2025-26 SESSION

SENATE
THIRD READING PACKET

FRIDAY, JANUARY 16, 2026

OFFICE OF SENATE FLOOR ANALYSES
651-4171

SENATE THIRD READING PACKET

Attached are analyses of bills on the Daily File for Friday, January 16, 2026.

Note	Measure	Author	Location
+	SB 5	Cabaldon	Governor's Vetoes
+	SB 7	McNerney	Governor's Vetoes
+	SB 11	Ashby	Governor's Vetoes
+	SB 24	McNerney	Governor's Vetoes
+	SB 34	Richardson	Governor's Vetoes
+	SB 36	Umberg	Governor's Vetoes
+	SB 75	Smallwood-Cuevas	Governor's Vetoes
+	SB 76	Seyarto	Governor's Vetoes
+	SB 88	Caballero	Governor's Vetoes
+	SB 224	Hurtado	Governor's Vetoes
+	SB 257	Wahab	Governor's Vetoes
+	SB 263	Gonzalez	Governor's Vetoes
+	SB 274	Cervantes	Governor's Vetoes
+	SB 275	Smallwood-Cuevas	Governor's Vetoes
+	SB 292	Cervantes	Governor's Vetoes
+	SB 298	Caballero	Governor's Vetoes
+	SB 317	Hurtado	Governor's Vetoes
+	SB 326	Becker	Governor's Vetoes
+	SB 355	Pérez	Governor's Vetoes
+	SB 369	Padilla	Governor's Vetoes
+	SB 388	Padilla	Governor's Vetoes
+	SB 404	Caballero	Governor's Vetoes
+	SB 411	Pérez	Governor's Vetoes
+	SB 414	Ashby	Governor's Vetoes
+	SB 418	Menjivar	Governor's Vetoes
+	SB 419	Caballero	Governor's Vetoes
+	SB 454	McNerney	Governor's Vetoes
+	SB 485	Reyes	Governor's Vetoes
+	SB 509	Caballero	Governor's Vetoes
+	SB 512	Pérez	Governor's Vetoes
+	SB 541	Becker	Governor's Vetoes
+	SB 613	Stern	Governor's Vetoes
+	SB 616	Rubio	Governor's Vetoes
+	SB 629	Durazo	Governor's Vetoes
+	SB 641	Ashby	Governor's Vetoes
+	SB 643	Caballero	Governor's Vetoes
+	SB 647	Hurtado	Governor's Vetoes
+	SB 682	Allen	Governor's Vetoes
+	SB 703	Richardson	Governor's Vetoes
+	SB 717	Richardson	Governor's Vetoes
+	SB 756	Smallwood-Cuevas	Governor's Vetoes
+	SB 757	Richardson	Governor's Vetoes
+	SB 761	Ashby	Governor's Vetoes
+	SB 764	Weber Pierson	Governor's Vetoes
+	SB 771	Stern	Governor's Vetoes
+	SB 783	Rubio	Governor's Vetoes

+ ADDS
RA Revised Analysis
* Analysis pending

Note	Measure	Author	Location
+	SB 785	Caballero	Governor's Vetoes
+	SB 787	McNerney	Governor's Vetoes
+	SB 791	Cortese	Governor's Vetoes

+ ADDS
RA Revised Analysis
* Analysis pending

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VETO

Bill No: SB 5
Author: Cabaldon (D)
Enrolled: 9/12/25
Vote: 27

SENATE LOCAL GOVERNMENT COMMITTEE: 5-2, 4/23/25
AYES: Durazo, Arreguín, Cabaldon, Laird, Wiener
NOES: Choi, Seyarto

SENATE FLOOR: 33-6, 9/9/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener
NOES: Alvarado-Gil, Choi, Grove, Jones, Seyarto, Strickland
NO VOTE RECORDED: Valladares

ASSEMBLY FLOOR: 67-2, 9/8/25 - See last page for vote

SUBJECT: Enhanced infrastructure financing districts and community revitalization and investment areas: allocation of taxes: agricultural land exclusion

SOURCE: Author

DIGEST: This bill prohibits enhanced infrastructure financing districts (EIFDs) and community revitalization and investment authorities (CRIAs) from including taxes levied upon parcels enrolled in a Williamson Act or farmland security zone contract.

