Allen, Durazo, Umberg
NOES: Choi

SENATE APPROPRIATIONS COMMITTEE: 5-2, 1/22/26
AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto, Dahle

SUBJECT: Elections: inspection of voting systems

SOURCE: Author

DIGEST: This bill prohibits local election officials from permitting a federal government agency or its employees from inspecting a voting system machine or device, unless authorized by a federal court order.

ANALYSIS:

Existing federal law:

1) States, pursuant to the Article I, Section 4 of the U.S. Constitution, "The Times, Places and Manner of holding Elections for Senators and Representatives, shall be prescribed in each State by the Legislature thereof; but the Congress may at any time by Law make or alter such Regulations, except as to the Places of chusing Senators."

2) Provides the Voting Rights Act of 1965, the National Voter Registration Act of 1993, the Help America Vote Act of 2002 (HAVA), and the Civil Rights Act of 1960.

3) Establishes, in general and pursuant to HAVA, minimum standards and requirements for voting equipment used in federal elections, including, but not limited to, accessibility, voter verification, paper records, error rate, and audit capacity.

Existing state law:

1) Defines a voting system as a mechanical, electromechanical, or electronic system and its software, or any combination of these used for casting a ballot, tabulating votes, or both. A voting system does not include a remote accessible vote by mail system.

2) Requires the Secretary of State (SOS) to adopt and publish voting system standards and regulations governing the use of voting systems that meet the minimum requirements of HAVA and incorporates best practices in election technology.

3) Authorizes the SOS to require additional testing of voting systems to ensure it meets the requirements in law. A voting system, in whole or in part, cannot be bought or used unless the SOS has certified it or conditionally approved it prior to any election at which it is to be used.

4) Requires a vendor, jurisdiction, or applicant, if the SOS has certified or conditionally approved a voting system or a part of a voting system, to notify the SOS and all local election officials who use the system in writing of any defect, fault, or failure of the hardware, software, or firmware of the voting system or a part of the voting system.

5) Requires the elections official of any county or city using a voting system to inspect the machines or devices at least once every two years to determine its accuracy. This inspection must follow the regulations adopted and promulgated by the SOS. The elections official must also certify the results of the inspection to the SOS.

This bill:

1) Prohibits a local elections official from permitting a federal government agency or its employees from inspecting a voting system machine or device, unless authorized by a federal court order.

2) Defines "federal government agency" to mean, but is not limited to, the U.S. Department of Justice, the Department of Homeland Security, and the Department of Defense.

3) Includes a severability clause and an urgency clause.

Background

Help America Vote Act. In 2002, Congress passed and President Bush signed HAVA into law to address, among other provisions, issues with voting systems arising from the 2000 presidential election. HAVA mandated the replacement of all punch card and lever voting machines in the country, required every polling place to deploy at least one accessible voting machine to allow voters with disabilities to mark, cast, and verify their ballots privately and independently, and required all voting systems to meet a set of minimum standards to be used in federal elections.

HAVA also established the U.S. Election Assistance Commission (EAC) to serve as an independent and bipartisan commission responsible for developing and adopting guidelines to meet HAVA requirements and serving as a national clearinghouse of information on election administration. The EAC also accredits testing laboratories, certifies voting systems, and audits the use of HAVA funds. Using the EAC's testing and certification program is not mandatory, but many states require their use through statute or rule. Since states have different requirements for what voting systems need to do, the EAC's program is not necessarily a substitute for state-based requirements and testing.

Other States and Voting System Testing. According to the National Conference of State Legislatures, 37 states (Alabama, Arizona, Arkansas, Colorado, Connecticut, Delaware, Georgia, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nevada, New Mexico, New York, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, and Wyoming) and the District of Columbia have statutes or rules requiring some aspect of the federal testing and certification program. Some of these require full EAC certification, while others require testing to federal standards or testing by a federally accredited laboratory. Some states, such as Alaska, use federally certified machines, but do not have statutory requirements.

Some states, including California, do not use the federal program but have robust state-based standards, testing, and certification programs. In California, the Office of Voting Systems Technology Assessment (OVSTA) within the SOS is charged with the examination, testing, and certification of voting systems for use in California elections. OVSTA also oversees the approval of ballot printers and authorizes as well as monitors the manufacture and distribution of ballots for elections.

Voting Technology in California. The Legislature has approved various bills to ensure California has rigorous and stringent voting systems, voting equipment standards, and approval procedures. In 2014, California established its own standards for electronic components of voting systems which were derived from the EAC's guidelines. California's standards provide a set of specifications and requirements for the testing of voting systems to determine if it provides all the basic functionality, accessibility, and security capabilities required of voting systems.

Executive Order. On March 25, 2025, President Trump issued an Executive Order (EO), "Preserving and Protecting the Integrity of American Elections," containing a number of directives on policies that the U.S. Constitution assigns to states. The EO directs federal agencies to conduct specific activities related to election integrity, including (1) updating the federal voter registration form to include a requirement for "documentary proof of U.S. citizenship," (2) withholding funding from states that do not comply with federal law, including the EO's documentary proof of U.S. citizenship requirements, (3) prohibiting the use of certain voting systems, and (4) rescinding all previous certifications of certain systems.

Other major directives contained in the EO include requiring the Department of Homeland Security to review each state's publicly available voter lists and available records, require all ballots to be received on Election Day, and mandate all electors be selected on Election Day. Several lawsuits have been filed challenging aspects of the EO. The lawsuits ask courts to block many of its provisions, arguing it unconstitutionally preempts state authority and amounts to executive overreach. In at least two cases, including one case brought by the State of California with 18 other states, courts issued preliminary injunctions blocking implementation of key provisions of the EO.

Senate Bill 851. SB 851 (Cervantes, Chapter 238, Statutes of 2025) made various changes to protect California's elections from federal interference. SB 851 repealed requirements that standards adopted by the SOS for testing of voting equipment must meet or exceed voluntary federal standards set by the EAC. Instead, SB 851 requires the state standards to meet the minimum requirements of HAVA and to incorporate best practices in election technology. The bill also repealed the requirement for the SOS to notify the EAC or its successor agency of the problem after receiving written notification from a vendor, jurisdiction, or applicant, of a defect, fault, or failure of a voting system, part of a voting system, or a remote accessible vote by mail system.

Federal Monitors in California's Elections. For the November 4, 2025, statewide special election, the U.S. Department of Justice sent election monitors to five California counties. The five counties were Fresno, Kern, Los Angeles, Orange, and Riverside. The goal of the election observers was to "ensure transparency, ballot security, and compliance with federal law." Following the election, U.S. Assistant Attorney General for the Civil Rights Division Harmeet K. Dhillon stated, "in the counties we monitored, there were no major headlines out of that work."

It should be noted for the November 5, 2024, presidential general election, the U.S. Department of Justice planned to monitor 86 jurisdictions nationwide, including San Joaquin County. For the November 8, 2022, gubernatorial general election, the U.S. Department of Justice planned to monitor 64 jurisdictions nationwide, including Los Angeles County and Sonoma County.

Comments

Author's Statement. "President Donald Trump is waging war against elections in California. This includes in August 2025, when he made false statements declaring that voting machines used in states like California are inaccurate. In response, last year, the Legislature approved SB 851 to provide our state's elections systems with more protections against federal interference. Among other provisions, SB 851 prevented our voting system standards from attack by the federal government, ensuring that voting machines in California continue to meet the highest industry standards, not the warped demands of the President. However, during the November 4, 2025, statewide special election, the U.S. Department of Justice deployed election monitors to five California counties with large populations of Latino voters, including my home county of Riverside. That is why I intend to follow up and build on the protections against federal interference in our elections that were established in SB 851 with SB 73. This bill will prohibit county registrars from allowing federal government agencies to inspect their county's voting machines unless required to do so by a federal court order."

Related/Prior Legislation

SB 851 (Cervantes, Chapter 238, Statutes of 2025), among other provisions, repealed provisions requiring the SOS to adopt and publish voting system standards that meet or exceed federal voluntary voting system guidelines prescribed by the EAC, and instead required the SOS to adopt and publish voting standards that meet the minimum requirements of HAVA and incorporate best practices in election technology.

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

According to the Senate Committee on Appropriations:

> By modifying the duties of local elections officials as specified, this bill creates a state-mandated local program. To the extent the Commission on State Mandates determines that the provisions of this bill create a new program or impose a higher level of service on local agencies, local agencies could claim reimbursement of those costs. The magnitude is unknown but could exceed $50,000 per year (General Fund).

SUPPORT: (Verified 1/22/26)

One individual

OPPOSITION: (Verified 1/22/26)

One individual

Prepared by: Scott Matsumoto / E. & C.A. / (916) 651-4106
1/23/26 15:39:09

****** END ******

THIRD READING

Bill No: SB 99
Author: Blakespear (D)
Amended: 1/22/26
Vote: 21

SENATE HUMAN SERVICES COMMITTEE: 5-0, 4/21/25
AYES: Arreguín, Ochoa Bogh, Becker, Limón, Pérez

SENATE MILITARY & VETERANS COMMITTEE: 4-0, 4/28/25
AYES: Archuleta, McNerney, Menjivar, Umberg
NO VOTE RECORDED: Grove

SENATE PUBLIC SAFETY COMMITTEE: 5-0, 1/13/26
AYES: Arreguín, Seyarto, Caballero, Pérez, Wiener
NO VOTE RECORDED: Gonzalez

SENATE JUDICIARY COMMITTEE: 13-0, 1/13/26
AYES: Umberg, Niello, Allen, Ashby, Caballero, Durazo, Laird, Reyes, Stern, Valladares, Wahab, Weber Pierson, Wiener

SENATE APPROPRIATIONS COMMITTEE: 7-0, 1/22/26
AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

SUBJECT: Military protective orders

SOURCE: U.S. Department of Defense

DIGEST: This bill (1) authorizes a court, before issuing a protective order under the Domestic Violence Prevention Act (DVPA), to consider whether a military protective order (MPO) has been issued against the respondent for the same or similar conduct against a person to be protected by the proposed order; (2) requires a law enforcement officer to verify the existence of an MPO at the scene of a domestic violence incident; (3) requires a law enforcement officer who determines that a person involved in a domestic violence incident and who is in violation of a

protective order, and who has had an MPO issued against them, to notify the agency that entered the MPO that the person may be in violation of the MPO; and, (4) authorizes a law enforcement agency in the state that petitions for or enforces protective orders to develop and adopt memoranda of understanding with specified military entities.

ANALYSIS:

Existing federal law:

1) Requires that an MPO issued by a military commander remain in effect until such time as the military commander terminates the order or issues a replacement order. (10 United States Code (U.S.C.), § 1567)

2) Requires, in the event an MPO is issued against a member of the armed forces, that the commander of the unit to which the member is assigned notify the appropriate civilian authorities of the issuance of the order and the individuals involved in the order not later than seven days after the date of the issuance of the order. (10 U.S.C. § 1567a, subd. (a).)

3) Requires that specified military commanders must also communicate with appropriate civilian authorities regarding the transfer of an individual against whom an MPO has been issued, and any changes to or termination of that MPO. (10 U.S.C. § 1567a, subds. (b), (c).)

Existing state law:

1) Authorizes a court, under the DVPA, to issue and enforce domestic violence restraining orders, including emergency protective orders (EPOs), temporary (or ex parte) restraining orders (TROs), and longer-term or permanent restraining orders (also known as orders after hearing, or, a DVRO). (Family (Fam.) Code, §§ 6200 et seq.)

2) Requires, before a hearing on a protective order, that the court ensures a search of specified records and databases is conducted to determine if the subject of the proposed order has a prior criminal conviction, as specified, an outstanding warrant, is currently on parole or probation, or owns or possesses a registered firearm. (Fam. Code, § 6306, subd. (a).)

3) Requires the court to consider specified information obtained via the search of those records and databases before deciding whether to issue a protective order under the DVPA. (Fam. Code, § 6306, subd. (b)(1).)

4) Requires a protective order issued under the DVPA, whether a TRO, EPO, or an order issued after hearing pursuant to the DVPA, on request of the petitioner, to be served on the respondent by a law enforcement officer who is present at the scene of reported domestic violence involving the parties or who receives a request from the petitioner to provide service of the order. (Fam. Code, § 6383, subd. (a).)

5) Requires a law enforcement officer, upon receiving information at the scene of a domestic violence incident that a protective order has been issued under the DVPA, or that a person who has been taken into custody is the respondent to that order, if the protected person cannot produce an endorsed copy of the order, to immediately inquire of the California Restraining and Protective Order System to verify the existence of the order. (Fam. Code, § 6383, subd. (d).)

6) Allows individuals with valid out-of-state protection orders to seek enforcement of those orders in California courts without having to reapply for a protective order under California law. (Fam. Code, § 6400 et seq.)

This bill:

1) Defines "military protective order" as a protective order issued by a commanding officer in the Armed Forces of the U.S., California National Guard, or the national guard of another state or territory against a person under the officer's command.

2) Authorizes a court, before issuing a protective order, to consider whether an MPO has been issued against the respondent for the same or similar conduct against a person to be protected by the proposed order.

3) Requires a law enforcement officer, upon receiving information at the scene of a domestic violence incident that an MPO has been issued, to immediately inquire the National Crime Information Center (NCIC) to verify the existence of that MPO.

4) Requires a law enforcement officer who determines an MPO has been issued against a person who violates a provision of a protective order issued under the

DVPA or the Interstate Enforcement Act, to notify the law enforcement agency that entered the MPO into NCIC that the restrained party may be in violation of an MPO.

5) Authorizes each law enforcement agency in the state that petitions for or enforces protective orders to develop and adopt memoranda of understanding (MOU) with military law enforcement or other designated representatives of one or more military installations located in whole or in part within the borders of its jurisdiction that govern the investigation and actions related to domestic violence involving service members assigned to units on those installations.

6) Specifies that these MOU may include, but are not limited to, all of the following:

   a) To whom, how, and when each party would report information about potential violations of military or civilian protective orders.
   b) Each party's role and responsibilities when conducting an investigation and in providing domestic violence prevention or rehabilitative services to a family in response to the results of the investigations, consistent with state and federal law.
   c) Protocols describing what, if any, confidential information may be shared between the parties and for what purposes, in accordance with applicable state and federal law.

Background

Protective Orders. California's DVPA seeks to prevent acts of domestic violence, abuse, and sexual abuse, and to provide for a separation of persons involved in domestic violence for a period sufficient to enable them to seek a resolution. The DVPA's "protective purpose is broad both in its stated intent and its breadth of persons protected" and courts are required to construe it broadly in order to accomplish the statute's purpose. (*Caldwell v. Coppola* (1990) 219 Cal.App.3d 859, 863; *In re Marriage of Nadkarni* (2009) 173 Cal.App.4th 1483, 1498.) The act enables a party to seek a "protective order," also known as a restraining order, which may be issued to protect a petitioner who presents "reasonable proof of a past act or acts of abuse." (Fam. Code, §§ 6218, 6300.)

Victims of domestic violence who need immediate protection may seek a TRO, which may be decided ex parte (without notice to the respondent) and generally must be issued or denied the same court day the petition is filed. (Fam. Code, §§

241, 6320 et seq.) Because the restrained party would not have had the opportunity to defend their interests, ex parte orders are short in duration.

If a noticed hearing is not held within 21 days (or 25 if the court finds good cause), a TRO is no longer enforceable, unless a court grants a continuance. The respondent must be personally served with a copy of the petition, the TRO, if any, and the notice of the hearing on the petition, at least five days before the hearing. (Fam. Code, §§ 242, 243, 245.) After a duly noticed hearing, the court is authorized to extend the original TRO for up to five years, which may then be renewed. (Fam. Code, §§ 6302, 6340, 6345.) The DVPA also allows courts to include a protective order as part of judgments entered in various family law proceedings. (Fam. Code, § 6360.) Family Code section 6306 requires a court, prior to a hearing on the issuance or denial of a protective order, to perform (or ensure the prior performance of) a search of specified records and databases to ascertain the respondent's criminal history, and to consider qualifying convictions and criminal statuses (e.g., probation or parole) in deciding whether to issue the protective order.

Military Protective Orders. An MPO is a lawful order issued by a commanding officer ordering the respondent, or restrained party, to avoid contact with the petitioner, or protected party. An MPO may be issued to protect a member of the U.S. military from an alleged non-military perpetrator, or to protect a non-military individual from a member of the military, though the order itself may only apply to a member of the Armed Forces. Generally, the non-military parties involved include dependents of a servicemember, such as a spouse, child or other family member who believe they are at risk of harm. MPOs can be issued verbally or in writing, and are indefinite in duration, only subject to modification or termination by the commander who issued the order. (10 U.S.C. § 1567.)

MPOs are not enforceable by civilian law enforcement authorities but federal law does require a commander that issues an MPO to notify the appropriate civilian authorities of the order and the individuals involved not later than 7 days after the issuance of the order. (10 U.S.C., § 1567a, subd. (a).) Further, in the event that the subject of an MPO is transferred to another unit, the commander of the unit from which the subject is transferred must notify the commander of the destination unit, who must also notify the appropriate civilian authorities pursuant to the above requirement. The commander of the unit to which the subject of an MPO is assigned must also notify the appropriate civilian authorities if any change is made to the MPO or if the MPO is terminated. (10 U.S.C., § 1567a, subds. (b), (c).) Violations of MPOs can be charged as violations of orders under Article 90 of the

Uniform Code of Military Justice. (Office of the Staff Judge Advocate Legal Assistance Office, *Military Protective Orders Fact Sheet* (Mar. 2025) <https://www.benning.army.mil/MCoE/SJA/content/PDF/20250509%20%20MPO%20FACT%20SHEET.pdf .)

This bill consists of two major components: provisions authorizing a court to consider the existence of an MPO when considering whether to issue a protective order, and a set of provisions facilitating communication between California law enforcement officers who discover the existence of an MPO during the enforcement of protective orders issued under the DVPA and military law enforcement responsible for the subject of the MPO.

Specifically, this bill authorizes a court to consider whether an MPO has been issued against the respondent for the same or similar conduct against a person to be protected by the proposed order. This bill requires a law enforcement officer who is responding to a domestic violence incident and who determines an MPO has been issued against a person who is in violation of a protective order, to notify the agency that entered the MPO that the restrained party may be in violation of an MPO. This bill additionally authorizes each law enforcement agency in the state that petitions for or enforces protective orders to develop and adopt MOUs with military law enforcement or other designated military representatives involved in responding to domestic violence incidents. Finally, this bill specifies that these MOUs may include elements related to how each party would report information about potential violations of protective orders, respective roles in domestic violence investigations, and protocols regarding confidential information.

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

According to the Senate Appropriations Committee:

Unknown, potentially significant costs to state and local law enforcement agencies to conduct the searches required by this bill and to notify the military of potential MPO violations. The California Constitution requires the state to reimburse local agencies for certain costs mandated by the state. Counties may claim reimbursement of those costs if the Commission on State Mandates determines that this bill creates a new program or imposes a higher level of service on local agencies.

SUPPORT: (Verified 1/22/26)

U.S. Department of Defense (source)

OPPOSITION: (Verified 1/22/26)

ACLU California Action
San Francisco Public Defender

Prepared by: Alex Barnett / PUB. S. /
1/26/26 13:21:59

****** END ******

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THIRD READING

Bill No: SB 239
Author: Arreguín (D)
Amended: 4/7/25
Vote: 21

SENATE LOCAL GOVERNMENT COMMITTEE: 5-2, 4/2/25
AYES: Durazo, Arreguín, Cabaldon, Laird, Wiener
NOES: Choi, Seyarto

SENATE JUDICIARY COMMITTEE: 10-1, 5/6/25
AYES: Umberg, Allen, Arreguín, Ashby, Durazo, Laird, Stern, Wahab, Weber Pierson, Wiener
NOES: Niello
NO VOTE RECORDED: Caballero, Valladares

SUBJECT: Open meetings: teleconferencing: subsidiary body

SOURCE: Association of Bay Area Governments
California Association of Public Authorities for IHSS
California State Association of Counties
City Clerks Association of California
League of California Cities
Metropolitan Transportation Commission

DIGEST: This bill allows subsidiary bodies of a local agency to teleconference meetings without having to notice and make publicly accessible each teleconference location.

ANALYSIS:

Existing law:

1) Guarantees, pursuant to Article I, Section 3 of the California Constitution, that "the people have the right to instruct their representatives, petition government for redress of grievances, and assemble freely to consult for the common good."

This includes a right to access information concerning the meetings and writings of public officials.

2) Requires, pursuant to the Constitution, local agencies to comply with certain state laws that outline the basic requirements for public access to meetings and public records. If a subsequent bill modifies these laws, it must include findings demonstrating how it furthers the public's access to local agencies and their officials.

3) Provides, under the Ralph M. Brown Act (Brown Act), guidelines for how local agencies must hold public meetings:

   a) Defines a "meeting" as "any congregation of a majority of the members of a legislative body at the same time and location, including teleconference locations, to hear, discuss, deliberate, or take action on any item that is within the subject matter jurisdiction of the legislative body."

   b) Requires local agencies to notice meetings in advance, including the posting of an agenda, and requires these meetings to be open and accessible to the public.

   c) Requires members of the public to have an opportunity to comment on agenda items, and generally prohibits deliberation or action on items not listed on the agenda.

   d) If a member of the public, including the respective district attorney, believes a local agency violated the Brown Act, it must first send an order to the local agency to correct the violation. If the local agency disagrees with the complaint and does not correct it, the submitter can pursue the complaint through the courts. If the court agrees with the complaint, outcomes range from invalidating certain actions of the local agency to a misdemeanor.

4) Authorizes the legislative body of a local agency to use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law, provided that the teleconferenced meeting complies with all of the following conditions:

   a) Teleconferencing, as authorized, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting must be by rollcall.

   b) If the legislative body elects to use teleconferencing, it must post agendas at all teleconference locations and conduct teleconference meetings in a

manner that protects the statutory and constitutional rights of the parties or in the public appearing before the legislative body of the local agency.

c) Each teleconferencing location must be identified in the notice and agenda of the meeting or proceeding, and each teleconference location must be accessible to the public.

d) During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercised jurisdiction, except as otherwise specified.

e) The agenda must provide an opportunity for members of the public to address the legislative body directly, as the Brown Act requires for in-person meetings, at each teleconference location.

f) For purposes of these requirements, "teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

5) Authorizes, until January 1, 2026, a local agency to use teleconferencing for a public meeting without complying with the Brown Act's teleconferencing quorum, meeting notice, and agenda requirements, in any of the following circumstances:

a) The legislative body holds a meeting during a proclaimed state of emergency as specified;

b) Allows members of legislative bodies to participate remotely for "just cause" and "emergency circumstances" as specified.

c) The legislative body is a community college student organization or a neighborhood council.

This bill:

1) Authorizes a subsidiary body to use teleconferencing without posting agendas at all teleconferencing locations and without making those teleconferencing locations accessible to the public if the subsidiary body complies with the requirements described below.

a) Each member participates through both audio and visual technology.

b) The subsidiary body provides at least one of the following as a means by which the public may remotely hear and visually observe the meeting, and remotely address the subsidiary body: 1) a two-way audiovisual platform; or 2) a two-way telephonic service and a live webcasting of the meeting.

c) The subsidiary body designates at least one physical meeting location within the boundaries of the legislative body that created the subsidiary body where members of the public may physically attend, observe, hear, and participate in the meeting. At least one staff member of the subsidiary body or the legislative body that created the subsidiary body must be present at each physical meeting location during the meeting. An agenda is to be posted at each physical meeting location, but is not required to be posted at a remote location.

d) The members of the subsidiary body shall visibly appear on camera during the open portion of a meeting that is publicly accessible via the internet or other online platform as specified.

e) A member of the subsidiary body who participates in a teleconference meeting from a remote location must be listed in the minutes of the meeting.

2) Requires the legislative body that established the subsidiary body by charter, ordinance, resolution, or other formal action to make findings by majority vote before the subsidiary body uses the alternative teleconferencing provisions authorized by this bill for the first time, and every 12 months thereafter on how teleconferencing meetings enhances public access, and/or promotes attraction, retention, and diversity of subsidiary body members.

3) Requires the subsidiary body to approve the use of teleconferencing by a two-thirds vote before first using the alternative teleconferencing provisions.

4) Provides that any final recommendations adopted by a subsidiary body must be presented at a regular meeting of the legislative body that established the subsidiary body.

5) Provides that these provisions do apply to a subsidiary body that has subject matter jurisdiction over police oversight, elections, or budgets.

6) Defines a subsidiary body as a body that meets all of the following:

a) A commission, committee, board, or other body of a local agency, whether permanent or temporary, decision making or advisory, created by charter, ordinance, resolution, or formal action of a legislative body;

b) Serves exclusively in an advisory capacity;

c) Is not authorized to take final action on legislation, regulations, contracts, licenses, grants, permits, or other entitlements.

7) Repeals these provisions on January 1, 2030.

Background

On March 19, 2025, the Senate Local Government Committee held a hearing on the Brown Act called *Meeting the Moment: Strengthening Community Voices in Local Government Meetings*. At this hearing, the Committee:

- Heard from experts on the factors that make for effective local meetings;
- Learned strategies for communicating with the community throughout disasters;
- Considered different local agencies' experiences holding public meetings; and
- Engaged with community groups to identify strategies to improve local agency meetings.

The Committee heard that public meetings are an imperfect, but valuable, tool for public participation, and key to democratic responsibility. The challenge local agencies face is a gap between what is administratively sustainable and politically acceptable. The City of Los Angeles brought up their recent experiences dealing with the aftermath of the January 2025 fires, and setting up disaster recovery centers as well as worker and family support centers, ensuring those affected, regardless of their language ability, had access to services. Various local agencies highlighted the challenges they have faced with disruptions during teleconferenced meetings, and, along with some community groups, expressed an interest in further expansion of recent teleconference flexibility. Finally, the Committee heard concerns about how additional flexibility could lead to public transparency challenges. For more information on the Brown Act, please see the Committee's backgrounder and recording of the meeting.

Comments

Purpose of the bill. According to the author, "The COVID-19 pandemic showed us all that meeting remotely can improve efficiency and accessibility for everything from routine work meetings to public meetings subject to the Brown Act. However, the end of pandemic-era remote meeting flexibility has caused many community members to resign from local advisory bodies due to conflicts

with work, caregiving, disabilities, or long driving distances needed to attend meetings in person. SB 239 would allow members of public bodies that are simply advisory in nature, with no decision-making powers, to meet remotely without needing to post their home address or open their home to the public, while also removing barriers to public participation on local advisory bodies, ensuring that those bodies can represent the true diversity of our communities."

Live within the limits. Teleconferencing has been part of the Brown Act since 1988. Legislative bodies could use teleconferencing so long as they did so in a way that provides the public notice of the locations they were teleconferencing from and made them publicly accessible. Recently, the Legislature expanded teleconferencing provisions to provide flexibility for specific events, or to members that need certain accommodations. This ensures the public can directly address members of a legislative body in person, except when a member needs a particular accommodation, or to ensure public health and safety. These limits also ensure that a member of a legislative body does not routinely participate remotely to avoid public scrutiny. SB 239 applies to any subsidiary body, and does not require members to have a specific reason or any limits on how often they can participate remotely. Since SB 239 does not require an in-person quorum, its flexibility could move countless meetings online. While the public could still go to a staffed, physical location to view and participate in the meeting, they would be looking at a screen, unable to confront their local officials face-to-face. The Committee may wish to consider whether an in-person quorum requirement would more effectively balance teleconferencing flexibility with public access.

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

SUPPORT: (Verified 5/7/25)

Association of Bay Area Governments (Co-Source)
California Association of Public Authorities for IHSS (Co-Source)
California State Association of Counties (Co-Source)
City Clerks Association of California (Co-Source)
League of California Cities (Co-Source)
Metropolitan Transportation Commission (Co-Source)
Agency on Aging Area 4
Alameda County Transportation Commission
Alameda-Contra Costa Transit District
Association of California School Administrators
Association of California Water Agencies
Bet Tzedek
CA In-home Supportive Services Consumer Alliance

California Association of Area Agencies on Aging
California Association of Councils of Governments
California Association of Recreation & Park Districts
California Clerk of The Board of Supervisors Association
California Collaborative for Long-term Services and Supports
California Commission on Aging
California Foundation for Independent Living Centers
California Municipal Clerks Association
California Senior Legislature
California Special Districts Association
California Transit Association
California Travel Association
Californians for Disability Rights
City of Alameda
City of Belmont
City of Beverly Hills
City of Carlsbad
City of Colton
City of Corona
City of Foster City
City of Hanford
City of LA Verne
City of Rancho Cucamonga
City of Redwood City
City of Thousand Oaks
City of Tustin
City/County Association of Governments of San Mateo County
Clean Power Alliance of Southern California
County of Contra Costa
County of Glenn
County of Humboldt
County of Imperial
County of Los Angeles
County of Los Angeles Board of Supervisors
County of Marin
County of Mendocino
County of Mono
County of Monterey
County of Nevada
County of Riverside
County of Sacramento
County of San Diego

County of San Mateo
County of Solano
County of Sonoma
County of Yolo
County Welfare Directors Association of California
Democracy Winters
Disability Rights California
Disability Rights Education & Defense Fund
Elsinore Valley Municipal Water District
Hand in Hand: the Domestic Employers Network
Hispanas Organized for Political Equality
Homebridge
Justice in Aging
Madera County Transportation Commission
Marin Center for Independent Living
Orange County Power Authority
Placer Independent Resource Services
Rural County Representatives of California
San Diego Community Power
San Francisco Bay Area Rapid Transit District
San Gabriel Valley Council of Governments
Shasta Regional Transportation Agency
Sourcewise
Southern California Association of Governments
Town of Hillsborough
Transportation Agency for Monterey County
Transportation Authority of Marin
Urban Counties of California
Yolo County In-home Supportive Services Advisory Committee

OPPOSITION: (Verified 5/7/25)

ACLU California Action
California Broadcasters Association
California News Publishers Association
CCNMA: Latino Journalists of California
First Amendment Coalition
Freedom of The Press Foundation
Howard Jarvis Taxpayers Association
League of Women Voters of California
Media Alliance
Media Guild of The West, Newsguild-CWA Local 39213

National Press Photographers Association
Oakland Privacy
Orange County Press Club
Pacific Media Workers Guild (the Newsguild-CWA Local 39521)
Radio Television Digital News Association
Society of Professional Journalists, Northern California Chapter

Prepared by: Jonathan Peterson / L. GOV. / (916) 651-4119
5/9/25 13:37:34

****** END ******

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THIRD READING

Bill No: SB 247
Author: Smallwood-Cuevas (D)
Amended: 4/21/25
Vote: 21

SENATE GOVERNMENTAL ORG. COMMITTEE: 10-4, 4/22/25
AYES: Padilla, Archuleta, Ashby, Blakespear, Cervantes, Richardson, Rubio, Smallwood-Cuevas, Wahab, Weber Pierson
NOES: Valladares, Dahle, Jones, Ochoa Bogh
NO VOTE RECORDED: Hurtado

SENATE APPROPRIATIONS COMMITTEE: 5-2, 1/22/26
AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto, Dahle

SUBJECT: State agency contracts: bid preference: equity metrics

SOURCE: Author

DIGEST: This bill requires state agencies, in awarding contracts in excess of $35 million using funds from the federal Infrastructure Investment and Jobs Act (IIJA), the Inflation Reduction Act of 2022 (IRA), or the Creating Helpful Incentives to Produce Semiconductors for America Act (CHIPS) and Science Act of 2022, to provide a bid preference up to 10%, depending on the number of total contract labor hours performed by individuals residing in a "distressed area" or "disadvantaged community."

ANALYSIS:

Existing law:

1) Establishes procedures for state agencies to enter into contracts for goods and services, including generally requiring that certain contracts by a state agency be approved by the Department of General Services (DGS).

2) Requires, generally, public contracts to be awarded by competitive bidding pursuant to procedures set forth, as specified.

3) Establishes the Target Area Contract Preference Act (TACPA), which aims to stimulate economic growth and job creation in economically distressed areas within the state. It does so by offering bid preferences, as specified, to California-based companies that commit to performing a significant portion of their work in these designated areas and, optionally, by hiring individuals with a high risk of unemployment.

4) Requires the California Environmental Protection Agency (CalEPA) to identify disadvantaged communities for investment opportunities (subdivision (a) of Section 39711 of the Health and Safety Code). Those communities shall be identified based on geographic, socioeconomic, public health, and environmental hazard criteria, and may include but not limited to, either of the following:

   a) Areas disproportionately affected by environmental pollution and other hazards that can lead to negative public health effects, exposure, or environmental degradation.
   b) Areas with concentrations of people that are low income, high unemployment, low levels of homeownership, high rent burden, sensitive populations, or low levels of educational attainment.

5) Establishes, through the Small Business Procurement and Contract Act, a minimum goal of 25% procurement participation for small businesses in the provision of goods, information technology, and services to the state, and in the construction of state facilities.

6) Requires DGS and other state agencies that enter into contracts for the provision of goods, information technology, services to the state, and construction of state facilities, to provide for a small business preference, in the award of contracts, in solicitations where an award is to be made to the lowest responsible bidder meeting specifications, with the amount being five percent of the lowest responsible bidder meeting those specifications.

This bill:

1) Requires an awarding department to provide for a bid preference in the award of contracts, as defined, to contractors that set equity metrics, as defined. The bid preference shall operate as follows:

    a) One-percent preference for hiring eligible persons to perform five to nine percent of the total contract hours.
    b) Two-percent preference for hiring eligible persons to perform 10 to 19 percent of the total contract hours.
    c) Three-percent preference for hiring eligible persons to perform 20 to 29 percent of the total contract hours.
    d) Four-percent preference for hiring eligible persons to perform 30 to 39 percent of the total contract hours.
    e) Five-percent preference for hiring eligible persons to perform 40 to 49 percent of the total contract hours.
    f) Six-percent preference for hiring eligible persons to perform 50 to 59 percent of the total contract hours.
    g) Seven-percent preference for hiring eligible persons to perform 60 to 69 percent of the total contract hours.
    h) Eight-percent preference for hiring eligible persons to perform 70 to 79 percent of the total contract hours.
    i) Nine-percent preference for hiring eligible persons to perform 80 to 89 percent of the total contract hours.
    j) 10-percent preference for hiring eligible persons to perform 90 percent of the total contract hours.

2) Defines "disadvantaged community" to mean either of the following:

    a) Areas disproportionally affected by environmental pollution and other hazards that can lead to negative public health effects, exposure, or environmental degradation.
    b) Areas with concentrations of people that are of low income, high unemployment, low income, high unemployment, lows levels of homeownership, high rent burden, sensitive populations, or low levels of educational attainment.

3) Defines "distressed area" to mean a census tract determined by the Department of Finance to be in the top quartile of census tracts for having the highest

unemployment and poverty in the state (Subsection (b) of Section 4532 of the Government Code).

Background

Author Statement. According to the author's office, "California is home to one of the most diverse populations in the world – communities that are now at risk of losing both job opportunities and economic stability. This bill helps protect and uplift these communities by offering [up to] a 10% bid preference for public infrastructure projects that meet disadvantaged worker equity metrics. This sends a message: diversity, equity, and inclusion are not just priorities, they are essential to the success of California's workforce and economy."

Infrastructure Investment and Jobs Act. The IIJA was signed into law by President Joe Biden on November 15, 2021. The IIJA allocated $1.2 trillion toward revitalizing the nation's infrastructure, with $550 billion dedicated to new investment in areas such as transportation, broadband, water systems, and energy infrastructure.

California, with its extensive infrastructure needs, stands to benefit significantly from the IIJA. According to build.ca.gov, the state is set to receive approximately $42 billion – the largest share among all states – through a combination of formula-based and competitive grants. Specifically, California is expected to receive $38.8 billion to Department of Transportation projects.

Through the Justice40 Initiative, the Federal Government had made it a goal that 40% of the overall benefits of certain federal investment, like IIJA, flow to disadvantaged communities that are marginalized, underserved, and overburdened by pollution. Days after being sworn in, the Trump administration's funding freeze left of all of these federal funding dollars in jeopardy.

The Inflation Reduction Act of 2022. The IRA Act was enacted on August 16, 2022, and is aimed at reducing the federal deficit, lowering prescription drug prices, and investing in domestic energy production while promoting clean energy. The IRA allocates approximately $370 billion toward energy security and climate change initiative. Since its enactment, the IRA has received substantial funding to advance the state's clean energy and environmental goals. In 2023 alone, California received over $1.6 billion in tax incentives for energy-efficient home improvements, including solar panel installations and heat pump upgrades.

Furthermore, nearly $600 million has been allocated to assist low-and moderate-income households in implementing clean and efficient energy upgrades. The state has also received over $500 million from the U.S. Environmental Protection Agency to support clean energy initiatives aimed at reducing greenhouse gas emissions and other pollutants. More than $168 million has been dedicated to adding 2,600 electric vehicle charging stations in rural and disadvantaged areas, with an additional $64 million for upgrading existing infrastructure.
Similar to funds from the IIJA, the federal funding freeze by the Trump administration has significantly impacted California's access to these funds. California, along with other states, has filed legal motions to enforce existing court orders and challenge the funding freeze. It remains unclear if and when all of these funds will become available.

The CHIPS and Science Act. The CHIPS and Science Act of 2022 was enacted on August 9, 2022, and aimed at bolstering domestic semiconductor manufacturing and strengthening the nation's scientific research and technological innovation. The act seeks to address critical supply chain vulnerabilities and seeks to enhance the United States' competitiveness in key technology sections. California, as a hub of technology and innovation, was set to benefit significantly from the CHIPS and Science Act. Some notable projects in California funded by the act include:

1) Applied Materials has been awarded $100 million to develop advanced packaging technologies.
2) Bosch plans to invest $1.9 billion to transform its Roseville facility into a silicon carbide power semiconductor manufacturing site. The project is expected to crate approximately 1,700 jobs, including roles in construction, manufacturing, and engineering.
3) Akash Systems is set to receive up to $18.2 million to construct a 40,000-square foot cleanroom for advanced semiconductor manufacturing.

Again, the Trump Administration' funding freeze has placed many of these and other projects in jeopardy. As of the writing of this analysis, it remains unclear what projects will continue to be funded, and what the impact on the funding freeze will ultimately be.

Target Area Contract Preference Act. The TACPA program was established in 1983 to stimulate economic growth and employment opportunities in designated distressed areas throughout the State of California. Distressed area is defined to mean a census tract determined by the Department of Finance to be in the top quartile of census tracts for having the highest unemployment and poverty in the

state. The Procurement Division, Support Services Unit within DGS oversees the TACPA preference program and evaluates all TACPA applications.

The state agency conducting the competitive solicitations is responsible for including the preference option information and request forms, in any solicitation for a contract in excess of $100,000. However, DGS recommends that the state agencies include the preference option information and request of forms for any solicitation estimate to be over $85,000. To qualify for a TACPA preference, the firm must be located directly in a California eligible distresses area(s), located directly adjoining/adjacent, or contagious to a valid TACPA Census Tract.

Whenever the state prepares a solicitation for a contract for goods, the TACPA provides a five percent preference to California-based companies who demonstrate and certify under penalty of perjury that at least 50% of the labor hours required to manufacture the goods and perform the contract, shall be accomplished at an identified worksite or worksite located in, adjacent, or contiguous to a distresses area.

In evaluating proposals for contracts for services, the TACPA provides a five percent preference on the price submitted by California-based companies who demonstrate and certify under penalty of perjury that not less than 90% of the total labor hours requires to perform the contract shall be accomplished at an identified or worksites located in a distressed area.

Bidders may also apply for an additional work-force preference of one to four percent if the bidder certifies under penalty of perjury to hire persons with high risk of unemployment equal to five to 20% of its work force during the period of contract performance. This additional work-force preference works as follows:

1) One percent preference for hiring eligible persons to perform five to nine percent of the total contract labor hours.
2) Two percent preference for hiring eligible persons to perform 10 to 14 percent of the total contract labor hours.
3) Three percent for hiring eligible persons to perform 15 to 19 percent of the total contract labor hours.
4) Four percent for hiring eligible persons to perform 20 percent or more of the total contract labor hours.

DGS monitors compliance of all contracts awarded based on the approval of the TACPA work site(s) and workforce preference. Bidders that have requested and

have been given preference shall submit monthly performance reports demonstrating compliance with worksite(s) and workforce requirements (if requested). Bidders who fail to comply may be assessed a penalty fee or may be ineligible to directly or indirectly transact with the state for a period up to 36 months. The TACPA interactive map can be found at https://tacpa.dgs.ca.gov/.

This bill will require state agencies, in awarding contracts over $35 million using funds from the IIJA, the IRA Act, or the CHIPS and Science Act of 2022, to provide a bid preference, up to 10%, depending on the number of total contract labor hours are performed by individuals residing in "distressed areas" or "disadvantaged communities."

CalEPA Disadvantaged Communities Definition. Disadvantaged communities in California are specifically targeted for investment of proceeds from the state's Cap-and-Trade Program. These investments are aimed at improving public health, quality of life and economic opportunity in California's most burdened communities, and at the same time, reducing pollution that causes climate change.