ANALYSIS:

Existing law:

1) Authorizes local governments to create EIFDs and to use tax increment financing (TIF) to finance public capital facilities or other specified projects.

2) Authorizes a local government to establish a CRIA to use property tax increment revenues to finance a community revitalization plan within a community revitalization area.

3) Creates the Williamson Act, also known as the California Land Conservation Act of 1965, which authorizes cities and counties to enter into agricultural land preservation contracts with landowners who agree to restrict the use of their land for a minimum of 10 years in exchange for lower assessed valuations for property tax purposes.

4) Creates Farmland Security Zones, which authorizes cities and counties to allow agricultural land preservation contracts with landowners who agree to restrict the use of their land for a minimum of 20 years in exchange for lower-assessed valuations for property tax purposes. The lowered assessed value, under Farmland Security Zones, is greater than under the Williamson Act.

5) Provides three options for ending a Williamson Act contract:

   a) Either the landowner or local officials gives "notice of nonrenewal," which stops the automatic annual renewals and allows the contract to run down over the next 10 years.

   b) Local officials can cancel a contract at the request of the landowner. To do so, local officials must make findings that cancellation is in the public interest and that cancellation is consistent with the purposes of the Williamson Act. The owner must pay a cancellation fee based on the "cancellation value" of the land.

   c) Local officials cancel a Williamson Act contract, but the landowner simultaneously puts an agricultural conservation easement or open space easement on other land of equal or greater value.

6) Requires, generally, the county assessor to determine the cancellation valuation.

This bill:

1) Prohibits EIFDs and CRIAs from including taxes levied upon parcels enrolled in a Williamson Act or farmland security zone contract.

2) Provides that parcels subject to such a contract that has been canceled or nonrenewed cannot be included until the next equalized assessment roll made after cancellation or nonrenewal, or rezoning of that parcel.

Comments

Purpose of this bill. According to the author, "SB 5 ensures that developers cannot exploit the artificially low value of protected agricultural land through the tax increment financing of Enhanced Infrastructure Financing Districts (EIFDs). The use of EIFDs on lands under Williamson Act contracts undermines the intent of both programs by allowing private development interests to benefit from artificially reduced property tax assessments granted to preserve agricultural land. This bill would exclude taxes levied upon a parcel of land enrolled in or subject to a Williamson Act contract or a farmland security zone contract from the allocation to an EIFD. SB 5 requires an EIFD's first assessment to follow the termination of a Williamson Act contract, preventing the misuse of public funds for private objectives."

Gaming the system. Williamson Act contracts help preserve land for agricultural use. In exchange for limiting the uses of their land, the property owner pays lower property taxes based on its value for its agricultural use, not its Proposition 13 assessed value. Because the Williamson Act sets assessed values artificially low, an EIFD that covers parcels under Williamson Act contracts that are nonrenewed or cancelled gets more than if they were not under contract to begin with. Both EIFD formation and Williamson Act contract cancellation require action by local government: the taxing entities must agree to form the EIFD and the city or county that administers the Williamson Act contracts must approve the cancellation. A sympathetic local government might cooperate with a developer to establish an EIFD so the all property tax increment would flow to the EIFD, instead of flowing back to local governments for core programs and services. While this provides a dedicated revenue source for infrastructure projects, it may take away much needed resources for higher citywide or countywide priorities. A large-scale development, like California Forever, could use this to their advantage to finance infrastructure with public dollars instead of paying for it themselves. SB 5 ensures that Williamson Act parcels remain for agricultural use, not private development.