In 2013, SB 535 (De Leon, Chapter 830, Statutes of 2012) established initial requirements for minimum funding levels to "disadvantaged communities." The bill also gave CalEPA the responsibility for identifying those communities, stating that CalEPA's designation of disadvantaged communities must be based on "geographic socioeconomic, public health, and environmental hazard criteria."

After receiving public input at workshops and in written comments, in May 2022, CalEPA released its updated designated of Disadvantaged Communities for the purposes of SB 535. The designation takes into account the latest and best available data and considers factors related to data unavailability. This designation went into effect on July 1, 2022. An interactive map of these communities can be found at:

https://experience.arcgis.com/experience/1c21c53da8de48f1b946f3402fbae55c/page/SB-535-Disadvantaged-Communities

This bill requires state agencies, in awarding contracts over $35 million using funds from the IIJA, the IRA Act, or the CHIPS and Science Act of 2022, to provide a bid preference, up to 10%, depending on the number of total contract labor hours are performed by individuals residing in "disadvantaged communities" or "distressed areas."

Related/Prior Legislation

SB 150 (Durazo, Chapter 61, Statutes of 2023) embedded workforce and community benefit requirements in procurement and contracting for infrastructure and manufacturing investments related to IIJA, the IRA, and the CHIPS and Science Act.

SB 2019 (Petrie-Norris, Chapter 730, Statutes of 2022) codified, among other things, a 25% small business goal for state procurement and proposed a number of actions to enhance the ability and commitment of state agencies to include small business, including microbusinesses in state contracting, as specified.

AB 1550 (Gomez, Chapter 369, Statutes of 2016) required a minimum of 25% of Greenhouse Gas Reduction Fund moneys be spent on projects located within and benefiting disadvantaged communities, and an additional minimum of 10% of these moneys be spent on projects that benefit low-income household or are within, and benefit, low-income communities, as specified.

SB 535 (De Leon, Chapter 830, Statutes of 2012) required CalEPA to identify disadvantaged communities for investment opportunities, as specified. The bill required the Department of Finance, when developing a specified three-year investment plan, to allocate 25% of the available moneys in the Greenhouse Gas Reduction Fund to projects that provide benefits to disadvantaged communities, as specified, and to allocate a minimum of 10% of the available moneys in the Greenhouse Gas Reduction Fund to projects located within disadvantaged communities, as specified.

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

According to the Senate Appropriations Committee, unknown, potentially significant costs to DGS for additional limited term staff to develop regulations outlining bid preferences as prescribed by the bill (General Fund).

Additionally, unknown, potentially significant increased qualifying project costs ranging in the hundreds of thousands to millions of dollars, to the extent that the bid preferences proposed by the bill results in delayed solicitations for these projects or in other increased contract costs (various special funds and federal funds). Actual impact to the cost of qualifying projects may vary and depend on, among other things, the size of the contract and number of bidders.

SUPPORT: (Verified 1/22/25)

None received

OPPOSITION: (Verified 1/22/25)

American Council of Engineering Companies of California
Associated General Contractors of California
CA Asphalt Pavement Association
CA Assoc. of Sheet and Metal & Air Conditioning Contractors National Assoc.
CA Legislative Conference of the Plumbing, Heating and Piping Industry
California & Nevada Civil Engineers and Land Surveyors Association
Construction Employers Association
Finishing Contractors Association of Southern California
National Electrical Contractors Association
Northern California Allied Trades
Southern California Contractors Association
Southern California Glass Management Association
United Contractors
Wall and Ceiling Alliance
Western Line Construction Chapter
Western Painting & Coating Contractors Association
Western Wall & Ceiling Contractors Association

ARGUMENTS IN OPPOSITION: According to various construction organizations, "as you know, contractors and subcontractors covered by collective bargaining agreements are obligated to hire workers dispatched from union hiring halls, and there are limited circumstances under which they can reject those workers. Your measure provides that to receive a 10% bid preference, contractors must adopt 'equity metrics' that include 'having a required percentage of the workforce for the contract living in areas below the poverty line, in communities disproportionately affected by environmental pollution, or in regions with high unemployment and low-income concentrations.' In practice, this means that for signatory contractors and subcontractors to receive the 10% benefit, their labor partners must agree to only dispatch workers from certain communities for state-funded projects. Absent agreement, signatory employers cannot adopt 'equity

measures.' Additionally, as a matter of clarity, we assume that by 'contractors' you meant to include "subcontractors" as they employ the bulk of the workers on building projects in particular, though the bill does not say this."

Prepared by: Felipe Lopez/ G.O. / (916) 651-1530
1/23/26 15:39:09

****** END ******

THIRD READING

Bill No: SB 260
Author: Wahab (D)
Amended: 4/29/25
Vote: 21

SENATE PUBLIC SAFETY COMMITTEE: 6-0, 4/1/25
AYES: Arreguín, Seyarto, Caballero, Gonzalez, Pérez, Wiener

SENATE INSURANCE COMMITTEE: 5-0, 4/23/25
AYES: Rubio, Becker, Caballero, Padilla, Wahab
NO VOTE RECORDED: Niello, Jones

SENATE APPROPRIATIONS COMMITTEE: 7-0, 1/22/26
AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

SUBJECT: Unmanned aircraft

SOURCE: Author

DIGEST: This bill (1) creates an infraction for operating an unmanned aerial vehicle or drone and intentionally or knowingly allowing it to come within 400 feet of a critical infrastructure facility, or to come within a distance of a critical infrastructure facility that is close enough to interfere with its operations; (2) creates an infraction for operating an unmanned aerial vehicle or drone and intentionally or knowingly allowing it to come within a specified distance of the grounds of the California State Capitol and specified California legislative buildings; (3) creates a misdemeanor to prohibit the use of an unmanned aerial vehicle or drone on or above any school building or school ground with the intent to surveil, closely monitor, or record any person, or to threaten the immediate physical safety of any person; (4) increases an existing fine for operating an unmanned aircraft system above specified carceral facilities; requires a residential property insurer to notify a policyholder at least 30 days in advance of the day that a remotely operated unmanned aircraft will be used to take aerial images of the insured property; and (5) requires a residential property insurer to provide written

notice if it has gathered sufficient evidence for the termination of an insurance contract during an inspection of a policyholder's property using a remotely operated unmanned aircraft, evidence gathered during the inspection to the policyholder, and 120 days for the policyholder to remedy the issue.

ANALYSIS:

Existing federal law:

1) Provides that the U.S. Government has exclusive sovereignty of airspace of the United States, but that a citizen of the U.S. has a public right of transit through navigable airspace. (49 United States Code (U.S.C.) § 40103.)

2) Sets forth definitions related to unmanned aircraft systems (UAS), as well as various requirements and restrictions on the operation of UAS, including integration of civil UAS into national airspace, safety standards, carriage of property by small unmanned aircraft, certain exceptions for limited recreations operations, and other provisions. (49 U.S.C. Ch. 448.)

3) Defines "critical infrastructure" as the systems and assets, whether physical or virtual, so vital to the U.S. that the incapacity or destruction of such systems and assets would have a debilitating impact on security, national economic security, national public health or safety, or any combination of those matters, and states that it is the policy of the U.S. that that any physical or virtual disruption of the operation of the critical infrastructures the U.S. be rare, brief, geographically limited in effect, manageable, and minimally detrimental to the economy, human and government services, and national security of the U.S. (42 U.S.C. § 5195c.)

4) Governs the operation of small UAS, and grant the Administrator of the Federal Aviation Administration (FAA) authority to issue special security instructions in the interest of national security, with which any person operating an aircraft, including a UAS, in a national security sensitive area must comply. (14 Code of Federal Regulations (C.F.R.) § 99.7 and 14 C.F.R. Part 107.)

Existing state law:

1) Defines "unmanned aircraft" as an aircraft that is operated without the possibility of direct human intervention from within or on the aircraft. (Government (Gov.) Code, § 853.5, subd. (a).)

2) Defines "unmanned aircraft system" as an unmanned aircraft and associated elements, including but not limited to, communication links and the components that control the uncrewed aircraft, which are required for the pilot in command to operate safely and efficiently in the national airspace system. (Gov. Code, § 853.5, subd. (b).)

3) Makes it a misdemeanor to use a UAS to look through a hole or opening into the interior of specified areas in which the occupant has a reasonable expectation of privacy with the intent to invade the privacy of a person inside. (Penal (Pen.) Code, § 647, subd. (j)(1).)

4) Provides that a person is liable for physical invasion of privacy when the person knowingly enters onto the land or into the airspace above the land of another person without permission or otherwise commits a trespass in order to capture any type of visual image, sound recording, or other physical impression of the plaintiff engaging in a private, personal, or familial activity and the invasion occurs in a manner that is offensive to a reasonable person. (Civil (Civ.) Code, §1708.8, subd. (a).)

5) Provides that a person who knowingly and intentionally operates a UAS on or above the grounds of a state prison, a jail, or a juvenile hall, camp, or ranch is guilty of an infraction, punishable by a fine of $500. (Government (Gov.) Code, § 4577, subd. (a).)

6) Makes it a misdemeanor for a person to come into any school building or upon any school ground without lawful business and whose presence or acts interfere with the peaceful conduct of the activities of the school or disrupt the school or its students or school activities. (Pen. Code, § 626.8, subd. (a).)

7) Requires an insurer to provide a notice of nonrenewal at least 75 days before policy expiration that includes the specific reason or reasons for the nonrenewal. (Insurance (Ins.) Code, § 678, subds. (a), (c).)

This bill:

1) Provides that for the purposes of its provisions, "critical infrastructure facility" means all of the following:

a) Specified types of facilities that are completely enclosed, including but not limited to: a petroleum refinery; an oil, petroleum or chemical pipeline, drilling site, storage facility or production facility; an electrical power generating facility; medication or medical device production facilities; a water intake structure, water treatment facility, wastewater treatment plant, or pump station; a liquid natural gas terminal or storage facility; a telecommunications central switching office or any structure used as part of a system to provide wired or wireless telecommunications services; a port, railroad switching yard, trucking terminal, or any other freight transportation facility; a transmission facility used by a federally licensed radio or television station; and, any facility or property designated by the FAA as a national security-sensitive facility, among others.
b) If a statewide emergency has been declared, any of the following: any alternate government facilities utilized as part of emergency response; State Operations Centers; or critical access hospitals or any other health care facility in which a majority of admitted patients are victims of the declared state of emergency.
c) A city hall or county administration building in which a county board of supervisors meets; a bridge that is part of the state or federal highway system; or a dam that is classified by the Department of Water Resources as high hazard or extremely high hazard.

2) Makes it an infraction, punishable by a fine of $1,000, if the person operates an unmanned aerial vehicle, remote piloted aircraft, or drone, and intentionally does any of the following:

a) Allows the unmanned aerial vehicle, remote piloted aircraft, or drone to come within 400 feet of, or below 400 feet above, a critical infrastructure facility.
b) Allows an unmanned aerial vehicle, remote piloted aircraft, or drone to come within a distance of a critical infrastructure facility that is close enough to interfere with the operations of the property.

3) Provides that the prohibition above does not apply to conduct performed by any of the following:

a) The federal government, the state, or a governmental entity acting in their capacity as a regulator or within the interest of public safety and security.
b) A person under contract with or otherwise acting under the direction or on behalf of the federal government, the state, or a governmental entity acting

in its capacity as a regulator or within the interest of public safety and security.

c) An operator of an unmanned aerial vehicle, remote piloted aircraft, or drone that is being used for a commercial purpose, if the operation is conducted in compliance with all applicable FAA rules, restrictions and exemptions and all required FAA authorizations.
d) A person under contract with or otherwise acting under the direction or on behalf of an owner or operator of the critical infrastructure facility.
e) A person who has the prior written consent of the owner of operator of the critical infrastructure facility.
f) The owner or occupant of the property on which the critical infrastructure facility is located or a person who has the prior written consent of the owner or occupant of that property.

4) Makes it an infraction, punishable by a fine of $1,000, for a person to operate an unmanned aerial vehicle, remote piloted aircraft, or drone and intentionally or knowingly allow the unmanned aerial vehicle, remote piloted aircraft, or drone to come within 50 feet of, or below 400 feet above, the Legislative Office Building in Sacramento, the state office building at 1021 O Street in Sacramento, or the grounds of the State Capitol, or to come within a distance of any of those properties that is close enough to interfere with the operations of the property. Provides that this prohibition does not apply to conduct performed by: emergency law enforcement and fire response services; the Department of General Services if its activities are necessary for the care and custody of the grounds of the State Capitol; or a person acting under contract with or with the express authorization of the Joint Rules Committee of the Legislature.

5) Requires the Joint Rules Committee of the Legislature to establish rules and policies in consultation with the California Highway Patrol to establish processes and criteria to implement the relevant exemptions above.

6) Increases the fine that may be imposed for operating an unmanned aircraft system on or above a state prison, jail, or juvenile hall, camp, or ranch to a maximum of $1,000.

7) Makes it a misdemeanor for a person to use an unmanned aerial vehicle, remote piloted aircraft, or drone on or above any school building or school ground, or street, sidewalk, or public way adjacent to the school ground, with the intent to surveil, closely monitor or record any person, or to threaten the immediate physical safety of any person.

8) Requires a residential property insurer to notify a policyholder if any aerial images will be taken of the insured property by, on behalf of, or in service of the insurer. Requires the policyholder to receive the notice at least 30 days in advance of the day that the images will be taken.

9) Requires a residential property insurer, if it has gathered sufficient evidence for the termination of a residential property insurance contract during an inspection of a policyholder's property that was conducted by the use of a remotely operated unmanned aircraft, to provide written notice of the reason for the potential termination of the contract and copies of the evidence gathered during the inspection to the policyholder, what the policyholder is required to do to comply with the provisions of the contract, and that the policyholder has 120 days to remedy the issue.

Comments

UASs and public safety. Once limited to military and commercial applications, UASs (aircrafts that fly without a human pilot on-board, controlled remotely or autonomously, commonly referred to as drones) have become ubiquitous in the United States due to their widespread availability and affordability. Commercially, drones are increasingly used in a variety of fields, including package delivery, agriculture, infrastructure management, search and rescue, surveying, and security. Drones have also seen wider use in a host of recreational contexts – by hobbyists, technology enthusiasts, photographers and other visual artists, and drone use is only expected to increase dramatically in the future. The FAA has forecasted that the commercial drone fleet (drones operated in connection with a business) will reach 955,000, and that the recreational fleet (drones used for personal enjoyment) will number around 1.82 million by 2027. As drone usage continues to rise, so too does the potential for heightened public safety risks, including unauthorized surveillance, weaponization and terrorism, airspace interference, and property damage, among others. Existing California law does not include a multitude of restrictions specific to the use of drones by private operators, but does impose civil and criminal liability for unlawful invasions of privacy that involve the use of drones. Specifically, in the criminal context, California law prohibits using a device, including an unmanned aircraft system, to observe a person in any area in which the person has a reasonable expectation of privacy with the intent to invade the privacy of a person.

UASs and residential property insurance. According to the National Association of Insurance Commissioners, the increasing commercial use of UASs and their applications in many fields has compelled industry leaders as well as various federal and state regulatory agencies to contemplate how and when they are used. Insurance companies are exploring commercialization and coverage issues and opportunities while state insurance regulators work to address all relevant regulatory challenges and concerns related to drone operation.

The use of drones could be very beneficial for the insurance industry, particularly following a natural disaster. Drones could be employed to reach remote, inaccessible, or even dangerous areas by claims adjusters, providing increased and more complete data to speed up claims processing timelines. They may also enhance cost efficiency for insurers, both in pre-loss and post-loss assessments, as utilizing drones may reduce the labor and time associated with manual inspections. However, there are concerns centered around the use of drones and the changing insurance environment, particularly in developing best practices and risk management. These concerns include the lack of transparency around insurers' termination of coverage without policyholder notification, the responsibility of insurers to communicate with policyholders when conducting risk assessments, and privacy and data security issues.

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

According to the Senate Appropriations Committee:

- Unknown potentially significant fiscal impact to the California Department of Insurance (CDI) for any additional administrative and enforcement workload associated with new requirements for insurers regarding the taking, usage, and disposal of aerial images (Insurance Fund). The magnitude of costs to CDI will depend on, among other things, the volume of complaints received specific to insurers' mishandling of aerial image data, the complexity of any subsequent investigations, and the level of non-compliance by residential property insurers with the provisions of this bill.

- Unknown, potentially significant cost to the state funded trial court system (Trial Court Trust Fund, General Fund) to adjudicate the criminal penalties in this bill. Defendants are constitutionally guaranteed certain rights during criminal proceedings, including the right to a jury trial and the right to counsel (at public expense if the defendants are unable to afford the costs of representation). Increasing penalties leads to lengthier and more complex court

proceedings with attendant workload and resource costs to the court. The fiscal impact of this bill to the courts will depend on many unknown factors, including the numbers of people charged with an offense and the factors unique to each case. An eight-hour court day costs approximately $10,500 in staff in workload. If court days exceed 10, costs to the trial courts could reach hundreds of thousands of dollars. In 2023–24, over 4.8 million cases were filed statewide in the superior courts, including 77,850 nontraffic infractions, 451,647 misdemeanor cases, and 179,821 felony cases. Filings increased over the past year, driven mostly by misdemeanors and infractions, and civil limited cases. The increase in filings from the previous year is greater than 5% for civil limited and unlimited, appellate division appeals, juvenile delinquency, misdemeanors and infractions, and probate. While the courts are not funded on a workload basis, an increase in workload could result in delayed court services and would put pressure on the General Fund to fund additional staff and resources and to increase the amount appropriated to backfill for trial court operations.

- Unknown, potentially significant costs (local funds, General Fund) to the counties to incarcerate people for the crimes created by this bill. The average annual cost to incarcerate one person in county jail is approximately $77,252 per year. Actual incarceration costs to counties will depend on the number of convictions and the length of each sentence. Although county incarceration costs are generally not considered reimbursable state mandates pursuant to Proposition 30 (2012), overcrowding in county jails creates cost pressure on the General Fund because the state has historically granted new funding to counties to offset overcrowding resulting from 2011 public safety realignment.

- Unknown, potentially significant cost pressures (local funds) to county probation departments of an unknown, but potentially significant amount, if individuals convicted of offenses under this bill are supervised locally in the community in lieu of or in addition to incarceration.

SUPPORT: (Verified 1/22/26)

California Police Chiefs Association
El Dorado Irrigation District
Palmdale Water District
Solano County Water Agency

OPPOSITION: (Verified 1/22/26)

ACLU California Action

Prepared by: Alex Barnett / PUB. S. /
1/23/26 15:39:10

****** END ******

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THIRD READING

Bill No: SB 288
Author: Seyarto (R)
Amended: 1/22/26
Vote: 21

SENATE REVENUE AND TAXATION COMMITTEE: 5-0, 1/14/26
AYES: McNerney, Valladares, Ashby, Grayson, Umberg

SENATE APPROPRIATIONS COMMITTEE: 7-0, 1/22/26
AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

SUBJECT: Property taxation: change in ownership: family homes and farms

SOURCE: Author

DIGEST: This bill specifies that the one-year period to claim an intergenerational transfer change in ownership exclusion is deemed to commence on the effective date of a probate court's determination of the final ownership of property.

ANALYSIS:

Existing law:

1) Provides that all property is taxable unless explicitly exempted by the Constitution or federal law (California Constitution, Article XIII, Section One).

2) Limits the maximum amount of any ad valorem tax on real property at 1% of full cash value, plus any locally-authorized bonded indebtedness, and caps a property's annual inflationary increase in taxable value to 2%. Provides that assessors reappraise property whenever it is purchased, newly constructed, or when ownership changes (California Constitution, Article XIIIA, as added by Proposition 13, 1978).

3) Defines a change in ownership as a transfer of a present interest in real property, including the beneficial use thereof, the value of which is substantially equal to the value of the fee interest.

4) Provides that a change in ownership results in the establishment of a new base year value for the portion of a property that has undergone such change in ownership, unless an exclusion applies.

5) Considers a decedent's real property and manufactured homes to have changed ownership as of the date of death, and the property is subject to reassessment as of that date unless an exclusion applies, regardless of whether the decedent's property is inherited through a trust, a will, intestate succession, revocable transfer on death deed, or is subject to probate administration; the date of death applies for property tax purposes even if the beneficiary is officially recorded as the new owner of the property at a later date.

6) Enacts change in ownership exclusions for transfers of property transfers from one generation to the next, specifically:

   a) Transfers of property from parents to children from change in ownership (Proposition 58, 1986).

   b) Transfers of property to grandchildren, so long as the parents are deceased (Proposition 193, 1996).

7) Enacts the Home Protection for Seniors, Severely Disabled, Families, and Victims of Wildfire or Natural Disasters Act, which limits the above exclusions solely to the transfer of a principal residence when the property continues as the primary residence of the transferee, and requires the transferee to claim the homeowner's exemption from property tax at the time of transfer or within one year to apply the exclusion, among other limitations (Proposition 19, 2020).

8) Codifies Proposition 19's requirement that the transferee claim the homeowners' or disabled veterans' exemption at the time of transfer to apply the exclusion, reinforces its requirement for the transferee to file for the homeowners' or disabled veterans' exemption within one year of transfer, and directs the assessor to remove the exclusion as of the date the property is no longer the principal residence of the transferee (SB 539, Hertzberg, Chapter 427, Statutes of 2021).

This bill:

1) Specifies that the one-year period to claim an intergeneration transfer change in ownership exclusion is deemed to commence on the effective date of a probate court's determination of the final ownership of property, not the date of death.

2) Applies notwithstanding any other law in the event of a transfer to an eligible transferee as a result of the death of an eligible transferor by an order entered pursuant to the Probate Code.

3) Makes a punctuation change.

Background

A probate process generally takes 9 to 18 months from beginning to end, and can sometimes take even longer. While beneficiaries can occupy a property under certain circumstances, they cannot take ownership until the probate court issues its order. As a result, many beneficiaries cannot claim the homeowners' exemption within one year, so therefore cannot claim a Proposition 19 intergenerational change in ownership exclusion. SB 288 would commence the one-year period on the date the court determines final ownership of the property, notwithstanding any other law, thereby allowing those inheriting property from parents or grandparents in probate to claim an exclusion.

Related/Prior Legislation

Last year, the Senate approved SB 284 (Seyarto), which made two changes: First, it would have provided a second change in ownership exclusion between eligible transferees within one year of the date of the initial transfer under Proposition 19. Second, it would have provided that the one-year period for an eligible transferee to file for a homeowner's or disabled veteran's exemption for purposes of claiming a Prop. 19 intergenerational transfer exclusion commences on the date of the probate court's final order for purposes of claiming the intergenerational transfer exclusion. While this bill does not propose a similar second change in ownership exclusion, it is substantially similar to SB 284's second part. SB 284 was held on the Assembly Revenue & Taxation Committee's Suspense File.

Additionally, the Legislature enacted SB 293 (Perez, Chapter 539, Statutes of 2025), which extends the current deadline for taxpayers to retroactively apply a Proposition 58, 193, or 19 intergenerational transfer from six months to three years under specified circumstances resulting from the 2025 Los Angeles Fires.

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

According to the Senate Appropriations Committee:

- The Board of Equalization (BOE) estimates that this bill would result in annual property tax revenue losses of $24 million. Reductions in local property tax revenues, in turn, can increase General Fund Proposition 98

spending by up to roughly 50 percent (the exact amount depends on the specific amount of the annual Proposition 98 guarantee, which in turn depends upon a variety of economic, demographic and budgetary factors). BOE would incur General Fund costs of $143,000 in 2026-27, $105,000 in 2027-28, $87,000 in 2028-29, and $72,000 annually thereafter, to implement the provisions of the bill.

- By changing the duties of local tax officials, this bill creates a state-mandated local program. To the extent the Commission on State Mandates determines that the provisions of this bill create a new program or impose a higher level of service on local agencies, local agencies could claim reimbursement of those costs. The magnitude is unknown (General Fund).

SUPPORT: (Verified 1/26/26)

Howard Jarvis Taxpayers Association

OPPOSITION: (Verified 1/26/26)

None received

ARGUMENTS IN SUPPORT: According to the author, "SB 288 will provide protections for individuals who are not able to take ownership of a home because of a probate process. By adding clarity to Prop 19 this measure ensures that families preserve a valuable asset and are not unduly burdened by a tax reassessment because of a legal process with timelines outside their direct control."

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1/26/26 13:21:59

****** END ******

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THIRD READING

Bill No: SB 310
Author: Wiener (D), et al.
Amended: 1/20/26
Vote: 21

SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 4-1, 4/9/25
AYES: Smallwood-Cuevas, Cortese, Durazo, Laird
NOES: Strickland

SENATE JUDICIARY COMMITTEE: 10-2, 4/22/25
AYES: Umberg, Allen, Arreguín, Ashby, Durazo, Laird, Stern, Wahab, Weber Pierson, Wiener
NOES: Niello, Valladares
NO VOTE RECORDED: Caballero

SENATE APPROPRIATIONS COMMITTEE: 5-1, 5/23/25
AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto
NO VOTE RECORDED: Dahle

SUBJECT: Failure to pay wages: penalties

SOURCE: California Rural Legal Assistance Foundation
Legal Aid at Work

DIGEST: This bill establishes a new method for employees to recover a statutory penalty for employer late wage payment violations. This bill authorizes an employee to recover a statutory penalty through an independent civil action, rather than through the Labor Commissioner's Office (LC), or enforcement of a civil penalty through the Private Attorneys General Act (PAGA). This bill also limits an employee to either pursuing a statutory penalty or enforcing a civil penalty through PAGA, but not both.

Senate Floor Amendments of 1/20/26 narrow the scope of this bill so that an employee can only pursue an independent civil action for each subsequent violation, or any willful or intentional violation, but not for an initial violation.

ANALYSIS:

Existing law:

1) Establishes the Department of Industrial Relations (DIR) in the Labor and Workforce Development Agency (LWDA) and vests it with various powers and duties to foster, promote, and develop the welfare of the wage earners of California, to improve their working conditions, and to advance their opportunities for profitable employment. (Labor Code §50.5)

2) Establishes within DIR, various entities including the Division of Labor Standards Enforcement (DLSE) under the direction of the Labor Commissioner (LC), and empowers the LC with ensuring a just day's pay in every workplace and promoting economic justice through robust enforcement of labor laws. (Labor Code §79-107)

3) Authorizes the LC to prosecute all actions for the collection of wages, penalties, and demands of persons who in the judgment of the LC are financially unable to employ counsel and the LC believes have claims which are valid and enforceable. This includes an action for the collection of wages and other moneys payable to employees or to the state arising out of an employment relationship or order of the Industrial Welfare Commission and actions for wages or other monetary benefits that are due the Industrial Relations Unpaid Wage Fund. (Labor Code §98.3)

4) Authorizes the LC to investigate employee complaints and provide for a hearing in any action to recover wages, penalties, and other demands for compensation, including liquidated damages if the complaint alleges payment of a wage less than the minimum wage fixed by an order of the Industrial Welfare Commission or statute, as specified. (Labor Code §98)

5) Provides that within 30 days of the filing of a complaint, the LC shall notify the parties as to whether a hearing will be held, whether action will be taken in accordance with Section 98.3 or whether no further action will be taken. If the determination is made by the LC to hold a hearing, the hearing shall be held within 90 days of that determination. However, the LC may postpone or grant additional time before setting a hearing, as specified. (Labor Code §98)

6) Establishes a citation process for the LC to enforce violations of the minimum wage, as specified. (Labor Code §1197.1 et seq.)

7) Authorizes employees, under PAGA, to enforce labor laws by suing their employers on behalf of the state for violations of the Labor Code to recover civil penalties, as specified. (Labor Code §2699-2699.8)

8) Provides that for PAGA notices filed on or after June 19, 2024, 65 percent of the recovered penalties goes to the State and 35 percent to the aggrieved employees. (Labor Code §2699)

9) Provides that in any action brought for the nonpayment of wages, fringe benefits, or health and welfare or pension fund contributions, the court shall award reasonable attorney's fees and costs to the prevailing party if any party to the action requests attorney's fees and costs upon the initiation of the action. However, if the prevailing party in the court action is not an employee, attorney's fees and costs shall be awarded only if the court finds that the employee brought the court action in bad faith. This does not apply to an action brought by the LC. (Labor Code §218.5)

10) Specifies when wages must be paid for work performed in various positions and industries. (Labor Code §§201.3, 204, 204b, 204.1, 204.2, 204.11, 205, 205.5)

11) Prohibits, under the California Equal Pay Act, an employer from paying an employee wage rates less than the rates paid to employees of the opposite sex or to employees of a different race or ethnicity for substantially similar work requiring the same skills, effort, and responsibility when performed under similar working conditions. Establishes exceptions to this prohibition, as specified. (Labor Code §1197.5)

12) Imposes a civil penalty, in addition to any penalties that normally apply, to any employer who fails to pay the wages of their employees by the required time, as follows:
    a) $100 dollars for each failure to pay each employee for any initial violation;
    b) $200 dollars for each failure to pay each employee, plus 25 percent of the amount unlawfully withheld, for any subsequent or intentional violation. (Labor Code §210(a))

13) Provides that the penalty referenced in 12), above, can be recovered by an employee as a statutory penalty, pursuant to Section 98 (DLSE wage hearing), or by the LC as a civil penalty through the issuance of a citation or pursuant to Section 98.3. (Labor Code §210(b))

14) Provides that an employee is only entitled to recover the penalty in 12), above, through either the statutory penalty pursuant to Section 98 (DLSE wage hearing) or to enforce a civil penalty through PAGA, but not both for the same violation. (Labor Code §210(c))

This bill:

1) Authorizes an employee to recover a statutory penalty for employer late wage payment violations through an independent civil action for each subsequent violation, or any willful or intentional violation, but not for an initial violation.

2) Specifies that an employee is only entitled to recover the penalty described in 12), above, as a statutory penalty through a complaint to the LC or through an independent civil action, or as a civil penalty through PAGA, but not both for the same violation. An employee cannot pursue a statutory and a civil penalty for the same violation.

3) Provides that these provisions are severable. If any provision or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

Background

What constitutes a late payment violation? Generally, Labor Code Section 204 governs regular payment of wages and requires that wages earned are due twice during each calendar month, on days designated in advance by an employer as the regular paydays. Work performed between the 1st and 15th days, inclusive, of any calendar month must be paid for between the 16th and the 26th day of that same month. Work performed between the 16th and the last day of any calendar month, must be paid for between the 1st and 10th day of the following month. Additionally, overtime wages earned in one payroll period must be paid no later than the payday for the next regular payroll period. Late payment of wages includes when an employer pays wages late, fails to pay them at all, or insufficiently pays them.

This is the general rule. The Labor Code also provides different pay schedules for temporary service employees (Labor Code §201.3), employees of a motor vehicle

dealer (Labor Code §204.1), hairstylists (Labor Code §204.11), and live-in domestic workers (Labor Code §205), among others.

By themselves, none of the above code sections specify penalties for late payments. Instead, Labor Code Section 210 identifies applicable penalties and authorizes the LC or an employee to recover them, as specified. The penalties are as follows: for any initial violation, $100 for each failure to pay each employee or for each subsequent violation, or any willful or intentional violation, $200 for each failure to pay each employee, plus 25% of the amount unlawfully withheld.

Recovering Penalties for Late Payment Violations. Labor Code Section 210 authorizes the LC or an employee to recover penalties for late payment violations. The LC can do so by pursuing civil penalties. An employee can do so by pursuing either civil *or* statutory penalties. The percentage of the penalty that an employee recovers depends on their choice of penalty.

Civil Penalties. The LC can recover civil penalties for late payment violations through the issuance of a citation or through an informal conference. In these instances, recovered penalties are paid to the State.

PAGA allows employees to assist in enforcing labor law by suing their employers on behalf of the State for violations of the Labor Code to recover civil penalties. Any employee who receives their wages late can file a PAGA lawsuit. For PAGA cases filed on or after June 19, 2024, 65 percent of the recovered penalties are paid to the State and 35 percent to the aggrieved employee.

Statutory Penalties. Beginning in 2020, employees were authorized to recover statutory penalties for late payment violations through the LC's wage claim process (AB 673, Carrillo, 2019). Statutory penalties are paid entirely to the employee, as opposed to civil penalties pursued through PAGA. An employee cannot simultaneously pursue statutory and civil penalties for the same violation.

This bill. The author and sponsors argue that the LC's extensive backlog of wage claim cases, as well as PAGA's 35 percent recovery limit, discourage workers from pursuing penalties for late payment violations. SB 310 would establish a new method for employees to recover penalties by authorizing an independent civil action for each subsequent violation, or any willful or intentional violation. For an initial violation, an employee would be limited to pursuing either a statutory penalty, through the LC, or a civil penalty through PAGA. This bill would also prohibit an employee from pursuing a statutory penalty and a civil penalty simultaneously for the same violation.

[NOTE: Please see the Senate Labor, Public Employment and Retirement Committee analysis on this bill for more background information on the DLSE audit, wage theft, and related legislation.]

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

According to the Senate Appropriations Committee:

- The Department of Industrial Relations (DIR) indicates that its costs to administer the bill would be minor and absorbable.

- This bill could result in a reduction in state penalty revenue resulting from the Private Attorneys' General Act (PAGA). The magnitude is unknown, but potentially minor (Labor and Workforce Development Fund). According to the Legislative Analyst's Office, employees and employers typically reach a settlement agreement after initial legal proceedings have begun but before the trial begins. The settlement award typically includes a small penalty portion that is divided between the employees and the State, as specified.

- By offering specified employees an option to pursue, through an independent civil action, an increase of the percentage amount of penalty revenue they would receive relative to current law, this bill would result in cost pressures to the state funded trial court system (Trial Court Trust Fund, General Fund). It is unclear how many proceedings would actually be commenced that otherwise would not have as a result of this bill. The fiscal impact of this bill to the courts would depend on many unknown factors, including the number or proceedings and the factors unique to each case. An eight-hour court day costs approximately $10,500 in staff in workload. The Governor's 2025-26 budget proposes a $40 million ongoing increase in discretionary funding from the General Fund to help pay for increased trial court operation costs beginning in 2025-26. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a need for increased funding for courts from the General Fund to fund additional staff and resources and to increase the amount appropriated to backfill for trial court operations (See Staff Comments).

SUPPORT: (Verified 1/21/26)

California Rural Legal Assistance Foundation (Co-source)
Legal Aid at Work (Co-source)
Asian Americans Advancing Justice Southern California
Asian Americans and Pacific Islanders for Civic Empowerment

Asian Law Caucus
California Coalition for Worker Power
California Domestic Workers Coalition
California Employment Lawyers Association
California Farmworker Coalition
California Federation of Labor Unions
California Food and Farming Network
California Nurses Association
California State Association of Electrical Workers
California State Pipe Trades Council
California Teamsters Public Affairs Council
Center for Workers' Rights
Central California Environmental Justice Network
Central Coast Alliance United for a Sustainable Economy
Centro Binacional Para El Desarrollo Indigena Oaxaqueño
Chinese Progressive Association
Clean Carwash Worker Center
Farm2people
Inland Empire Labor Council
LA Raza Centro Legal
Legal Link
Loyola Law School, the Sunita Jain Anti-Trafficking Initiative
Mexican-American Legal Defense and Ed Fund
Mixteco Indigenous Community Organizing Project
National Employment Law Project
Pilipino Workers Center
Public Counsel
Santa Clara County Wage Theft Coalition
Sierra Harvest
Trabajadores Unidos Workers United
UC Hastings Community Justice Clinics
United Food and Commercial Workers Western States Council
Wage Justice Center
Western States Council Sheet Metal, Air, Rail and Transportation
Worksafe
Individual Support Letters: 2

OPPOSITION: (Verified 1/21/26)

Acclamation Insurance Management Services
Agricultural Council of California

Allied Managed Care
American Council of Engineering Companies
American Petroleum and Convenience Store Association
American Staffing Association
Anaheim Chamber of Commerce
Asian Business Association
Associated Builders and Contractors of California
Associated Equipment Distributors
Associated General Contractors California
Associated General Contractors San Diego
Brea Chamber of Commerce
California Alliance of Family-Owned Businesses
California Assisted Living Association
California Association for Health Services At Home
California Association of Health Facilities
California Association of Sheet Metal and Air Conditioning Contractors National Association
California Attractions and Parks Association
California Automotive Wholesalers' Association
California Building Industry Association
California Chamber of Commerce
California Construction and Industrial Materials Association
California Craft Brewers Association
California Farm Bureau
California Financial Services Association
California Fuels and Convenience Alliance
California Hispanic Chambers of Commerce
California Hospital Association
California Hotel & Lodging Association
California Landscape Contractors Association
California League of Food Producers
California New Car Dealers Association
California Pest Management Association
California Restaurant Association
California Retailers Association
California Staffing Professionals
California Trucking Association
Carlsbad Chamber of Commerce
Carson Chamber of Commerce
Central Valley Business Federation

Chino Valley Chamber of Commerce
Civil Justice Association of California
Coalition of Small and Disabled Veteran Businesses
Construction Employers' Association
Corona Chamber of Commerce
Family Business Association
Family Business Association of California
Family Winemakers of California
Flasher Barricade Association
Folsom Chamber of Commerce
Fontana Chamber of Commerce
Gateway Chambers Alliance
Golden Gate Restaurant Association
Greater Coachella Valley Chamber of Commerce
Greater High Desert Chamber of Commerce
Greater Riverside Chambers of Commerce
Greater San Fernando Valley Chamber of Commerce
Hayward Chamber of Commerce
Hollywood Chamber of Commerce
Imperial Valley Regional Chamber of Commerce
International Warehouse Logistics Association
LA Cañada Flintridge Chamber of Commerce
Lake Elsinore Valley Chamber of Commerce
Leading Age California
Livermore Valley Chamber of Commerce
Long Beach Chamber of Commerce
Los Angeles Area Chamber of Commerce
Murrieta Wildomar Chamber of Commerce
National Association of Theatre Owners of California
National Federation of Independent Business
Newport Beach Chamber of Commerce
Norwalk Chamber of Commerce
Oceanside Chamber of Commerce
Orange County Business Council
Pacific Association of Building Service Contractors
Paso Robles Templeton Chamber of Commerce
Plumbing-Heating-Cooling Contractors Association
Rancho Cordova Area Chamber of Commerce
Rancho Mirage Chamber of Commerce
Roseville Area Chamber of Commerce

San Diego Regional Chamber of Commerce
Santa Ana Chamber of Commerce
Santa Barbara South Coast Chamber of Commerce
Santa Clarita Valley Chamber of Commerce
Santee Chamber of Commerce
Southern California Rental Housing Association
Southwest California Legislative Council
Torrance Area Chamber of Commerce
Tri County Chamber Alliance
United Contractors
Valley Industry and Commerce Association
West Ventura County Business Alliance
Western Car Wash Association
Western Electrical Contractors Association
Western Growers Association
Wine Institute

ARGUMENTS IN SUPPORT: The sponsors of the measure, the California Rural Legal Assistance Foundation and Legal Aid at Work, argue:

"Under current law, all wages are generally due and payable twice during each calendar month on days designated in advance by the employer as the regular paydays. When wages are not paid on time, this can cause extreme financial hardship for the many employees living paycheck to paycheck, who rely on a timely paycheck to pay for food, rent, and other daily necessities. Moreover, this delay in payment essentially amounts to an interest-free loan from the employee to the employer.

Prior to 2019, there was no explicit remedy for employees who were not paid on their designated payday. AB 673 (Carrillo, 2019) amended Labor Code section 210 to allow workers to recover penalties for such violations through a Labor Commissioner Office (LCO) wage claim hearing or through a PAGA civil action. However, in a PAGA action, aggrieved workers recover only 35% of the assessed penalty amount – the remaining 65% goes to the state. If a worker chooses instead to pursue her claim with the LCO, she will have to wait two to five years to even get a hearing date because of the extensive backlog of wage claims.

SB 310 would amend Labor Code section 210 so that an employee can recover 100% of the penalties due to her for late payment of wages through an independent civil action. Enactment of this bill would positively affect a worker who might be

discouraged from pursuing her claim for 100% of penalties because of the inordinate delays at the LCO, and discouraged from pursuing PAGA litigation because she would only receive 35% of the penalty intended to compensate her for the negative consequences of late payment. Importantly, the amount of penalties the employer must pay in a civil action would remain the same as what the employer would pay in a PAGA action or in an LCO wage claim hearing."

ARGUMENTS IN OPPOSITION: A coalition of opponents, including the California Chamber of Commerce, argue:

"SB 310 undermines the recent PAGA reform by gifting trial attorneys a new means of leveraging wage and hour cases against employers of every size for high settlements…

SB 310 is problematic because it introduces a new pathway for trial attorneys to exploit penalties as leverage in meritless wage-and-hour cases – precisely the type of conduct that the PAGA reforms were designed to curb. SB 310 creates a private right of action to seek penalties under Labor Code section 210. Labor Code section 210 authorizes penalties of $100 or $200 per violation of multiple Labor Code provisions, including section 204. Presently, those penalties are recoverable by the Labor Commissioner or through PAGA. In fact, PAGA was created to serve as the private right of action for a plaintiff to seek penalties that had historically only been collectable by the Labor Commissioner, like section 210. Now, some attorneys are arguing that PAGA is insufficient, advocating for the creation of additional private rights of action.