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

SUPPORT: (Verified 10/9/25)

African American Farmers of California
American Farmland Trust

California Citrus Mutual
California Farm Bureau Federation
California Fresh Fruit Association
California Rice Commission
California Rural Legal Assistance Foundation
California Walnut Commission
Center for Biological Diversity
Community Aliance With Family Farmers
Community Alliance With Family Farmers (1146217)
County of Solano
Greenbelt Alliance
Leadership Council for Justice and Accountability
Natural Resources Defense Council
Nisei Farmers League
Pubic Interest Law Project
Public Advocates
Solano County Democratic Central Committee
Solano County Farm Bureau
Solano County Orderly Growth Committee
Solano Land Trust
Western Center on Law & Poverty

OPPOSITION: (Verified 10/9/25)

Building Owners and Managers Association
California Building Industry Association
California Business Properties Association
California Chamber of Commerce
Naiop California

GOVERNOR'S VETO MESSAGE:

To the Members of the California State Senate:

I am returning Senate Bill 5 without my signature.

This bill would prohibit enhanced infrastructure financing districts (EIFDs) from including taxes levied upon parcels enrolled in a Williamson Act or a farmland security zone contract from the allocation to an EIFD.

Under existing law, local jurisdictions have full authority to choose whether they wish to exclude Williamson Act lands from EIFD eligibility, or set conditions for their inclusion, without state intervention. As such, I am concerned that this bill inappropriately reduces the ability of local agencies to choose how and where to use the infrastructure development tools that are within their discretion.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 67-2, 9/8/25
AYES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Davies, DeMaio, Elhawary, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Wallis, Ward, Wicks, Wilson, Rivas
NOES: Dixon, Macedo
NO VOTE RECORDED: Alanis, Castillo, Chen, Ellis, Flora, Lackey, Nguyen, Sanchez, Ta, Tangipa, Zbur

Prepared by: Anton Favorini-Csorba / L. GOV. / (916) 651-4119
10/9/25 13:22:08

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

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VETO

Bill No: SB 7
Author: McNerney (D), et al.
Enrolled: 9/17/25
Vote: 27

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

SENATE JUDICIARY COMMITTEE: 11-2, 4/29/25
AYES: Umberg, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Wahab, Weber Pierson, Wiener
NOES: Niello, Valladares

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

SENATE FLOOR: 28-9, 9/12/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Caballero, Cervantes, Cortese, Durazo, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener
NOES: Alvarado-Gil, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares
NO VOTE RECORDED: Cabaldon, Choi, Gonzalez

ASSEMBLY FLOOR: 45-17, 9/11/25 - See last page for vote

SUBJECT: Employment: automated decision systems

SOURCE: California Federation of Labor Unions, AFL-CIO

DIGEST: This bill regulates the use of automated decision systems (ADS) in the employment setting. Among other things, this bill 1) requires an employer to provide a written notice that an ADS is in use at the workplace to all workers that will foreseeably be directly affected by the ADS; 2) prohibits in some instances and in others limits the use of an ADS by an employer, as specified; 3) provides worker anti-retaliation protections for exercising their rights under these provisions; and 4) specifies enforcement provisions that include penalties and relief for violations.

Assembly Amendments, among other things, 1) remove the application of these prohibitions on vendors of an ADS and limited all provisions to employers; 2) modified the written notification requirements and removed several provisions previously required to be included in the notices; 3) removed provisions previously prohibiting employers from using ADS for specified purposes, including for the use of predictive behavior; 4) add requirements that the notice include, if applicable, a description of quotas set or measured by the ADS to which the worker is subject; 5) remove the worker's right to appeal decisions made by the ADS, as specified, but retained a worker's right to know the type of employment-related decisions potentially affected by the ADS; 6) limit workers to accessing their own worker data collected and used by the ADS to make discipline, termination, or deactivation decisions, but remove their right to correct errors; 7) modify the civil penalty provisions to a flat amount instead of specifying it applies per violation; and 8) remove the worker's private right of action.

ANALYSIS:

Existing law:

1) Requires the Department of Technology to conduct, in coordination with other interagency bodies, as it deems appropriate, a comprehensive inventory of all high-risk ADS that have been proposed for use, development, or procurement by, or are being used, developed, or procured by, any state agency. As part of this review, requires the analysis to include descriptions of any alternatives to its use, the categories of data and personal information the ADS uses to make decisions, and measures that are in place to mitigate the risks of its use, including cybersecurity risk and the risk of inaccurate, unfairly discriminatory, or biased decisions of the ADS. (Government Code §11546.45.5)

2) Defines the following terms:

a) "Artificial intelligence" (AI) means an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments.
b) "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.
(Government Code §11546.45.5)

3) Establishes the California Consumer Privacy Act (CCPA), which grants consumers certain rights with regard to their personal information, including enhanced notice, access, and disclosure; the right to deletion; the right to restrict the sale of information; and protection from discrimination for exercising these rights. It places attendant obligations on businesses to respect those rights. (Civil Code §1798.100 et seq.)

4) Establishes the Consumer Privacy Rights Act (CPRA), which amends the CCPA and creates the California Privacy Protection Agency (PPA), which is charged with implementing these privacy laws, promulgating regulations, and carrying out enforcement actions. (Civil Code §1798.100 et seq.; Proposition 24 (2020))

5) Requires the Attorney General to adopt regulations governing access and opt-out rights with respect to businesses' use of automated decisionmaking technology, including profiling and requiring businesses' response to access requests to include meaningful information about the logic involved in those decisionmaking processes, as well as a description of the likely outcome of the process with respect to the consumer. (Civil Code §1798.185)

6) 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)

7) Establishes within the 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 promotes economic justice through robust enforcement of labor laws. (Labor Code §79-107)

8) Requires employers to provide to each employee, upon hire, a written description of each quota to which the employee is subject, including the quantified number of tasks to be performed or materials to be produced or handled, within the defined time period, and any potential adverse employment action that could result from failure to meet the quota. (Labor Code §2101)

9) Prohibits an employer from requiring an employee to meet a quota that prevents compliance with meal or rest periods, use of bathroom facilities, including reasonable travel time to and from bathroom facilities, or occupational health and safety laws in the Labor Code or division standards. Additionally, prohibits an employer from taking adverse employment actions against an employee for failure to meet a quota that does not allow a worker to comply with meal and rest periods, or occupational health and safety laws in the Labor Code or division standards, or for failure to meet a quota that has not been disclosed to the employee pursuant to Labor Code Section 2101. (Labor Code §2101)

This bill:

1) Defines, among others, the following terms:

   a) "Automated decision system" or "ADS" means any 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. An 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) "ADS output" means any information, data, assumptions, predictions, scoring, recommendations, decisions, or conclusions generated by an ADS.
   c) "Employer" means any person who directly or indirectly, or through an agent or any other person, employs or exercises control over the wages, benefits, other compensation, hours, working conditions, access to work or job opportunities, or other terms or conditions of employment, of any

worker. This shall include all branches of state government, or the several counties, cities and counties, and municipalities thereof, or any other political subdivision of the state, or a school district, or any special district, or any authority, commission, or board or any other agency or instrumentality thereof. "Employer" includes a labor contractor of a person defined as an employer.

d) "Employment-related decision" means any decision by an employer that materially impacts a worker's wages, benefits, compensation, work hours, work schedule, performance evaluation, hiring, discipline, promotion, termination, job tasks, skill requirements, work responsibilities, assignment of work, access to work and training opportunities, productivity requirements, or workplace health and safety.
e) "Worker" means any natural person who is an employee of, or an independent contractor providing service to, or through, a business or a state or local governmental entity in any workplace.
f) "Worker data" means any information that identifies, relates to, or describes a worker, regardless of how the information is collected, inferred, or obtained.

2) Requires an employer to provide a written notice that an ADS, for the purpose of making employment-related decisions, not including hiring, is in use at the workplace to a worker who will foreseeably be directly affected by the ADS, or their authorized representative, according to the following:

a) At least 30 days before an ADS is first deployed by an employer.
b) No later than April 1, 2026, if an employer is using an ADS to assist in making employment-related decisions at the time this bill takes effect.
c) To a new worker within 30 days of hiring the worker.