There are several key concerns with SB 310. First, Labor Code section 204 violations are among the most common 'derivative claims' in wage-and-hour lawsuits. Under the derivative claim theory, if an employee asserts they are owed even a single dollar, it can be argued that their wages are late and that section 204 has therefore been violated. This strategy is often employed to increase leverage in class action cases and is typically coupled with claims that are difficult for employers to disprove, such as off-the-clock work or missed rest breaks. A violation of section 204 triggers penalties under section 210. By allowing these penalties to be pursued through a new private right of action, SB 310 effectively legitimizes the practice of pleading these derivative claims, even when there is no merit.

Second, SB 310 does not protect against stacking of penalties. While section 210 provides that the penalty cannot be stacked with PAGA for the 'same violation,' it does not prohibit both 210 and PAGA from being claimed in the same complaint.

This is precisely what trial attorneys aim to do: claim section 210 penalties for one derivative violation of section 204, while pursuing PAGA penalties for all other alleged violations. The practical consequence of SB 310 is that it becomes a procedural tool to inflate the overall settlement value of a case.

Granting trial attorneys a new mechanism to further inflate settlement values on the heels of PAGA reforms undermines this Legislature's efforts to curb litigation abuse."

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1/21/26 16:05:22

****** END ******

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THIRD READING

Bill No: SB 327
Author: McNerney (D)
Amended: 1/15/26
Vote: 21

SENATE ENERGY, U. & C. COMMITTEE: 10-3, 1/12/26
AYES: Becker, Allen, Archuleta, Arreguín, Caballero, Hurtado, McNerney, Rubio, Stern, Wahab
NOES: Ochoa Bogh, Dahle, Strickland
NO VOTE RECORDED: Ashby, Gonzalez, Grove, Limón

SENATE APPROPRIATIONS COMMITTEE: 5-2, 1/22/26
AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto, Dahle

SUBJECT: Public utilities: review of accounts: electrical and gas corporations: rates: political influence activities

SOURCE: The Utility Reform Network

DIGEST: This bill (1) explicitly prohibits certain political influence activities and expenses by electrical or gas corporations, those related to opposing efforts to municipalize energy utility service, from being recorded in certain accounts and having the costs recovered from ratepayers; (2) states the Public Advocates Office (PAO) has the same authority as the California Public Utilities Commission (CPUC) to discover information and review the accounts of public utilities.

ANALYSIS:

Existing law:

1) Provides, under the Public Utility Regulatory Policies Act, that no electric utility may recover from any person other than the shareholders (or other owners) of the utility any direct or indirect expenditure by such utility for

political advertising. This is defined to include advertising intended to influence public opinion with respect to legislative, administrative, or electoral matters, or with respect to any controversial issue of public importance. (16 United States Code §2623(b)(5))

2) Establishes and vests the CPUC with regulatory authority over public utilities, including electrical, gas, telephone, and water corporations. (Article XII of the California Constitution)

3) Authorizes the CPUC to, at any time, inspect the accounts, books, papers, and documents of any public utility. (Public Utilities Code §314)

4) Authorizes the CPUC to fix the rates and charges for public utilities and requires those rates and charges to be just and reasonable. (Public Utilities Code §451)

5) Prohibits a public utility from including any bill for services or commodities furnished by any customer or subscriber any advertising or literature designed or intended: (1) to promote the passage or defeat of a measure appearing on the ballot at an election; (2) to promote or defeat of a candidate to any public office, (3) to promote or defeat the appointment of any person to any administrative or executive positions in government; or (4) to promote or defeat any change in legislation or regulations. (Public Utilities Code §453(d))

6) Prohibits an electrical or gas corporation from recovering expenses for compensation (defined to include annual salary, bonus, benefits, or other consideration paid to an officer of the corporation) from ratepayers and requires compensation is paid solely by shareholders of the electrical or gas corporation. (Public Utilities Code §706)

7) Requires the CPUC to consider and adopt a code of conduct to govern the conduct of the electrical corporations in order to ensure that an electrical corporation does not market against a community choice aggregator (CCA) program except through an independent marketing division that is funded by the shareholders of the electrical corporation. (Public Utilities Code §707)

8) Prohibits a utility from recording to an above-the-line account, or otherwise recover from ratepayers, direct or indirect costs for political influence activities, among other activities. Defines “political influence activities” to include an activity for the purpose of directly or indirectly influencing: (1) the adoption,

repeal, or modification of federal, state, regional, or local legislation; (2) the election or adoption of initiatives or referenda; or (3) the approval, modification, or revocation of franchise of a utility. Provides that a "political influence activity" does not include an activity that is directly and necessarily related to appearances before regulatory or other governmental bodies in connection with the utility's existing or proposed operations of the utility's regulated system or a request by a government agency for technical information. Requires the CPUC to assess a civil penalty based on the severity of the violation against a public utility that violates or fails to comply with the requirements to record political influence activities to an above-the-line account. (Public Utilities Code §748.3)

9) Prohibits the CPUC from prescribing a system of accounts and form of accounts, records, and memoranda for corporations subject to the regulatory authority of the United States that is inconsistent with that established and updated by or under the authority of the United States. (Public Utilities Code §793)

This bill:

1) Provides that the PAO has the same authority to discover information and review the accounts of a public utility as the CPUC.

2) Explicitly prohibits, except as provided, an electrical corporation or gas corporation from recording to an above-the-line account, or otherwise recover from ratepayers, direct or indirect costs for opposing the municipalization of electrical or gas service, including lobbying, engaging in city or county political proceedings, or other political influence activities related to opposing the municipalization of electrical or gas utility service.

Background

Cost recovery of expenses by investor-owned utilities (IOUs). CPUC-regulated utilities routinely submit requests for cost recovery from ratepayers related to their operations, including expanding their infrastructure, paying for operation expenses, etc. As required by statute in Public Utilities Code §451, the CPUC may only approve a utility's request for cost recovery that is deemed just and reasonable. Review of utility expenses to ensure they are just and reasonable is the principal purpose of the CPUC's existence and the main task of the agency as an economic regulator. Statutory authority also authorizes the CPUC to disallow expenses that are not deemed just and reasonable or prudent. The review of a utility's expenses is

largely, although not exclusively, conducted through the utility's general rate case (GRC). Most utilities regulated by the CPUC are required to undergo a GRC whereby the utility requests funding for distribution, generation and operation costs associated with their service. Usually performed every three (now four) years and conducted over roughly 18+ months, the GRCs are major regulatory proceedings which allow the CPUC and stakeholders, including the PAO, to conduct a broad, exhaustive, and detailed review of a utility's revenues, expenses, and investments in plant and equipment to establish an approved revenue requirement.

Federal Energy Regulatory Commission (FERC) accounting and financial reporting. FERC jurisdiction Account 426.4 of the Uniform System of Accounts (USofA) requires that utility shareholders pay for expenditures for the purpose of influencing public opinion or the decisions of public offices. FERC has established regulatory accounting and financial reporting requirements for its jurisdictional entities in the electric, natural gas, and oil pipeline industries. These requirements play a role in FERC's strategy of setting just and reasonable cost-of-service rates. The foundation of the FERC's accounting program is the USofA codified in the agency's regulations. In addition, FERC issues accounting rulings relating to specific transactions and applications through orders and Chief Accountant guidance letters. This body of accounting regulations, orders, and guidance letters comprises the FERC's accounting and financial reporting requirements which promote consistent, transparent, and decision-useful accounting information for the FERC and other stakeholders. These accounting and financial reporting requirements take into consideration the FERC's ratemaking policies, past FERC actions, industry trends, and external factors (e.g., economic, environmental, and technological changes, and mandates from other regulatory bodies) that impact the industries under the agency's jurisdiction. Electric Public Utilities & Licensees, Natural Gas, and Oil Pipeline companies within FERC jurisdiction are required to maintain their books and records in accordance with the USofA. The USofA provides basic account descriptions, instructions, and accounting definitions that are useful in understanding the information reported in the Annual Report.

Statute disallows recovery of certain expenses. Statute prohibits IOUs from recovering from ratepayers certain expenses, including activities related to elections of candidates, legislation, bonuses paid to executives of the IOU under specified conditions, activities marketing against CCAs, as well as, any situation where the IOU has failed to sufficiently maintain records to enable the CPUC to completely evaluate any relevant issues related to the prudence of any expense relating to the planning, construction, or operation of the IOU's plant. Under the requirements of the Federal Public Utility Regulatory Policies Act of 1978 and

subsequent state statute, IOUs are also prohibited from recovering from any person other than shareholders direct and indirect expenditures for promotional or political advertising. Additionally, IOUs must abide by CPUC orders.

AB 1167 (Berman, Chapter 634, Statutes of 2025). Recent legislation expanded the scope of prohibited activities. Most recently, AB 1167 (Berman) prohibits recovery of political influence expenses from ratepayers by IOUs, including both direct and indirect costs of political activities and promotional advertisements. The bill takes effect this year, however, utilities report a need for clarity on implementing some of the requirements. SB 24 (McNerney, 2025) included nearly identical provisions as AB 1167 until it was amended in the Assembly, the final version which included nearly the identical language currently in this bill. SB 24 was vetoed by the Governor citing a clerical error related to the definition of political influence activity.

Comments

Supporters contend California law needs strengthening to protect ratepayers. The supporters of this bill argue that California law needs to be strengthened to better define the expenses that utilities must charge their shareholders and are not recoverable from their customers. They argue that high utility bills of electric IOU customers have led many cities to consider establishing publicly owned utilities - municipalization of electricity utility service that is operated by private companies (the opposite of privatization). The supporters of this bill state that electric IOUs have also spent millions historically to oppose these initiatives, including efforts by the City of Davis and more recently the City of San Diego. They argue that this bill is needed to protect against electric IOUs spending ratepayer funds to oppose efforts to municipalize electric utility service. There are currently active efforts across the state to municipalize electric utility service, including the City of San Diego and South San Joaquin Irrigation District, as well as recent efforts by the City of San Jose, and ongoing active exploration by the City of San Francisco. Given that efforts to municipalize electric utility service must be voted on by the affected electorate, IOUs are already prohibited from using ratepayer funds to take positions and campaign on ballot measures. However, this bill would extend to activities beyond activities specific to ballot measures to include other activities to influence whether a local jurisdiction municipalizes electric utility service.

Utilities argue that the proposals in this bill are too far reaching and could hurt customers. They contend that the limitations imposed by this bill go beyond those in the FERC USofA accounting and reporting and could conflict. They suggest that

the current law already protects ratepayers from funding political influence activities, including prohibitions on using ratepayer funds to oppose initiatives supporting efforts to municipalize electricity service. They, generally, point to the GRC proceedings as the venues where these issues should be appropriately resolved and where dozens of intervenors can review utility expenses, along with the CPUC. San Diego Gas & Electric (SDG&E) and Southern California Gas Company (SoCalGas) note that in recent CPUC decisions (*SoCalGas GRC 2024 Test Year, D. 24-12-074*) the CPUC required annual reporting and attestation mechanisms for SoCalGas to demonstrate its compliance and governance activities and monitor proper accounting for costs related to political activities.

PAO's authority equivalent to CPUC's to review accounts of public utilities. This bill includes a proposal to explicitly state that the PAO has equivalent authority to the CPUC in relation to the authority to discover information and review the accounts of a public utility, which includes electric, gas, telephone, and water corporations. In 2019 the Sierra Club alleged that an association, known as California for Balanced Energy Solutions (C4BES), which moved to obtain party status within a building decarbonization proceeding at the CPUC was funded by SoCalGas. Subsequently, the PAO began investigating the allegation which culminated in efforts to compel discovery by the utility, including of contracts funded by shareholders. Ultimately, the CPUC sided with the PAO and rejected the utility's claim to First Amendment infringement on freedom of speech. SoCalGas then appealed to the court. The California Court of Appeals sided with SoCalGas, *Southern California Gas Co. v. Public Utilities Com. (2023) 87 Cal. App. 5th 324*. SoCalGas was successful in its argument to the court that the PAO's inquiries were an infringement on the utility's First Amendment rights. The court stated the PAO's is more narrow to that of the CPUC, while also stating that SoCalGas has shown that disclosure of contracts funded by shareholders would impact its First Amendment rights. Furthermore, the court was convinced that disclosure of such information could result in a chilling effect on SoCalGas' ability to contract for services, stating that impact outweighs the interest to view the contracts paid by shareholders. However, it is unclear whether the courts would find a similar decision if the CPUC compels this information directly, as opposed to the PAO.

This bill weighs into the legal challenges by making explicit that PAO has the same authority as the CPUC in discovery and reviewing the accounts of public utilities. The utilities opposed to this bill argue that this expansion of PAO's authority undermines the utilities' procedural due process, as it could lead to overbroad intrusions into constitutionally protected areas or fishing expeditions by the PAO. The PAO argues the court decision has stymied their historical authority

and role. They and the supporters of this bill believe the PAO needs its discovery rights clearly reinstated in statute because it plays a critical watchdog role in protecting California ratepayers from utility misconduct, including the misuse of ratepayer funds. The PAO raises concerns about the limitations by the Appellate Court's 2023 decision to allow them to issue data requests for shareholder accounts – under that authority they were able to discover the SoCalGas activity supporting C4BES. They believe SB 327 would restore the PAO's discovery authority, which will help it in its role of protecting the public's interest.

Prior/Related Legislation

AB 1167 (Berman, Chapter 634, Statutes of 2025) included related provisions prohibiting recovery of political influence expenses from ratepayers by IOUs.

SB 24 (McNerney) of 2025, included nearly identical provisions as this bill. The bill was vetoed by the Governor.

SB 938 (Min) of 2023, would have expanded the types of activities an electrical or gas corporation is prohibited from recovering in rates by expanding the definitions of political activities and advertising, and requires specified reporting of related activities. The bill also would have required the CPUC to assess specified civil penalties for any violations of the proposed prohibition and required ¾ of the moneys to be deposited in a new Zero-Emission Equity Fund within the State Treasury. The bill died in this committee.

AB 562 (Santiago, Chapter 429, Statutes of 2019) required that any expense incurred by an IOU in assisting or deterring union organizing, as defined, is not recoverable either directly or indirectly in the utility's rates and is required to be borne exclusively by the shareholders of the IOU.

SB 790 (Leno, Chapter 599, Statutes of 2012) revised and expanded the definition of CCA, required the CPUC to initiate a Code of Conduct rulemaking, and allows CCAs to receive public purpose funds to administer energy efficiency programs.

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

According to the Senate Appropriations Committee, unknown, potentially significant ongoing cost pressures (ratepayer funds) for the CPUC and PAO to expand their scope of activities as provided by this bill.

SUPPORT: (Verified 1/22/26)

The Utility Reform Network (Source)
350 Humboldt: Grass Roots Climate Action
Agricultural Energy Consumers Association
California Environmental Voters
Climate Action California
Climate Reality Project - Silicon Valley Chapter
Media Alliance
Public Advocates Office

OPPOSITION: (Verified 1/22/26)

California Chamber of Commerce
Pacific Gas and Electric
San Diego Gas and Electric Company
Southern California Edison
Southern California Gas Company

ARGUMENTS IN SUPPORT: The Utility Reform Network (TURN), the sponsor of this bill, states:

> TURN is proud to sponsor and support SB 327 to protect ratepayers from having their money used against them to support utility lobbying, promotional advertising, and to stop cities from creating or expanding municipal utilities. … It is critical that the legislature act to protect ratepayers and ensure that ratepayer dollars are not used to undermine the wellbeing of ratepayers. …For-profit utilities generally have a monopoly within their service territories, except where cities have established a municipal utility district. …The establishment of municipal utilities are significantly more affordable, and more attractive, for municipal residents, but removes customers from the for-profit utilities' territories. For this reason, for-profit utilities spend ratepayer money lobbying city council members and using other means to fight the formation of municipal utilities. This inappropriate use of ratepayer money is another way that for-profit utilities use ratepayer money to harm ratepayers.

The Public Advocates Office states:

> … [SB 327] would directly support and advance our mission to advocate for affordable, safe, and reliable utility services. Californians face the highest

energy rates in the country. Decisionmakers are working diligently to find ways to make monthly utility bills more affordable while continuing to advance the state's clean energy goals. This is done in part by gathering input and analysis from interested stakeholders – including our office, the IOUs, the public, and others – to support well-informed decisions. SB 327 would establish much-needed safeguards, transparency, and support the ensure that ratepayer dollars are not used appropriately – not for political influence or advertising that can unnecessarily increase customers' bills.

ARGUMENTS IN OPPOSITION: Pacific Gas & Electric and Southern California Edison state:

As noted in prior comments on SB 24 and AB 1167, IOUs are already prohibited from using customer funds in direct support of, or opposition to, campaigns on proposed or actual municipalization initiatives or proposals from local agencies. CPUC orders require IOUs to track time spent analyzing and monitoring proposed legislation or regulations for campaign purposes. SB 327 fails to clarify that customer funds can and should be spent on activities necessary to implement a municipalization order.

San Diego Gas & Electric and Southern California Gas state:

While we support efforts to ensure transparency and accountability in utility operations, SB 24 raises serious constitutional and regulatory concerns by expanding the authority of the Public Advocate's Office (PAO) in ways that conflict with established law and judicial precedent. In addition, SB 327 is internally inconsistent with respect to its definition of political influence activity and how it treats costs associated with municipalization, some of which are legitimately treated as above the line costs. …Expanding PAO authority in a manner inconsistent with the intent for PAO to collect information relevant to rate affordability risks violating procedural due process, gives the PAO more discovery authority than any other advocate in the same proceeding, and increases the risk of PAO's abuse of power, including unchecked intrusions into constitutionally protected areas in which the judiciary had to recently intervene. This expansion is unnecessary, as the PAO already has full access to ratepayer-funded accounts and data needed to assess ratepayer impacts. Thus, this change in law would not lower rates for utility customers – the purported purpose of this statute. Granting additional authority would not improve transparency but rather create imbalance and risk.

Prepared by: Nidia Bautista / E.U. & C. / (916) 651-4107
1/23/26 15:39:11

****** END ******

THIRD READING

Bill No: SB 381
Author: Wahab (D), et al.
Amended: 1/22/26
Vote: 21

SENATE JUDICIARY COMMITTEE: 13-0, 1/13/26
AYES: Umberg, Niello, Allen, Ashby, Caballero, Durazo, Laird, Reyes, Stern, Valladares, Wahab, Weber Pierson, Wiener

SENATE HEALTH COMMITTEE: 7-0, 1/14/26
AYES: Valladares, Durazo, Gonzalez, Padilla, Richardson, Weber Pierson, Wiener
NO VOTE RECORDED: Menjivar, Grove, Limón, Rubio

SENATE APPROPRIATIONS COMMITTEE: 7-0, 1/22/26
AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

SUBJECT: Vital records: adoptees' birth certificates

SOURCE: California Alliance for Adoptee Rights

DIGEST: This bill (1) permits an adopted person aged 18 years or older, or, if the adopted person is deceased, their descendant, to obtain their original birth certificate upon request, beginning on July 1, 2028; (2) requires the State Registrar to establish and publicize the availability of a nonbinding contact preference form, which birth parents may submit to indicate whether they wish to be contacted when an original birth certificate is released; and (3) deletes certain categories of information which currently may be omitted from a new birth certificate created after a child is adopted.

ANALYSIS:

Existing constitutional law provides that all people are by nature free and independent and have inalienable rights, including the right to privacy. (California Constitution, art. 1, § 1.)

Existing state law:

1) Establishes the procedures for the creation and registration of a birth certificate for a person born in California. (Health & Safety (Saf.) Code, div. 102, pt. 1, ch. 3, §§ 102400 et seq.)

2) Requires the State Registrar to establish a new birth certificate upon the receipt of a report of adoption from any court of record, as specified, for any child born in California and whose birth certificate is on file in the office of the state registrar, unless the adopting parent or parents request no new birth certificate be established. (Health & Saf. Code, §§ 102635, 102640.)

3) Provides all of the following with respect to a new birth certificate created under 2):

   a) The new birth certificate shall bear the name of the child as stated in the report of the adoption, the names and ages of their adopting parents, the date and place of birth, and no reference to the adoption.

   b) The new certificate shall be identical with the birth certificate registered for the birth of a child to natural parents, except, at the request of the adopting parents, the new birth certificate shall not include the name and address of the location where the birth occurred, the color and race of the parents, or both.

   c) At any time after the issuance of a new birth certificate, the adopted parents may request and receive another amended birth certificate that omits any or all of: the specific name and address of the location of the birth; the city and county of birth; and/or the color and race of the parents. (Health & Saf. Code, §§ 102645, 102675.)

4) Provides that the new birth certificate created under 2) shall supplant any birth certificate previously registered for the child and shall be the only birth certificate open to public inspection; the prior birth certificate shall be transmitted to the State Registrar by the county recorder or sealed. (Health & Saf. Code, §§ 102680, 102685.)

5) Provides that an original birth certificate, after being supplanted by a birth certificate reflecting the adoption, shall be available only upon the order of the superior court of the county of residence of the adopted child or the county granting the order of adoption, under the following circumstances:

a) The court may grant the order only upon the presentation of a verified petition setting forth facts showing the necessity of the order, and good and compelling cause is shown for the granting of the order.

b) The clerk of the superior court shall send a copy of the petition to the State Department of Social Services (DSS), which shall send a copy of all records and information it has concerning the adopted person with the name and address of the natural parents removed to the court; the court must review these records before making an order.

c) If the petition is by or on behalf of an adopted child who has attained the age of majority, these facts shall be given great weight, but the granting of any petition is solely within the sound discretion of the court.

d) The name and address of the natural parents shall be given to the petitioner only if they can demonstrate that the name, address, or both are necessary to assist them in establishing a legal right. (Health & Saf. Code, § 102705.)

6) Establishes the Information Practices Act of 1977 (IPA), which, among other things, prohibits a state agency from disclosing any personal information in a manner that would link the information disclosed to the individual to whom it pertains unless the information is disclosed pursuant to a stated exception. (Civil (Civ.) Code, § 1798.24.)

7) Establishes exceptions to 6) for the release of information to an adopted person, as follows:

a) General background information relating to the adopted person's biological parents may be released, if the information does not include or reveal the identity of the biological parents.

b) Medically necessary information pertaining to an adopted person's biological parents may be released to the adopted person or their child or grandchild, provided that the information shall not include or reveal the identity of the biological parents. (Civ. Code, § 1798.24(q), (r).)

8) Permits an adopted person aged 18 years or older, or the adoptive parent if the adopted person is under 18 years of age, to request and receive from DSS the medical report of the adopted person and their parents upon request, provided that the names and addresses in the report unless the requesting person has previously received that information. (Family (Fam.) Code, § 9202.)

9) Establishes a process by which DSS or a licensed adoption agency may release the identity of an adopted person's birth parent or parents and their most current address, or the identity of an adopted person and their most current address, when both the birth parent and the adopted person consent to the release of data, the adoption was completed on or after January 1, 1984, and the adopted person is 21 years of age or older, as specified. (Fam. Code, § 9203(a).)

10) Requires DSS to announce the availability of the method of arranging contact among an adult adopted person, their birth parents, and their adoptive parents pursuant to 9), by using a means of communication appropriate to inform the public effectively. (Fam. Code, § 9203(e).)

This bill:

1) Defines "original birth certificate" as a birth certificate issued at a live birth of an individual and that was subsequently supplanted and sealed following an adoption.

2) Eliminates the provisions permitting a birth certificate issued after an adoption to omit the specific name and address of the location where the child was born, the color and race of the parents, or both.

3) Provides, beginning July 1, 2028, notwithstanding any other provision of law, that the State Registrar shall provide a copy of an adopted person's original birth certificate to the adopted person, if they are 18 years of age or older, or, if the adopted person is deceased, to a descendant of a deceased adopted person, provided that the adopted person was born in this state.

4) Provides that an adopted person 18 years of age or older, or a descendant of the adopted person, may obtain their original birth certificate pursuant to 3) by making a request to either the county where the original birth certificate is held or the State Registrar.

5) Requires an original birth certificate provided pursuant to 3) to clearly indicate that it may not be used for identification purposes.

6) Provides that all procedures, fees, and waiting periods in place for a request for a certified copy of a vital record shall also apply to a request for an original birth certificate under 3).

7) Provides that, if a contact preference form is attached to an original birth certificate pursuant to 9), the State Registrar shall provide a copy of the form at

the time the original birth certificate is produced to the adopted person or their descendant.

8) Requires the State Registrar to make available to the public, on or before July 1, 2028, a contact preference form to be completed and submitted at the option of a birth parent, with the following selections:

   a) "I would like to be contacted."

   b) "I would prefer to be contacted only through an intermediary."

   c) "I would prefer not to be contacted at this time. If I decide at a later time that I would like to be contacted, I will submit an updated contact preference form to the State Department of Public Health."

9) Requires the State Registrar, if a birth parent of an adopted person submits a completed contact preference form to the State Registrar, to do all of the following:

   a) Match the contact preference form to the adopted person's original birth certificate.

   b) Attach the contact preference form to the original birth certificate.

   c) Replace any previously filed contact preference form with a newly completed contact preference form.

10) Provides that a contact preference form submitted to the State Registrar is a confidential communication between the birth parent and the adopted person or their descendant, and may be released only in connection with a request pursuant to 3).

11) Requires the State Registrar to announce and publicize the availability of the contact preference form utilizing a means of communication appropriate to inform the public effectively.

12) Establishes an exception under the IPA for the release of an original birth certificate to an adopted person pursuant to 1)-10).

Comments

Under current law, after a state court issues an adoption decree, the court must submit a report of the adoption to the State Registrar.[1] Upon receipt of such a report, the State Registrar must establish a new birth certificate for the adopted person, unless the adopting parents opt out of the creation of a new birth certificate. A new birth certificate must list the adoptive parents as the adopted person's parents and not refer to the adoption,[2] and at the request of the adoptive parents, the new birth certificate shall omit the adopted person's specific place of birth, the birth parents' race or color, or both.[3] The new birth certificate supplants the original birth certificate and becomes the only legal record of birth for that child open to inspection; the original birth certificate must be transmitted to the State Registrar to be held in confidence or sealed by the county registrar.[4]

State law currently limits the circumstances under which an adopted person can access their original birth certificate or the identity of their birth parents. A superior court may order the release of an original birth certificate, or other information in possession of the State Registrar relating to the adoption, if (1) the request for release is submitted through a verified petition, and (2) the petition sets forth facts showing the necessity of the order and good and compelling cause is shown for granting the order.[5] When the petition seeks the names and addresses of an adopted person's birth parents, that information may be released only if the petitioner demonstrates that the information is necessary to assist them in establishing a legal right.[6] Additionally, for persons placed for adoption or adopted in 1984 or after, the Family Code establishes a procedure through which an adopted person, or a birth parent, can learn the identity of the other through mutual consent of the adopted person and the birth parent.[7]

This bill permits, beginning July 1, 2028, an adopted person who has reached 18 years of age, or their descendant if the adopted person is deceased, to access their original birth certificate without restriction. This bill accomplishes this by requiring the State Registrar or county—whichever entity holds the original birth certificate—to release the original birth certificate to the adopted person or their descendant upon proper application. This change is intended to give adopted persons, or their descendants, greater knowledge of where they came from, as well

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[1] Health & Saf. Code, § 102625.
[2] *Id.*, §§ 102635, 102645.
[3] *Id.*, § 102645.
[4] *Id.*, §§ 102680, 102685.
[5] *Id.*, § 102705.
[6] *Ibid.*
[7] Fam. Code, § 9203.

as give them better access to health information. This bill also requires the State Registrar to create and publicize the availability of a "contact preference form" for birth parents to submit to the State Registrar; the form allows a birth parent to indicate whether they (1) would like to be contacted, (2) would like to be contacted through an intermediary, or (3) do not wish to be contacted by the adopted person once their identity is revealed through the release of the original birth certificate. The contact preference form is not binding on the adopted person receiving their birth certificate, and this bill puts the onus on birth parents to learn of, and submit, a contact preference form.

While there is no opposition on file, this bill raises questions about the privacy of birth parents. While birth parents have no absolute guarantee of privacy under state law, existing law generally prohibits the disclosure of a birth parent's identity to an adopted child without the consent of the birth parent or a showing of good cause. Proponents argue that this concern, in the absence of opposition, is paternalistic, and that studies show that most birth parents do not object to their identities being shared with their subsequently adopted children. Concerns have been raised, however, about whether birth parents who wish to remain anonymous can meaningfully oppose this bill, and about the fact that this bill places the burden on birth parents to submit a contact preference form with no guarantees that the adopted person will respect their wishes.

In addition to the changes to the procedures for releasing an original birth certificate, this bill makes conforming changes to the IPA to ensure that the release of an original birth certificate to an adopted person or their descendant is not blocked by that Act. This bill also provides that, outside of the procedure established for adopted persons or their descendants, an original birth certificate may be released only with a court order upon a showing of good cause.

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

According to the Senate Appropriations Committee:

This bill presents unknown, potentially significant costs to the State Registrar within the California Department of Public Health (CDPH) (General Fund) to comply with the requirements of this bill. Specifically, the State Registrar will incur costs to provide to an adopted person a copy of the adopted person's original birth certificate, with an indication it may not be used for identification purposes, and an attached contact preference form, if applicable. The bill allows for some cost recovery by authorizing the department to charge all fees applicable to a nonadopted person's request for a copy of a birth certificate. However, initial funding would be necessary to cover the costs of the contact preference form. The

State Registrar will also incur costs to create a contact preference form, to match the contact preference form to the adopted person's original birth certificate, and, on a continuing basis, to replace any previously filed contact preference form with a newly completed contact preference form. CDPH will also incur costs of announcing and publicizing the availability of the contact preference form.

SUPPORT: (Verified 1/21/26)

California Alliance for Adoptee Rights (source)
Academy of Adoption & Assisted Reproduction Attorneys
Adoptee Advocates of Michigan
Adoptee Rights Center
Bastard Nation
California Youth Connection
Catholic Mothers for Truth & Transparency
Coalition for Truth and Transparency in Adoption
Concerned United Birthparents
Ethical Family Building
Families Rising
Los Angeles Dependency Lawyers, Inc.
Louisiana Coalition for Adoption Reform
Mothers for Open Records Everywhere
National Center on Adoption and Permanency
New York Adoptee Rights Coalition
Saving Our Sisters
Strong Families Rising
Women's Collective for Adoptee Equality
Over 1,600 individuals

OPPOSITION: (Verified 1/21/26)

None received[8]

ARGUMENTS IN SUPPORT: According to the California Alliance for Adoptee Rights:

> Adoptees want and deserve their [original birth certificate (OBC)] because it is theirs. In passing similar laws in other states, legislators have recognized that it is a fundamental right to have access to one's OBC. It is a matter of

[8] Opposition letters were submitted for the bill before it was gutted and amended on January 5, 2026; these letters are not relevant to the current version of the bill.

transparency, dignity, and equal rights. They further recognized that times have changed since the days of shame and stigma associated with being adopted, or illegitimate, and the legislature must likewise change.

There are also potential negative consequences to not having one's OBC. There are potential health risks from not having access to family history, which may result in multi-generational harm. Adoptees and their descendants might also face higher health costs from having to treat diseases that could have been prevented with proper knowledge about their family health risks. Access to one's biological and historical roots is integral to one's identity and critical to one's physical and mental health. Further, maintaining secrecy perpetuates the stigma and shame previously associated with being adopted. Adoptees might also be denied membership in groups to which they belong (such as California born Native Americans) without their OBC to prove lineage. Adoptees adopted at an older age might be denied a passport due to the date discrepancy between their two birth certificates…

Even if some small percentage of birth mothers do not support access, current law does not prevent learning one's identity or making contact. Birth mothers and their relatives are routinely contacted through DNA testing, search angels, and social media, without access to OBCs. Our goal is not contact, which is often possible now, our bill will simply provide us with our OBC, the true record of our birth. It is worth noting, though, that SB 381 is far less intrusive in that only the adoptee will see the OBC, rather than the entire family seeing DNA results or being contacted and then speculating as to who the birth parents might be. It should also be noted that our bill provides for a nonbinding birth preference form for parents to express their preference.

Prepared by: Allison Whitt Meredith / JUD. / (916) 651-4113
1/26/26 13:22:00

****** END ******

Office of Senate Floor Analyses
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THIRD READING

Bill No: SB 401
Author: Hurtado (D)
Amended: 1/5/26
Vote: 27

SENATE ELECTIONS & C.A. COMMITTEE: 5-0, 1/13/26
AYES: Cervantes, Choi, Allen, Durazo, Umberg

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SUBJECT: Political Reform Act of 1974: filing deadlines: emergency situations

SOURCE: Fair Political Practices Commission

DIGEST: This bill allows the Fair Political Practices Commission (FPPC) to extend any filing deadline under the Political Reform Act (PRA) for any individual who lives in an area of a declared emergency

ANALYSIS:

Existing law:

1) Creates the PRA, which regulates lobbyists and sets campaign finance and disclosure laws for state and local campaigns, candidates, officeholders, and ballot measures. The PRA establishes the FPPC to implement, administer, and enforce the PRA.

2) Requires, pursuant to the PRA, that:

   a) Candidates for elective office, committees formed to support or oppose candidates for public office or ballot measures, slate mailer organizations, and other specified entities, file periodic and activity-based campaign statements and reports disclosing contributions, expenditures, and other related matters.

b) An elected officer or member of the Public Utilities Commission file reports of specified payments in excess of $5,000 annually made at the behest of that officer or member.

c) Public officials and candidates periodically file statements of economic interests to disclose to the public their financial interests. These are filed on the Form 700.

d) Lobbyists and their employers file registrations and periodic activity reports to identify those lobbying, for whom they are lobbying, and the financial arrangements of that lobbying, as well as a recounting of campaign contributions delivered by each lobbyist.

3) Prescribes, pursuant to the California Emergency Services Act, the process for the governor to declare a state of emergency and local governing bodies to declare a local emergency, when specified conditions of disaster or extreme peril to the safety of persons and property exist.

This bill allows the FPPC to extend any filing deadline set in the PRA for any individuals living in an area impacted by an emergency the governor or a local governing body has proclaimed.

Comments

Author's Statement. Victims of natural disaster and other emergency situations like the Palisades and Eaton fires should not be overburdened when it may be difficult or downright impossible to file statements of economic interest on time. This bill removes bureaucratic barriers so that the FPPC may extend deadlines when appropriate, so the state does not unfairly penalize families for failing to meet program deadlines out of a filer's control. This bill would allow families to focus on rebuilding more quickly, access essential services, and not be overburdened at a time when they should be focused on making sure their family is safe and secure.

Previous Executive Orders. In past instances, governors through executive orders have extended deadlines for filings under the PRA, but these have typically been restricted to those related to the Form 700 or behested payments. Most recently, this occurred due to the fires in Los Angeles and Ventura counties in January of 2025.

Broad grant of authority. This bill grants the FPPC very broad authority to extend any filing deadline in the PRA, whether it be for candidates, lobbyists, non-elected Form 700 filers, or elected officials. The qualification for this extension is simply

that "individuals … live in an area impacted by an emergency situation." This bill does not define "an area" or require the individual to be actually impacted. This bill further does not set a timeframe for these extensions. Based on discussion during the committee hearing on this bill and comments made by the author's staff, amendments are expected to address these concerns.

The FPPC does not currently have explicit statutory or regulatory authority to issue filing extensions under the PRA, but during the enforcement process, the FPPC considers individual circumstances, potentially including that the respondent was affected by a declared emergency.

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

SUPPORT: (Verified 1/21/26)

Fair Political Practices Commission (source)

OPPOSITION: (Verified 1/21/26)

None received

Prepared by: Carrie Cornwell / E. & C.A. / (916) 651-4106
1/21/26 16:05:22

****** END ******

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THIRD READING

Bill No: SB 417
Author: Cabaldon (D), et al.
Amended: 1/22/26
Vote: 27 - Urgency

SENATE HOUSING COMMITTEE: 8-1, 1/6/26
AYES: Wahab, Arreguín, Cabaldon, Caballero, Cortese, Durazo, Grayson, Padilla
NOES: Seyarto
NO VOTE RECORDED: Ochoa Bogh, Reyes

SENATE APPROPRIATIONS COMMITTEE: 5-2, 1/22/26
AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto, Dahle

SUBJECT: The Affordable Housing Bond Act of 2026

SOURCE: Author

DIGEST: This urgency bill authorizes the Affordable Housing Bond Act of 2026 to place a $10 billion housing bond on the November 3, 2026 statewide general election ballot to fund production of affordable housing and supportive housing.

ANALYSIS:

Existing law:

1) Authorized the Veterans and Affordable Housing Bond Act of 2018, which provided $4 billion in funding, including $1 billion for the Department of Veterans Affairs (CalVet) program and $3 billion for various affordable housing programs.

2) Establishes the Multifamily Housing Program (MHP) at the California Department of Housing and Community Development (HCD) to assist the new construction, rehabilitation, and preservation of permanent and transitional

rental housing for lower income households through loans to local governments and non- and for-profit developers.

3) Establishes the Portfolio Reinvestment Program to provide loans or grants to rehabilitate, capitalize operating subsidy or replacement reserves for, and extend the long-term affordability of HCD-funded housing projects that have an affordability restriction that has expired, that have an affordability restriction with a remaining term of less than 10 years, or are otherwise at-risk for conversion to market-rate housing.

4) Establishes the Energy Efficiency Low-Income Weatherization Program, which provides technical assistance and incentives for the installation of energy efficiency measures and solar photovoltaic systems in low-income multifamily dwellings serving priority populations.

5) Establishes the Joe Serna, Jr. Farmworker Housing Grant Program (Serna Program) at HCD to finance the new construction, rehabilitation, and acquisition of owner-occupied and rental units for agricultural workers, with a priority for lower income households.

6) Establishes CalHome at HCD to provide grants to local public agencies and non-profit developers to assist individuals and households through deferred-payment loans. The funds provide direct, forgivable loans to assist development projects involving multiple ownership units, including single-family subdivisions.

7) Authorizes the California Housing Finance Agency (CalHFA) to provide first time homebuyer assistance, including but not limited to a deferred-payment, low-interest, subordinate mortgage loan, including down payment assistance, closing cost assistance, or both, to make financing affordable to low- and moderate-income households.

This bill:

1) Authorizes $10 billion in general obligation bonds at the November 3, 2026 statewide general election to fund the following programs:

    a) $5.25 billion to MHP. At least 10% of units in a MHP development must be available for extremely low-income households;
    b) $1.75 billion to supportive housing administered through the MHP program. Requires HCD to offer capitalized operating subsidy reserves for supportive housing developments receiving funding;

c) $800 million for the Portfolio Reinvestment Program, which provides funding to rehabilitate, fund short-term capitalized operating subsidy reserve, and extend the long-term affordability of HCD-funded rental multifamily housing projects that are at-risk of conversion to market-rate housing;
d) $250 million for the Tribal Housing Grant Program;
e) $500 million for a program to be created by the Legislature that funds acquisition and rehabilitation of unrestricted housing units (*i.e.*, unsubsidized housing that may naturally be affordable) and the attachment of long-term affordability restrictions to the units;
f) $1 billion to the CalHOME Program and the My Home down payment assistance program administered by CalHFA; and
g) $250 million to the Joe Serna, Jr. Farmworker Housing (Serna) Program and a dedicated program for tribes to finance housing and housing related activities that will enable tribes to rebuild and reconstitute their communities;

h) $200 million for wildfire prevention, rental assistance, and affordable housing construction.

2) Authorizes the Legislature to amend any law related to programs, which have been allocated funds by the bond, to further improve the efficacy and effectiveness of those programs.

3) Authorizes the Legislature to reallocate funds authorized by the bond to effectively promote affordable housing in the state.

4) Authorizes HCD to disperse funds made available through the bond to housing developments during the construction period.

Background

Affordable housing finance generally. California has the largest concentration of severely unaffordable housing markets in the nation, with the average home value in California at $877,285. To keep up with demand, the state Department of Housing and Community Development (HCD) estimates that California must plan for the development of more than 2.5 million homes by 2031, and no less than one million of those homes must meet the needs of lower-income households (more than 640,000 very low-income and 385,000 low-income units are needed).

Developing housing that is affordable to very low- and low-income families almost always requires some amount of public investment. Unlike market-rate housing, tenants in affordable housing are only required to pay 30% of their income toward rent, so the state provides enough long-term subsidy to reduce the overall debt service on a development. The high cost of land and construction, as well as regulatory barriers, in California generally makes it economically impossible to build new housing that can be sold or rented at prices affordable to such households. The private sector sometimes provides financial subsidies or land donations mandatorily through inclusionary zoning policies or voluntarily through density bonus ordinances, described below. In most cases, however, some amount of public financial subsidy is needed from federal, state, and/or local governments.