3) Requires the written notice to be all of the following:

a) In plain language as a separate, stand-alone communication.
b) In the language in which routine communications and other information are provided.
c) Provided via a simple and easy-to-use method, as specified.

4) Requires the employer to maintain an updated list of all ADS currently in use.

5) Requires the written notice to contain the following information:

a) The type of employment-related decisions potentially affected by the ADS.
b) A general description of the categories of worker input data the ADS will use, the sources of the data, and how worker input data will be collected.
c) Any key parameters known to disproportionately affect the output of the ADS.
d) The individuals, vendors, or entities that created the ADS.
e) If applicable, a description of each quota set or measured by an ADS to which the worker is subject, as specified, and any potential adverse employment action that could result from failure to meet the quota, as well as whether those quotas are subject to change and if any notice is given of changes in quotas.
f) A description of the worker's right to access and correct the worker's data used by the ADS.
g) That the employer is prohibited from retaliating against workers for exercising their rights to access and correct their data used by the ADS.

6) Requires an employer to notify a job applicant upon receiving the application that the employer utilizes an ADS when making hiring decisions, if the employer will use the ADS in making decisions for that position. Notifications may be made using an automatic reply mechanism or on a job posting.

7) Prohibits an employer from using an ADS to do any of the following:

a) Prevent compliance with or violate any federal, state, or local labor, occupational health and safety, employment, or civil rights laws or regulations.
b) Infer a worker's protected status under Section 12940 of the Government Code.
c) Identify, profile, predict, or take adverse action against a worker for exercising their legal rights, including, but not limited to, rights guaranteed by state and federal employment and labor law.

8) Prohibits an employer from using an ADS to collect worker data for a purpose not previously disclosed in the required written notice specified above.

9) Prohibits an employer from relying solely on an ADS when making a discipline, termination, or deactivation decision.

10) When an employer relies primarily on ADS output to make a discipline, termination, or deactivation decision, requires the employer to use a human

reviewer to review the ADS output and compile and review other information that is relevant to the decision, if any. Specifies, that for these purposes, "other information" may include, but is not limited to, any of the following:

a) Supervisory or managerial evaluations.
b) Personnel files.
c) Work product of workers.
d) Peer reviews.
e) Witness interviews that may include relevant online customer reviews.

11) Prohibits an employer from using customer ratings as the only or primary input data for an ADS to make employment-related decisions.

12) Grants workers the right to request, and requires an employer to provide, a copy of the most recent 12 months of the worker's own data primarily used by an ADS to make a discipline, termination, or deactivation decision, but limits a worker to one request every 12 months.

13) Specifies that, for purposes of safeguarding the privacy rights of consumers, workers, and individuals, when an employer is required to provide worker data pursuant to these provisions, that data shall be provided in a manner that anonymizes the customer's, other worker's, or individual's personal information.

14) Requires an employer that primarily relied on an ADS to make a discipline, termination, or deactivation decision to provide the affected worker with a written notice, as specified, at the time the employer informs the worker of the decision.

15) Requires the notice to contain the following information:

a) The human to contact for more information about the decision and the ability to request a copy of the worker's own data relied on in the decision.
b) That the employer used an ADS to assist the employer in one or more discipline, termination, or deactivation decisions with respect to the worker.
c) That the worker has the right to request a copy of the worker's data used by the ADS.
d) That the employer is prohibited from retaliating against the worker for exercising their rights under this part.

16) Prohibits an employer from discharging, threatening to discharge, demoting, suspending, or in any manner discriminating or retaliating against any worker for using or attempting to use their rights under these provisions, including the filing a complaint with the Labor Commissioner, as specified.

17) Requires the Labor Commissioner to enforce these provisions, including investigating an alleged violation, and ordering appropriate temporary relief to mitigate a violation or maintain the status quo pending the completion of a full investigation or hearing, pursuant to existing Labor Code provisions, including issuing a citation against an employer who violates these provisions and filing a civil action.

18) Specifies that if a citation is issued, the procedures for issuing, contesting, and enforcing judgments for citations and civil penalties issued by the LC shall be the same as those set out in Section 98.74 or 1197.1, as applicable.

19) Alternatively to enforcement by the LC, authorizes public prosecutors to enforce these provisions pursuant to existing Labor Code Chapter 8 (commencing with Section 180) of Division 1.

20) Specifies that in any civil action brought to enforce these provisions in superior court, as specified, the petitioner may seek appropriate temporary or preliminary injunctive relief, including punitive damages, and reasonable attorney's fees and costs as part of the costs of any such action for damages.

21) Subjects an employer who violates these provisions to a civil penalty of five hundred dollars ($500).

22) Provides that these provisions do not preempt any city, county, or city and county ordinance that provides equal or greater protection to workers who are covered by this part.

23) Except as specified below, provides that an employer who complies with the requirements related to notice under these provisions is not required to comply with any substantially similar notice and appeal provisions related to ADS' used for employment-related decisions required under any other state law.

24) Specifies that an employer that is a business subject to the California Consumer Privacy Act of 2018, as specified, is subject to any privacy-related

automated decisionmaking technology regulation duly adopted by the California Privacy Protection Agency, as specified.

25) Exempts from these provisions parties covered by a collective bargaining agreement if the agreement explicitly waives this part in clear and unambiguous terms, expressly provides for the wages or earning, working conditions, and other terms and conditions of work, and provides protection from algorithmic management.

26) Specifies that these provisions do not prohibit any employer from complying with regulatory or contractual requirements in the provision of products or services to the federal government.

27) Provides that these provisions are severable and 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

Artificial Intelligence and Automated Decision Systems. With technological advancements happening faster than humans can react, we often miss opportunities to pause and evaluate its impact. Until recently, advancements in technology often automated physical tasks, such as those performed on factory floors or self-checkouts, but AI functions more like human brainpower. AI can use algorithms to accomplish tasks faster and sometimes at a lower cost than human workers can. As this technology develops, so do fears of worker displacement in more areas and industries.

The use of AI-powered ADS is particularly challenging in the employment setting. ADS are computer programs that analyze data (in employment settings, this can be anything from tracking attendance to work product delivery or even worker behavior) to find patterns or correlations and produce outputs for employer use. The use of ADS can pose several challenges including bias and discrimination in its development and use.

Over the last several years, the Legislature has considered a multitude of bills aimed at regulating AI and its use to ensure that the privacy rights of Californians continue to be protected.

Need for this bill?

According to the author:

“Employers are increasingly using automated decision-making systems to surveil, manage, and replace workers in pursuit of maximizing productivity and reducing costs. While the passage of AB 701 (Chapter 197, Statutes of 2021) has prohibited employers from setting productivity demands at the expense of health and safety, "robo-bosses" continue to pose a threat to workers. Unregulated employer use of ADS leaves workers vulnerable to discrimination, lower pay, dangerous working conditions, and high risk of unjust termination.

SB 7 ensures human oversight of automated decision-making systems when making decisions that impact workers’ working conditions and livelihoods and increases transparency for workers of the automated systems that are managing their work and making decisions about their employment. SB 7 will prevent the outsourcing of decisions that impact workers’ lives to machines. It allows for the use of technology and tools to make workplaces more productive and efficient but ensures human oversight to prevent abuse and mistakes.”

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

Related/Prior Legislation

AB 1018 (Bauer-Kahan, 2025) would, among other things, regulate the development and deployment of an ADS used to make consequential decisions, as defined.

AB 1331 (Elhawary, 2025) would limit the use of workplace surveillance tools, as defined, by employers, including by prohibiting an employer from monitoring or surveilling workers in private, off-duty areas, as specified, and requiring workplace surveillance tools to be disabled during off-duty hours, as specified, and subjects violators to specified penalties.