Comments

1) *Publicly available funds for affordable housing.* Prior to 1974, the federal government invested heavily in affordable housing construction. When those units began to deteriorate, the Housing Community and Development Act ended most new construction of public housing and the Housing Choice Voucher Program (Section 8) was created in its place. This new program allowed eligible tenants to pay only a portion of their rent (based on their income) and shifted funds from public housing authorities to the private sector. The goal was to eliminate concentrations of low-income people in housing developments. In 1981, the Reagan administration dismantled federal affordable housing funding. From 1978 to 1983, the funding for low- to moderate-income housing decreased by 77%. In 1970, there were 300,000 more low-cost rental units (6.5 million) than low-income renter households (6.2 million). By 1985, however, the number of low-cost units had fallen to 5.6 million, and the number of low-income renter households had grown to 8.9 million, a disparity of 3.3 million units. Federal investments have not gone back up to pre-1978 levels, and measures like the Faircloth amendment hamstringing federal investments in new publicly-funded affordable units.

   At the state level, California has invested significantly in affordable housing construction and rehabilitation in recent years through the passage of one-time discretionary actions in the budget and the passage of voter approved bonds.

   Only in the last few years have the Legislature and Governor allocated General Fund dollars to affordable housing programs. Beginning in 2019, an unprecedented $8 billion from the General Fund has gone to a variety of affordable housing programs. The Veterans and Affordable Housing Bond Act

of 2018 (Proposition 1), authorized $3 billion to fund state affordable housing programs and $1 billion for the CalVet program, which provides advantageous mortgages to veterans. All of the funding from the bond will be fully allocated by the end of 2023. Proposition 2 of 2018 authorized the state to issue $2 billion in General Obligations bonds against revenues from the Mental Health Services Act for purposes of funding the No Place Like Home Program (NPLH). Those funds supported the construction of over 7,000 supportive housing units and the funds are now exhausted.

It should be noted that of these investments, only funds from the Affordable Housing and Sustainable Communities program (AHSC), federal and state low income housing tax credits, and funds from SB 2 (Atkins, Chapter 364, Statutes of 2017), are ongoing sources of funding.

These investments, while critical, have not made up for decades of disinvestment from the federal level, resulting in a supply-side shortage of affordable housing to meet the growing demand. Significant ongoing investments are necessary to meet the current undersupply of housing affordable to lower-income families. According to the bill sponsors, California has nearly 45,000 shovel-ready affordable homes that cannot move forward due to lack of gap financing.

2) *Who benefits from affordable housing?* Most subsidized affordable housing developments are built for families and individuals with incomes of 60% or less than AMI; as noted above, AMI is set regionally and means different things in different areas of the state. While these income limits may seem low, many "middle-class" and working families fall into low-income categories due to the high cost of housing. For example, a renter earning minimum wage (such as a pre-school teacher, janitor, or retail employee) needs to earn 2.8 times the state minimum wage to afford the average asking rent in California. The average beginning elementary school teacher in California makes between $55,000 - $62,000 per year and a beginning high school teacher makes between $55,000 and $67,000 per year[1], which in some areas of the state falls into the low- or even very low-income categories.

3) *A renewed GO Bond for Housing*. According to the sponsors, this new bond could produce more than 40,000 new affordable homes for lower-income households, preserve more than 5,500 existing units, create more than 53,000

[1] Statewide Average Salaries and Expenditure Percentages: 2023-24. California Department of Education. Accessible here: **Average Salaries & Expenditure Percentage - CalEdFacts (CA Dept of Education)**

construction jobs, and generate $1.3 billion in state and local tax revenue. This bill would provide $1.75 billion to supportive housing for people at-risk or experiencing homelessness. In addition, the bond would require that 10% of any units created through MHP go to people who are extremely low-income (at or below 30% of area median income), who may be at greater risk of homelessness. It would also reinvest in the Serna Program and CalHOME. These three programs benefited from funding through Proposition 1.

The bond would also fund two new programs: (1) a wildfire prevention program and (2) a program to support acquisition and rehabilitation of unrestricted housing units and attach long-term affordability restrictions to the units (contemplated by SB 490 (Caballero, 2022) and SB 225 (Caballero, 2023)). This bill is substantially similar to AB 736 (Wicks, 2025), which is pending in the Senate Rules Committee. Below is a chart comparing the funding proposed in both bills.

Program Funded	**AB 736 (Wicks) Housing Bond ($10 BN)**	**SB 417 (Cabaldon) Housing Bond ($10 BN)**
Multifamily Housing Program (MHP)	$5.25 BN (at least 10% to ELI)	$5.25 BN (at least 10% for ELI)
MHP Supportive Housing	$1.75 BN	$1.75 BN
CalHome	$1 BN combined for both	$1 BN combined for both
Downpayment Assistance Program (CalHFA)		
Portfolio Reinvestment Program (PRP)	$800 MN	$800 MN
Tribal Housing Grant Program (SB 1187, McGuire, 2024)	$250 MN	$250 MN
Joe Serna Jr., Farmworker Housing Program	$250 MN	$250 MN
Low Income Weatherization Program	$200 MN	$0
NEW Community Anti-Displacement and Preservation Program (contemplates SB 225, Caballero, 2024)	$500 MN	$500 MN
NEW Wildfire Prevention, rental assistance, and affordable housing construction program	$0	$200 MN

4) *Appropriations amendments.* Senate Appropriations processed authors amendments, which do the following: (a) place the Bond Act before the voters at the November 3, 2026 statewide general election, rather than the June 2, 2026 statewide primary election, and (b) add co-authors.

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

According to the Senate Appropriations Committee:

- Bond costs: Total principal and interest costs to pay off the bonds would be approximately $17.39 billion ($10 billion in principal and $7.39 billion in interest), with average annual debt service payments of $580 million (General Fund), when all bonds are sold, and assuming a 30-year maturity and an interest rate of 4.02% (the average weighted interest rate secured by the State Treasurer over several general obligation bond sales in 2025). If interest rates increase to 5% in the near future, annual debt service would be approximately $651 million (General Fund) and total principal and interest costs over the repayment period would be approximately $19.5 billion. Staff notes that this bill explicitly authorizes a maturity date of up to 35 years from the date of issuance of each bond. The estimated annual debt service costs would be lower, but total interest costs would be higher over the repayment period, if the bonds are sold with a 35-year maturity date.

- Administrative costs: The Department of Housing and Community Development (HCD) would incur significant increased staffing and operations costs to administer the new and existing housing programs funded by this Bond Act (Affordable Housing Bond Act Trust Fund of 2026). HCD expects to utilize up to 5% of bond proceeds dedicated to the programs it administers, or up to $465 million in total, for overall administrative costs, with some immediate personnel needs and others added over a subsequent decade. The department does not anticipate a General Fund impact related to its administrative costs.

  The California Housing Finance Agency (CalHFA), which administers the Downpayment Assistance Program, does not anticipate significant additional administrative costs as a result of this measure.

- Ballot costs: One-time Secretary of State (SOS) costs, likely in the range of $784,000 to $984,000 in the 2026-27 fiscal year (General Fund), assuming this Bond Act would add 6-8 additional pages to the Voter Information Guide ballot pamphlet for the November 3, 2026 statewide general election. Actual costs would depend upon the length of the title and summary, analysis by the

Legislative Analyst's Office, proponent and opponent arguments, and text of the proposal.

SUPPORT: (Verified 1/22/2026)

A Community of Friends
Abode Housing Development
Affordable Housing Management Association-northern CA Hawaii
Alliance for Housing and Healing
Alliance of Californians for Community Empowerment
Alta Housing
Architects Fora
Audubon California
Azul
Berkeley City Councilmember Igor Tregub
Better Opportunities Builder, INC.
Board of Supervisors for the City and County of San Francisco
Brilliant Corners
Buen Vecino
CA Assn of Winegrape Growers
CAA Consultants
Cabrillo Economic Development Corporation
California Apartment Association
California Association of Housing Authorities
California Center for Cooperative Development
California Coalition for Community Investment
California Coalition for Rural Housing
California Coastal Protection Network
California Housing Consortium
California Housing Partnership
California National Organization for Women
California Rural Legal Assistance Foundation
Care Clt (a Division of Care Assn, Inc)
Champions for Progress INC.
Chelro Care Institute
Chinatown Community Development Center
Christian Church Homes
City of Eureka
City of Oakland
City of Santa Ana Councilwoman Jessie Lopez

City of Woodland
Coachella Valley Housing Coalition
Collective Operation
Community Corp. of Santa Monica
Corporation for Supportive Housing
Council of Community Housing Organizations
County of San Diego
Courage California
Destination: Home
Disability Rights California
Drug Policy Alliance
Eah Housing
East Bay Housing Organization - Ebho
East Bay Yimby
Eden Housing
End Poverty in California
Endangered Habitats League
Enterprise Community Partners, INC.
Environmental Action Committee of West Marin
Environmental Center of San Diego
Environmental Protection Information Center
Episcopal Community Services of San Francisco
Equal Rights Advocates
Eviction Defense Network
Evolve California
Fantastic Calculator
Firm Foundation Community Housing
Friends Committee on Legislation of California
Fsy Architects, INC
Generation Housing
Grow the Richmond
Gubb & Barshay Llp
Health in Partnership
Heavin Helps
Homebase
Homefirst
Homes & Hope
Hope Cooperative (tlcs, Inc.)
Hope Solutions
House Farm Workers!

Housing Accelerator Fund
Housing Action Coalition
Housing Authority of City of Santa Paula
Housing Authority of the City of San Buenaventura
Housing Authority of the City of San Luis Obispo
Housing California
Housing Leadership Council of San Mateo County
Housing Now!
Housing Trust Silicon Valley
Human Good
Human Impact Partners
Humboldt Waterkeeper
Indivisible Ca: Statestrong
Initiate Justice
Inland Abundant Housing and Housing Claremont
Inland Empire Waterkeeper
Inland Socal Housing Collective
Inner City Law Center
Jamboree Housing Corporation
League of California Cities
Legal Aid of Sonoma County
Let Spirit Lead, INC.
Lifehouse, INC
Lifesteps
Lift to Rise
Lighthouse Silicon Valley
Linc Housing
Lisc San Diego
Long Beach Gray Panthers
Making Housing and Community Happen
Many Mansions
Mayor Daniel Lurie, City and County of San Francisco
Mayor's and Councilimembers' Association of Sonoma County Legislative Committee
Merritt Community Capital Corporation
Michelson Center for Public Policy
Midpen Housing
Midpen Housing Corporation
Mission Economic Development Agency
Mithun

Monterey Bay Economic Partnership
Monterey Peninsula Yimby
Mountain View Yimby
Move California
Napa-solano for Everyone
National Alliance to End Homelessness
National Housing Law Project
Neighborhood Partnership Housing Services INC
Nonprofit Housing Association of Northern California
Northern Circle Indian Housing Authority
Northern Dreamcatcher
Northern Neighbors
Orange County Coastkeeper
Our Future Los Angeles
Partnership for the Bay's Future
Peninsula for Everyone
People for Housing - Orange County
People's Self-help Housing
Pep Housing
Pico California
Planning and Conservation League
Policylink
Prosperity California
Public Counsel
Public Interest Law Project
Queer Surf
Redwood Community Services
Renewal Enterprise District
Resource Renewal Institute
Resources for Community Development
Sacramento Area Congregation Together
Sacramento Community Land Trust
Sacramento Housing Alliance
Sacramento Transit Advocates and Riders
Sacred Heart Community Service
Salted Roots
San Francisco Board of Supervisors
San Francisco Community Land Trust
San Francisco Department of Homelessness and Supportive Housing
San Francisco Safehouse

San Francisco Yimby
San Joaquin Valley Housing Collaborative
Santa Clara County Housing Authority
Santa Cruz Yimby
Santa Rosa Yimby
Satellite Affordable Housing Associates
Save the Bay
Save the Sonoma Coast
Self-help Enterprises
Self-help for the Elderly
Serving Seniors
Sf Yimby
Sierra Business Council
Silicon Valley Community Foundation
Sloco Yimby
Smart Justice California
Socal 350 Climate Action
Somos Mayfair
South Bay Community Land Trust
South Bay Yimby
Southern California Association of Non-profit Housing
Starting Over Strong
Stinson Beach Affordable Housing Committee
Sun Light & Power
Supportive Housing Alliance
Supportive Housing Community Land Alliance
Surfrider Foundation
Sv@home Action Fund
Techeqiuty Action
Tenderloin Neighborhood Development Corporation
Terracorp
The John Stewart Company
The Kennedy Commission
The Lived Experience Advisory Board of Silicon Valley
The Unity Council
Transform
Truckee Tahoe Workforce Housing Agency
Two Valleys Community Land Trust
United Domestic Workers/afscme Local 3930
Urban Habitat

Valley Industry and Commerce Association
Van Meter Williams Pollack, Llp
Venice Community Housing
Ventura County Yimby
Ventura Homeless Prevention
Victor Valley Family Resource Center
Vital Arts
Wakeland Housing and Development Corporation
Western Center on Law & Poverty
Women's Empowerment
Wph Holdings, LLC
Wunz Apparel in Action
Yimby Action
Yimby LA
Yimby Los Angeles
Yimby Oceanside
Yimby Slo
Yolo Yimby
Young Community Developers
Zen Development Consultants LLC

OPPOSITION: (Verified 1/22/2026)

Habitat for Humanity California

ARGUMENTS IN SUPPORT: According to the author, "California has provided affordable housing developers with new tools to streamline permitting for affordable housing on hundreds of thousands of parcels throughout the state. Unlocking the promise of the state's landmark housing policies requires cash to move to construction. SB 417 proposes placing the $10 billion Affordable Housing Bond Act of 2026 on the November ballot, allowing voters to decide whether to make a critical investment in expanding the state's affordable housing stock. This bond would also enable California to leverage matching federal resources, including federal housing tax credits, maximizing the impact of state dollars. Collectively, these investments would support over 135,000 affordable homes, the construction of new affordable homes statewide, and generate tens of thousands of high-paying construction jobs. The Affordable Housing Bond Act of 2026 represents a necessary and effective step toward addressing the housing crisis Californians face every day."

ARGUMENTS IN OPPOSITION: Habitat for Humanity California is opposed to this bill unless it is amended "to designate a $1 billion appropriation specifically to the CalHome Program to increase the production of affordable homes for ownership in our state."

Prepared by: Alison Hughes / HOUSING / (916) 651-4124
1/26/26 13:22:01

****** END ******

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THIRD READING

Bill No: SB 492
Author: Menjivar (D)
Amended: 1/22/26
Vote: 27 - Urgency

SENATE HOUSING COMMITTEE: 9-1, 1/6/26
AYES: Wahab, Arreguín, Cabaldon, Caballero, Cortese, Durazo, Grayson, Ochoa Bogh, Padilla
NOES: Seyarto
NO VOTE RECORDED: Reyes

SENATE APPROPRIATIONS COMMITTEE: 5-2, 1/22/26
AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto, Dahle

SUBJECT: Youth Housing Bond Act of 2025

SOURCE: Alliance for Children's Rights (co-source)
California Coalition for Youth (co-source)
Children Now (co-source)

DIGEST: This urgency bill creates the Youth Housing Bond Act of 2025, which would propose the sale of $1 billion of general obligations bonds at the next statewide election for purposes of funding youth housing programs.

ANALYSIS:

Existing law:

1) Establishes a number of housing assistance programs for affordable housing at the Department of Housing and Community Development (HCD).

2) Authorized, upon approval by the voters as Proposition 1 in the November 6, 2018 general election, the issuance of $3 billion in general obligation (GO) bonds for several affordable housing construction programs at HCD.

3) Authorized, upon approval by the voters as Proposition 2 in the November 6, 2018 general election, the issuance of $2 billion in GO bonds for the No Place Like Home Program at HCD.

4) Authorized, upon approval by the voters as Proposition 1 in the March 5, 2024 general election, the issuance of $6.380 billion in GO bonds for people experiencing mental health and substance abuse issues, of which over $2 billion was allocated to HCD for the following purposes:

   a) $1.05 billion for loans or grants to develop supportive housing for veterans experiencing or at risk of homelessness with behavioral health challenges, administered by the HCD and the Department of Veterans Affairs (CalVet); and

   b) $922 million for loans or grants to develop supportive housing for people experiencing or at risk of homelessness with behavioral health challenges, administered by HCD through the Homekey Program.

This bill:

1) Defines “services” as the services provided in a youth center or youth housing, including, but not limited to, all of the following: food, shelter, counseling, outreach, basic health screening, referral and linkage to other services, long-term planning for reunification with the family or in a suitable home where family reunification is not possible, supportive services, and aftercare and follow-up services.

2) Defines “youth center” as a facility that is equipped to meet the needs of youth, including mental and behavioral health needs, housing, education and employment support, and linkage to other services, where youth ages 12 to 25 years of age, inclusive, gather for programs and services.

3) Defines “youth housing” as a facility that provides a variety of services to current or former foster youth, homeless minors or youth, or minors or youth at risk of homelessness to assist them with their immediate basic needs and to help reunite them with their parents, if appropriate, or, find a suitable home. “Youth housing” may include, but is not limited to, any of the following:

a) A licensed transitional housing placement provider, as specified.
b) A transitional living setting, as specified.
c) A Transitional Housing Program-Plus that serves only eligible former foster youth over 18 years of age who have exited from the foster care system on or after their 18th birthday, and that has obtained certification from the applicable county as specified.
d) A specified transitional housing program for homeless youth under 25 years of age.

4) Creates the Youth Housing Program at HCD, and authorizes $1 billion to be available for youth centers ($100 million) and youth housing ($900 million). The program shall make awards to local agencies, nonprofit organizations, or joint ventures, for the purpose of acquiring, renovating, constructing, and purchasing equipment for youth housing.

5) Requires proposals for both youth centers and youth housing funding to, at a minimum, do all of the following:

a) Document the need for the applicant's proposal.
b) Contain a written commitment and a plan for the delivery of programs and services designed to meet the needs of the youth of the targeted community.
c) Include a match for funding consistent with the following, as applicable:

i) When the applicant is a local agency or joint venture involving a local agency, a match equal to 25% of the total amount requested.
ii) When the applicant is a nonprofit organization, a match equal to 15% of the total amount requested.

d) Document the cost-effectiveness of the proposal.
e) Contain a written commitment and plan to develop and implement a process to receive and consider feedback and suggestions from the community served, including a separate mechanism for the youth it serves.
f) Document plans to utilize and coordinate with other organizations serving the same youth population, including making the facilities available where possible.

6) Requires funding for youth housing to be awarded as follows:

a) At least 50% to housing for homeless youth.

b) A maximum of 50% to housing for current or former foster youth.

7) Requires HCD to establish a priority for considering and ranking proposals based on all of the following:

a) The greatest need in the most heavily populated areas.
b) The most underserved areas.
c) The most economically disadvantaged areas, both in urban and rural counties.
d) The number of youth to be served.
e) The cost effectiveness of the proposal.
f) The utilization of, and coordination with, other agencies serving youth.
g) The applicant's experience in program management, particularly in programs serving the needs of youth.
h) The applicant's experience in programs serving youth.

8) Requires the funds to be awarded in the following order of priority: nonprofit organizations, joint ventures between local agencies and nonprofit organizations, and local agencies.

9) Prohibits an eligible applicant from using more than 5% of the funds allocated for the program to pay the administrative costs of that program.

Background

State programs for homeless youth and recent housing investments. Recently, California has invested heavily to address homelessness, and two key HCD homelessness programs have established set-asides specifically for homeless youth. First, the Homeless Housing, Assistance, and Prevention (HHAPP) Grant Program provides funding to CoCs, counties, tribal governments, and large cities. HHAPP funds support regional coordination and expand or develop local capacity to address their immediate homelessness challenges. HHAPP recipients, beginning in Round 3, are required as part of their application for funds, to submit a local homeless action plan, which includes specified outcome goals aimed at preventing and reducing homelessness over a three-year period. Applicants are required to engage with the California Interagency Council on Homelessness (Cal-ICH), which administers the program, and encouraged to coordinate plans on a regional basis. HHAPP requires grantees to use at least 10% of their allocation for services for homeless youth.

The second program with a homeless youth set-aside is the Homekey program, which provides grants to local agencies to quickly buy and convert underused properties (like motels, hotels, and apartments) into permanent or interim housing for people experiencing or at risk of homelessness. California Statute requires that HCD allocate not less than eight percent of the total Homekey funding to projects serving Homeless Youth, or Youth at Risk of Homelessness. Round 3 awarded 10% of the funds to this population. Through the passage of the Behavioral Health Services Act (Proposition 1, 2024) the Homekey program received an additional $922 million, with the continued set-aside of 8% for homeless youth.

Additionally, the Office of Emergency Services (OES) provides around $1 million annually for the Homeless Youth and Exploitation program. This program has also benefited from at least 2 one-time general fund investments of $10 million.

Comments

1) *Author's statement.* In 2024, California counted 9,052 youth experiencing homelessness on their own and another 1,890 who were homeless and parenting on their own. Yet, in the first six months of 2025, 38,496 youth experiencing homelessness were served by California's homeless response system. (Source: HDIS) Homelessness among some groups of youth is significantly disproportionate with up to 40% of homeless youth identifying as LGBTQ+. Among racial and ethnic groups, African American youth were especially overrepresented, with an 83% increased risk of having experienced homelessness over youth of other races. Furthermore, data has shown that 50% of the chronically homeless population had their first experience of homelessness when they were under the age of 25. SB 492 will address the ongoing need to support current and former foster youth along with youth experiencing, or at risk of, homelessness by creating a dedicated funding source to combat homelessness through the Youth Housing Bond Fund. This bill will also allow both public and community-based organizations with expertise in youth homelessness to apply for funds, which will significantly increase the housing opportunities for this population. SB 492 is essential in battling the heart-breaking reality of youth homelessness in California.

2) *Who are California's homeless youth?* A homeless youth is defined as a minor younger than 18 or a young adult between 18 and 24 years old who is living individually without shelter. According to the US Department of Housing and Urban Development (HUD), 9,052 unaccompanied youth experienced homelessness, 60% of whom were unsheltered. These numbers likely

undercount the actual homeless youth population; the National Alliance to End Homelessness notes that homeless youth are particularly difficult to count as they may be afraid or unwilling to enter shelters, and communities typically have few resources, beds, and units dedicated to youth. In addition, youth are often not engaged in traditional homeless assistance programs and congregate in different areas than older individuals experiencing homelessness.

While between 5% and 10% of the general population identify as LGBTQ, LGBTQ youth comprise up to 40% of the homeless youth population. In addition, 33.9% of all homeless youth are African American and 24.4% are Hispanic. Studies by the US Administration on Children, Youth, and Families found that nearly 78% of homeless youth had at least one prior interaction with law enforcement, 62% of homeless youth had been arrested at least once, and nearly 44% had been in a juvenile detention center.

Youth who experience homelessness are at a higher risk for poorer health outcomes, including hepatitis, diabetes, sexually transmitted infections, influenza, and dental problems, among others. Fear of interaction with law enforcement, lack of health insurance, difficulties maintaining necessary personal possessions and an address, and concerns about confidentiality exacerbate these issues for young people experiencing homelessness. Homeless youth also experience mental health issues such as post-traumatic stress, depression, anxiety, and psychosis resulting from the stress of living and surviving on the streets. Studies show that between 70% and 90% of homeless youth engage in substance use, and many youth on the streets engage in "survival sex" in exchange for shelter and food; nearly one in five homeless youth have participated in survival sex activities.

3) *Progress in reducing youth homelessness.* Nationwide, the number of people experiencing homelessness on a given night increased by 18% from 2023 to 2024. In California, however, the overall growth increased by only 3%. During the same period, California had the largest reduction in the number of veterans experiencing homelessness in the nation, with 1,279 fewer veterans experiencing homelessness on a single night in January in 2024 than in 2023 (8% reduction year over year). Furthermore, California had the largest reduction in the number of unaccompanied youths experiencing homelessness in the nation, with 1,121 fewer unaccompanied youth experiencing homelessness on a single night in January 2024 than in January 2023. Preliminary point-in-time (PIT) count data for 2025 show some

communities are seeing substantial decreases in overall unsheltered homelessness.

According to the UCSF Benioff Homelessness and Housing Initiative (UCSF Benioff), the reason for the reduction in veteran homelessness is because California has adequately scaled the evidence-based responses which include Housing First, or housing subsidies paired with appropriate services. The same can likely be said for homeless youth, given consistent set asides with specific state funds (*e.g.*, HHAPP the Homekey Program) for this population.

4) *New funds for youth programs*. This bill would create a new program at HCD to provide targeted awards for youth housing and youth centers. The funds would be generated from $1 billion in general obligation bonds, upon approval of the voters at the next general election.

5) *Senate Appropriations Amendments*. Amendments taken in Senate Appropriations by the author do the following: (a) fill in the blanks in the bill, authorizing the sale of $1 billion in general obligation bonds, and specifying that $100 million would be available for youth centers and $900 million would be available for youth housing, and (b) delete provisions requiring HCD to create and consult with a specified advisory committee.

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

According to the Senate Appropriations Committee:

- Bond costs: Total principal and interest costs to pay off the bonds would be approximately $1.739 billion ($1 billion in principal and $739 million in interest), with average annual debt service payments of $58 million (General Fund), when all bonds are sold, and assuming a 30-year maturity and an interest rate of 4.02% (the average weighted interest rate secured by the State Treasurer over several general obligation bond sales in 2025). If interest rates increase to 5% in the near future, annual debt service would be approximately $65 million (General Fund) and total principal and interest costs over the repayment period would be approximately $1.952 billion.

- Administrative costs: The Department of Housing and Community Development (HCD) would incur significant increased staffing and operations costs, likely in the low- to mid-millions annually, and up to $50 million in the aggregate over the life of the bonds, to administer the new Youth Housing Program established by this measure (2026 Youth Housing Bond Fund). This measure authorizes HCD to use up to 5% of bond proceeds appropriated to the

department for its administrative costs, which the department indicates is sufficient to cover their administrative costs.

- Ballot costs: One-time Secretary of State (SOS) costs in the range of $784,000 to $984,000 (General Fund) in the 2026-27 fiscal year for printing and mailing costs to place the measure in the Voter Information Guide ballot pamphlet for the November 3, 2026 statewide general election. To the extent that it is not possible for the SOS to include this measure in the main Voter Information Guide ballot pamphlet for the November general election, costs for the SOS to generate and mail a supplemental pamphlet to the voters would be significantly higher. Preliminary estimates indicate that these one-time costs could be in the range of $4 million. (General Fund)

SUPPORT: (Verified 1/23/26)

Alliance for Children's Rights (co-source)
California Coalition for Youth (co-source)
Children Now (co-source)
Aspiranet
Bill Wilson Center
California Alliance of Child and Family Services
California Youth Empowerment Network
Children's Law Center of California
Community Solutions
Covenant House California
First Place for Youth
Hollywood Homeless Youth Partnership
Home Start INC.
Home Start, INC
Homeless Prenatal Program
Homeward Bound of Marin
John Burton Advocates for Youth
Larkin Street Youth Services
Loyola Law School, the Sunita Jain Anti-trafficking Initiative
Nasw California
National Network for Youth
Orangewood Foundation
Ready for Life Host Homes
Redwood Community Action Agency's Youth Service Bureau
Restorative Pathways
Sacramento Lgbt Community Center

Safe Place for Youth
San Diego Youth Services
San Jose Conservation Corps & Charter School
Schoolhouse Connection
Sycamores
YMCA of San Diego County
Youth Employment Partnership, INC.
Youth Law Center

OPPOSITION: (Verified 1/23/26)

None received

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1/26/26 13:22:02

****** END ******

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THIRD READING

Bill No: SB 501
Author: Allen (D)
Amended: 1/14/26
Vote: 21

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 6-0, 4/2/25
AYES: Blakespear, Gonzalez, Hurtado, Menjivar, Padilla, Pérez
NO VOTE RECORDED: Valladares, Dahle

SENATE JUDICIARY COMMITTEE: 11-0, 4/22/25
AYES: Umberg, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Niello, Valladares

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 5-2, 1/13/26
AYES: Blakespear, Gonzalez, Menjivar, Pérez, Reyes
NOES: Valladares, Dahle
NO VOTE RECORDED: Hurtado

SENATE APPROPRIATIONS COMMITTEE: 5-2, 1/22/26
AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto, Dahle

SUBJECT: Responsible Battery Recycling Act of 2022: covered batteries

SOURCE: Author

DIGEST: This bill adds medium-format batteries, as defined, to the existing extended producer responsibility (EPR) program for batteries, the Responsible Battery Recycling Act of 2022.

ANALYSIS:

Existing law:

1) Establishes the Hazardous Waste Control Law (HWCL) and requires the Department of Toxic Substance Control to oversee the management of hazardous waste. (HSC §§25100 et seq.)

2) Establishes the Integrated Waste Management Act and requires the Department of Resources Recycling and Recovery (CalRecycle) to oversee the management of solid waste. (Public Resources Code (PRC) §§40050 et seq.)

3) Establishes the Rechargeable Battery Recycling Act, which requires every retailer to have a system in place, on or before July 1, 2006, for the acceptance and collection of used rechargeable batteries for reuse, recycling, or proper disposal. (PRC §§42451-42456)

4) Establishes the Electronic Waste Recycling Act (EWRA) to create a program for consumers to return, recycle, and ensure the safe and environmentally-sound disposal of "covered devices" that are hazardous wastes when discarded. The EWRA specifically includes embedded battery products (PRC §§42460 et seq.)

5) Establishes the Responsible Battery Recycling Act of 2022, which requires producers of small household batteries to establish a stewardship program for the collection and recycling of covered batteries. (PRC § 4240 et seq).

This bill:

1) Adds to the definition of 'loose' battery that is covered in the Responsible Battery Recycling Act of 2022 to specify that it includes batteries that can be easily removed using common household tools.

2) Expands the scope of the Responsible Battery Recycling Act to include batteries up to 25lbs, striking existing language that excludes batteries weighing over two kilograms and rechargeable batteries over five kilograms and having more than 300 Watt-hours.

Background

1) *California's waste goals and EPR.* Under the IWMA, CalRecycle is tasked with reducing the amount of waste that gets landfilled in California. The IWMA establishes a goal that 75% of solid waste generated in the state be diverted from landfills through source reduction, recycling, and composting by 2020. However, in 2021, the state's recycling rate was just 41%, falling far

short of the state's goal.[1] To advance California's recycling goals, the Legislature has directed CalRecycle to establish several EPR programs. EPR is a strategy that places shared responsibility for end-of-life product management on producers and all entities involved in the product chain, instead of on the general public and local governments. EPR programs rely on industry, often via a producer responsibility organization (PRO), to develop and implement approaches to create a circular economy with oversight and enforcement provided by the government. EPR programs have traditionally been used to improve the recapture and recycling rate for challenging-to-recycle materials that can pose a risk to the waste stream, like pharmaceuticals and sharps, paints, and batteries.

2) *Managing battery waste.* The state's Hazardous Waste Control Law prohibits the disposal of batteries in the trash or household recycling collection bins. Many types of batteries, regardless of size, exhibit hazardous characteristics and are considered hazardous waste when they are discarded. These include single use alkaline and lithium batteries and rechargeable lithium metal, nickel cadmium, and nickel metal hydride batteries of various sizes (AAA, AA, C, D, button cell, 9-Volt) and small sealed lead-acid batteries.

   There are two key state laws that dictate how batteries should be managed at the end of their lives: AB 2440 (Irwin, Chapter 351, Statutes of 2022), which covers small loose batteries (e.g. not bicycle or larger batteries for some household appliances), and SB 1215 (Newman, Chapter 370, Statutes of 2022), which covers batteries embedded in products.

   a) *AB 2440.* AB 2440 created the Responsible Battery Recycling Act, an EPR program for producers of small format batteries. In broad strokes, the EPR program operates by requiring a PRO to develop a stewardship plan for the collection, transportation, recycling, and safe and proper management of covered products in the state. The stewardship plan must be approved by CalRecycle and DTSC; CalRecycle is currently developing the regulations for this program in consultation with DTSC. The program is funded through reimbursement provided by producers and stewardship organization or organizations. That fund is used to cover the costs that CalRecycle and DTSC take on to implement and enforce the program.

   b) *SB 1215.* Many batteries are sold within products, such as lithium-ion batteries, which are widely used in portable electronics like laptops, smart phones, digital cameras, game consoles, and cordless power tools. These

[1] **State of Disposal and Recycling for CY 22_for pub (2).pdf**

products are considered "covered battery-embedded products" under SB 1215, if the battery is not designed to be removed from the product by the consumer.

SB 1215 added covered battery-embedded products to the electronic waste recycle act (EWRA) and requires CalRecycle to establish a fee, paid by consumers on new or refurbished covered battery-embedded products, that covers the reasonable regulatory costs to properly manage and recycle the covered battery-embedded products and to administer the EWRA.

3) *Fire risk from batteries:* California's Statewide Commission on Recycling Markets and Curbside Recycling (Commission) weighed in on fire risks posed by HHW: "There is an urgent need to reduce the fire risks posed by HHW considering the extended duration and increasing severity of California's fire season. In October 2019, a trash truck caught fire in the foothills of the San Bernardino Mountains. When the driver unloaded the truck to try to extinguish the flames, winds spread the fire quickly to the surrounding hillsides, soon encompassing 500 acres. Within minutes the fire had spread to a mobile home community, leading to the deaths of two people and the destruction of dozens of homes, burning over 1,000 acres. Though the source of the fires is under investigation, this Commission believes that action is required to reduce known sources of fires including lithium-ion batteries.

"Additionally, the South Bayside Waste Management Authority had a 4-alarm fire at their Recycling Processing Center (80,000 tons per year) in San Carlos, California which they believe was directly caused by an (almost) expired lithium-ion battery. This incident resulted in over $8.5M in damages. This facility was closed for four months, 50+ employees were furloughed, and the building was not fully operational for a year. They were extremely fortunate to report that no facility workers or any of the 100 firefighters were injured in this incident. They may not be so fortunate in future incidents."

Comments

1) *Purpose of Bill.* According to the author, "SB 501 expands California's extended producer responsibility program for batteries to include medium-format batteries, such as those found in ebikes, outdoor lawn equipment, and portable power systems. Batteries continue to be one of the most problematic sources of household hazardous waste due to their ability to cause fires or explosions when improperly managed, and the high costs of proper disposal to local governments. However, the number of batteries entering end-of-life each

year is rapidly increasing. EPR programs can help address problems with safe collection and shift the cost burden of managing these products from local cities and counties, and ultimately ratepayers, to the producers designing the products. SB 501 builds on California's extensive experience with EPR programs while taking advantage of the efficiencies of expanding existing programs."

2) *Closing a medium-sized loophole.* The existing laws to manage batteries are for small batteries (AB 2440) and for batteries embedded in products (SB 1215). This leaves a significant loophole in California's current programs: medium-format batteries, such as those found on ebikes, appliances or outdoor power equipment, which are still likely to be removed and/or replaced by the consumer are not covered under either program. Creating a pathway for responsible end of life management for these mid-sized batteries is especially important as sales of ebikes and other battery-powered appliances are on the rise. SB 501 is a sensible approach to ensure that medium sized batteries have a safe end of life option that is managed by the producers of those batteries, instead of leaving those batteries to be managed by local governments or mistakenly ending up in landfills.

3) *Should medium batteries be treated the same as small batteries?* Adding medium sized batteries to the existing EPR program for small batteries will ensure better management for medium batteries: however, there are innate differences in these types of batteries and their markets. This includes differences in how and where medium vs. small batteries are sold and used, and how many medium vs. small batteries are in use. This may necessitate policies specific for medium-sized batteries.

Related/Prior Legislation

AB 2240 (Irwin, Chapter 351, Statutes of 2022) enacted the Responsible Battery Recycling Act of 2022, which requires producers of covered [household] batteries to establish a stewardship program for the collection and recycling of covered batteries.

SB 1215 (Newman, Chapter 370, Statutes of 2022) added covered battery-embedded products to the EWRA and requires CalRecycle to establish a fee, paid by consumers on new or refurbished covered battery-embedded products, that covers the reasonable regulatory costs to properly manage and recycle the covered battery-embedded products and to administer the EWRA.

SB 615 (Allen, 2025) requires producers of electric vehicle (EV) batteries to ensure the safe end of life management of those batteries. The bill is scheduled to be heard today in the Senate Environmental Quality Committee.

SB 1143 Allen (Chapter 989, Statutes of 2024) made changes to the state's paint product stewardship program to expand the number of products covered in the program by January 1, 2028, at the latest and to require manufacturers of paint products to review their stewardship plan and submit any amendments to CalRecycle for review on a five-year basis.

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

SUPPORT: (Verified 1/22/26)

7th Generation Advisors
Atrium 916
Ban Sup (single Use Plastic)
California Product Stewardship Council
California Professional Firefighters
California Resource Recovery Association
California State Association of Counties
California Teamsters Public Affairs Council
Californians Against Waste
Center for Environmental Health
City and County of San Francisco
City of Cupertino
City of Roseville
City of San Jose
City of Santa Maria
Cleanearth4kids.org
Climate Reality Project Riverside County Chapter
Climate Reality Project San Diego
Climate Reality Project San Francisco Bay Area Chapter
Climate Reality Project, Los Angeles Chapter
Climate Reality Project, Orange County
Climate Reality Project, San Fernando Valley
County of Humboldt
County of Los Angeles Board of Supervisors
County of Mendocino
County of Santa Barbara
Del Norte Solid Waste Management Authority

Facts Families Advocating for Chemical and Toxics Safety
Facts: Families Advocating for Chemical & Toxics Safety
Friends Committee on Legislation of California
League of California Cities
Mendocino County Department of Transportation
Merced County Regional Waste Management Authority
Napa Recycling & Waste Services
Napa Recycling and Waste Services
National Stewardship Action Council
Northern California Recycling Association
Plastic Pollution Coalition
Product Stewardship Institute
Recology
Republic Services INC.
Resource Recovery Coalition of California
Rethink Waste
Rural County Representatives of California
Sea Hugger
Sierra Club California
Sierra Club of California
South Bayside Waste Management Authority Dba Rethinkwaste
The Last Plastic Straw
Upstream
Western Placer Waste Management Authority
Zero Waste Marin
Zero Waste Sonoma

OPPOSITION: (Verified 1/22/26)

Redwood Materials, INC.

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1/23/26 15:39:12

****** END ******

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THIRD READING

Bill No: SB 505
Author: Richardson (D)
Amended: 1/5/26
Vote: 21

SENATE BANKING & F.I. COMMITTEE: 5-0, 1/7/26
AYES: Grayson, Niello, Cervantes, Richardson, Strickland
NO VOTE RECORDED: Hurtado, Limón

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SUBJECT: Money Transmission Act: authentication

SOURCE: Author

DIGEST: This bill prohibits a money transmitter from allowing a user to log in without using two-factor or multi-factor authentication.

ANALYSIS:

Existing federal law:

Pursuant to Regulation E (12 Code of Federal Regulations (CFR) Part 1005) which implements the Electronic Funds Transfer Act (15 U.S.C. 1693 et seq.):

1) Defines “unauthorized electronic fund transfer” to mean an electronic fund transfer from a consumer's account initiated by a person other than the consumer without actual authority to initiate the transfer and from which the consumer receives no benefit. (12 CFR 1005.2(m))

2) Limits a consumer’s liability related to unauthorized electronic fund transfers to $50 if the consumer notifies the financial institution within two days after learning of the loss or $500 if the consumer fails to notify within two days, as specified. (12 CFR 1005.6(b))

3) Provides procedures for resolving errors, including unauthorized electronic fund transfers, including time limits for a financial institution to investigate claims. (12 CFR 1005.11)

Existing state law:

1) Provides the Money Transmission Act, administered by the Department of Financial Protection and Innovation (DFPI), which requires licensure of persons engaged in the business of money transmission, unless the person is exempt. (Financial Code Section 2000 et seq.)

2) Defines "money transmission" as any of the following: selling or issuing payment instruments, selling or issuing stored value, or receiving money for transmission. (Financial Code Section 2003(q))

3) Defines a "payment instrument" as a check, draft, money order, traveler's check, or other instrument for the transmission or payment of money or monetary value, whether or not negotiable and provides that a "payment instrument" does not include a credit card voucher, letter of credit, or any instrument that is redeemable by the issuer for goods or services provided by the issuer or its affiliate. (Financial Code Section 2003(s))

4) Defines "stored value" as monetary value representing a claim against the issuer that is stored on an electronic or digital medium and evidenced by an electronic or digital record, and that is intended and accepted for use as a means of redemption for money or monetary value or payment for goods or services. Provides that "stored value" does not include a credit card voucher, letter of credit, or any stored value that is redeemable by the issuer for goods or services provided by the issuer or its affiliate, except to the extent required by applicable law to be redeemable in cash for its cash value. (Financial Code Section 2003(x))

This bill:

1) Prohibits, as of January 1, 2028, a digital wallet provider or money transmitter from allowing a user to log in without using two-factor or multifactor authentication for any log in by that user.

2) Defines "two-factor authentication" to mean a security process that requires two distinct forms of verification.

3) Defines "multifactor authentication" to mean an authentication process that requires more than two forms of verification.

Comments

1) *Purpose*. According to the author:

   SB 505 strengthens consumer financial protections by requiring digital wallet providers and money transmitters operating in California to use mandatory two-factor authentication (2FA) or multifactor authentication (MFA) for all user logins. The bill is intended to reduce fraud and unauthorized account access by ensuring that stronger authentication measures are consistently applied across platforms.

2) *Background.* This bill seeks to reduce the risk of fraud losses stemming from a relatively small subset of incidences – namely, losses stemming from the unauthorized access of a user's online account with a nonbank payments platform. Unauthorized access refers to an incident where someone other than the accountholder gains access to the account without authorization from the accountholder, such as when one's account is "hacked" or their payments card is stolen or forged. This bill does not cover any products provided by a bank or credit union, such as a checking account or debit card. The bill covers only state-licensed money transmitters. Examples of money transmitters include Western Union, PayPal, and Block (provider of the Square and CashApp payments platforms).

   Notably, accountholders already benefit from protections from losses related to unauthorized account access under the federal Electronic Funds Transfer Act (EFTA). An accountholder who notifies their financial institution within two days of discovering a loss related to unauthorized access is liable up to $50 for the loss, with the financial institution liable for any amount exceeding $50. Despite this protection, many accountholders may be unaware of their obligation to report the loss within specified timelines, which may result in the accountholder bearing a higher loss.[1] Additionally, the accountholder may be unable to access the stolen funds temporarily as their financial institution investigates the alleged incident. Inarguably, the accountholder would be better off if the unauthorized access never occurred in the first place, but EFTA provides a meaningful safety net for accountholders in cases of unauthorized account access.

   Due to the liability associated with unauthorized account access, financial institutions employ various security methods to protect against unauthorized

[1] The specific contours of accountholder liability under EFTA are beyond the scope of this analysis, but suffice it to say, an accountholder may incur liability of up to $500 in cases where reporting to the financial institution does not occur within two days of the accountholder gaining knowledge of the loss(es).

access. Many (if not all) financial institutions that offer online access to financial products or services require the accountholder to provide a username and password to access the online platform. In addition to a username and password, many institutions require another form of authentication, particularly when a user enters the username and password using an electronic device that is not already associated with the account. Additionally, some financial institutions require additional authentication when a user initiates certain types of higher-risk transactions within the online platform, such as person-to-person payments which have been subject to growing rates of fraud in recent years. This bill seeks to mandate that an accountholder provide at least two forms of authentication each time the accountholder logs into the online platform.

Multifactor authentication can reduce the frequency of unauthorized account access, but it does not eliminate the risk. Some forms of multifactor authentication rely on sending a one-time access code to an accountholder's phone or email address. Yet this form of authentication provides little additional security benefit if the unauthorized person has already compromised the accountholder's digital electronic device, phone number, or email account. Moreover, many types of frauds and scams do not rely on gaining access directly to a victim's account; rather, the criminal attempts to fraudulently induce the victim into initiating funds transfers under false pretenses. Multifactor authentication does little, if anything, to prevent this large and growing area of financial vulnerability.

3) *Considerations for the author*. The desire to reduce financial losses from unauthorized account access is understandable, but the author may consider the trade-offs presented by a blanket requirement for at least two-factor authentication for every log in by an accountholder. As a baseline, the author may consider that financial institutions strive to achieve two broad goals that are not always aligned: account security and a positive user experience. As the financial institution imposes stricter access requirements on the user, the user may find the process more time consuming and cumbersome, leading to less satisfaction in the product or service. Additionally, the liability imposed on a financial institution by EFTA provides financial incentive to enhance account security, which provides additional assurance that the financial institution is not overly weighted towards providing the least burdensome user experience by sacrificing security.

   If the author deems the current incentive structure to be insufficiently protective of accountholders' interests, the author may consider whether a more tailored requirement for multifactor authentication is preferable to the blanket

requirement proposed by this bill, where multifactor authentication is required for each log in. Conversations with the financial institutions covered by this bill may help to identify a more targeted and balanced approach or may reveal information that suggests the financial institutions are striking a reasonable balance between account security and user experience under current law.

If the author decides to pursue the current approach or a more tailored one, this bill has drafting deficiencies that should be remedied. For example, there appears to be no benefit to distinguishing between "two-factor authentication" and "multifactor authentication," the bill defines "user login" when that terms is not used anywhere else in the bill, the bill refers to "digital wallet provider" but does not define that term, and the bill does not expressly recognize that accountholders may access their account in-person, such as via an agent who can facilitate a money transfer, and that the requirements of this bill should only apply when accessing an account digitally (assuming that is the intent of the author).

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

SUPPORT: (Verified 1/20/26)

Rise Economy

OPPOSITION: (Verified 1/20/26)

None received

ARGUMENTS IN SUPPORT: According to Rise Economy, "SB 505 strikes a thoughtful balance between innovation and consumer protection. It supports a more secure financial ecosystem while ensuring that Californians can continue to benefit from convenient digital payment options without unnecessary risk. The bill also provides ample time for implementation, giving businesses the opportunity to comply in a responsible and effective manner."

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1/21/26 16:05:24

****** END ******

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THIRD READING

Bill No: SB 555
Author: Caballero (D), et al.
Amended: 1/22/26
Vote: 21

SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 4-1, 4/9/25
AYES: Smallwood-Cuevas, Cortese, Durazo, Laird
NOES: Strickland

SENATE APPROPRIATIONS COMMITTEE: 5-2, 1/22/26
AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto, Dahle

SUBJECT: Workers' compensation: average annual earnings

SOURCE: California Applicants' Attorneys Association

DIGEST: This bill requires, for injuries occurring on or after January 1, 2027, the permanent partial disability average weekly earnings to be adjusted by an unspecified amount.

ANALYSIS:

Existing law:

1) Establishes a comprehensive system of workers' compensation that provides a range of benefits for an employee who suffers from an injury or illness that arises out of and in the course of employment, regardless of fault. This system requires all employers to insure payment of benefits by either securing the consent of the Department of Industrial Relations to self-insure or by obtaining insurance from a company authorized by the state. (Labor Code §§3200-6002)

2) Establishes within the workers' compensation system temporary disability (TD) indemnity, permanent disability (PD) indemnity, and permanent partial disability (PPD) indemnity, which offer wage replacement of a specified injured

employee's average weekly earnings while an employee is unable to work due to a workplace illness or injury. (Labor Code §§4650-4664)

3) Requires, for computing average annual earnings for purposes of PPD indemnity, that average weekly earnings be taken at various amounts, including between $240 and $435 for injuries occurring on or after January 1, 2014, except as specified. (Labor Code §4453)

This bill requires, for computing average annual earnings for purposes of permanent partial disability indemnity, that average weekly earnings be taken at between $____ and $____ for injuries occurring on or after January 1, 2027.

Background

Workers' Compensation Permanent Partial Disability Benefits. Most workers recover from their job injuries, although some may continue to have problems. If a treating doctor tells a worker they will never recover completely or will always be limited in the work they can do, they may have a permanent disability. This means that the worker may be eligible for permanent disability (PD) benefits. Workers do not have to lose their job to be eligible for PD benefits. However, if someone loses income because of a permanent disability, PD benefits may not cover all the income lost.

PD benefits are set by law and are based on the following:

- the date of the worker's industrial injury, and
- the worker's impairment level, which means how the injury has affected the individual's ability to work, as determined by the primary treating physician or doctor who is a qualified medical evaluation (QME)

The impairment level will be expressed as a percentage and is then used in a formula which also includes your age and occupation. For injuries on or after April 19, 2004, and prior to January 1, 2013, the formula also includes diminished future earning capacity. For dates of injury on or after January 1, 2013, PD ratings will no longer consider an injured employee's future earnings capacity.

A disability evaluator or the judge will calculate this formula and determine how much PD the worker is entitled to receive and their rating. A rating is a percentage that estimates how much the worker's disability limits the kinds of work they can do or ability to earn a living and determines the amount of their PD benefits. A

rating of 100% means a permanent total disability. Ratings of 100% are very rare. A rating between 1% and 99% means a permanent partial disability (PPD).

In 2012, SB 863 (De Leon (Chapter 363, Statutes of 2012)) was enacted as a major, bipartisan reform backed by business and labor groups. The bill made wide-ranging changes to the state's workers' compensation system, including increased benefits to injured workers and cost-saving efficiencies. SB 863 also revised the method for determining benefits for PPD for injuries occurring on or after January 1, 2014. The current minimum benefit for PPD indemnity is $240 per week and the maximum is $435 per week for injuries occurring on or after January 1, 2014. Individuals who have a PPD are eligible to receive the total amount of PPD benefits spread over a fixed number of weeks.

This bill, SB 555, proposes to adjust what the PPD average weekly earnings will be to compute the average annual earnings – by an unspecified amount – for injuries occurring on or after January 1, 2027. Recent amendments removed the provision that would have adjusted the PPD average weekly earnings by an amount equal to the cost-of-living adjustment (COLA) for social security benefits for that year. The bill currently in print replaced this COLA adjustment with blank spaces as a placeholder. Should this bill move forward, the author and proponents will have to fill in the blank spaces and decide what the minimum and maximum average weekly earnings will be to calculate the average annual earnings for purposes of PPD for injuries on or after January 1, 2027.

Related/Prior Legislation

SB 863 (De Leon, Chapter 363, Statutes of 2012) enacted major reforms to the workers' compensation system, including revising the method for determining benefits for purposes of permanent partial disability for injuries occurring on or after January 1, 2013, and on or after January 1, 2014.

SB 773 (Florez, 2009) would have, effective on January 1, 2010, increased the maximum average weekly wage that is allowed to be used for the purpose of calculating weekly disability benefit payments. Also, for injuries occurring on or after January 1, 2010, increased the number of weeks of benefit payments to permanently disabled workers for specified percentages of permanent disability. This bill was held in Senate Appropriations Committee.

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

According to the Senate Appropriations Committee:

- Costs to the Department of Industrial Relations would likely be minor and absorbable.

- This bill would result in increased permanent partial disability payment amounts (relative to current law) to the State as a direct employer beginning in 2026-27. The magnitude is currently unknown and would depend on (1) the dollar thresholds ultimately included in the bill, and (2) the future number of new state employees receiving such payments.

SUPPORT: (Verified 1/22/26)

California Applicants' Attorneys Association (Source)
American Federation of State, County and Municipal Employees
California Association of Psychiatric Technicians
California Federation of Labor Unions
California Professional Firefighters
California School Employees Association

OPPOSITION: (Verified 1/22/26)

Acclamation Insurance Management Services
Allied Managed Care
American Property Casualty Insurance Association
Brea Chamber of Commerce
California Alliance of Family Owned Businesses
California Association of Joint Powers Authorities
California Association of Winegrape Growers
California Chamber of Commerce
California Coalition on Workers Compensation
California Grocers Association
California League of Food Producers
Carlsbad Chamber of Commerce
Coalition of Small and Disabled Veteran Businesses
Corona Chamber of Commerce
Flasher Barricade Association
Gilroy Chamber of Commerce
Greater Coachella Valley Chamber of Commerce
Greater Conejo Valley Chamber of Commerce
Greater High Desert Chamber of Commerce
Lake Elsinore Valley Chamber of Commerce
Long Beach Area Chamber of Commerce

Mission Viejo Chamber of Commerce
Murrieta Wildomar Chamber of Commerce
National Federation of Independent Business
Orange County Business Council
Public Risk Innovation, Solutions, and Management
Rancho Cucamonga Chamber of Commerce
Roseville Area Chamber of Commerce
Rural County Representatives of California
Santa Ana Chamber of Commerce
Santa Clarita Valley Chamber of Commerce
Santee Chamber of Commerce
Southwest California Legislative Council
Torrance Area Chamber of Commerce
Valley Industry and Commerce Association

ARGUMENTS IN SUPPORT: According to the California Federation of Labor Unions: "Workers' compensation insurance is intended to provide a safety net for workers who sustain a debilitating injury on the jobsite, and to ensure that those workers receive some minimum benefits as they deal with the economic, physical, and emotional toll from the injury. Currently, workers' compensation PPD benefits are based on outdated wage ranges set in 2014, despite California's average weekly wage increasing by nearly 60% since then. In 2014, the last time PPD benefits were adjusted, the average Social Security monthly benefit was $1,294, and as of 2023, those benefits have increased to an average of $1,825."

ARGUMENTS IN OPPOSITION: According to the opposition, which includes a coalition of business and insurer groups, including the California Chamber of Commerce: "SB 555 misidentifies permanent disability as wage replacement when a closer look at the complexities of the Workers' Compensation system in California clarifies that permanent disability is not intended to replace wages and therefore annual increases as proposed are not appropriate. […] Any discussion of increased benefits is better suited for a larger discussion about system reform as was done in prior legislation. […] As a vital element of the Grand Bargain, a reconsideration of the purpose of any individual indemnity benefit or any increase should be part of a larger discussion about broader reform of the Workers' Compensation System. Substantive changes to the nature of PD benefits must be

balanced by efforts to reduce costs elsewhere within the system. The last major reform (SB 863 in 2012) increased PD benefits and paid for them by reducing frictional costs elsewhere."

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1/26/26 13:22:02

****** END ******

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THIRD READING

Bill No: SB 557
Author: Hurtado (D)
Amended: 1/5/26
Vote: 21

SENATE HUMAN SERVICES COMMITTEE: 5-0, 1/12/26
AYES: Arreguín, Ochoa Bogh, Becker, Menjivar, Pérez

SENATE APPROPRIATIONS COMMITTEE: 7-0, 1/22/26
AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

SUBJECT: Child abuse: family resource centers

SOURCE: California Family Resource Association and Child Abuse Prevention Center

DIGEST: This bill expands and refines the definition of "family resource center," aligning it more closely with the federal definition.

ANALYSIS:

Existing Law:

1) Makes legislative findings and declarations that child abuse is a growing concern in the state, and that current methods of coping with child abuse problems are resulting in family breakups that are both expensive and nonproductive to the state. Provides it is the intent of the Legislature to provide for the establishment of a State Office of Child Abuse Prevention to plan, improve, develop, and carry out programs and activities relating to the prevention, identification and treatment of child abuse and neglect. (Welfare and Institutions Code (WIC) § 18950)

2) Defines "family resource center" as an entity providing family-centered and family-strengthening services that are embedded in communities, culturally sensitive, and include cross-system collaboration to assist in transforming

families and communities through reciprocity and asset development based on impact-driven and evidence-informed approaches with the goal of preventing child abuse and neglect and strengthening children and families. A family resource center may be located in, or administered by, multiple entities, including, but not limited to, a local education agency, a community resource center, or a neighborhood resource center. (WIC § 18951)

3) Creates within the California Department of Social Services (CDSS) an Office of Child Abuse Prevention. (WIC § 18952)

4) Provides that the Office of Child Abuse Prevention shall apply for federal funding for the administration of its functions and shall use these funds to do all of the following:

   a) Provide technical assistance, either directly or through grant or contract pursuant to Section 16304 of the Government Code, to public and private agencies and organizations to assist them in planning, improving, developing, and carrying out programs and activities relating to the prevention, identification, and treatment of child abuse and neglect.

   b) Compile training materials for personnel who are engaged or intend to engage in the prevention, identification, and treatment of child abuse and neglect.

   c) Assist and provide funds for the coordination of child abuse prevention programs.

   d) Develop and establish other innovation programs in child abuse prevention where the office finds a need for the programs.

   e) Conduct research and collect data relevant to the determination of the effectiveness of child abuse prevention programs.

   f) Support coordination and sharing of best practices implemented by family resource centers with other agencies, when the best practices reflect strategies and outcomes that were achieved and supported by evidence-informed programs and data. (WIC § 18958)

5) Defines "family resource center" as a community or school-based hub of support services for families that

   a) Utilizes an approach that is multi-generational, strengths-based, and family-centered;

b) Reflects, and is responsive to, community needs and interests;

c) Provides support at no or low cost for participants; and

d) Builds communities of peer support for families, including kinship families, to develop social connections that reduce isolation and stress. (42 United States Code (USC) § 629a)

This bill expands and refines the definition of "family resource center" to specify that family resource centers are family-friendly, are a hub for multigenerational support services, and that the services a family resource center provide shall be provided at low or no cost, be reflective of and response to community needs and interests, build communities of peer support for families, and develop social connections that reduce isolation and stress.

Comments

According to the author. "Across California, families often turn for help not after a crisis, but at the moment they feel overwhelmed, isolated, or unsure where to go. Family Resource Centers are often the first place those families find support. They are trusted, community-based hubs where parents can access guidance, peer connection, and practical services that strengthen families before problems escalate into harm.

"SB 557 updates state law to reflect this reality. By modernizing the statutory definition of Family Resource Centers, the bill recognizes the culturally responsive, low- or no-cost, and family-centered work these centers already do every day to prevent child abuse and neglect. This bill does not create new programs or mandates. It simply ensures that California's statutes align with proven, prevention-focused practices that help families stay strong, connected, and safe."

Office of Child Abuse Prevention. Established in 1978 and located within CDSS, the Office of Child Abuse Prevention administers federal grants, contracts, and state programs which are designed to promote best practices, as well as innovative approaches, to child abuse prevention, intervention, and treatment. The Office of Child Abuse Prevention's mission is to shape police and practice to promote the safety and well-being of California's children and families.

The Office of Child Abuse Prevention administers federal grants, contracts, and state programs designed to promote best practices and innovative approaches to child abuse prevention, intervention and treatment. The Office serves as a statewide source of information, developing and disseminating educational

material regarding prevention/early intervention programs, activities, and research. The federal grants administered by the Office of Child Abuse Prevention are the Child Abuse Prevention and Treatment Act; Community Based Child Abuse Prevention; and Promoting Safe and Stable Families.

Family Resource Centers. There are over 3,000 Family Resource Centers across the United States funded by a combination of federal, state, local, and grant funds. They are "community-based resource hubs where families can access formal and informal supports to promote child safety and child and family well-being"[1] and are designed to help to stabilize families before Child Protective Services involvement is warranted. Family Resource Centers partner and collaborate with different community partners including school districts, county agencies, health and mental health providers, local businesses, law enforcement partners, food banks, and other local nonprofits. Family Resource Centers and their services may, and often do, look very different from another as these centers are specifically tailored to the unique needs of their individual communities and evolve as the community around them changes. The current statutory definition no longer aligns with current best practices or how Family Resource Centers operate in practice. According to the sponsors, the definition changes in this bill better reflect the modern, prevention-focused role of Family Resource Centers.

A federal definition of "Family Resource Centers" was enacted in 2025. That definition contains elements not in the current California definition. The federal definition states: "A 'family resource center' is a community or school-based hub of support services for families that: utilizes an approach that is multi-generational, strengths-based, and family-centered; reflects, and is responsive to, community needs and interests; provides support at no or low cost for participants; and builds communities of peer support for families, including kinship families, to develop social connections that reduce isolation and stress."

Current California law does not reflect several elements in the federal definition. This bill seeks to bridge that gap by including the following federal elements to the California definition:

- Specify that family resource centers are a hub for services;
- Provide that these services utilize an approach that is multigenerational;
- Services are provided at no cost or low cost to participants;

[1] https://www.casey.org/media/24.07-QFF-SCom-Family-Resource-Centers.pdf

- Services are reflective of and response to community needs and interests;
- Services build communities of peer support for families; and
- Develop social connections that reduce isolation and stress.

In addition to aligning with federal law, these changes also reflect the way modern Family Resource Centers operate.

Related/Prior Legislation:

SB 436 (Hurtado, Chapter 476, Statutes of 2019) made a number of changes to the Office of Child Abuse Prevention, including: defining "family resource center"; adding a representative of a local child abuse prevention council or family strengthening organization as a potential member of an multidisciplinary personnel team; and requiring the Office of Child Abuse Prevention to use their federal funding to support coordination and sharing of best practices implemented by family resource centers with other agencies.

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

According to the Senate Appropriations Committee Analysis:

The California Department of Social Services (CDSS) anticipates one-time General Fund costs, potentially ranging from $50,000-$75,000, for state operations to inform counties and update materials.

SUPPORT: (Verified 1/22/26)

California Family Resource Association (Sponsor)
Child Abuse Prevention Center (Sponsor)

OPPOSITION: (Verified 1/22/26)

None received

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Office of Senate Floor Analyses
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THIRD READING

Bill No: SB 574
Author: Umberg (D)
Amended: 1/5/26
Vote: 21

SENATE JUDICIARY COMMITTEE: 13-0, 1/13/26
AYES: Umberg, Niello, Allen, Ashby, Caballero, Durazo, Laird, Reyes, Stern, Valladares, Wahab, Weber Pierson, Wiener

SENATE APPROPRIATIONS COMMITTEE: 7-0, 1/22/26
AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

SUBJECT: Generative artificial intelligence: attorneys and arbitrators

SOURCE: Author

DIGEST: This bill provides guidelines for the use of generative artificial intelligence (AI) by attorneys and arbitrators.

ANALYSIS:

Existing law:

1) Requires every pleading, petition, written notice of motion, or other similar paper to be signed by at least one attorney of record in the attorney's individual name, or, if the party is not represented by an attorney, by the party. (Code of Civil Procedure § 128.7.)

2) Provides that by presenting to the court, whether by signing, filing, submitting, or later advocating, a pleading, petition, written notice of motion, or other similar paper, an attorney or unrepresented party is certifying that to the best of the person's knowledge, information, and belief, formed after an inquiry reasonable under the circumstances, all of the following conditions are met:

a) it is not being presented primarily for an improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation;
b) the claims, defenses, and other legal contentions therein are warranted by existing law or by a nonfrivolous argument for the extension, modification, or reversal of existing law or the establishment of new law;
c) the allegations and other factual contentions have evidentiary support or, if specifically so identified, are likely to have evidentiary support after a reasonable opportunity for further investigation or discovery; and
d) the denials of factual contentions are warranted on the evidence or, if specifically so identified, are reasonably based on a lack of information or belief. (*Ibid*.)

3) Requires all attorneys who practice law in California to be licensed by the State Bar and establishes the State Bar, within the judicial branch of state government, for the purpose of regulating the legal profession. (California Constitution, article (art.) VI, § 9; Business & Professions Code §§ 6000 et seq.)

4) Governs arbitrations in California pursuant to the California Arbitration Act (CAA), including the enforcement of arbitration agreements, rules for neutral arbitrators, the conduct of arbitration proceedings, and the enforcement of arbitration awards. (Code of Civil (Civ.) Procedure (Proc.) § 1280 et. seq.)

This bill:

1) States it is the duty of an attorney using generative AI to practice law to ensure all the following listed below.

   a) Confidential, personal identifying, or other nonpublic information is not entered into a public generative AI system.
   b) The use of generative AI does not unlawfully discriminate against or disparately impact individuals or communities based on age, ancestry, color, ethnicity, gender, gender expression, gender identity, genetic information, marital status, medical condition, military or veteran status, national origin, physical or mental disability, political affiliation, race, religion, sex, sexual orientation, socioeconomic status, and any other classification protected by federal or state law.
   c) Reasonable steps are taken to do all of the following:
      i. verify the accuracy of generative AI material, including any material prepared on their behalf by others;

ii. correct any erroneous or hallucinated output in any material used by the attorney;
iii. remove any biased, offensive, or harmful content in any generative AI material used, including any material prepared on their behalf by others;
iv. the attorney considers whether to disclose the use of generative AI if it is used to create content provided to the public.

2) Prohibits a brief, pleading, motion, or any other paper filed in any court from containing any citations that the attorney responsible for submitting the pleading has not personally read and verified, including any citation provided by generative AI.

3) Prohibits an arbitrator from delegating any part of their decision-making process to any generative AI tool.

4) Prohibits the use of generative AI tools by arbitrators from replacing their independent analysis of the facts, the law, and the evidence.

5) Prohibits an arbitrator from relinquishing their decision-making powers to generative AI and delegating any tasks to generative AI tools if such use could influence procedural or substantive decisions.

6) Prohibits an arbitrator from relying on information generated by generative AI outside the record without making appropriate disclosures to the parties beforehand and, as far as practical, allowing the parties to comment on its use.

   a) If a generative AI tool cannot cite sources that can be independently verified, an arbitrator shall not assume that such sources exist or are characterized accurately.
   b) An arbitrator assumes responsibility for all aspects of an award, regardless of any use of generative AI tools to assist with the decision-making process.

7) Defines “generative artificial intelligence” means an AI system that can generate derived synthetic content, including text, images, video, and audio that emulates the structure and characteristics of the system’s training data.

Comments

The California State Bar’s Standing Committee on Professional Responsibility and Conduct released guidance on the use of generative AI noting that:

> Generative AI use presents unique challenges; it uses large volumes of data, there are many competing AI models and products, and, even for those who create generative AI products, there is a lack of clarity as to how it works. In addition, generative AI poses the risk of encouraging greater reliance and trust on its outputs because of its purpose to generate responses and its ability to do so in a manner that projects confidence and effectively emulates human responses. A lawyer should consider these and other risks before using generative AI in providing legal services.[1]

Recently, an attorney was fined $10,000 for filing a state court appeal full of fake quotations generated by the AI tool ChatGPT. The Court of Appeal noted that "nearly all of the quotations in plaintiff's opening brief, and many of the quotations in plaintiff's reply brief, have been fabricated."[2] The opinion further elucidated that the attorney of record admitted he used AI to "support citation of legal issues" and that the "fabricated quotes were AI-generated. He further asserted that he had not been aware that generative AI frequently fabricates or hallucinates legal sources and, thus, he did not 'manually verify [the quotations] against more reliable sources."[3] The court of appeal published the opinion as a warning to the legal community writing "[s]imply stated, no brief, pleading, motion, or any other paper filed in any court should contain *any* citations—whether provided by generative AI or any other source—that the attorney responsible for submitting the pleading has not personally read and verified."[4]

The American Arbitration Association–International Centre for Dispute Resolution (AAA-ICDR) announced in September of 2025 that it was releasing an AI arbitrator to resolve actual cases for two-party, documents only construction cases where both parties opted in to its use.[5] The AA-ICDR websites states:

> the AI arbitrator was trained on actual arbitrator reasoning from AAA-ICDR construction cases and calibrated and trained with human arbitrator input. With each step of the dispute resolution process, the AI arbitrator will evaluate the merits of claims, generate explainable recommendations, and prepare draft awards that will be benchmarked to maintain alignment with expert human

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[1] State Bar of Cal. Standing Comm. on Prof. Responsibility and Conduct, Practical Guidance for the use if Generative Artificial Intelligence in the Practice of Law, available at https://www.calbar.ca.gov/Portals/0/documents/ethics/Generative-AI-Practical-Guidance.pdf.
[2] *Noland v. Land of the Free* (2025) 114 Cal.App.5th 426 at 435.
[3] *Id*. at 441.
[4] *Id*. at 430.
[5] AAA-ICDR® to Launch AI-Native Arbitrator, Transforming Dispute Resolution, Amer. Arbitration Assn., (Sept. 17, 2025), https://www.adr.org/press-releases/aaa-icdr-to-launch-ai-native-arbitrator-transforming-dispute-resolution/.

> legal judgment. A human-in-the-loop framework embeds human arbitrators to review reasoning, evaluate and, if needed, revise AI-driven outcomes before a decision is finalized, and validate results, safeguarding trust, transparency, and due process.[6]

The California Rules of Court Standard 10.80 prescribe rules for the use of generative AI for any task with an adjudicative role. These include:

- not entering confidential, personal identifying, or other nonpublic information into a public generative AI system;
- not using generative AI to unlawfully discriminate against or disparately impact individuals or communities based on certain protected classifications;
- taking reasonable steps to remove any biased, offensive, or harmful content in any generative AI material used, including any material prepared on their behalf by others; and
- considering whether to disclose the use of generative AI if it is used to create content provided to the public.

This bill seeks to provide basic guidelines for the use of generative AI by attorneys and arbitrators by modeling its provisions off the California Rules of Court Standard 10.80 and the ruling in *Noland* regarding verifying cases and citations used in documents submitted to the courts.

The Federal Arbitration Act (FAA) was enacted by the U. S. Congress in 1925 in response to widespread judicial hostility to arbitration agreements. Section 2 of the FAA generally provides that a written provision in any contract evidencing a transaction involving commerce to settle by arbitration a controversy thereafter arising out of such contract or transaction shall be valid, irrevocable, and enforceable, save upon such grounds as exist at law or in equity for the revocation of any contract. (See 9 United States Code Section 2; similar language is contained within the California Arbitration Act at Code Civ. Proc. § 1281.)

The concept of preemption derives from the "supremacy clause" of the federal Constitution, which provides that the laws of the United States "shall be the supreme Law of the Land." Courts have typically identified three circumstances in which federal preemption of state law occurs:

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[6] *Ibid*.

(1) express preemption, where Congress explicitly defines the extent to which its enactments preempt state law; (2) field preemption, where state law attempts to regulate conduct in a field that Congress intended the federal law exclusively to occupy; and (3) conflict preemption, where it is impossible to comply with both state and federal requirements, or where state law stands as an obstacle to the accomplishment and execution of the full purpose and objectives of Congress.

In assessing whether a state law is preempted by the FAA, three key aspects of the law surrounding arbitration and preemption are especially relevant. First, the federal courts have ruled that the FAA was intended to promote arbitration. Second, state laws or rules that interfere with the enforcement of arbitration agreements are preempted, except on such grounds as exist at law or in equity for the revocation of any contract. Third, state laws that explicitly or covertly discriminate against arbitration agreements as compared to other contracts are also preempted. As this bill is not affecting the arbitration of claims but providing guideline for the use of generative AI in arbitration, it should not run afoul of the FAA.

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

The Senate Appropriations Committee writes:

- Unknown, potential costs pressures to the state funded trial court system (Trial Court Trust Fund, General Fund), may lead to additional filings that otherwise would not have been commenced (such as motions against attorneys for prohibited AI-related conduct, evidentiary disputes, or sanctions proceedings) and could lead to lengthier and more complex court proceedings with attendant workload and resource costs to the court. The fiscal impact of this bill to the courts will depend on many unknowns, including the number of filings and the factors unique to each case. An eight-hour court day costs approximately $10,500 in staff in workload. This is a conservative estimate, based on the hourly rate of court personnel including at minimum the judge, clerk, bailiff, court reporter, jury administrator, administrative staff, and jury per-diems. If court days exceed 10, costs to the trial courts could reach hundreds of thousands of dollars. While the courts are not funded on a workload basis, an increase in workload could result in delayed court services and would put pressure on the General Fund to fund additional staff and resources and to increase the

amount appropriated to backfill for trial court operations.

- Unknown, potential costs pressures to state and local agencies employing attorneys, including the Department of Justice, to litigate motions regarding use of generative AI tools, and to ensure compliance with confidentiality and nondiscrimination requirements when AI tools are used.

SUPPORT: (Verified 1/22/26)

Oakland Privacy

OPPOSITION: (Verified 1/22/26)

None received

ARGUMENTS IN SUPPORT: The author writes:

> Artificial Intelligence and its use now permeate every industry in the U.S. Its capabilities continue to improve at an exponential rate, but it is far from perfect. We must be cautious when determining best practices for its use in high-stakes industries, including the legal profession. SB 574 protects those receiving legal services by codifying certain safeguards for the use of A.I. by attorneys and arbitrators.

Oakland Privacy writes in support stating:

> Oakland Privacy writes to offer our support to Senate Bill 574. The bill would prevent attorneys from entering the personal information of clients or other individuals into a public generative AI system, require all citations in a legal filing, including those generated by an AI system, to be personally verified by the filing attorney, and limits the role of artificial intelligence programs in arbitration decisions. […]

Prepared by: Amanda Mattson / JUD. / (916) 651-4113
1/23/26 15:39:13

****** END ******

Office of Senate Floor Analyses
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THIRD READING

Bill No: SB 608
Author: Menjivar (D), et al.
Amended: 3/24/25
Vote: 21

SENATE EDUCATION COMMITTEE: 5-2, 4/2/25
AYES: Pérez, Cabaldon, Cortese, Gonzalez, Laird
NOES: Ochoa Bogh, Choi

SENATE HEALTH COMMITTEE: 8-0, 4/9/25
AYES: Menjivar, Durazo, Gonzalez, Limón, Padilla, Richardson, Rubio, Wiener
NO VOTE RECORDED: Valladares, Grove, Weber Pierson

SENATE APPROPRIATIONS COMMITTEE: 5-2, 1/22/26
AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto, Dahle

SUBJECT: Sexual health

SOURCE: Black Women, for Wellness Action Project
California School Based Health Alliance
Essential Access Health
Generation Up
Voters of Tomorrow California

DIGEST: This bill (1) prohibits public schools serving students in any grades 7 to 12, inclusive, from prohibiting certain school-based health centers from making internal and external condoms available and easily accessible to students; (2) requires the aforementioned public schools to allow condoms to be made available through the course of educational and public health programs and initiatives; (3) requires the California Department of Education (CDE) to monitor compliance with the California Healthy Youth Act (CHYA) as part of its annual compliance

monitoring of state and federal programs; (4) prohibits retailers from restricting sales of nonprescription contraception solely on the basis of age.

ANALYSIS:

Existing Law:

1) Establishes the CHYA, which requires local educational agencies (LEAs) to provide comprehensive sexual health and human immunodeficiency virus (HIV) prevention instruction to all students in grades 7 to 12, at least once in middle school and once in high school. (Education Code (EC) § 51933)

2) Authorizes an LEA to contract with outside consultants or guest speakers, including those who have developed multilingual curricula or curricula accessible to persons with disabilities, to deliver comprehensive sexual health education and HIV prevention education or to provide training for school district personnel. All outside consultants and guest speakers shall have expertise in comprehensive sexual health education and HIV prevention education and have knowledge of the most recent medically accurate research on the relevant topic or topics covered in their instruction. (EC § 51936)

3) Requires that pupils in grades 7 to 12, inclusive, receive comprehensive sexual health education at least once in junior high or middle school and at least once in high school. (EC § 51934)

4) Requires that the instruction and related instructional materials be, among other things:

    a) Age appropriate.

    b) Medically accurate and objective.

    c) Appropriate for use with pupils of all races, genders, sexual orientations, and ethnic and cultural backgrounds, pupils with disabilities, and English learners.

    d) Made available on an equal basis to a pupil who is an English learner, consistent with the existing curriculum and alternative options for an English learner pupil.

    e) Accessible to pupils with disabilities. (EC § 51934)

5) Requires school districts, at the beginning of each school year, or, for a pupil who enrolls in a school after the beginning of the school year, at the time of that

pupil's enrollment, to notify the parent or guardian of each pupil about instruction in comprehensive sexual health education and HIV prevention education and research on pupil health behaviors and risks planned for the coming year. This notice shall do all of the following:

a) Advise the parent or guardian that the educational materials used in sexual health education are available for inspection.

b) Advise the parent or guardian whether the comprehensive sexual health education or HIV prevention education will be taught by school district personnel or by an outside consultant, as provided.

c) Advise the parent or guardian that the parent or guardian has the right to excuse their child from comprehensive sexual health education and HIV prevention education and that in order to excuse their child they must state their request in writing to the LEA. (EC § 51938)

6) Provides that the parent or guardian of a pupil has the right to excuse their child from all or part of that education, including related assessments, through a passive consent ("opt-out") process. (EC § 51938)

This bill:

1) Prohibits any public school that serves pupils in any grades 7 to 12, inclusive, from prohibiting certain school-based health centers, as defined, from making internal and external condoms available and easily accessible to pupils at the school-based health center.

2) Requires each public school that serves pupils in any grades 7 to 12, inclusive, to allow condoms to be made available during the course of, or in connection with, educational or public health programs and initiatives, as specified.

3) Requires CDE to monitor compliance with the CHYA as part of its annual compliance monitoring of state and federal programs.

4) Prohibits a retail establishment from refusing to furnish nonprescription contraception to a person solely on the basis of age, as specified.

5) Clarifies that if, under subsequent provisions of federal law, a nonprescription contraception becomes subject to restrictions on the basis of age, the above prohibition shall not apply to the refusal to furnish that contraception on the basis of age.

6) Finds and declares that California has an interest in promoting and expanding equitable access to tools and resources that empower youth to make healthier choices and reduce the spread of sexually transmitted infections (STIs) by making condoms more accessible for young people.

Comments

Need for the bill. According to the author, "Young people should have greater access to medically accurate, unbiased sex education, and readily available health resources to protect their safety and wellbeing. SB 608 aims to address that lack of access by increasing equitable access to condoms and a comprehensive, inclusive, and age-appropriate sexual health education for California youth. When some high schools and retailers are enacting dangerous policies that deny young people the ability to protect themselves we contribute to the current STI epidemic hitting us in California. Investing in prevention is a fraction of the cost compared to the millions California spends on the treatment of STIs every year."

California Healthy Youth Act. The CHYA was first enacted in 2003 under its previous name, the Comprehensive Sexual Health and HIV/AIDS Prevention Education Act. Originally, the act required LEAs to provide comprehensive sexual health education in any grade, including kindergarten, so long as it consisted of age-appropriate instruction and used instructors trained in the appropriate courses. In 2016, AB 329 (Weber, Chapter 398, Statutes of 2015) renamed the act as the CHYA and required LEAs to provide comprehensive sexual health education and HIV prevention education to all students at least once in middle school and at least once in high school. From its inception in 2003 through today, the CHYA has always afforded parents the right to opt their child out of a portion, or all, of the instruction and required LEAs to notify parents and guardians of this right. Parents and guardians can exercise this right by informing the LEA in writing of their decision.

This bill does not make any changes to the provisions of CHYA but rather requires CDE to monitor compliance with the requirements of existing law as part of its annual compliance monitoring of state and federal programs.

Third time's the charm? SB 608 is the third iteration of the author's efforts to expand access to contraceptives for California students, with the first and second being SB 541 (Menjivar) of 2023 and SB 954 (Menjivar) of 2024, respectively. Notably different in this iteration is the removal of a requirement for schools serving students grades 9 to 12 to make condoms available free of charge, as well as the requirement that notices and additional information about proper condom use be made available to students. The Budget Act of 2024 included a one-time

allocation of $5 million to support the implementation of SB 954. Despite this allocation, SB 954 was vetoed by Governor Newsom, citing concerns about ongoing cost pressures that were not accounted for in the budget.

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

According to the Senate Appropriations Committee:

- The bill's provisions could result in additional, unknown costs for local school districts to comply. These activities include the updating of policies and issuance of guidance regarding the availability of and how to access condoms on school campuses. Additionally, there could be one-time cost pressures for school districts to buy and install tamper-proof dispensers. It is unclear whether the Commission on State Mandates would deem these activities to be reimbursable.

- The California Department of Education indicates that any costs to monitor school compliance with the California Healthy Youth Act would be minor and absorbable within existing resources.

SUPPORT: (Verified 1/22/26)

Black Women for Wellness Action Project (co-source)
California School-Based Health Alliance (co-source)
Essential Access Health (co-source)
Generation Up (co-source)
Voters of Tomorrow (co-source)
Access Reproductive Justice
ACLU California Action
Aids Healthcare Foundation
Alameda County Office of Education
American Academy of Pediatrics, California
APLA Health
Asian Americans Advancing Justice-Southern California
Beyond Aids Foundation
California Academy of Preventive Medicine
California Latinas for Reproductive Justice
California Medical Association
California Primary Care Association
California Teachers Association
CFT- A Union of Educators & Classified Professionals, AFT, AFL-CIO
Courage California

Equality California
GLIDE
Indivisible CA: StateStrong
Latino Coalition for a Healthy California
National Center for Youth Law
National Health Law Program
Reproductive Freedom for All California
San Francisco Aids Foundation
South Asian Network
The Los Angeles Trust for Children's Health
Women's Foundation California

OPPOSITION: (Verified 1/22/26)

Lighthouse Baptist Church
Real Impact
25 Individuals

Prepared by: Therresa Austin / ED. / (916) 651-4105
1/23/26 15:39:14

****** END ******

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THIRD READING

Bill No: SB 623
Author: Archuleta (D), et al.
Introduced: 2/20/25
Vote: 21

SENATE MILITARY & VETERANS COMMITTEE: 3-0, 1/14/26
AYES: Archuleta, McNerney, Umberg
NO VOTE RECORDED: Grove, Menjivar

SENATE REVENUE AND TAXATION COMMITTEE: 5-0, 1/14/26
AYES: McNerney, Valladares, Ashby, Grayson, Umberg

SENATE APPROPRIATIONS COMMITTEE: 7-0, 1/22/26
AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

SUBJECT: Property taxation: homeowners', veterans', and disabled veterans' exemptions

SOURCE: Author

DIGEST: This bill amends the homeowners' exemption from property tax to allow a property that receives the homeowners' exemption to also receive the disabled veterans' or veterans' exemptions; takes effect only if voters approve an unspecified constitutional amendment at the November, 2026, statewide general election.

ANALYSIS:

Existing law:

1) Provides that all property is taxable unless explicitly exempted by the Constitution or federal law (California Constitution, Article XIII, Section One).

2) Sets forth several property tax exemptions (California Constitution, Article XIII, Section Three).