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

According to the Assembly Appropriations Committee:

1) Costs (General Fund, special funds) of an unknown but likely significant amount to each state entity that uses ADS for employment decisions and must comply with the bill's requirements as an employer. Each affected agency will face significant workload costs to provide the required notices, ensure its use of ADS complies with the bill's use requirements, and fulfill the bill's appeal requirements. Incidence of these systems in state agencies is unknown; actual costs will depend on the number of affected agencies, the number of workers in each affected agency, and the number of appeals. By way of illustration, if 10 state entities must each hire two additional employees to fulfill these requirements, at a cost of approximately $150,000 per employee for salary and benefits, the resulting cost would be $3 million annually ongoing.

2) Likely significant, non-reimbursable costs to local entities that use ADS for employment decisions and must comply with the bill's requirements as employers.

3) Costs to the Labor Commissioner's Office (LCO) (Labor and Enforcement Compliance Fund) to enforce the bill's requirements, possibly in the hundreds of thousands to millions of dollars annually. LCO anticipates minimum costs of approximately $603,000 in the first year of implementation and $570,000 ongoing annually thereafter. However, if LCO must handle "more than a few dozen" complaints each year, or needs additional technical expertise related to ADS, LCO reports it will need additional funding. The actual number of workers affected by this bill is unknown, but there are nearly 17 million Californians who work for wages or salaries in the state – a few dozen complaints per year is likely a low estimate. If so, the LCO will need additional resources above this minimum estimate.

4) Possible costs (General Fund, special funds) to the Department of Justice (DOJ) of an unknown amount. Actual costs will depend on whether the Attorney General pursues enforcement actions, and, if so, the level of additional staffing DOJ needs to handle the related workload. If DOJ hires staff to handle enforcement actions authorized by this bill, the department would incur significant costs, likely in the low hundreds of thousands of dollars annually at a minimum. If DOJ does not pursue enforcement as authorized by this bill, the department would likely not incur any costs.

5) Cost pressures (Trial Court Trust Fund, General Fund) of an unknown but potentially significant amount to the courts to adjudicate enforcement actions. Actual costs will depend on the number of cases filed and the amount of court time needed to resolve each case. It generally costs approximately $1,000 to

operate a courtroom for one hour. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The fiscal year 2025-26 state budget provides $82 million ongoing General Fund to the Trial Court Trust Fund for court operations.

SUPPORT: (Verified 10/16/25)

California Federation of Labor Unions, AFL-CIO (Source)
American Federation of State, County, & Municipal Employees California
California Alliance for Retired Americans
California Coalition for Worker Power
California Community Foundation
California Conference Board of The Amalgamated Transit Union
California Conference of Machinists
California Democratic Party
California Employment Lawyers Association
California Federation of Teachers
California Immigrant Policy Center
California Nurses Association/National Nurses United
California Professional Firefighters
California School Employees Association
California State Legislative Board of the SMART - Transportation Division
California State University Employees Union
California Teamsters Public Affairs Council
Center for Democracy & Technology
Center for Inclusive Change
Center on Policy Initiatives
Coalition for Humane Immigrant Rights
Coalition of Black Trades Unionists, San Diego Chapter
Communications Workers of America, District 9
Community Agency for Resources, Advocacy, and Services
Consumer Attorneys of California
Consumer Federation of California
Culver City Democratic Club
Engineers and Scientists of California, IFPTE Local 20, AFL-CIO
Inland Empire Labor Council, AFL-CIO
International Cinematographers Guild, Local 600, IATSE
International Lawyers Assisting Workers Network
Los Angeles Alliance for a New Economy
Los Angeles County Democratic Party

National Employment Law Project
National Union of Healthcare Workers
Northern CA District Council of the Intl. Longshore and Warehouse Union
Omidyar Network
Pillars of the Community
PowerSwitch Action
Rise Economy
San Diego Black Worker Center
San Francisco Women's Political Committee
Santa Monica Democratic Club
SEIU California State Council
Surveillance Resistance Lab
TechEquity Action
The Workers Lab
UNITE HERE, AFL-CIO
UNITE HERE, Local 11
United Food and Commercial Workers, Western States Council
Utility Workers Union of America
Warehouse Worker Resource Center
Workers' Algorithm Observatory
Working Partnerships USA
Worksafe