3) Exempts $7,000 in taxable value when the home is the principal place of residence of the owner on January 1st of the year the exemption is claimed, unless the taxpayer claims another exemption.

4) Allows the Legislature to increase the exemption; however, they must increase subventions to local agencies backfilling any revenue loss, and provide an increase in benefits to qualified renters.

5) Requires the state to backfill local property tax revenue losses resulting from the exemption (California Constitution, Article XIII, Section 25).

6) Contains an exemption for veterans, which the Constitution defines as someone who is serving in, or has served in and has been discharged under honorable conditions from service in, the United States Army, Navy, Air Force, Marine Corps, Coast Guard, or Revenue Marine (Revenue Cutter) Service; and served in any of the following:

   a) in time of war,
   b) in time of peace in a campaign or expedition for which a medal has been issued to the veteran by Congress, or
   c) in time of peace and because of a service-connected disability was released from active duty.

7) Sets the exemption amount at $1,000 (adjusted to $4,000 in statute) for a person qualifying under the above criteria, or their unmarried surviving spouse or parent of a deceased veteran meeting the service requirements.

8) Allows the veteran's exemption for veterans who own property, real or personal, worth less in aggregate than $5,000 if the claimant is single, or $10,000 if married.

9) Allows the Legislature to partially or wholly exempt from property tax the value of a disabled veteran's principal place of residence if the veteran has lost two or more limbs, is totally blind, or is totally disabled as a result of a service-connected injury, so long as the taxpayer served in the United States Army, Navy, Air Force, Marine Corps, and been discharged under conditions other than dishonorable (California Constitution, Article XIII, Section Four).

10) Provides that the disabled veterans' exemption applies instead of other real property exemptions, like the homeowners' exemption.

11) Makes the exemption available to disabled veteran taxpayers or their unmarried surviving spouses, so long as the surviving spouse receives a U.S.

Department of Veterans Affairs (USDVA) determination that the spouse's death was service connected.

12) Does not fully exclude the value of a disabled veteran or surviving spouse's property, instead enacting a partial exemption of $100,000 for disabled veteran taxpayers with annual household income of more than $40,000, or $150,000 for income lower than that amount, with each threshold adjusted for inflation by the Department of Industrial Relations using the California Consumer Price Index for all items. The current inflation adjusted value for 2023 is $161,083 for disabled veterans with income of more than $72,335, and $241,627 for those with less than that amount.

This bill:

1) Amends the homeowners' exemption from property tax to remove the prohibition against a property that receives the homeowners' exemption from also receiving the disabled veterans' or veterans' exemptions.

2) Provides that if voters approve an unspecified Senate Constitutional Amendment at the November 2026 statewide general election, the homeowners' exemption applies to property where the owner currently receives the veterans' or disabled veterans' exemption, effective January 1, 2027.

3) Makes conforming changes.

Related/prior legislation:

SB 623 (Archuleta) of the current legislative session makes changes to statute to implement SCA 4's constitutional change to allow eligible taxpayers to also claim both the homeowners' as well as either the disabled veterans' or veterans' exemption. SCA 4 is currently pending in the Senate Committee on Elections & Constitutional Amendments.

SB 623 is largely identical to SB 871 (Archuleta) of 2023. The Senate approved that measure, but it did not advance from the Assembly Revenue & Taxation Committee.

If approved by voters, SCA 4 would allow disabled veterans to also claim the homeowners' exemption, equal to $7,000 in value or $70 in tax at the 1% rate. Last year, the Senate approved SB 296 (Archuleta), which suspends the current disabled veterans' basic and low-income exemptions and instead provides a full property tax exemption for the principal residence of a disabled veteran or the

surviving unmarried spouse of a qualified veteran. SB 296 provided that its full exemption was in lieu of the veterans' or homeowners' exemption, so if both it and SCA 4 are enacted, a disabled veteran could not claim an exemption that exceeds the full value of their property. However, the Assembly Revenue & Taxation Committee held SB 296 on its suspense file.

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

According to the Senate Appropriations Committee:

- The Board of Equalization (BOE) estimates that this bill would result in annual property tax revenue losses of $4.7 million. Reductions in local property tax revenues, in turn, increase General Fund Proposition 98 spending by up to roughly 50% (the exact amount depends on the specific amount of the annual Proposition 98 guarantee, which in turns depends upon a variety of economic, demographic and budgetary factors). BOE would incur minor General Fund administrative costs.

SUPPORT: (Verified 1/23/26)

California Association of Realtors
California Senior Legislature
California State Board of Equalization
County of Orange
County of San Diego
Howard Jarvis Taxpayers Association

OPPOSITION: (Verified 1/23/26)

None received

ARGUMENTS IN SUPPORT: According to the author, "Veterans have made significant sacrifices in service to our country. They have put their lives on the line, spent time away from their families, and faced numerous physical and mental challenges in their pursuit of safety and security for our Country. And yet despite all of this, many veterans continue to face difficulties as they transition back to civilian life. One of the biggest challenges veterans face is the financial burden of owning a home. For many veterans, owning a home can be a difficult dream to achieve and maintain. Many veterans struggle to make ends meet despite their service, especially if they are on a fixed income or facing other financial challenges. In California, the current veterans' exemption provides veterans and their families with a $4,000 reduction in the taxable value of their property to help ease the financial burden of owning a home. This lifeline can be especially

important for veterans who are facing other challenges such as medical bills or disabilities as a result of their service. Unfortunately, the amount of the current veteran exemption has remained the same since its creation, along with limitations on the maximum eligible value of a property owned by a veteran. Furthermore, because the homeowners' exemption is nearly twice the amount of the veteran exemption at $7,000, most California veteran homeowners choose the homeowners' exemption, leaving the veterans' exemption underutilized. SCA 4 and SB 623 seek to allow a veteran property owner who qualifies for the veterans' exemption or the disabled veterans' exemption to also receive the homeowners' exemption. These measures will provide much needed tax relief for veterans and their families. In California, we have a proud tradition of supporting our veterans. We recognize the sacrifices that they have made and we are committed to providing them with the support they need to succeed and stay here in California after their service. SCA 4 and SB 623 exemplifies that commitment and is a way for California to show that we value our veterans and their contributions to our great state."

Prepared by: Colin Grinnell / REV. & TAX. / (916) 651-4117
1/23/26 15:39:15

****** END ******

Office of Senate Floor Analyses
(916) 651-4171

THIRD READING

Bill No: SB 667
Author: Archuleta (D)
Amended: 1/22/26
Vote: 21

SENATE ENERGY, U. & C. COMMITTEE: 12-4, 4/21/25
AYES: Becker, Allen, Archuleta, Arreguín, Ashby, Gonzalez, Grayson, Limón, McNerney, Rubio, Stern, Wahab
NOES: Ochoa Bogh, Dahle, Grove, Strickland
NO VOTE RECORDED: Caballero

SENATE TRANSPORTATION COMMITTEE: 11-3, 1/13/26
AYES: Cortese, Archuleta, Arreguín, Blakespear, Cervantes, Gonzalez, Grayson, Menjivar, Pérez, Richardson, Umberg
NOES: Dahle, Seyarto, Valladares
NO VOTE RECORDED: Strickland

SENATE APPROPRIATIONS COMMITTEE: 4-2, 1/22/26
AYES: Caballero, Grayson, Richardson, Wahab
NOES: Seyarto, Dahle
NO VOTE RECORDED: Cabaldon

SUBJECT: Railroads: safety: wayside detectors

SOURCE: Brotherhood of Locomotive Engineers and Trainmen
California Safety & Legislative Board of SMART–Transportation Div
California Teamsters Public Affairs Council

DIGEST: This bill requires railroad corporations to install wayside detectors at specified intervals on California rail tracks that serve freight trains. This bill establishes penalties for this bill's violations and requires the California Public Utilities Commission (CPUC) to enforce those penalties.

ANALYSIS:

Existing law:

1) Defines a "public utility" as every common carrier, toll bridge corporation, pipeline corporation, gas corporation, electrical corporation, telephone corporation, telegraph corporation, water corporation, sewer system corporation, and heat corporation. Existing law provides the CPUC with authority to regulate public utilities. (Public Utilities Code §216)

2) Specifies that the definition of a "common carrier" includes every railroad corporation, street railroad corporation, and specified car corporation accepting compensation for transportation. (Public Utilities Code §211)

3) Requires approval from the CPUC before an applicant can construct a public road, highway, or street across a railroad track. (Public Utilities Code §1201)

4) Provides the CPUC with exclusive authority to prescribe standards for railroad crossings, including the location, installation, operation, maintenance, and use of crossings. (Public Utilities Code §1202)

5) Allows individuals who own land through which a railroad operates to build private crossings over the railroad when those crossings are necessary for ingress or egress. Existing law gives the CPUC the authority to determine the necessity for any crossing, the location and conditions for constructing and maintaining the private crossing, and the ability to assess costs. (Public Utilities Code §7537)

This bill:

1) Defines a wayside detector system as an electronic device or series of connected devices that scans passing freight trains and their component equipment and parts for defects.

2) Requires a railroad corporation to install wayside detectors at the following intervals:

    a) Class I railroads: every 10 miles.
    b) Class II railroads: every 25 miles.
    c) Class III railroads: every 35 miles.

3) Specifies that wayside detector systems installed pursuant to this bill must include a hot wheel bearing detector.

4) Prohibits freight trains from travelling faster than 10 miles per hour on tracks that do not have wayside detectors that comply with this bill. This bill also prohibits freight trains from travelling faster than 10 miles per hour on any track unless it receives a notification from a wayside detector that no defects are detected.

5) Requires the CPUC to adopt rules to implement this bill, including all the following:

   a) Establishing minimum requirements for wayside detector systems.
   b) Establishing a process for railroad corporations to receive approval from the CPUC for their wayside detector systems.
   c) Specify a process for freight train crews to receive alert from wayside detector systems.
   d) Create standards for freight train inspections that must be conducted following a wayside detector system alert. These standards must include requirements for railroad corporations to ensure that their employees are aware of these inspection standards.

6) Establishes a penalty of at least $25,000 for each railroad corporation violation of this bill's provisions regarding wayside detectors.

Background

Bill aims to address safety issues highlighted by the East Palestine derailment. In 2020, a freight train carrying hazardous materials derailed in the town of East Palestine, Ohio. In a subsequent investigation, the National Transportation Safety Board (NTSB) determined that a rail car's defective wheel bearing overheated and failed, triggering the train derailment. At the time of the derailment, the train was approximately 9,000 feet in length, consisting of 149 cars. Of those 149 cars, 38 derailed, and 11 of the derailed cars contained toxic chemicals. While the derailment did not directly result in any fatalities or injuries, fires burning around derailed cars containing combustible toxic chemicals led to concerns about the potential for an uncontrolled explosion. Residents of East Palestine continue to express concerns about the safety of the town's air and water following the derailment.

The East Palestine derailment raised a variety of concerns about safety issues related to railroads, including concerns about the extent to which inadequate warning systems, overly long train lengths, and low train staffing ratios increase the likelihood of train crashes and derailments. These concerns have also reignited debates about the extent to which regulations should address trains blocking traffic around at-grade crossings, particularly when that traffic includes emergency response vehicles.

Bill requires installation of wayside detectors on California rail lines serving freight trains. Wayside detectors are devices installed on or adjacent to rail tracks to monitor conditions of the train and the rails. Wayside detectors have a variety of sensors that can alert train operators to issues, including hot wheel bearing detectors that sense the temperature of train bearings, axels and brakes. These sensors are sometimes known as hot box detectors (HBDs) This bill requires railroad corporations to install wayside detectors at specified intervals on any tracks serving freight trains and specifies that these detectors must include HBDs. This bill is silent on other requirements for these systems; however, it requires the CPUC to establish requirements for these wayside detection systems, including a process for train crews to receive alerts from wayside detector systems and standards for freight train inspections following an alert.

Wayside detectors already exist on some rail lines. The train that crashed in East Palestine passed multiple wayside detectors before it derailed. At least two of these detectors sensed that the train's wheel bearings were overheating; however, these detectors were not set to alert the train's crew until the bearing reached substantially higher temperatures. By the time the final detector sensed a temperature high enough to trigger an alert to the train's crew, the train was already in the process of derailing and catching fire. The NTSB's Chair, Jennifer Homendy, speculated that improved spacing and settings for wayside detectors could have prevented the East Palestine derailment.

Bill addresses freight trains, but it may impact California rail systems more broadly. This bill requires certain classes of railroad corporations to install wayside detectors on tracks that serve freight trains, requires the CPUC to set standards for inspections of freight trains, and limits the speed at which freight trains can travel in the state on tracks that do not have compliant wayside detector systems. This bill also limits the speed at which freight trains can travel on any track where the detector has not provided a notification indicating that there no defects detected.

In many parts of the state, freight and passenger rail travel on overlapping tracks. For example, Los Angeles's Metrolink, the Altamont Corridor Express (ACE), and Amtrak's Capitol Corridor passenger rail systems heavily rely on and share tracks with Union Pacific (UP) and Burlington Northern Santa Fe (BNSF) which are Class I freight rail providers. Both the Amtrak Capitol Corridor Express and the ACE passenger rail system between Santa Clara and Stockton are largely based on UP freight lines. As a result, all these systems may require the installation of wayside detectors every 10 miles along their tracks. This bill limits the speed of freight trains on tracks that do not have detectors at these intervals and limits the speed of freight when a detector does not alert that defects are not detected. While this bill's speed limitation appears to apply only to freight trains, slowing freight trains on passenger rail systems below 10 miles per hour will necessarily require all other trains to slow their speed on the same track to prevent collisions and allow slower moving freight to clear tracks before other trains can move forward. While this bill requires the CPUC specify requirements for wayside detector systems that include heat sensors, this bill does not specify how this bill's speed limitations will be enforced.

CPUC maintains limited jurisdiction over rail safety issues. While the CPUC has long held a role in regulating rail safety, federal law largely preempts states from regulating most rail operations. The Federal Railroad Safety Act (FRSA) and the Interstate Commerce Commission Termination Act (ICCTA) expressly exempt states from exercising regulatory action over railroads in certain circumstances. For example, the ICCTA provides the federal Surface Transportation Board with exclusive authority over the construction and operation of railroad tracks and facilities, even when those tracks and facilities are located entirely in one state. Federal law also generally gives the Federal Railroad Administration regulatory authority over railroad tracks, vehicles, speeds, and safety inspections. Generally, if a law has not provided a federal agency with express preemption authority, the agency may claim an implied preemption power, which may depend on whether the federal agency has adopted a conflicting federal regulation. However, federal law also sets express boundaries on states' authority to adopt railroad safety regulations in the absence of federal rules. Federal statute (Title 49 U.S.C. §20106) states that states can only adopt rail safety rules in circumstances where there is no federal conflicting rule and all of the following conditions are also met:

- The regulation necessary to eliminate or reduce an essentially local safety or security hazard,
- The regulation is not incompatible with a law, regulation, or order of the United States Government; and

- The regulation does not unreasonably burden interstate commerce.

Federal and state courts have consistently preempted state statutes addressing rail infrastructure, train length, and blocked crossings – even in circumstances where the federal government has not implemented a conflicting regulation. In a number of cases, the courts have deferred to the federal government's broad authority over interstate commerce. In 2023, Ohio Governor Mike DeWine signed state legislation that contained wayside detector requirements substantially similar to those in this bill. The Ohio law also set train crew size requirements. Subsequent litigation regarding rail crew size is ongoing; however, the railroad corporations have not yet challenged the wayside detector requirements. While Ohio's wayside detector law remains unchallenged, railroads have successfully argued that state regulatory wayside detector installation requirements are federally preempted in other cases, including Missouri Pacific Railroad Company v. Railroad Commission of Texas (W.D. Texas, 1987).

Related/Prior Legislation

SB 544 (Laird, Chapter 224, Statutes of 2025) allowed the CPUC to establish an expedited review and approval process for railroad crossing applications that are uncontested and do not need additional review or evidentiary hearings.

SB 757 (Archuleta, Chapter 411, Statutes of 2023) clarified licensing requirements for rail crew transportation providers, prohibits certain subcontracting for these services, and increased minimum insurance requirements for rail crew transportation operators.

SB 506 (Laird, Chapter 288, Statutes of 2023) required the CPUC to create a pilot project to test the use of color pavement markings at at-grade highway-railroad crossings, to the extent permitted by federal law.

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

According to the Senate Appropriations Committee:

- The CPUC estimates one-time costs of approximately $49,000 to develop rules for implementation of the bill, and ongoing costs of approximately $530,000 annually for 2 PY of new staff to review response plans and administer the citation program addressing railroad corporation violations. (General Fund)

- Unknown penalty revenues in future fiscal years, to the extent the CPUC issues citations for violations of the bill's requirements. (General Fund)

SUPPORT: (Verified 1/22/26)

Brotherhood of Locomotive Engineers and Trainmen (Co-source)
California Safety & Legislative Board of SMART–Transportation Div (Co-source)
California Teamsters Public Affairs Council (Co-source)
American Federation of State, County and Municipal Employees
California Federation of Labor Unions, AFL-CIO
California Professional Firefighters
California School Employees Association
Western States Council of Sheet Metal Workers in California

OPPOSITION: (Verified 1/22/26)

African American Farmers of California
Agricultural Council of California
Almond Alliance
Arizona & California Railroad Company
Association of California Egg Farmers
Bay Area Council
BNSF Railway
BOMA California
California Building Industry Association
California Business Properties Association
California Business Roundtable
California Chamber of Commerce
California Cotton Ginners & Growers Association
California Farm Bureau
California Forestry Association
California Fresh Fruit Association
California Grain & Feed Association
California Manufacturers & Technology Association
California Northern Railroad Company
California Retailers Association
California Short Line Railroad Association
California Walnut Commission
Capitol Corridor Joint Powers Authority
Central Oregon & Pacific Railroad INC.
Grower-Shipper Association of Central California

Inland Empire Economic Partnership
J.D. Heiskell Holdings, LLC
NAIOP of California
Nisei Farmers League
Pacific Coast Renders Association
Pacific Egg & Poultry Association
Pacific Merchant Shipping Association
San Diego & Imperial Valley Railroad
San Joaquin Joint Powers Authority
San Joaquin Regional Rail Commission
San Joaquin Valley Railroad Company
San Luis Obispo Council of Governments
Southern California Leadership Council
Supply Chain Federation
Union Pacific Railroad
Ventura County Railroad Company
Western Plant Health Association
Western Tree Nut Association
Wine Institute

ARGUMENTS IN SUPPORT: According to the author:

> Train accidents represent a persistent challenge to rail safety in the United States, with thousands of incidents occurring annually across the nation's extensive rail network. Senate Bill 667 will increase public and operator safety in California's heavy rail sector by requiring a railroad to operate a network of wayside detector systems on or adjacent to its tracks as well as limit trains originating in California to 7500ft. By mandating comprehensive detection coverage, communication protocols and maximum train length, SB 667 would significantly enhance California's ability to prevent catastrophic incidents. SB 667 also recognizes that rail safety extends beyond preventing derailments and collisions, addressing a critical aspect of community safety by requiring that stationary trains blocking at-grade railroad crossings be cut, separated, or moved to allow passage of emergency vehicles. This measure directly benefits California communities by reducing potential delays in emergency response times due to blocked crossings. SB 667 addresses critical safety gaps in California's rail system by implementing targeted measures informed by recent derailments, industry operational changes, and evolving understanding of rail safety best practices. By focusing on wayside detection technology, train length, and emergency access provisions, SB 667 takes a comprehensive

approach to rail safety that prioritizes prevention of catastrophic incidents while maintaining the viability of rail transportation.

ARGUMENTS IN OPPOSITION: Opponents argue that this bill will result in increased costs and supply chain delays that could impact goods movement. Opponents also argue that many of this bill's provisions are preempted by federal law. In opposition, a coalition of business, shipping, agriculture, and retail organizations state:

> While California needs to ensure rail operations are safe, data from the Federal Railroad Administration (FRA) shows rail safety has dramatically improved. Congress has also tasked the FRA to gather additional information to ensure the industry and its regulators are able to have definitive answers to the question of train length, and its effect on safety, the economy, and the environment. Limiting the length a train can operate is also federally preempted under both the Commerce Clause and the ICC Termination Act (ICCTA) passed by Congress in 1995 which gives the Surface Transportation Board (STB) the sole jurisdiction to regulate rail transportation. Courts have repeatedly found that "ICCTA does not permit states to directly regulate a railroad's economic decisions such as those pertaining to train length." SB 667 imposes an arbitrary one-size-fits-all and does not allow railroads flexibility to take into account multiple driving factors.

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1/26/26 13:22:03

****** END ******

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THIRD READING

Bill No: SB 691
Author: Wahab (D)
Amended: 1/5/26
Vote: 21

SENATE PUBLIC SAFETY COMMITTEE: 6-0, 4/29/25
AYES: Arreguín, Seyarto, Caballero, Gonzalez, Pérez, Wiener

SENATE APPROPRIATIONS COMMITTEE: 6-0, 1/22/26
AYES: Caballero, Seyarto, Cabaldon, Grayson, Richardson, Wahab
NO VOTE RECORDED: Dahle

SUBJECT: Body-worn cameras: policies

SOURCE: California Professional Firefighters

DIGEST: This bill requires, on or before July 1, 2027, each law enforcement agency that has a body-worn camera policy to update that policy to include a procedure for emergency service personnel to request, prior to any public release, the redaction of evidentiary and nonevidentiary recordings of a patient undergoing medical or psychological evaluation, procedure, or treatment by emergency service personnel.

ANALYSIS:

Existing federal law via the Health Insurance Portability and Accountability Act (HIPAA) establishes federal standards protecting sensitive health information from disclosure without the patient's consent. (Title 45 Code of Federal Regulations, §§160, 164.)

Existing law:

1) Establishes the Confidentiality of Medical Information Act (CMIA), which generally protects the confidentiality of individually identifiable medical information obtained by a health care provider and prohibits specified entities

from disclosing such information without first obtaining authorization, as specified. (Civil Code, §§ 56 et. seq.)

2) Requires the Commission on Peace Officer Standards and Training (POST) to adopt a definition of "serious misconduct" that shall serve as the criteria to be considered for ineligibility for, or revocation of, peace officer certification, and which must include tampering with data recorded by a body-worn camera or other recording device for the purpose of concealing misconduct. (Penal Code, § 13510.8, subd. (b).)

3) Provides generally via the California Public Records Act, that access to information concerning the conduct of the people's business is a fundamental and necessary right of every person in this state. (Government (Gov.) Code, §§ 7920.000 et. seq.)

4) Provides that notwithstanding other restrictions regarding the disclosure of law enforcement records, a video or audio recording that relates to a critical incident, as defined, may be withheld only as follows:
   a) During an active criminal or administrative investigation, disclosure of a recording related to a critical incident may be delayed for no longer than 45 calendar days after the date the agency knew or reasonably should have known about the incident if, based on the facts and circumstances depicted in the recording, disclosure would substantially interfere with the investigation, such as by endangering the safety of a witness or a confidential source.
      i. After 45 days from the date the agency knew or reasonably should have known about the incident, and up to one year from that date, the agency may continue to delay disclosure of a recording if the agency demonstrates that disclosure would substantially interfere with the investigation. After one year from the date the agency knew or reasonably should have known about the incident, the agency may continue to delay disclosure of a recording only if the agency demonstrates by clear and convincing evidence that disclosure would substantially interfere with the investigation.
   b) If the agency demonstrates, on the facts of the particular case, that the public interest in withholding a video or audio recording clearly outweighs the public interest in disclosure because the release of the recording would, based on the facts and circumstances depicted in the recording, violate the reasonable expectation of privacy of a subject depicted in the recording, the agency shall provide in writing to the requester the specific basis for the

expectation of privacy and the public interest served by withholding the recording and may use redaction technology, including blurring or distorting images or audio, to obscure those specific portions of the recording that protect that interest. (Gov. Code, § 7923.625, subds. (a), (b).)

5) Provides that for the purposes of the above provision, a video or audio recording relates to a critical incident if it depicts any of the following incidents:
   a) An incident involving the discharge of a firearm at a person by a peace officer or custodial officer.
   b) An incident in which the use of force by a peace officer or custodial officer against a person resulted in death or in great bodily injury. (Gov. Code, § 7923.625, subd. (e).)

6) States the intent of the Legislature to establish policies and procedures to address issues related to the downloading and storage of data recorded by a body-worn camera worn by a peace officer. Requires these policies and procedures to be based on best practices. (Penal Code, § 832.18, subd. (a).)

7) Encourages agencies to consider the following best practices regarding the downloading and storage of data in establishing policies and procedures for the implementation and operation of a body-worn camera system:
   a) Designate the person responsible for downloading the recorded data, as specified.
   b) Establish when data should be downloaded to ensure the data is entered into the system in a timely manner, the cameras are properly maintained and ready for the next use, and for purposes of tagging and categorizing the data.
   c) Categorize and tag body-worn camera video at the time the data is downloaded and classified according to the type of event or incident captured in the data.
   d) Specifically state the length of time that recorded data is to be stored, as specified.
   e) State where the body-worn camera data will be stored, as specified.
   f) Consider specified factors to protect the security and integrity of the data if using a third-party vendor to manage the data storage system.
   g) Require that all recorded data from body-worn cameras are property of their respective law enforcement agency and shall not be accessed or released for any unauthorized purpose, explicitly prohibit agency personnel from accessing recorded data for personal use and from uploading recorded data

onto public and social media internet websites, and include sanctions for violations of this prohibition. (Penal Code, § 832.18, subd. (b)(1)-(8).)

8) Sets forth the following definitions regarding data collected via body-worn camera:
   a) "Evidentiary data" refers to data of an incident or encounter that could prove useful for investigative purposes, including, but not limited to, a crime, an arrest or citation, a search, a use of force incident, or a confrontational encounter with a member of the public. The retention period for evidentiary data are subject to state evidentiary laws.
   b) "Nonevidentiary data" refers to data that does not necessarily have value to aid in an investigation or prosecution, such as data of an incident or encounter that does not lead to an arrest or citation, or data of general activities the officer might perform while on duty. (Penal Code, § 832.18, subd. (c).)

9) Provides that the provisions above regarding law enforcement agency body-worn camera policies shall not be interpreted to limit the public's right to access data under the California Public Records Act. (Penal Code, § 832.18, subd. (d).)

This bill:

1) States that it is the intent of the Legislature to support the protection of patient privacy while the patient is receiving a medical or psychological evaluation, procedure, or treatment from emergency service personnel, and to support emergency service personnel in taking reasonable efforts to safeguard patients' protected health information.

2) Requires, on or before July 1, 2027, each law enforcement agency that has a body-worn camera policy to update that policy to include a procedure for emergency service personnel to request, prior to any public release, the redaction of evidentiary and nonevidentiary recordings of a patient undergoing medical or psychological evaluation, procedure, or treatment by emergency service personnel. Provides that redaction may include blurring patient care and muting audio.

3) Provides that the provisions of this bill shall not be construed to limit the protections of the CMIA or HIPAA, or to create a new obligation on law enforcement personnel to render aid.

4) Defines "emergency services personnel," consistent with an existing definition, as an employee of the state, local, or regional public fire agency who provides emergency response services, including a firefighter, paramedic, emergency medical technician, dispatcher, emergency response communication employee, rescue service personnel, emergency manager, or any other employee of a state, local, or regional public fire agency.

Comments

In 2015, the Legislature passed AB 69 (Rodriguez, Chapter 461, Statutes of 2015), which required law enforcement entities to consider specified best practices regarding the downloading and storage of bodycam data when establishing agency-wide bodycam policies and procedures. These best practices include establishing measures to prevent tampering and unauthorized use or distribution of data, establishing clear data retention requirements, stating where the data will physically be stored, ensuring that any third-party vendors used to manage data storage are secure and reliable, and prohibiting agency personnel from disclosing bodycam data to the public or uploading data onto social media, among others. Though existing law does not expressly state when officers must activate or deactivate their bodycams, such guidance is routinely included in a particular agency's bodycam policy. The bodycam policy of the San Francisco Police Department provides a useful example:

> All on-scene members equipped with a BWC shall activate their BWC equipment to record in the following circumstances: Detentions and arrests; Consensual encounters where the member suspects that the citizen may have knowledge of criminal activity as a suspect, witness, or victim, except as noted;. 5150 evaluations; Traffic and pedestrian stops; Vehicle pursuits; Foot pursuits; Uses of force; When serving a search or arrest warrant; Conducting any of the following searches on one's person and/or property: [a. Incident to an arrest b. Cursory c. Probable cause d. Probation/parole e. Consent f. Vehicles]; Transportation of arrestees and detainees; During any citizen encounter that becomes hostile; In any situation when the recording would be valuable for evidentiary purposes; Only in situations that serve a law enforcement purpose.
>
> Members shall not activate the BWC when encountering: Sexual assault and child abuse victims during a preliminary investigation; Situations that could compromise the identity of confidential

> informants and undercover operatives; Strip searches. However, a member may record in these circumstances if the member can articulate an exigent circumstance that required deviation from the normal rule in these situations. Members shall not activate the BWC in a manner that is specifically prohibited by [other guidelines regarding surreptitious recording and First Amendment Activities].

In 2018, the Los Angeles Police Commission approved a policy requiring the Los Angeles Police Department (LAPD) to release video footage of officer-involved shootings and other "critical incidents" within 45 days, unless there are extenuating circumstances that require delaying release. This policy became the model for AB 748 (Ting, Chapter 960, Statutes of 2018), which was passed by the Legislature that same year and required that audio and visual recordings of critical incidents resulting in either the discharge of a firearm by law enforcement or in death or great bodily injury to a person from the use of force by law enforcement be made publicly available under the California Public Records Act within 45 days of the incident, with limited exceptions. Under AB 748, if an agency demonstrates that the public interest in withholding a particular critical incident video or audio recording clearly outweighs the public interest in disclosure because the release of the recording would violate the privacy interests of the recording's subject, the agency must provide the requesting party the specific basis for the expectation of privacy and the public interest served by withholding the recording, and may use redaction technology to obscure specific portions of the recording.

Several well-established federal and California laws work together to protect personal medical information and patient privacy. Perhaps the most well-known is HIPAA, an expansive law that addresses issues related to health insurance coverage for workers, guidelines for medical spending accounts, group health plans, life insurance, and most relevant to this bill, national standards for electronic healthcare transactions. The HIPAA Privacy Rule consists of several federal regulatory rules governing the use and disclosure of protected health information (PHI) by "covered entities" (primarily health plans and healthcare providers). HIPAA permits emergency medical services to capture PHI with bodycams and use the recorded information for treatment, healthcare operations and other purposes permitted by the Privacy Rule, and does not require patient consent for these uses.

California has its own set of laws regarding the protection of PHI and its use and disclosure, known as the CMIA. The CMIA governs who may release confidential medical information, and under what circumstances, and prohibits the sharing,

selling or otherwise unlawful use of medical information. The CMIA generally requires that healthcare providers, healthcare service plans or contractors keep medical information confidential unless they obtain authorization to release the information, but requires these entities to disclose medical information if disclosure is compelled by a lawful search warrant issued by law enforcement.

This bill states the intent of the Legislature to support the protection of patient privacy while the patient is receiving a medical or psychological evaluation, procedure, or treatment from emergency services personnel, and to support emergency service personnel in taking reasonable efforts to safeguard patients' protected health information. To that end, the bill requires, by July 1, 2027, each law enforcement agency that has a bodycam policy to update that policy to include a procedure for emergency service personnel to request, prior to any public release, the redaction of evidentiary and nonevidentiary recordings of a patient undergoing medical or psychological evaluation, procedure, or treatment by emergency service personnel. The bill specifies that redaction may include blurring patient care and muting audio. The bill further states that its provisions shall not be construed to limit the protections of the CMIA or HIPAA, or to create a new obligation on law enforcement personnel to render aid.

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

According to the Senate Appropriations Committee:

Unknown, potentially significant cost pressures (General Fund, local funds) to state and local law enforcement agencies to the extent that they are required to update their policies pursuant to this bill. The California Constitution requires the state to reimburse local agencies for certain costs mandated by the state. To the extent the Commission on State Mandates determines that the provisions of this bill create a new program or impose a higher level of service on counties may claim reimbursement of those costs.

SUPPORT: (Verified 1/22/26)

California Professional Firefighters (source)
Mental Health America of California

OPPOSITION: (Verified 1/22/26)

ACLU California Action
California District Attorneys Association
California Public Defenders Association

California State Sheriffs' Association
Disability Rights California
Initiate Justice
Justice2Jobs Coalition
La Defensa
LA County Public Defenders Union, Local 148
Los Angeles Police Protective League
Oakland Privacy
Riverside County District Attorney
Riverside County Sheriff's Office
San Francisco Public Defender

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1/23/26 15:39:15

****** END ******

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THIRD READING

Bill No: SB 747
Author: Wiener (D) and Wahab (D), et al.
Amended: 1/22/26
Vote: 21

SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 4-0, 4/23/25
AYES: Smallwood-Cuevas, Cortese, Durazo, Laird
NO VOTE RECORDED: Strickland

SENATE JUDICIARY COMMITTEE: 9-2, 4/29/25
AYES: Umberg, Allen, Ashby, Caballero, Durazo, Laird, Stern, Wahab, Wiener
NOES: Niello, Valladares
NO VOTE RECORDED: Arreguín, Weber Pierson

SENATE APPROPRIATIONS COMMITTEE: 5-1, 5/23/25
AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto
NO VOTE RECORDED: Dahle

SENATE JUDICIARY COMMITTEE: 11-2, 1/13/26
AYES: Umberg, Allen, Ashby, Caballero, Durazo, Laird, Reyes, Stern, Wahab, Weber Pierson, Wiener
NOES: Niello, Valladares

SENATE APPROPRIATIONS COMMITTEE: 5-2, 1/22/26
AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto, Dahle

SUBJECT: Civil rights: deprivation of federal constitutional rights, privileges, and immunities

SOURCE: Inland Coalition for Immigrant Justice
Prosecutors Alliance Action
Protect Democracy United

DIGEST: This bill provides a cause of action for violations of one's constitutional rights by government officials, and fees and costs, to be applied retroactively.

ANALYSIS:

Existing federal law:

1) Provides that the U.S. Constitution (Const.), and the Laws of the United States, are the supreme law of the land. (U.S. Const., art. VI, cl. 2.)

2) Provides that every person who, under color of any statute, ordinance, regulation, custom, or usage, of any State or Territory or the District of Columbia, subjects, or causes to be subjected, any citizen of the United States or other person within the jurisdiction thereof to the deprivation of any rights, privileges, or immunities secured by the Constitution and laws, shall be liable to the party injured in an action at law, suit in equity, or other proper proceeding for redress, except as provided. (42 United States Code (U.S.C.) § 1983 ("Section 1983").)

3) Establishes the Federal Tort Claims Act (FTCA), which authorizes injured parties to bring certain tort suits against the United States, in the same manner and to the same extent as a private individual under like circumstances, except as provided. (28 U.S.C. §§ 1346, 2671 et seq.)

4) Provides that the above remedies are exclusive of any other civil action or proceeding for money damages by reason of the same subject matter against the employee whose act or omission gave rise to the claim or against the estate of such employee. Any other civil action or proceeding for money damages arising out of or relating to the same subject matter against the employee or the employee's estate is precluded without regard to when the act or omission occurred. (28 U.S.C. § 2679 ("Westfall Act").)

Existing state law establishes the Tom Bane Civil Rights Act (Tom Bane Act), which provides that if a person, whether or not acting under color of law, interferes by threat, intimidation, or coercion, or attempts to so interfere, with the exercise or enjoyment of rights secured by the Constitution or laws of the United States, or of the rights secured by the Constitution or laws of this state, the Attorney General, or any district attorney or city attorney, or the person whose exercise or enjoyment of rights was interfered with, or attempted to be interfered with, may institute a civil action for damages. (Civil (Civ.) Code § 52.1.)

This bill:

1) Establishes the No Kings Act.

2) Provides that every person who, under color of any law, statute, ordinance, regulation, custom, or usage, subjects, or causes to be subjected, any citizen of this state or any person within the jurisdiction thereof to the deprivation of any rights, privileges, or immunities secured by the United States Constitution, shall be liable to the party injured in an action at law, suit in equity, or other proper proceeding for redress, except as provided.

3) Provides that "color of any law, statute, ordinance, regulation, custom, or usage" includes color of any statute, ordinance, regulation, custom, or usage, of the United States and of any state or territory or the District of Columbia.

4) Establishes proper venue for actions brought hereto. This bill permits the court in such actions to award a prevailing plaintiff reasonable attorney's fees and costs and expert fees, except as provided. A civil action brought hereto shall not be commenced later than two years after the date that the cause of action accrues.

5) Preserves the defense of absolute or qualified immunity to the same extent as a person sued under Section 1983 under like circumstances. Nothing herein shall be construed to waive or abrogate any defense of sovereign immunity otherwise available to a party. However, these provisions do not alter, amend, create, or support a qualified or absolute immunity defense or a sovereign immunity defense in any other action or proceeding brought under any other provision of California law.

6) Includes a severability clause.

7) Applies retroactively to March 1, 2025, provided that, for any claim for a violation of the United States Constitution that occurred between March 1, 2025, and the effective date of this law, the only monetary damages that shall be available pursuant hereto for that constitutional violation are nominal and compensatory damages.

Background

Under federal law, specifically Section 1983, a cause of action is provided to those whose rights are violated under color of law. However, this does not afford a cause of action where the defendants are federal officials. Historically, plaintiffs have relied on a court-made doctrine to bring such actions, however courts have recently

been increasingly resistant to inferring a right of action against federal defendants. Additionally, existing statutory paths to seeking remedies, at both the state and federal levels, are onerous and provided only limited relief.

This bill establishes the "No Kings Act." It creates a state level analog of Section 1983, allowing for a cause of action against governmental officials when their constitutional rights have been violated. It does not bestow individuals with any additional substantive rights, rather a more explicit cause of action to vindicate their constitutional rights. This bill imports the same immunities currently afforded governmental defendants under existing law. Given the recent incidents in which federal officials are alleged to have unlawfully intruded on Californians' rights, this bill applies retroactively to March 1, 2025, as provided.

This bill is sponsored by Protect Democracy United, the Prosecutors Alliance Action, and the Inland Coalition for Immigrant Justice. It is supported by legal services organizations and Sonoma County. It is opposed by a coalition of law enforcement groups, including the California State Sheriffs' Association. For a more thorough discussion of this bill and overview of the relevant existing law, please see the Senate Judiciary Committee analysis of this bill, which is incorporated herein by reference.

Comments

According to the author:

> Senate Bill 747 provides a clear statutory pathway to sue any official — federal, state, or local — who violates a Californian's federal rights under the United States Constitution. This bill affirms that the United States Constitution is the supreme law of the United States.
>
> Currently, federal law allows citizens to sue state and local officials for constitutional violations, however, there is no statutory equivalent for federal officials. Historically, courts relied on an implied right to sue, but the Supreme Court has severely curtailed this doctrine. This has created a dangerous double standard where federal agents effectively cannot be sued for damages, even for willful violations of constitutional rights. SB 747 creates a legal claim in state court for anyone injured by a government official's unconstitutional acts. This replaces blind trust in executive good faith with an enforceable remedy before an independent tribunal.

> Californians need a way to stand up to this Administration's unprecedented disregard for their Constitutional rights. Our rights mean little if government agents can violate Constitutional rights of Californians without consequences. By providing for a universal remedy for violations of the United States Constitution, SB 747 ensures that Californians can exercise their constitutional rights knowing they are enforceable rights, not just hollow promises.

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

According to the Senate Appropriations Committee:

- Unknown, potentially significant costs to the state funded trial court system (Trial Court Trust Fund, General Fund) to adjudicate civil actions. Creating a new cause of action that allows for the recovery of attorney's fees may lead to additional case filings that otherwise would not have been commenced. Creating new causes of action could lead to lengthier and more complex court proceedings with attendant workload and resource costs to the court. The fiscal impact of this bill to the courts will depend on many unknowns, including the number of cases filed and the factors unique to each case. An eight-hour court day costs approximately $10,500 in staff in workload. This is a conservative estimate, based on the hourly rate of court personnel including at minimum the judge, clerk, bailiff, court reporter, jury administrator, administrative staff, and jury per-diems. If court days exceed 10, costs to the trial courts could reach hundreds of thousands of dollars. While the courts are not funded on a workload basis, an increase in workload could result in delayed court services and would put pressure on the General Fund to fund additional staff and resources and to increase the amount appropriated to backfill for trial court operations. The proposed fiscal year 2026–27 Governor's provides for $70 million ongoing General Fund to help the trial courts address increases in operational costs (e.g.: salaries and benefits, supplies, equipment, and other services necessary for the courts to operate) and mitigate potential reductions to core program and services.

- Unknown, potentially significant costs to state and local government officials (General Fund, special funds, local funds) for increased exposure to civil liability. Agencies may also incur higher liability insurance costs due to increased litigation exposure.

SUPPORT: (Verified 1/23/26)

Inland Coalition for Immigrant Justice (co-source)

Prosecutors Alliance Action (co-source)
Protect Democracy United (co-source)
ACLU California Action
California Alliance for Retired Americans
California Federation of Labor Unions, AFL-CIO
California Onecare
California Rural Legal Assistance Foundation, Inc.
County of Sonoma
Courage California
Health Care for All - California
Healthy California Now
NASW California
National Union of Healthcare Workers
Public Counsel
Supervisor Vicente Sarmiento, Orange County Board of Supervisors
Unite Here International Union, AFL-CIO

OPPOSITION: (Verified 1/23/26)

America's Physician Groups
Arcadia Police Officers' Association
Association for Los Angeles Deputy Sheriffs
Antelope Valley Economic Development & Growth Enterprise
Brea Police Association
Burbank Police Officers' Association
Cal Asian Chamber of Commerce
California African American Chamber of Commerce
California Asian Pacific Chamber of Commerce
California Association of Health Plans
California Association of Highway Patrolmen
California Association of School Police Chiefs
California Chamber of Commerce
California Coalition of School Safety Professionals
California District Attorneys Association
California Hispanic Chambers of Commerce
California Hospital Association
California Medical Association
California Narcotic Officers' Association
California Peace Officers Association
California Police Chiefs Association
California Reserve Peace Officers Association

California State Sheriffs' Association
Chino Valley Chamber of Commerce
Claremont Police Officers Association
Corona Police Officers Association
Culver City Police Officers' Association
Fullerton Police Officers' Association
Garden Grove Chamber of Commerce
Greater Conejo Valley Chamber of Commerce
Hollywood Chamber of Commerce
Inland Empire Economic Partnership
Kaiser Permanente
Los Angeles Area Chamber of Commerce
Los Angeles Police Protective League
Los Angeles School Police Management Association
Los Angeles School Police Officers Association
Murrieta Police Officers' Association
Newport Beach Police Association
North Bay Leadership Council
Oakland Chamber of Commerce
Orange County Business Council
Orange County Sheriff's Department
Palos Verdes Police Officers Association
Peace Officers Research Association of California
Placer County Deputy Sheriffs' Association
Pomona Police Officers' Association
Riverside County Sheriff's Office
Riverside Police Officers Association
Riverside Sheriffs' Association
Sacramento Hispanic Chamber of Commerce
Sacramento Metro Chamber of Commerce
San Francisco Chamber of Commerce
The Greater Coachella Valley Chamber of Commerce
West Ventura County Business Alliance
Westside Council of Chambers of Commerce

ARGUMENTS IN SUPPORT: The sponsors of this bill, Protect Democracy United, the Inland Coalition for Immigrant Justice, and Prosecutors Alliance Action argue:

> SB 747 is necessary to correct an imbalance in how federal, state, and local officials are held accountable to the Constitution. While a federal law, 42

U.S.C. § 1983, allows people to sue state and local officials for constitutional violations, no equivalent federal law exists for suing federal officials. Instead, people injured by federal officials have historically relied on a "*Bivens* action"—a limited, implied right to sue directly under the Constitution.

Making matters worse, the Supreme Court has sharply curtailed the availability of Bivens actions in recent years. And as *Bivens* has been narrowed, a dangerous gap has emerged: federal officers often have *de facto* immunity and cannot be sued for damages, even for willful violations of constitutional rights. This disparity—where federal officers operate without the same accountability as state and local actors—violates the longstanding and foundational legal principle that "every right, when withheld, must have a remedy, and every injury its proper redress." *Marbury v. Madison*, 5 U.S. (1 Cranch) 137, 147 (1803).

Senate Bill 747 closes that accountability gap. By providing for a clear statutory pathway to sue any official—federal, state, or local—who violates the Constitution, it affirms that the United States Constitution (and not the whims of any governmental official) is the supreme law of the United States. Most importantly, by providing for a universal remedy for violations of the United States Constitution, SB 747 will ensure that Californians can exercise their constitutional rights knowing they are enforceable rights, not just hollow promises.

ARGUMENTS IN OPPOSITION: The Peace Officers' Research Association of California argues:

Existing California law provides robust remedies for constitutional violations. SB 747 is not needed to enable suits against federal officers over immigration enforcement, as that ability exists in the Bane Act. "The elements of a Bane Act claim are essentially identical to the elements of a § 1983 claim." Hughes v. Rodriguez, 31 F.4th 1211, 1224 (9th Cir. 2022) This bill is not only superfluous, but by placing qualified immunity in statute rather than leaving it as a federal judicial doctrine, the bill makes that defense vulnerable to future legislative amendment or repeal. Subjecting qualified immunity to future jeopardy also undermines the compromises reached during the amendments to Senate Bill 2.

Moreover, Supremacy Clause defenses exist regardless of whether constitutional claims are brought under the existing Bane Act or the bill's new cause of action. Bane Act claims can be brought against federal officers

in their individual capacity. Cal. Civ. Code § 52.1(b)("whether or not acting under color of law.") Before enacting new legislation with the potential to disturb careful balances struck between liability and accountability, proponents should first challenge the federal overreaches through the Bane Act.

SB 747 adds duplicative causes of action and uncertainty while offering no additional relief where the Supremacy Clause already bars suits against federal officers acting within their authority.

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1/26/26 13:22:04

****** END ******

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THIRD READING

Bill No: SB 758
Author: Umberg (D)
Amended: 1/22/26
Vote: 21

SENATE PUBLIC SAFETY COMMITTEE: 5-0, 1/13/26
AYES: Arreguín, Seyarto, Caballero, Pérez, Wiener
NO VOTE RECORDED: Gonzalez

SENATE APPROPRIATIONS COMMITTEE: 7-0, 1/22/26
AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

SUBJECT: Public health: kratom and nitrous oxide

SOURCE: California Narcotics Officers Association
League of California Cities

DIGEST: This bill prohibits a tobacco retailer, as defined, from selling nitrous oxide at a retail location.

ANALYSIS:

Existing law:

1) Makes it a misdemeanor to sell, furnish, administer, distribute, give away, or offer to sell, furnish, administer, distribute, or give away a device, canister, tank, or receptacle containing nitrous oxide to a person under 18 years of age. (Penal (Pen.) Code, § 381c.)

2) Makes it a misdemeanor to dispense or distribute nitrous oxide to a person if the dispenser or distributor of the nitrous oxide knows or should know that the person is going to use the nitrous oxide for the purpose of intoxication, and that person proximately causes great bodily injury or death to himself, herself, or another person. (Pen. Code, § 381d.)

3) Requires that a person who dispenses or distributes nitrous oxide record each transaction in a written or electronic document. (Pen. Code, § 381e.)

4) Provides that the person dispensing or distributing the nitrous oxide require the purchaser to sign the document recording the transaction, provide a complete residential address, and present valid government-issued photo identification. Existing law also requires that the person dispensing or distributing the nitrous oxide sign and date the document and retain the document at the person's business address for one year from the date of the transaction for inspection. (Pen. Code, § 381e.)

5) Requires that the document signed by the purchaser include all of the following:

   a) That inhalation of nitrous oxide outside of a clinical setting may have dangerous health effects.
   b) That it is a violation of state law to possess nitrous oxide with the intent to breathe, inhale, or ingest it for the purpose of intoxication.
   c) That it is a violation of state law to knowingly distribute or dispense nitrous oxide to a person who intends to breathe, inhale, or ingest it for the purpose of intoxication.
   (Pen. Code, § 381e.)

6) Defines "retailer," for purposes of the Cigarette and Tobacco Products Licensing Act of 2003, as a person who engages in this state in the sale of cigarettes or tobacco products directly to the public from a retail location. Provides that retailer includes a person who operates vending machines from which cigarettes or tobacco products are sold in this state. (Business and Professions (Bus. & Prof.) Code, § 29971, subd. (r).)

7) Defines "retail location" as both of the following: any building from which cigarettes or tobacco products are sold at retail; and vending machine. (Bus. & Prof. Code, § 29971, subd. (s).)

8) Defines "grocery department" to mean an area within a general retail merchandise store which is engaged primarily in the retail sale of packaged food, rather than food prepared for immediate consumption on or off the premises. (Civil (Civ.) Code, § 7100, subd. (c)(3).)

9) Defines “grocery store” to mean a store engaged primarily in the retail sale of packaged food, rather than food prepared for consumption on the premises. (Civ. Code, § 7100, subd. (c)(4).)

This bill:

1) Prohibits a retailer of tobacco products from selling nitrous oxide at a retail location.

2) Specifies that a retailer does not include a grocery store or a general retail merchandise store with a grocery department, as defined.

Background

Nitrous oxide is a colorless, odorless to sweet-smelling gas used to manage pain and anxiety in dentistry as well as other clinical settings. (American Dental Association, *Nitrous Oxide* <https://www.ada.org/resources/ada-library/oral-health-topics/nitrous-oxide .) In addition, it is used in food preparation and as an oxidizer in model rockets and motor vehicle racing.

Nitrous oxide is also misused as a recreational drug and produces short-lived euphoric and hallucinogenic effects. It is consumed in the form of whippets—balloons filled with the gas via small, pressurized canisters designed to be used in whipped cream dispensers. Nitrous oxide has become increasingly popular, particularly among teens and young adults, due to its low cost and availability online and in grocery and convenience stores, gas stations, and shops that sell vapes and other tobacco-related products. (Centers for Disease and Control, *Notes from the Field: Recreational Nitrous Oxide Misuse—Michigan, 2019-2023* (Apr. 10, 2025) <https://www.cdc.gov/mmwr/volumes/74/wr/mm7412a3.htm .) Short-term side effects include slurred speech, dizziness, and headaches. (American Addiction Centers, *Nitrous Oxide (Whippet) Abuse, Side Effects, & Treatment* (Dec. 31. 2024) <https://americanaddictioncenters.org/inhalant-abuse/nitrous-oxide-whippets .) Although nitrous oxide use is often perceived by those using it as safe or harmless, repeated use can cause severe neurologic, cardiovascular, and psychiatric effects, including hallucinations, delusions, organ damage, nerve damage, seizures, coma, and death. (*Id.*)

This bill prohibits a retailer of tobacco products from selling nitrous oxide at a retail location, and specifies that “retailer” does not include a grocery store or grocery department.

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

According to the Senate Appropriations Committee:

Unknown, potentially significant costs for the California Department of Public Health (CDPH) for staff positions to conduct inspections, ensure compliance, and conduct investigations.

SUPPORT: (Verified 1/22/26)

California Narcotic Officers' Association (co-source)
League of California Cities (co-source)
American Kratom Association
Arcadia Police Officers' Association
Botanicals for Better Health and Wellness
Brea Police Association
Burbank Police Officers' Association
California Association of School Police Chiefs
California Coalition of School Safety Professionals
California Reserve Peace Officers Association
City of Brea
City of Buena Park
City of Stanton
Claremont Police Officers Association
Corona Police Officers Association
County of Humboldt
County of Kern
County of Tulare
Culver City Police Officers' Association
Friends Committee on Legislation of California
Fullerton Police Officers' Association
Global Kratom Coalition
Los Angeles School Police Management Association
Los Angeles School Police Officers Association
Murrieta Police Officers' Association
Newport Beach Police Association
Palos Verdes Police Officers Association
Placer County Deputy Sheriffs' Association
Pomona Police Officers' Association
Riverside Police Officers Association
Riverside Sheriffs' Association

Rural County Representatives of California
San Bernardino County Sheriff's Department

OPPOSITION: (Verified 1/22/26)

7 Hope Alliance Foundation
7ohBlack
ACLU California Action
California Public Defenders Association
California Retail and Distribution Fairness Association
Californians United for a Responsible Budget
Consumer Action for a Strong Economy
Consumer Choice Center
Doctors for Drug Reform Policy
Drug Policy Alliance
Ella Baker Center for Human Rights
End It For Good
Holistic Alternative Recovery Trust
Initiate Justice
Moms for America Action
San Francisco Public Defender
Sister Warriors Freedom Coalition
Students for Sensible Drug Policy
Taxpayers Protection Alliance
Vera California
Over 40 individuals

Prepared by: Stephanie Jordan / PUB. S. /
1/26/26 13:22:04

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SENATE RULES COMMITTEE SB 762
Office of Senate Floor Analyses
(916) 651-1520 Fax: (916) 327-4478

THIRD READING

Bill No: SB 762
Author: Arreguín (D)
Amended: 1/5/26
Vote: 21

SENATE LOCAL GOVERNMENT COMMITTEE: 5-2, 1/14/26
AYES: Durazo, Arreguín, Cabaldon, Laird, Wiener
NOES: Choi, Seyarto

SENATE REVENUE AND TAXATION COMMITTEE: 4-1, 1/14/26
AYES: McNerney, Ashby, Grayson, Umberg
NOES: Valladares

SUBJECT: Transactions and use tax: City of Hercules

SOURCE: City of Hercules

DIGEST: This bill allows the City of Hercules to impose a district tax, by ordinance or voter initiative, of up to 1% even if it exceeds the 2% cap.

ANALYSIS:

Existing law:

1) Imposes the sales tax on every retailer engaged in business in this state that sells tangible personal property, and requires them to remit taxes collected from purchasers to the California Department of Tax and Fee Administration (CDTFA).

2) Applies whenever a retail sale is made, which is basically any sale other than one for resale in the regular course of business.

3) Provides that unless the person pays the sales tax to the retailer, he or she is liable for the use tax, which is imposed on any person consuming tangible personal property in the state. The use tax rate is the same rate as the sales tax

rate, and must be remitted on or before the last day of the month following the quarterly period in which the person made the purchase.

4) Levies the sales and use tax at a current rate of 7.25%.

5) States that taxes levied by local governments are either general taxes, subject to majority approval of its voters, or special taxes, subject to 2/3 vote (California Constitution, Article XIII C).

6) Allows cities, counties, and specified special districts, including the San Francisco Bay Area Rapid Transit District (BART) and the Contra Costa County Transportation Authority, to increase the sales and use tax applied within their jurisdictions, also known as district or transactions and use taxes, for either specific or general purposes pursuant to the California Constitution's voter approval requirements.

7) Allows counties to impose a district tax solely in the unincorporated area of a county (AB 2119, Stone, Chapter 148, Statutes of 2014).

8) Caps the maximum district tax rate at 2% within a county; however, allows exceptions from the cap for the Cities of El Cerrito and Santa Fe Springs, Contra Costa County, Humboldt County, San Mateo County, Sonoma County (and any city in Sonoma County), the Transportation Agency for Monterey County, and the Los Angeles Metropolitan Transportation Authority, among others.

9) Provides that BART's district tax does not count toward the 2% cap (AB 723, Quirk, Chapter 747, Statutes of 2019).

This bill:

1) Allows the City of Hercules to impose a district tax, by ordinance or voter initiative, of up to 1% above the 2% cap when combined with other district taxes imposed by local agencies in Contra Costa County.

2) Requires the Hercules City Council to adopt an ordinance proposing the tax unless it's proposed by voter initiative.

3) States that the ordinance must be submitted to the electorate for approval and be approved by voters according to the appropriate Constitutional voter approval threshold.

4) Requires the tax to otherwise conform to state district tax law, except for the 2% cap.

Background

Located on the coast of San Pablo Bay in Contra Costa County, the City of Hercules has a population of 26,016 according to the 2020 U.S. Census. The City has imposed a 0.5% district tax since January 1, 2012, which, when combined with the three other 0.5% district taxes imposed in Contra Costa County (BART, Contra Costa County Transportation Authority, and Contra Costa County), results in a 9.25% rate in the City. Currently, the City can impose another district tax of 0.5% without legislation because BART's rate does not count towards the cap.

Comment

Too high? California's sales and use tax rate is high compared to other states, especially when incorporating locally imposed district taxes. Tax experts generally agree that sales and use taxes are regressive, meaning the tax incidence falls more heavily on low-income individuals than on high-income individuals, because those of lesser means generally spend a greater percentage of their income on taxable sales, even if California exempts many necessities such as food and prescription medication. While below the highest rate in the state (the cities of Lancaster and Palmdale in Los Angeles County currently impose 11.25% rates), the rate could reach 10.25% in the City of Hercules should voters fully utilize SB 762's authority. Additionally, the City can currently impose a 0.5% tax without a legislative exemption from the cap.

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

SUPPORT: (Verified 1/15/26)

City of Hercules (source)

OPPOSITION: (Verified 1/15/26)

None received

ARGUMENTS IN SUPPORT: According to the author, "SB 762 provides the City of Hercules residents with a limited opportunity to vote on local tax measures. The increase in revenue would support the protection and maintenance of essential city services- such as faster 911 response times and improved park infrastructure - while achieving long-term financial stability and economic development."

Prepared by: Colin Grinnell / REV. & TAX. / (916) 651-4117
1/15/26 15:57:39

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SENATE RULES COMMITTEE SB 795
Office of Senate Floor Analyses
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THIRD READING

Bill No: SB 795
Author: Richardson (D)
Amended: 1/5/26
Vote: 21

SENATE GOVERNMENTAL ORG. COMMITTEE: 14-0, 1/13/26
AYES: Padilla, Valladares, Archuleta, Ashby, Blakespear, Cervantes, Dahle, Jones, Ochoa Bogh, Richardson, Rubio, Smallwood-Cuevas, Wahab, Weber Pierson
NO VOTE RECORDED: Hurtado

SUBJECT: Horse racing: out-of-state thoroughbred races: Delaware Handicap

SOURCE: Author

DIGEST: This bill adds the Delaware Handicap to the group of race meetings that are exempt from the 75 race-per-day limit on imported races into California for the purposes of wagering.

ANALYSIS:

Existing law:

1) Authorizes, pursuant to Article IV, Section 19(b) of the Constitution of the State of California, the Legislature to provide for the regulation of horse races and grants the California Horse Racing Board the authority to regulate the various forms of horse racing authorized in this state.

2) Authorizes thoroughbred racing associations or fairs to distribute the audiovisual signal and accept wagers on the results of out-of-state and international thoroughbred races during the calendar period the association or fair is conducting live racing, including days on which there is no live racing being conducted by the association or fair.

3) Limits the number of races that may be imported by associations and fairs to no more than 75 races-per-day on days when live thoroughbred or fair racing is being conducted in this state, with specified exceptions.

4) Exempts from that 75 races-per-day limit any imported races that are part of the race card of the Kentucky Derby, the Kentucky Oaks, the Preakness Stakes, the Belmont Stakes, the Jockey Club Gold Cup, the Travers Stakes, the Pegasus World Cup, the Arlington Million, the Breeders' Cup World Championship, the Dubai World Cup, the Arkansas Derby, the Apple Blossom Handicap, the Blue Grass Stakes, the Whitney Stakes, or the Haskell Invitational.

This bill adds the Delaware Handicap to the group of race meetings that are exempt from the 75 race-per-day limit on imported races into California for the purposes of wagering.

Background

Author Statement. According to the author's office, "the decline in horse racing has impacted live track and off-track racing venues. In my district, Hollywood Park used to be the home of the largest horse racing venue. While it has been replaced, Hollywood Park Casino still hosts satellite racing venues. Many venues such as Hollywood Park Casino have struggled since the COVID pandemic. SB 795 would provide them an opportunity to be competitive and thrive."

Satellite Wagering. Satellite wagering via an off-track facility has been legal in California since the 1980s when California racetracks began experiencing declining attendance and handle figures. The industry believed that making the product easier to access not only would expose and market horse racing to potential customers but also make it more convenient for the existing patrons to wager more frequently. However, while off-track-betting and simulcasting can open new revenue pathways, they may cannibalize traditional on-track income, putting tracks at further financial risk and potentially contributing to closures.

Simulcasting. Simulcasting is the process of transmitting the audio and video signal of a live racing performance from one facility to a satellite for re-transmission to other locations or venues where pari-mutuel wagering is permitted. Simulcasting provides racetracks with the opportunity to increase revenues by exporting their live racing content to as many wagering locations as possible, such as other racetracks, fair satellite facilities, and Indian casinos. Revenues increase because simulcasting provides racetracks that export their live content with

additional customers in multiple locations who would not have otherwise been able to place wagers on the live racing event.

Distribution of Audiovisual Signals and Wagering. Thoroughbred racing associations and fairs in California can distribute the audiovisual signal and accept wagers on the results of out-of-state thoroughbred races during their own race meetings. This is allowed even on days when no live races are being held at their venues. There is a limit on the number of out-of-state races that can be imported into California for betting purposes. On days when there is live thoroughbred or fair racing happening in California, the total number of races imported from out-of-state must not exceed 75 races-per-day.

However, there are exceptions to this limit. Races that are part of specific major events like the Kentucky Derby, Breeder's Cup, and other specified races can be imported without falling under the 75 race-per-day limit. Additional exceptions are made for importing races into certain geographical zones of California when no local live racing is occurring. Any wagering on these out-of-state races must comply with specific provisions of California's Horse Racing Law that govern how betting should be conducted. Wagers on out-of-state races are not allowed after 7 p.m. Pacific Standard Time unless there is consent from the local harness or quarter horse racing association conducting live racing in either Sacramento or Orange County.

Racetrack Attendance. Prior to the COVID-19 Pandemic, and closure of non-essential businesses in California, the horse racing industry had already been experiencing a general decline in the number of people attending and wagering at live tracks in California. This has been ongoing for more than three decades due to myriad factors including increased competition from other forms of gaming, unwillingness of customers to travel a significant distance to racetracks, and the easy access to off-track wagering.

Despite poor weather conditions and a sloppy racing surface, Churchill Downs reported that 147,406 people attended the 2025 Kentucky Derby. The all-sources betting handle on the Derby and the entire racing card reported records of $234.4 million and $349 million, respectively. NBC Sports reported an average of 17.7 million viewers across NBC and Peacock for their 25th Kentucky Derby broadcast, the largest television audience for the race since 1989. The declining attendance at live horse racing events in California has prompted racetracks to rely on revenues from in-state and out-of-state satellite wagering and account wagering.

Status of the Horse Racing Industry in California. The California horse racing industry's long-term health is threatened by a combination of factors including competition from racing in other states and over-seas, other forms of gaming within California, declining attendance, and the potential for higher value return by redeveloping the track property rather than continuing to operate in the face of declining revenues. As resources shrink, the industry is experiencing deficits in virtually every one of its revenue sources. Traditional take out, allocation, and distribution formulas are no longer able to sustain ongoing operations.

As the value of racing operations decline, track ownership is struggling to maximize the necessary return on the investment and tempted by alternative uses of the property potentially yielding higher returns. Consequently, the racing industry is suffering unprecedented instability and capital flight. Tens of thousands of industry jobs are in jeopardy, along with breeding farms and open space in urban centers throughout California. Also at risk is a substantial amount of local and state revenue generated both directly and indirectly by the industry.

Further exacerbating the horse racing industry's woes, the *USA Today* published an article in June of last year titled, "ICE raid on track workers sends shockwaves around racing, 'puts horses at risk.'" The article notes that federal Immigration and Customs Enforcement (ICE) agents raided the Delta Downs racetrack in Vinton, Louisiana on June 17, 2025. More than 80 backstretch workers were reportedly detained, which the article notes "should be a wake-up call for an industry that would simply not be able to function without a workforce of grooms and hotwalkers and stall cleaners who are, by some credible estimates, 75% immigrants. They come from places like Venezuela, Panama, Colombia and Mexico, working low-wage jobs but filling indispensable roles, caring round-the-clock for animals worth hundreds of thousands, even millions of dollars."

The Delaware Handicap. The Delaware Handicap is a Grade 2 race open to fillies and mares three years-old and up. Sometimes referred to as the "Del Cap," it is run at a distance of one and three-sixteenth of a mile in mid-July. The race is held at Delaware Park in Stanton, Delaware, which is located about ten miles from Wilmington, the largest city in the state. The race was first run in 1937 – the inaugural year of the track – as the New Castle Handicap. In 1953, it became the first-ever $100,000 race for fillies and mares, making it the richest race in the world for female racers. The 2026 Delaware Handicap is scheduled to take place on July 18th.

Prior/Related Legislation

SB 397 (Strickland, 2025) authorizes thoroughbred and Appaloosa horses to enter into quarter horse races at any distance, as specified; and amends the conditions that a licensed quarter horse racing association can conduct thoroughbred racing as part of its racing program, as specified. (Pending in the Senate Governmental Organization Committee)

SB 844 (Rubio, 2025) increases the limit on the importation of out-of-state thoroughbred races by a California thoroughbred racing association or fair for pari-mutuel wagering from 75 to 80 races-per-day, as specified. (Pending in the Assembly Governmental Organization Committee)

AB 1389 (Rubio, 2025) adds the New York Stakes to the group of identified race meetings which are exempt from the 75-race per day limit on imported races into California for the purposes of wagering. (Pending on the Senate Inactive File)

AB 1526 (Committee on Governmental Organization, 2025) makes various technical and non-substantive changes to provisions of law related to horse racing. (Pending on the Senate Inactive File)

AB 1946 (Alanis, Chapter 366, Statutes of 2024) added the Whitney Stakes to the group of races which are exempt from the imported race-per-day limitation.

AB 3261 (M. Fong, Chapter 439, Statutes of 2024) raised the previous limit on the importation of out-of-state thoroughbred races, for the purposes of accepting wagers on those races, from 50 to 75 out-of-state races-per-day; as specified.

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

Senate Rule 28.8.

SUPPORT: (Verified 1/14/26)

None received

OPPOSITION: (Verified 1/14/26)

None received

Prepared by: Brian Duke / G.O./ (916) 651-1530
1/15/26 15:57:40

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Office of Senate Floor Analyses
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THIRD READING

Bill No: SB 811
Author: Caballero (D)
Amended: 1/22/26
Vote: 21

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 5-0, 1/13/26
AYES: Blakespear, Valladares, Dahle, Pérez, Reyes
NO VOTE RECORDED: Gonzalez, Hurtado, Menjivar

SENATE APPROPRIATIONS COMMITTEE: 7-0, 1/22/26
AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

SUBJECT: Hazardous materials: metal shredding facilities

SOURCE: California Metal Recyclers Coalition

DIGEST: This bill establishes a new regulatory structure at the Department of Toxic Substances Control (DTSC) for metal shredding facilities.

ANALYSIS:

Existing law:

1) Defines a "metal shredding facility" as an operation that uses a shredding technique to process end-of-life vehicles, appliances, and other forms of scrap metal to help separate and sort ferrous metals, nonferrous metals, and other recyclable materials from non-recyclable materials.

2) Allows DTSC in consultation with the Department of Resources Recycling and Recovery (CalRecycle), the State Water Resources Control Board (SWRCB), and local air districts to adopt regulations to set management standards for metal shredding facilities. These standards are used to regulate these facilities in lieu of standards set out in the Hazardous Waste Control Law (HWCL).

3) Precludes DTSC from adopting management standards that are less stringent than standards set by federal law.

4) Allows waste from a metal shredder (known as metal shredder residue or MSR) to be classified and managed as nonhazardous waste, provided certain standards are met. Such nonhazardous waste can be used as alternative daily cover or for beneficial reuse, or it may be disposed of if it complies with regulations in the Water Code.

5) Allows DTSC to assess a fee on metal shredding facilities to cover the cost of the program.

6) Deems treated MSR managed under the standards set in law as solid waste when it is accepted by a solid waste landfill or other authorized location for disposal or for use as alternative daily cover or other beneficial use.

This bill:

1) Prohibits a metal shredding facility from operating in California, unless it has a permit issued by DTSC.

2) Provides metal shredding facilities regulated under this bill are not hazardous waste facilities, but does not alter or override the authority of DTSC or a CUPA to regulate ancillary hazardous waste generated at a metal shredding facility.

3) Makes it clear local air pollution control districts, air quality management districts, CUPAs, and local environmental health departments do not lose any authority to regulate metal shredding facilities.

4) Authorizes DTSC to adopt, update and revise regulations to implement this bill.

5) Authorizes an existing metal shredding facility operating in compliance with this bill, to continue to operate pending final action on a permit application. Facilities must have developed and continuously implement a fire prevention, detection, and response plan and comply with the limitations on pile volume and duration set forth in this bill. DTSC is permitted to take enforcement action against a non-compliant facility prior to issuing a final permit, as well as during facility operation and offsite releases, as specified.

6) Requires DTSC, before issuing a permit, to determine the facility does not pose a significant threat to public health or the environment and will not cause disproportionate and potentially discriminatory impacts on local communities.

7) Requires DTSC to impose any additional facility-specific conditions necessary to ensure compliance with this bill and for the protection of human health and the environment.

8) Requires an applicant, before submitting a permit application or application for permit renewal, to hold at least one public meeting, or other community engagement activity approved by DTSC, to inform the community of metal processing activities and any potential impacts to nearby communities – and to solicit questions and input from the public.

9) Authorizes a metal shredding facility to make certain physical or operational changes to the facility without getting prior approval from DTSC.

10) Subjects metal shredder aggregate, including light fibrous material (LFM), which is either released into the environment during transportation, or released beyond the property boundaries of the metal shredding facility, to regulation as hazardous waste under the Hazardous Waste Control Law (HWCL), if it exhibits a characteristic of hazardous waste.

11) Requires a metal shredding facility to provide DTSC with immediate notice of a fire or other incident at the metal shredding facility that requires the assistance of a local fire department or other first responder.

12) Requires a metal shredding facility to establish an effective means of providing public notice to members of the surrounding community when a fire or other incident that poses a threat to human health or the environment outside of the facility takes place.

13) Authorizes DTSC to deny, revoke, or suspend a permit authorizing the operation of a metal shredding facility under this bill.

14) Exempts from the definition of hazardous waste, under the HWCL: chemically treated metal shredder residue (if treated according to the provisions of this bill); scrap metal; metal shredder aggregate (managed in accordance with the requirements of this bill); intermediate metal products that are subject to further processing to improve product quality; finished ferrous and nonferrous metal commodities that are separated or removed from metal shredder aggregate at a metal shredding facility; and, nonmetallic recyclable items recovered from metal shredder aggregate for which a market exists.

Background

California Hazardous Waste Control Law (HWCL). The HWCL is the state's program that implements and enforces federal hazardous waste laws in California and directs DTSC to oversee and implement the state's hazardous waste laws and regulations. Any person who stores, treats, or disposes of hazardous waste must obtain a permit from DTSC. The HWCL covers the entire management lifecycle of hazardous waste, from generation, to management, transportation, and ultimately disposal into a state or federal authorized facility.

What Do Metal Shredders Do & Produce? DTSC defines a metal shredder as an entity that processes end-of-life vehicles, appliances, and other forms of scrap metal, separates recyclable materials from non-recyclable materials, and then sells the recyclable materials and disposes of the non-recyclable materials. There are about 10 metal shredding operations in the state today.

A brief history of California metal shredder regulation and litigation. Based on the hazardous characteristics of MSR, metal shredding facilities do generate hazardous waste and – prior to the late 1980s – were subject to hazardous waste requirements, including permitting, transportation and disposal.

However, in the late 1980s, in an effort to relax the requirements on metal shredding facilities, the Department of Health Services (DHS) – the predecessor of DTSC – determined treating MSR using chemical stabilization techniques could effectively eliminate the harm posed by MSR. As a result, this waste was determined – when properly treated – to no longer pose a significant hazard to human health and safety, livestock, and wildlife.

Following this determination, seven metal shredding facilities applied for and were granted nonhazardous waste classification letters by DHS, and later DTSC, as long as they used the metal treatment fixation technologies approved by the state. Known as "f letters," these classifications ultimately allowed treated MSR to be handled, transported, and disposed of as non-hazardous waste in class III landfills (i.e., solid (non-hazardous) waste landfills).

In November 1988, DTSC issued "Official Policy/Procedures #88-6 Auto Shredder Waste Policy and Procedures", better known as OPP #88-6. The policy classified metal shredder aggregate as in-process material, not a waste that needed to be regulated under the state's HWCL.

More than 30 years after it was established OPP #88-6 was unilaterally

administratively rescinded by DTSC in October 2021. DTSC stated the policy was inexact, self-contradictory and in conflict with federal and state law.

One month later, in November 2021, Pacific Auto Recycling Center (PARC) filed a complaint against DTSC asking for OPP #88-6 to be re-instated. PARC argued the DTSC policy was actually a regulation under the state's Administrative Procedure Act (APA) and as such, DTSC couldn't simply erase OPP #88-6 without going through the APA's regulatory process. In June 2023, the trial court agreed with PARC, ordered DTSC to re-instate OPP #88-6, and stated DTSC needed to go through the APA if it wished to rescind OPP #88-6.

In November 2021, the Institute of Scrap Recycling Industries (ISRI) and several individual companies filed suit against DTSC following its adoption of emergency regulations to remove metal shredder aggregate – the ferrous and non-ferrous metals that are recycled – from the definition of scrap metal, which effectively subjected the material to the state's HWCL.

In March 2022, the court granted ISRI's request to prevent the regulation from taking effect but did not rule on the underlying merits of the case and after the injunction was granted, DTSC allowed the emergency regulation to expire. The remaining claims on the merits have been consolidated with a different 2019 case pending before the court and is expected to go to trial in late 2026.

Comments

Purpose of Bill. According to the author, "Metal shredding facilities recycle millions of end-of-life vehicles, household appliances, and other metallic items produced, used, and discarded annually in California. Unless recycled, these metal materials would rapidly overwhelm all available landfill capacity, creating a massive accumulation of damaged and abandoned cars, appliances, and other items.

"Metal shredding poses environmental concerns to surrounding communities because the shredding process has the potential to release particulate materials and has a risk of causing fire. The current framework for hazardous waste does not include metal shredding facilities and therefore the facilities are not required to obtain a permit and are not regulated by the California Department of Toxics and Substance Control (DTSC). Without a comprehensive regulatory framework, DTSC on their own has begun to regulate the industry on a facility-by-facility basis using a hazardous waste enforcement framework, creating an uncertain and inconsistent legal environment, which has resulted in litigation.

"SB 811 will resolve this uncertainty, end the litigation, and ensure comprehensive and robust oversight and enforcement of metal shredding facilities under DTSC's authority. This bill will ensure that California remains a sustainability leader in 'reducing, reusing and recycling' by fostering the recycling of scrap metal into new metal products, while at the same time protecting adjoining communities from environmental pollution.

"SB 811 includes provisions to address the governor's veto message on SB 404."

Why are we seeing this again? Despite clearing the Legislature with a 35-0 vote in the Senate and a 65-1 vote in the Assembly, SB 404 was vetoed by Governor Newsom on 10/13/2025. In his veto message, the Governor wrote, in part:

> "…this bill lacks clear definitions regarding the materials processed at these facilities, including what "hazardous waste" requirements are applicable. Without this clarity, this bill is not as protective, places a significant burden on DTSC, and cannot be successfully implemented.
>
> "I encourage the author to work closely with DTSC and interested parties to remedy this issue, as well as ensure that any future legislation requires metal shredding facilities operate, and be permitted to operate, in a health-protective manner."

This bill represents the author's efforts to do just that. There are minimal changes in this bill as compared to the version of SB 404 that was sent to the Governor's desk, which will be discussed individually below.

a) *Clarifying applicability.* In SB 404, provisions created in sections 25095.5 and 29095.8 apply requirements from existing hazardous waste regulations and statutes to "metal processing operations" authorized by framework the bill creates. In SB 811, the applicability of those regulations and statutes is clarified to apply some of the existing requirements in the HWCL and implementing regulations to metal shredding operations.

b) *Applying requirements but not labels.* The other noteworthy change in this bill as compared to SB 404 involves the technical requirements regarding and classification of hazardous waste.

The last version of SB 404 before its final form that was sent to the Governor included a provision that would have applied any requirements from existing hazardous waste regulations and statutes to terms relating to hazardous waste in the

bill. This was struck in the final version of the bill, and this bill brings it back.

However, beyond the language that was previously included in SB 404, this bill includes a new concept as well. That is that despite applying the "technical requirements" that pertain to hazardous waste to the material generated by metal shredders under certain circumstances, the bill would ensure those materials are not themselves classified as waste or hazardous waste.

By including this provision, this bill will apply some specific requirements that pertain to hazardous waste (e.g. site security, seismic safety, containment, and signage requirements, among others) that will help ensure the safety of metal shredding operations. However, by not classifying it as waste or hazardous, metal shredders will not be held to uniquely high standards for all elements of handling aggregate and MSR. This seems to be a reasonable attempt to strike a balance between applying existing best practices for safe handling while not stifling normal metal shredding operations, which may include materials that have hazardous properties during processing.

What is at stake? Regardless of the convoluted history or uncertain future of litigation surrounded metal shredders, two facts remain: the materials processed at these facilities represent a significant and complex waste stream, and processing those materials into more manageable or useful forms runs the risk of harming public health.

By proposing a new regulatory framework under DTSC, this bill attempts to thread these needles and assist metal shredders in their continued, reliable operation. If the new approach makes it too burdensome or costly to operate a metal shredding facility, the state may find itself ill-equipped to handle the volume of metal waste that is generated today. If, on the other hand, the new approach lowers the standards that currently apply to metal shredders, it could potentially worsen environmental injustices in a number of communities near metal shredders.

Although SB 404 was approved by the Legislature last year, this bill represents another opportunity to ensure all voices and views are adequately considered in the Legislation. As this bill moves forward, the author is encouraged to continue working closely with the affected communities, the regulated businesses, and the implementing entities.

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

According the Senate Appropriations Committee:
DTSC estimates ongoing costs of about $1.6 million annually beginning in fiscal year 2027-28 (Metal Shredders Facility Account or other special fund) for four positions due to increased oversight and regulatory workload as a result of this bill. Staff note that SB 811 would require that all oversight and permitting costs be reimbursed by metal shredder facilities and be deposited in the newly established Metal Shredders Facility Account. DTSC notes that this cost estimate is based on the number of shredders that currently operate in the state and DTSC's current resources for metal shredder activities as authorized in the 2025 Budget Act. An increase or decrease in the number of metal shredders seeking permits and needing oversight, or a change in the department's appropriation, might result in a change in resources required to implement this bill.

SUPPORT: (Verified 1/22/2026)

California Metal Recycling Coalition (Source)
Boys & Girls Clubs of the Los Angeles Harbor
California State Association of Electrical Workers
California State Pipe Trades Council
Central City Association of Los Angeles
Councilmember John Echavarria
Ecology Recycling Services
Grand Vision Foundation
South Colton Diversity Committee
Strength Based Community Change
Western States Council Sheet Metal, Air, Rail and Transportation

OPPOSITION: (Verified 1/22/2026)

Action Now
Alameda County Office of Education
Alameda; County of
California Communities Against Toxics
California Safe Schools
Clean Air Coalition of North Whittier and Avocado Heights
Comite Civico Del Valle
Comite Pro Uno
Del Amo Action Committee
Earthjustice
East Yard Communities for Environmental Justice
Greenaction for Health and Environmental Justice

Lincoln Heights Community Coalition
Los Angeles Unified School District
Natural Resources Defense Council
Phillipine Action Group for the Environment
San Francisco Baykeeper
West Oakland Environmental Indicators Project

Prepared by: Heather Walters / E.Q. / (916) 651-4108
1/26/26 13:22:05

****** END ******

THIRD READING

Bill No: SB 813
Author: McNerney (D)
Amended: 1/5/26
Vote: 21

SENATE JUDICIARY COMMITTEE: 10-0, 4/29/25
AYES: Umberg, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Valladares, Wiener
NO VOTE RECORDED: Niello, Wahab, Weber Pierson

SENATE APPROPRIATIONS COMMITTEE: 5-2, 1/22/26
AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto, Dahle

SUBJECT: California AI Standards and Safety Commission: independent verification organizations

SOURCE: Fathom

DIGEST: This bill (1) requires the Government Operations Agency (GovOps) to establish the California Artificial Intelligence (AI) Standards and Safety Commission (Commission); and (2) tasks the Commission with specified responsibilities, including designating "Independent verification organizations" (IVO). IVOs are required to carry out specified duties, including to ensure developers', deployers', and security vendors' exercise of heightened care and compliance with best practices for the prevention of personal injury and property damage and certify qualified AI models or AI applications that meet the requirements prescribed by the IVO.

ANALYSIS:

Existing law:

1) Provides that every person is responsible, not only for the result of their willful acts, but also for an injury occasioned to another by the person's want of

ordinary care or skill in the management of their property or person, except so far as the latter has, willfully or by want of ordinary care, brought the injury upon themselves. (Civil Code § 1714(a).)

2) Requires the California Department of Technology (CDT) to conduct a comprehensive inventory of all high-risk automated decision systems (ADS) that have been proposed for use, development, or procurement by, or are being used, developed, or procured by, any state agency. It defines the relevant terms:

   a) "Automated decision system" means a computational process derived from machine learning, statistical modeling, data analytics, or AI that issues simplified output, including a score, classification, or recommendation, that is used to assist or replace human discretionary decisionmaking and materially impacts natural persons. "Automated decision system" does not include a spam email filter, firewall, antivirus software, identity and access management tools, calculator, database, dataset, or other compilation of data.

   b) "High-risk automated decision system" means an ADS that is used to assist or replace human discretionary decisions that have a legal or similarly significant effect, including decisions that materially impact access to, or approval for, housing or accommodations, education, employment, credit, health care, and criminal justice. (Government Code § 11546.45.5.)

This bill:

1) Requires GovOps to establish the California AI Standards and Safety Commission.

2) Requires the Commission to do the following:

   a) Analyze, review, and compare standards, best practices, testing methodologies, and certification frameworks developed by IVOs or other private and public entities and identify areas that need standards development.

   b) Provide written recommendations, guidance, and advice to the Governor, the Legislature, and state agencies and departments that procure, deploy, or regulate AI informed by standards developed through an IVO, by academia, or by AI deployers.

   c) Maintain formal liaison relationships with state agencies deploying or procuring AI for specified purposes.

d) Submit specified reports every two years to the Legislature.

e) Maintain a publicly accessible registry listing IVO organizations and any standards or updates they report to the commission.

f) Publish findings on the commission's internet website and facilitate comment from researchers, civil society, industry, and government stakeholders.

g) Designate IVOs.

3) Requires the Commission, in designating IVOs, to determine whether an applicant IVO's plan ensures acceptable mitigation of risk from any IVO-verified AI model and AI application by considering specified factors.

4) Requires an applicant to the Commission for designation as an IVO to submit with its application a plan that contains specified elements.

5) Places a series of requirements on an IVO designated pursuant hereto, including:

a) Ensure developers', deployers', and security vendors' exercise of heightened care and compliance with best practices for the prevention of personal injury and property damage and certify qualified AI models or AI applications that meet the requirements prescribed by the IVO.

b) Implement the plan submitted pursuant hereto.

c) Decertify an AI model or AI application that does not meet those requirements.

d) Submit to the Legislature and the Commission an annual report that addresses specified topics.

6) Authorizes an IVO to adopt regulations as necessary.

Background

As AI models and applications become more sophisticated and integrated into our daily lives, they introduce new safety and security risks. Automated systems can make critical errors in high-stakes situations like self-driving vehicles, medical diagnostics, or home security systems when they encounter edge cases or adversarial inputs. AI-powered chatbots, phishing, identity theft, and deepfakes create novel threats to personal security and assets. Additionally, over-reliance on

AI systems without adequate human oversight in critical infrastructure or emergency response could lead to cascading failures during unusual circumstances. While these technologies offer tremendous benefits, ensuring the highest level of due care on the part of AI developers and deployers is of paramount importance.

This bill requires GovOps to establish the California AI Standards and Safety Commission. The bill tasks the Commission with specified responsibilities, including designating "Independent verification organizations" (IVO), defined as a private entity, nonprofit organization, academic consortium, or multistakeholder partnership designated as an IVO by the commission pursuant to this chapter. IVOs are required to carry out specified duties, including to ensure developers', deployers', and security vendors' exercise of heightened care and compliance with best practices for the prevention of personal injury and property damage and certify qualified AI models or AI applications that meet the requirements prescribed by the IVO.

This bill is sponsored by Fathom. It is supported by 21 individuals. It is opposed by industry and advocacy groups, including the California Chamber of Commerce and the Consumer Attorneys of California.

Comments

According to the author:

> California is a world leader in AI development, so it is incumbent on our state to ensure that the use of artificial intelligence is safe and beneficial. To do so, it is imperative that we establish strong yet workable standards — standards created by independent, third-party experts and academics who can nimbly adapt to evolving technology.
>
> SB 813 is an innovative and pragmatic approach to ensuring that artificial intelligence is developed responsibly. With the public-private governance concept, we can both advance high-level standards to improve consumer awareness and safety, while also not constraining California developers with endless red tape.

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

According to the Senate Appropriations Committee:

- **Department of Justice (DOJ)**: Unknown, potentially significant workload cost pressures (General Fund) to designate MROs as required by this bill.

- **Trail Courts:** Unknown, potentially cost pressures to the state funded trial court system (Trial Court Trust Fund, General Fund) to adjudicate civil actions affected by this bill. By creating a rebuttable presumption if certain requirements are met, this bill may encourage litigants to bring their claims that otherwise would not have, and could lead to more complex court proceedings with attendant workload and resource costs to the court. The fiscal impact of this bill to the courts will depend on many unknown factors, including the number of cases filed and the factors unique to each case. An eight-hour court day costs approximately $10,500 in staff in workload. If court days exceed 10, costs to the trial courts could reach hundreds of thousands of dollars. In 2023–24, over 4.8 million cases were filed statewide in the superior courts. Filings increased over the past year, driven mostly by misdemeanors and infractions, and civil limited cases. The increase in filings from the previous year is greater than 5% for civil limited and unlimited, appellate division appeals, juvenile delinquency, misdemeanors and infractions, and probate. While the courts are not funded on a workload basis, an increase in workload could result in delayed court services and would put pressure on the General Fund to fund additional staff and resources and to increase the amount appropriated to backfill for trial court operations. The Governor's 2025-26 budget proposes a $40 million ongoing increase in discretionary funding from the General Fund to help pay for increased trial court operation costs beginning in 2025-26.

SUPPORT: (Verified 1/23/26)

Fathom (source)
21 individuals

OPPOSITION: (Verified 1/23/26)

Abundance Institute
California Chamber of Commerce
California Initiative for Technology & Democracy
Chamber of Progress
Children's Advocacy Institute
Consumer Attorneys of California
Electronic Frontier Foundation
Tech Equity Action
Technet

ARGUMENTS IN SUPPORT: Fathom argues:

> SB 813 reflects a deliberate convergence of legal risk mitigation, regulatory innovation, and business incentive alignment. By authorizing an AI Standards and Safety Commission to designate independent, expert-led IVOs with the capacity to develop and enforce best-practice standards, the state empowers an agile, scalable model for compliance and trust-building. Unlike static regulatory regimes, IVOs are dynamic institutions designed to calibrate their oversight to evolving technological, economic, and risk environments.
>
> From a policy standpoint, this legislation leverages the efficiencies of public-private partnerships to institutionalize adaptable legal guardrails befitting a rapidly evolving technology —converting them into enforceable, certifiable standards. The IVO framework aligns with successful analogues in financial reporting (e.g., FASB), cybersecurity (e.g., NIST frameworks), and environmental compliance (e.g., LEED). These models have proven that sector-led, state-enabled governance fosters both innovation and accountability.

ARGUMENTS IN OPPOSITION: TechNet writes:

> California has historically played a leadership role by aligning with broader standards-setting efforts rather than creating siloed frameworks that may diverge from national and international approaches.
>
> We support thoughtful, evidence-based approaches to AI governance and share the goal of promoting responsible development and deployment. However, SB 813 would establish a far-reaching verification framework that lacks clear incentives and sufficient guardrails while introducing uncertainty into a still-nascent industry.

Prepared by: Christian Kurpiewski / JUD. / (916) 651-4113
1/23/26 15:39:16

****** END ******

Office of Senate Floor Analyses
(916) 651-4171

THIRD READING

Bill No: SB 837
Author: Reyes (D)
Amended: 1/5/26
Vote: 21

SENATE HUMAN SERVICES COMMITTEE: 5-0, 1/12/26
AYES: Arreguín, Ochoa Bogh, Becker, Menjivar, Pérez

SENATE APPROPRIATIONS COMMITTEE: 7-0, 1/22/26
AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

SUBJECT: Disaster and emergency preparedness

SOURCE: Author

DIGEST: This bill requires Aging and Disability Resource Connection programs to provide disaster and emergency preparedness training specifically designed to help older adults and people with disabilities prepare for emergencies and ensure their safety before, during, and after natural disasters and other emergency events. This bill requires that the training utilize existing emergency preparedness and response tools developed by the Office of Emergency Services, the California Department of Aging, the Department of Rehabilitation, and other relevant community partners. This bill requires that the training raise awareness of existing resources and guidance.

ANALYSIS:

Existing law:

1) Establishes an Aging and Disability Resource Connection program to provide information to consumers and their families on available long-term services and supports programs and to assist older adults, caregivers, and persons with disabilities in accessing long-term services and supports programs at the local level through Aging and Disability Resource Connection programs operated

jointly by area agencies on aging and independent living centers. (Welfare and Institutions Code (WIC) Section 9120)

2) Provides that area agencies on aging and independent living centers shall be the core local partners in developing Aging and Disability Resource Connection programs. Requires the California Department of Aging to assist interested and qualified area agencies on aging and independent living centers in completing an application to be designated as an Aging and Disability Resource Connection program. (WIC Section 9120)

3) Provides that an Aging and Disability Resource Connection program operated by an area agency on aging and an independent living center shall provide all of the following:

   a) Enhanced information and referral services and other assistance at hours that are convenient for the public.

   b) Options counseling concerning available long-term services and supports programs and public and private benefits programs.

   c) Short-term service coordination.

   d) Transition services from hospitals to home and from skilled nursing facilities to the community. (WIC Section 9120)

4) Provides that an Aging and Disability Resource Connection program operated by an area agency on aging and an independent living center shall do both of the following:

   a) Provide services within the geographic area served.

   b) Provide information to the public about the services provided by the program. (WIC Section 9120)

5) Provides that the California Department of Aging, in consultation with the Aging and Disability Resource Connection Advisory Committee within the California Department of Aging, shall develop a core model of Aging and Disability Resource Connection best practices. These best practices shall be implemented by July 1, 2022, by all Aging and Disability Resource Connection programs operated by area agencies on aging and independent living centers. To the extent feasible, the best practices shall be considered in the development and continued updating of the master plan on aging. In the development of

these best practices, the department and advisory committee shall consider, at a minimum, the following practices:

a) A person-centered counseling process.

b) Public outreach and coordination with key referral sources, including, but not limited to, caregiver resource centers, the medical centers of the United States Department of Veteran Affairs, acute care systems, local 211 programs, local multipurpose senior service programs, Programs of All-Inclusive Care for the Elderly (PACE), adult day care services, and long-term services and supports providers.

c) A formal follow-up procedure to ensure that services for which a person received a referral were received and methods for correcting service provision if needed.

d) A model for the best ways for area agencies on aging and independent living centers to share necessary data and client information.

e) A model for the collection and reporting of data to the California Department of Aging, which shall include, but not be limited to, the demographic information for each individual counseled, the number of consumers served by category of service, and the number of caregivers served. (WIC Section 9120)

6) Provides that the California Department of Aging shall review implementation of the Aging and Disability Resource Connection Infrastructure Grants Program described in WIC Section 9121 for consideration in developing and updating the best practices model. (WIC Section 9120)

This bill:

1) Makes legislative findings and declarations regarding individuals who are especially vulnerable during a disaster and the challenges in adequately supporting this population during national disasters.

2) Provides that Aging and Disability Resource Connection programs operated by an area agency on aging and independent living centers shall provide disaster and emergency preparedness training specifically designed to help older adults and people with disabilities prepare for emergencies and ensure their safety before, during, and after natural disasters and other emergency events.

3) Provides that this training shall utilize emergency preparedness and response tools developed by the Office of Emergency Services, the California Department of Aging, the Department of Rehabilitation, and other relevant community partners.

4) Provides that training shall raise awareness of existing available resources and guidance, including, but not limited to: local alert systems; local emergency plans; information from the local fire department; information on emergency transportation and evacuation resources; and information related to utility services during emergencies and natural disasters.

Comments

According to the author. "The state has long been aware that individuals with disabilities and older adults face a disproportionate risk of death during natural disasters. A 2019 audit by the California State Auditor highlighted the critical gap in emergency management agencies' ability to support these vulnerable populations, revealing a lack of guidelines for assisting these individual in cases of emergency. Recently, wildfires in Southern California claimed the lives of several individuals with disabilities, many of whom were over the age of 70. Despite the longstanding dangers faced by this community, the state has repeatedly failed to take meaningful action.

"SB 837 (Reyes) aims to address this urgent issue and ensure that we prevent further tragedies. This bill will require Aging and Disability Resource Connection programs to provide disaster and emergency preparedness training tailored to the needs of older adults and people with disabilities, equipping them with the knowledge and resources necessary to stay safe before, during, and after an emergency. Additionally, it will prioritize funding for area agencies on aging and independent living centers that provide critical transportation and evacuation services during emergencies under the California Disaster Assistance Act."

Aging and Disability Resource Connections. In 2003, the federal Administration for Community Living and the federal Centers for Medicare and Medicaid Services established a joint funding opportunity through the Aging and Disability Resource Connection initiative. This initiative was designed to provide visible and trusted sources of information, one-on-one counseling, and streamlined access to long-term services and supports.

In 2015, the California Department of Aging established the Aging and Disability Resource Connection and an advisory committee to engage stakeholders in identifying and implementing strategies to strengthen, sustain, and expand Aging

and Disability Resource Connection services throughout the state. The committee is the primary advisor to the California Department of Aging in the ongoing development and implementation of the state's Aging and Disability Resource Connections. Committee members include representatives from the California Departments of Aging, Health Care Services, Rehabilitation, and Veterans Affairs, as well as representatives of providers and advocates in the long-term services and supports community. California's Aging and Disability Resource Connection program was codified by AB 1200 (Cervantes, Chapter 618, Statutes of 2017).

The California Department of Aging contracts with local area agencies on aging and independent living centers, which coordinate a variety of supportive services to seniors and adults with disabilities. Not all area agencies on aging provide Aging and Disability Resource Connection services. Anyone, regardless of age, income, or disability, may receive Aging and Disability Resource Connection services.

Aging and Disability Resource Connection services may include:

- Enhanced information and referral services, such as comprehensive resource information, follow-ups, and "warm hand-off" referrals.

- Options counseling, such as assisting in identifying goals and needs through person-centered counseling and coordinating access to public and private-funded long-term services and supports in the community.

- Short-term service coordination, including expedited access to services and supports for individuals at risk of institutionalization, generally for 90 days or less, until a longer-term plan is in place.

- Transition services for people who are currently in a hospital, nursing facility, or other institution and wishes to receive long-term services and supports at home or in a community-based setting.

Natural Disasters and Emergencies. Natural disasters include earthquakes, floods, extreme heat and all types of severe weather. The Environmental Protection Agency classifies wildfires as natural disasters, though not all wildfires are the result of natural events. California has experienced several devastating fires in recent years, including the Palisades Fire in 2025 and the Camp Fire in 2018. Natural disasters can occur anywhere, but they do not impact all populations equally. Research shows that "the oldest adults seem more likely to be displaced due to multiple disasters, and many older adults who are displaced face health hazards and disability: such as food and water shortages, loss of electricity, and

unsanitary conditions, isolation and mental health impacts, and both cognitive and physical disabilities."[1] United States Census Bureau data shows that once displaced, 21% of people with disabilities never return home. This is four times the rate for persons without disabilities. These disproportionate impacts highlight the need for increased focus on these populations in training and resources to ensure they are protected during natural disasters and emergencies.

Related/Prior Legislation

AB 1069 (Bains, Chapter 445, Statutes of 2025) requires as part of disaster planning and response, an area agency on aging, independent living center, or an Aging and Disability Resource Connection program have access to an emergency shelter in order to ensure older adults and persons with disabilities receive continuous services and necessary support.

SB 352 (Reyes, Chapter 120, Statutes of 2025), as heard by this Committee, was almost identical to this bill prior to it being amended out of this committee's jurisdiction.

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

According to the Senate Appropriations Committee Analysis:

- The Office of Emergency Services (Cal OES) estimates General Fund costs of $372,000 in the first year and $247,000 ongoing thereafter to support implementation. This includes contract costs of $125,000 per year for the Office of Access and Functional Needs (OAFN) to include individuals with lived disability experience to review and/or develop new trainings, guidance, and other documents; and state staffing resources to collaborate with the ADRCs and OAFN, develop curriculum and online modules, and provide on-demand contract instruction for ADRCs.

- The California Department of Aging (CDA) indicates no immediate fiscal impact to the department, but notes that providing information on existing emergency preparedness and response tools and resources could result in minor and absorbable costs and the potential creation of new tools could result in additional cost pressures on the department (General Fund). The CDA also indicates unknown likely costs to ADRCs to provide the disaster and emergency preparedness training (General Fund).

[1] https://pmc.ncbi.nlm.nih.gov/articles/PMC12762612/

- The Department of Rehabilitation (DOR) anticipates minor and absorbable costs, to the extent that existing emergency preparedness and response tools would be utilized.

SUPPORT: (Verified 1/22/26)

Disability Rights California

OPPOSITION: (Verified 1/22/26)

None received

Prepared by: Heather Hopkins / HUMAN S. / (916) 651-1524
1/23/26 15:39:17

****** END ******

SENATE RULES COMMITTEE SCR 89
Office of Senate Floor Analyses
(916) 651-1520 Fax: (916) 327-4478

THIRD READING

Bill No: SCR 89
Author: Smallwood-Cuevas (D), et al.
Amended: 6/25/25
Vote: 21

SENATE JUDICIARY COMMITTEE: 11-1, 7/8/25
AYES: Umberg, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Wahab, Weber Pierson, Wiener
NOES: Niello
NO VOTE RECORDED: Valladares

SUBJECT: Diversity, Equity, and Inclusion

SOURCE: Author

DIGEST: This resolution affirms the Legislature's commitment to Diversity, Equity, and Inclusion (DEI) principles at a time when DEI efforts and programs are under attack.

ANALYSIS:

Existing law:

1) Provides that no state shall deny to any person within its jurisdiction the equal protection of the laws. (United States Constitution (U.S. Const.), 14th Amend., § 1.)

2) Provides that a person may not be denied the equal protection of the laws, and that a citizen or class of citizens may not be granted privileges or immunities not granted on the same terms to all citizens. (California Constitution (Cal. Const.,) art. I, § 7.)

3) Provides that Congress shall make no law abridging the freedom of speech. (U.S. Const., 1st amend.)

This resolution:

1) Declares that:

   a) The American Dream has been a beacon of hope for generations.

   b) The American Dream embodies the ideals of opportunity, prosperity, and upward mobility, promising that every person should have the chance to achieve what they themselves define as success and fulfillment through hard work and determination.

   c) Many today feel that their American Dream is unattainable.

   d) The American Dream belongs to all of us.

   e) Our highest accomplishments as a state and nation have been achieved when we harness the strengths of all people regardless of their identities to overcome our greatest challenges.

   f) DEI is a centuries-old movement deeply rooted in America's founding principles and its subsequent legacy of civil rights and social justice efforts aimed at delivering the laws, policies, and initiatives that enable America to live up to our Constitution's promises.

   g) DEI policies, from the Nineteenth Amendment to the United States Constitution to the Civil Rights Act of 1964 to the Americans with Disabilities Act of 1990, among others, reflect the corrective legislative and legal actions taken across our nation's history to expand and guarantee access to the educational, economic, and civic obligations and capacities of our nation.

   h) California has been a leader in promoting diversity, equity, and inclusion within the California state service to achieve equitable work cultures.

   i) Governor Newsom signed an executive order directing state agencies and departments to take additional actions to embed equity analysis and considerations in their mission, policies, and practices and establishing the Racial Equity Commission.

   j) The California State Assembly passed a resolution to require the Assembly to explore methods to integrate equity more formally into its daily activities, including the potential adoption of an equity impact analysis into the existing committee and floor bill analysis process.

k) DEI principles and policies promote equal access to opportunities, foster an environment of respect and belonging, and ensure that every individual—regardless of background—can fully participate in all aspects of society.

l) DEI policies are intended not only to promote access, but to proactively dismantle systematic inequalities in education, employment, housing, health care, and civic participation that have disproportionately impacted communities of color, indigenous peoples, women, LGBTQ+ individuals, individuals with disabilities, and other historically excluded groups.

m) DEI initiatives often include targeted recruitment, culturally competent workplace training, equity-focused budgeting, inclusive curriculum development, and disaggregated data reporting to address measurable disparities in outcomes.

n) DEI is essential to creating a society where all individuals are valued, heard, and included.

o) DEI is based on removing barriers to opportunity so our merits can speak for themselves.

p) DEI is committed to widening pathways to the American Dream for every community so that all people can reap the benefits of shared prosperity in our nation.

q) Freedom of speech and expression are fundamental constitutional rights, protecting the ability of individuals to voice their ideas and opinions without interference, punishment, or retaliation by the government.

r) Retaliatory actions such as terminating, silencing, or marginalizing qualified public servants, educators, and professionals based on their advocacy for equity or their identities—including race, gender, or LGBTQ+ status—represent a dangerous erosion of civil liberties and a threat to representative leadership in public life.

s) Attempts to prohibit DEI practices diminish the diversity of perspectives that strengthen our society, and conflict with antidiscrimination laws.

t) The federal government under the Trump Administration and ongoing political actors have sought to dismantle DEI frameworks, including banning DEI training in federal agencies, attempting to eliminate race-conscious admissions policies, and threatening funding for universities that incorporate equity-related content.

u) These efforts not only undermine civil rights progress but contradict core democratic values enshrined in the United States Constitution and upheld through decades of precedent, such as *Brown v. Board of Education* and *Griggs v. Duke Power Co.*

v) Efforts to attack DEI are harmful to our country.

2) Resolves, by the Senate of the State of California and with the Assembly concurring:

a) The Legislature affirms its commitment to DEI as an essential foundation for achieving the American Dream and fostering environments where all individuals have the freedom to be healthy, prosperous, and safe and have the opportunity to realize their full potential.

b) The Legislature encourages local, state, and federal policymakers, educational institutions, workplaces, and other organizations to adopt and uphold DEI principles that promote inclusivity, protect freedom of expression, remove barriers, and provide equitable opportunities for all individuals to pursue their dreams.

c) The Secretary of the Senate shall transmit copies of this resolution to the author for appropriate distribution.

Comments

In the face of ongoing attacks on DEI and the dismantling of DEI programs, this resolution reaffirms the Legislature's commitment to DEI as a necessary foundation for ensuring that all persons have the opportunity to realize their full potential. This resolution recites the history and purpose of DEI and California's leading role in promoting diversity, equity, and inclusion within state government and across the state. This resolution also recognizes that attempts to prohibit DEI practices and programs diminish the diversity of perspectives, which weakens, rather than strengthens, our society. This resolution states that these anti-DEI efforts are harmful to our country. Finally, this resolution states that the Legislature encourages local, state, and federal policymakers, educational institutions, workplaces, and other institutions to adopt and uphold DEI principles that promote inclusivity, protect freedom of expression, remove barriers, and provide equitable opportunities for all individuals to pursue their dreams.

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

SUPPORT: (Verified 7/9/25)

None received

OPPOSITION: (Verified 7/9/25)

None received

Prepared by: Allison Whitt Meredith / JUD. / (916) 651-4113
7/9/25 16:03:42

****** END ******

Office of Senate Floor Analyses
(916) 651-4171

THIRD READING

Bill No: SCR 109
Author: Grove (R), et al.
Introduced: 1/13/26
Vote: 21

SUBJECT: National Mentorship Month: Big Brothers Big Sisters of Central California

SOURCE: Author

DIGEST: This resolution proclaims the month of January 2026 as National Mentorship Month in recognition of the commitment to mentorship by the Big Brothers Big Sisters of Central California.

ANALYSIS: This resolution makes the following legislative findings:

1) January is recognized across the nation as National Mentoring Month, a time to celebrate the power of mentorship and acknowledge the individuals and organizations that make a lasting impact in the lives of young people.

2) Since its founding in 1968, Big Brothers Big Sisters of Central California (BBBSofCC) has served as a pillar of mentorship and youth empowerment, providing guidance, stability, and opportunity to children throughout the central valley.

3) Over the past five decades, BBBSofCC has positively impacted the lives of more than 10,000 children and their families, fostering resilience, leadership, and hope through one-to-one mentoring relationships.

4) BBBSofCC has successfully implemented the High School Bigs Program across 21 unified school districts, serving more than 4,000 children and families each year throughout central California.

5) Through dedicated mentors, community partnerships, and innovative programming, BBBSofCC continues to inspire young people to reach their full potential, strengthening the fabric of our communities.

This resolution recognizes the Big Brothers Big Sisters of Central California for its unwavering commitment to the mentorship of children and families throughout the central California region and its enduring impact on future generations.

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

SUPPORT: (Verified 1/21/26)

None received

OPPOSITION: (Verified 1/21/26)

None received

Prepared by: Aizenia Randhawa / SFA / (916) 651-4171
1/21/26 16:05:29

****** END ******

Office of Senate Floor Analyses
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THIRD READING

Bill No: SCR 110
Author: Grove (R), et al.
Introduced: 1/14/26
Vote: 21

SUBJECT: Women's Military History Week

SOURCE: Author

DIGEST: This resolution recognizes "Women Warriors" by proclaiming the week of March 16, 2026, to March 22, 2026, inclusive, as Women's Military History Week in California, recognizes the hard-fought contributions of women to the military and freedom, and encourages Californians to honor the courageous sacrifices that women have made since the historic lifting of the ban on women in combat on January 24, 2013.

ANALYSIS: This resolution makes the following legislative findings:

1) Women have served bravely in every major United States conflict since the American Revolutionary War, but their courage and service have gone unrecognized. Our current servicewomen would be unable to serve without the precedence, persistence, determination, and unyielding resilience of the incredible strides of women of previous generations.

2) The over 3 million women who have served in or with the armed forces since the American Revolution have contributed immensely to the strength and resilience of our armed forces.

3) Over 400 women have been killed in combat since World War I and over 90 women have been identified as prisoners of war since World War II.

4) It is recognized that women have always been capable of serving in combat and that it is policies like the 1994 ban on women in combat that have precluded women from serving. From the Revolutionary War to modern-day humanitarian efforts, women in our military have led the way for progress, despite decades of obstacles, ultimately serving in positions of leadership and combat roles.

This resolution recognizes "Women Warriors" by proclaiming the week of March 16, 2026, to March 22, 2026, inclusive, as Women's Military History Week in California.

Related/Prior Legislation

SCR 38 (Grove, Resolution Chapter 47, Statutes of 2025)
ACR 30 (Wilson, Resolution Chapter 35, Statutes of 2023)
SCR 86 (Grove, Resolution Chapter 44, Statutes of 2022)
HR 27 (Nguyen, 2021) – Adopted in Assembly.
SR 13 (Grove, 2021) – Adopted in Senate.

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

SUPPORT: (Verified 1/20/26)

None received

OPPOSITION: (Verified 1/20/26)

None received

Prepared by: Hunter Flynn / SFA / (916) 651-4171
1/21/26 16:05:29

****** END ******

Office of Senate Floor Analyses
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THIRD READING

Bill No: SR 67
Author: Blakespear (D), et al.
Introduced: 1/5/26
Vote: Majority

SUBJECT: 250th Anniversary of the Declaration of Independence

SOURCE: Author

DIGEST: This resolution commemorates the 250th anniversary of the signing of the Declaration of Independence, honors the principles of life, liberty, and the pursuit of happiness, and encourages all Californians to celebrate this milestone with pride.

ANALYSIS: This resolution makes the following legislative findings:

1) On July 4, 1776, the Continental Congress formally adopted the Declaration of Independence, proclaiming the birth of the United States of America, affirming that all people are endowed with certain unalienable rights, among them life, liberty, and the pursuit of happiness.

2) The year 2026 will mark the 250th anniversary of this historic occasion, offering an opportunity to reflect on the enduring ideals of liberty, democracy, and self-governance.

3) Although not one of the original 13 colonies, California has played a vital role in advancing and sustaining the American experiment, growing into the most populous and diverse state in the union and serving as a global leader in innovation, culture, and democratic engagement.

4) Commemorating the 250th anniversary of the Declaration of Independence is not only an occasion to celebrate our shared history, but also a call to recommit ourselves to the ongoing and unfinished work of creating a more perfect union.

This resolution commemorates the 250th anniversary of the signing of the Declaration of Independence, honors the principles of life, liberty, and the pursuit

of happiness, and encourages all Californians to celebrate this milestone with pride.

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

SUPPORT: (Verified 1/13/25)

None received

OPPOSITION: (Verified 1/13/25)

None received

Prepared by: Hunter Flynn / SFA / (916) 651-4171
1/14/26 15:44:35

****** END ******

Office of Senate Floor Analyses
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THIRD READING

Bill No: SR 68
Author: Cervantes (D)
Introduced: 1/8/26
Vote: Majority

SUBJECT: Sexual Assault Awareness Month and Denim Day.

SOURCE: Author

DIGEST: This resolution recognizes April 29, 2026, as Denim Day in California and encourages everyone to wear jeans on that day to help communicate the message that there is no excuse for, and never an invitation to commit, rape.

ANALYSIS: This resolution makes the following legislative findings:

1) In 1998, the Supreme Court of Cassation in Italy overturned the conviction of a man who sexually assaulted an 18-year-old woman after the court determined that, "because the victim wore very, very tight jeans, she had to help him remove them, and by removing the jeans it was no longer rape but consensual sex".

2) Enraged by the court decision, within a matter of hours, the women in the Italian Parliament launched into immediate action and protested by wearing jeans to work. Nations and states throughout the world have followed the lead of the Italian Parliament by designating their own "Denim Day" to raise public awareness about rape and sexual assault.

3) The National Intimate Partner and Sexual Violence Survey reports that there are over 38,000,000 survivors of rape throughout the United States, with 3,250,000 of those survivors of rape currently living in the State of California.

4) In addition to the immediate physical and emotional costs, sexual assault survivors too frequently suffer from severe and long-lasting consequences, such as post-traumatic stress disorder, substance abuse, major depression, homelessness, eating disorders, low self-esteem, and suicide.

5) California is a national leader in promoting victim-centered approaches within the judicial, criminal justice, medical, rape crisis, and health communities. In 2021, California joined the States of New Hampshire and Florida in fulfilling the promise of Denim Day by approving and enacting Assembly Bill 939 (Cervantes, Chapter 529 of the Statutes of 2021), which prohibits a survivor's manner of dress from serving as evidence of consent in sexual assault cases.

This resolution recognizes April 29, 2026, as Denim Day in California and encourages everyone to wear jeans on that day to help communicate the message that there is no excuse for, and never an invitation to commit, rape.

Related/Prior Legislation

SR 89 (Rubio, 2024) – Adopted in the Senate.
HR 85 (Cervantes, 2024) – Adopted in the Assembly.
SCR 44 (Caballero, Resolution Chapter 81, Statutes of 2023)
HR 81 (Cervantes, 2022) – Adopted in the Assembly.
SR 28 (Rubio, 2021) – Adopted in the Senate.
HR 38 (Carrillo, 2021) – Adopted in the Assembly.

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

SUPPORT: (Verified 1/21/26)

None received

OPPOSITION: (Verified 1/21/26)

None received

Prepared by: Aizenia Randhawa / SFA / (916) 651-4171
1/21/26 16:05:30

****** END ******

Office of Senate Floor Analyses
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THIRD READING

Bill No: SR 69
Author: Niello (R)
Introduced: 1/12/26
Vote: Majority

SUBJECT: Montessori Month

SOURCE: Author

DIGEST: This resolution designates February 2026 as Montessori Month in California, and urges all Californians to take note of that month and to participate fittingly in its observance.

ANALYSIS: This resolution makes the following legislative findings:

1) In February 2026, Montessorians will celebrate the 119th anniversary of the first Montessori school.

2) A system for the education of children from birth through secondary schools, the Montessori program focuses upon providing materials, techniques, and experiences that support the learners' natural development and encourages children to "learn how to learn," to gain independence and self-confidence, and to promote the principles of peace and responsible world citizenship.

3) It is fitting and proper that we recognize the immeasurable contributions of California's Montessori schools, and congratulate all Montessorians upon the 119th anniversary of the first Montessori school.

This resolution pays tribute to the long and distinguished history of the Montessori Method and to the teachers, both past and present, who have contributed immeasurably to the education of our citizens.

Related/Prior Legislation

SCR 17 (Niello, Resolution Chapter 26, Statutes of 2025)

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

SUPPORT: (Verified 1/20/26)

None received

OPPOSITION: (Verified 1/20/26)

None received

Prepared by: Hunter Flynn / SFA / (916) 651-4171
1/21/26 16:05:31

****** END ******

THIRD READING

Bill No: ACR 71
Author: Kalra (D), et al.
Amended: 6/19/25 in Assembly
Vote: 21

SENATE TRANSPORTATION COMMITTEE: 14-0, 1/13/26
AYES: Cortese, Archuleta, Arreguín, Blakespear, Cervantes, Dahle, Gonzalez, Grayson, Menjivar, Pérez, Richardson, Seyarto, Umberg, Valladares
NO VOTE RECORDED: Strickland

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SUBJECT: Little Saigon Freeway

SOURCE: Author

DIGEST: This resolution designates the portion of State Route 101, from Story Road, at postmile 34.224, to the junction with State Highway Route 280 and State Highway Route 680, at postmile 34.873, in the County of Santa Clara, as the Little Saigon Freeway.

ANALYSIS:

Existing law assigns the California Department of Transportation (Caltrans) the responsibility of operating and maintaining state highways, including the installation and maintenance of highway signs.

Committee Policy:

The committee has adopted a policy regarding the naming of state highways or structures. Under the policy, the committee will consider only those resolutions that meet all of the following criteria:

1) The person being honored must have provided extraordinary public service or some exemplary contribution to the public good and have a connection to the community where the highway or structure is located.

2) The person being honored must be deceased or a former elected public official who has been out of office for at least 25 years.

3) The naming must be done without cost to the state. Costs for signs and plaques must be paid by local or private sources.

4) The author or co-author of the resolution must represent the district in which the facility is located, and the resolution must identify the specific highway segment or structure being named.

5) The segment of highway being named must not exceed five miles in length.

6) The proposed designation must reflect a community consensus and be without local opposition.

7) The proposed designation may not supersede an existing designation unless the sponsor can document that a good faith effort has uncovered no opposition to rescinding the prior designation.

This resolution:

1) Recounts the role of Little Saigon as a major cultural, social, and commercial center for the Vietnamese community in the City of San Jose.

2) Designates the portion of State Route 101, from Story Road, at postmile 34.224, to the junction with State Highway Route 280 and State Highway Route 680, at postmile 34.873, in the County of Santa Clara, as the Little Saigon Freeway.

3) Requests Caltrans to determine the cost of appropriate signs consistent with the signing requirements for the state highway system showing this special designation and, upon receiving donations from nonstate sources sufficient to cover that cost, to erect those signs.

Comments

Purpose of the resolution. According to the author, "The City of San Jose is home to the largest Vietnamese community in any city in the U.S., with the Little Saigon area serving as a major cultural, social, and commercial hub. Recognizing its significance, in 2007, the City of San Jose officially designated this area along Story Road as 'Little Saigon.' ACR 71 would ensure future generations can honor and recognize the many contributions of the Vietnamese community by designating a portion of State Route 101 in the City of San Jose as the Little Saigon Freeway."

Background. Since April 1975, when the capital of South Vietnam fell, approximately 2,300,000 people of Vietnamese origin have become permanent residents or citizens of the United States, 140,000 of whom are residents of the County of Santa Clara, with the City of San Jose claiming home to the highest population of people of Vietnamese origin per area outside of Vietnam.

In 2007, the City of San Jose recognized the importance of Little Saigon as a major cultural, social, and commercial center for the Vietnamese community and officially designated the area along Story Road as "Little Saigon." "Little Saigon" recalls the name of the South Vietnamese capital decades after it was renamed.

Little Saigon is a destination for tourists and refugees from all over the world. One can find all types of services and businesses in Little Saigon, including restaurants, supermarkets, shopping malls, banks, and jewelry stores serving the Vietnamese American community, as well as other local and surrounding area residents in the City of San Jose. Tết festivals and parades in Little Saigon celebrating the Vietnamese lunar new year have attracted thousands of participants.

Consistent with committee policy. This resolution is consistent with Senate Transportation Committee Highway Naming policy.

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

SUPPORT: (Verified 1/20/26)

Advanced Consulting, LLC
California Young Democrats
City of San Jose, Councilmember Bien Doan
County of Santa Clara
East Side Union High School District

Miss Vietnam California
North East Medical Services
San Jose; City of
Santa Clara County Board of Education Trustee Tara Sreekrishnan
The Northern California Association of Friends From Tây Ninh
The United Vietnamese American Community of Northern California
Vietnamese American Professional Women of Silicon Valley

OPPOSITION: (Verified 1/20/26)

None received

ARGUMENTS IN SUPPORT: Writing in support of the resolution, the United Vietnamese American Community of Northern California states, "[t]his resolution carries profound meaning for the Vietnamese American community. The Little Saigon district in San Jose is more than a cultural and economic hub—it represents the resilience, sacrifice, and achievements of generations of Vietnamese refugees and immigrants who rebuilt their lives in the United States after the Vietnam War. By naming this segment of Highway 101 the 'Little Saigon Freeway,' the State of California formally recognizes the legacy, heritage, and enduring contributions of the Vietnamese American community in Santa Clara County and throughout the state. It is a meaningful tribute that affirms the importance of diversity, inclusion, and cultural preservation in our shared civic spaces."

Prepared by: Isabelle LaSalle / TRANS. / (916) 651-4121
1/21/26 16:05:33

****** END ******

SENATE RULES COMMITTEE ACR 115
Office of Senate Floor Analyses
(916) 651-4171

THIRD READING

Bill No: ACR 115
Author: Bennett (D), et al.
Introduced: 1/6/26
Vote: 21

SUBJECT: National Blood Donor Month

SOURCE: Author

DIGEST: This resolution recognizes the month of January as National Blood Donor Month in the State of California.

ANALYSIS: This resolution makes the following legislative findings:

1) More than 50 years ago, January was designated as National Blood Donor Month, as an annual observance meant to honor voluntary blood donors and encourage more people to donate blood at a time when blood supplies are historically low.

2) A blood transfusion occurs in the United States every two seconds, but only 3 percent of the eligible population actually donate blood, bringing about chronic blood shortages nationwide that have exposed the vulnerability of our nation's blood supply and revealed its need to be included in emergency preparedness plans.

3) Patients requiring blood transfusions include cancer patients, accident, burn, or trauma victims, newborn babies and their mothers, transplant recipients, surgery patients, chronically transfused patients suffering from sickle cell disease or thalassemia, and many more. In our communities the need for a diverse blood supply is constant, but the supply is not. This makes volunteer blood donors the foundation for ensuring a safe and stable supply of blood products are available to help meet the medical needs of patients nationwide.

This resolution recognizes the month of January as National Blood Donor Month in the State of California.

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

SUPPORT: (Verified 1/21/26)

Blood Centers of California

OPPOSITION: (Verified 1/21/26)

None received

Prepared by: Aizenia Randhawa / SFA / (916) 651-4171
1/21/26 16:05:33

****** END ******

Office of Senate Floor Analyses
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THIRD READING

Bill No: ACR 117
Author: Sharp-Collins (D)
Introduced: 1/6/26
Vote: 21

SUBJECT: Maternal Health Awareness Day

SOURCE: Author

DIGEST: This resolution proclaims January 23, 2026, as Maternal Health Awareness Day.

ANALYSIS: This resolution makes the following legislative findings:

1) The United States ranks highest among industrialized nations in maternal mortality. More than 700 women die each year in the United States as a result of pregnancy or delivery complications, and more than one-half of these deaths are preventable.

2) The California Maternal Quality Care Collaborative (CMQCC), a multistakeholder organization committed to ending preventable morbidity, mortality, and racial disparities in California maternity care, was founded in 2006 at Stanford University School of Medicine, in coordination with the California Pregnancy-Associated Mortality Review (CA-PAMR) and the Public Health Institute, in response to rising maternal mortality and morbidity rates.

3) CMQCC uses research, quality improvement toolkits, statewide outreach collaboratives, and its innovative Maternal Data Center to improve health outcomes for mothers and infants. Since the inception of CMQCC and CA-PAMR, California has achieved a roughly 65% reduction in maternal mortality between 2006 and 2016.

4) While California has set an example for the rest of the country and has made progress to reduce maternal mortality through investment in maternal health programs, strong leadership and engagement of the maternity care community, and targeted hospital quality improvement, more needs to be done to narrow

racial and ethnic disparities, especially with Black women, who account for only 5% of pregnancies in California but represent 21% of pregnancy-related deaths and whose pregnancy-related mortality ratio is three to four times greater than the mortality ratios for women of other racial or ethnic groups, including White, Hispanic, and Asian and Pacific Islander.

5) California should continue to promote positive birth outcomes for all women through actions, including maternity care quality improvement and home visiting for vulnerable pregnant women, providing additional support for Black women, and increasing culturally and linguistically relevant public awareness about maternal mental health risk factors, signs, symptoms, treatment, and recovery.

This resolution proclaims January 23, 2026, as Maternal Health Awareness Day to draw attention to the efforts that have improved maternal health in California and to highlight the need for continued improvement of maternal health for all women.

Related/Prior Legislation

SCR 9 (Weber Pierson, Resolution Chapter 10, Statutes of 2025)
ACR 122 (Aguiar-Curry, Resolution Chapter 17, Statutes of 2024)
ACR 2 (Weber, Resolution Chapter 3, Statutes of 2023)
ACR 120 (Bauer-Kahan, Resolution Chapter 14, Statutes of 2022)
HR 11(Bauer-Kahan, 2021) – Adopted by the Assembly.

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

SUPPORT: (Verified 1/21/26)

American College of Obstetricians & Gynecologists, District IX

OPPOSITION: (Verified 1/21/26)

None received

Prepared by: Hunter Flynn / SFA / (916) 651-4171
1/21/26 16:05:34

****** END ******