OPPOSITION: (Verified 10/16/25)

Acclamation Insurance Management Services
Allied Managed Care
American Staffing Association
Associated General Contractors of California
Associated General Contractors - San Diego Chapter
Association of California Healthcare Districts
Brea Chamber of Commerce
Burbank Chamber of Commerce
California Apartment Association
California Association of Winegrape Growers
California Chamber of Commerce
California Credit Union League
California Grocers Association
California Hospital Association
California League of Food Producers

California Manufacturers and Technology Association
California Retailers Association
California Special Districts Association
California State Association of Counties
Carlsbad Chamber of Commerce
Chamber of Progress
Coalition of Small and Disabled Veteran Businesses
Consumer Technology Association
Corona Chamber of Commerce
County of Riverside
El Dorado County Chamber of Commerce
El Dorado Hills Chamber of Commerce
Elk Grove Chamber of Commerce
Flasher Barricade Association
Folsom Chamber of Commerce
Gilroy Chamber of Commerce
Greater Coachella Valley Chamber of Commerce
Greater Conejo Valley Chamber of Commerce
Greater High Desert Chamber of Commerce
Greater Riverside Chambers of Commerce
Greater San Fernando Valley Chamber of Commerce
Insights Association
Lake Elsinore Valley Chamber of Commerce
Lincoln Area Chamber of Commerce
Los Angeles Area Chamber of Commerce
Los Angeles County Business Federation
Long Beach Area Chamber of Commerce
Mission Viejo Chamber of Commerce
Murrieta/Wildomar Chamber of Commerce
Oceanside Chamber of Commerce
Orange County Business Council
Pacific Association of Building Service Contractors
Public Risk Innovation, Solutions, and Management
Rancho Cucamonga Chamber of Commerce
Rancho Mirage Chamber of Commerce
Rocklin Area Chamber of Commerce
Roseville Area Chamber of Commerce
Rural County Representatives of California
San Diego Regional Chamber of Commerce

San Francisco Chamber of Commerce
Santa Clarita Valley Chamber of Commerce
Santee Chamber of Commerce
Security Industry Association
Shingle Springs/Cameron Park Chamber of Commerce
Society for Human Resource Management
Southwest California Legislative Council
TechNet
Torrance Area Chamber of Commerce
Tri County Chamber Alliance
Uber Technologies, INC.
United Chamber Advocacy Network
Urban Counties of California
Valley Industry and Commerce Association
Western Car Wash Association
Yuba Sutter Chamber of Commerce

ARGUMENTS IN SUPPORT:

According to the sponsors of the measure:

"In order to protect workers from automated discrimination, SB 7, the No Robot Bosses Act, will ensure human oversight of automated decision-making systems when making decisions affecting a worker's livelihood. SB 7 puts in place pre- and post-use notification to workers of the use of ADS to increase transparency. When an ADS is used to make an employment related decision, the bill establishes a process for workers to appeal the decision and to correct any erroneous data used as input. The bill also prohibits employers from uses of ADS that are potentially discriminatory, invasive, or unproven. Lastly, SB 7 requires human oversight of decisions made by an ADS to prevent the emergence of Robo-bosses. It requires employers to provide independent, corroborating evidence when employers use an ADS for firing, promotions, or discipline decisions–-those decisions that most impact a worker's life and livelihood."

ARGUMENTS IN OPPOSITION:

A coalition of employer organization, including the California Chamber of Commerce, are opposed, arguing that the bill needs significant amendments to be workable. Their outstanding concerns include:

- "Broad access and correction requirements: Section 1524(e) contains a vague, broad requirement to allow workers to "access" and "correct" all data

collected or used by an ADS. This is not limited in any way. It would apply to any minor use of ADS for a low-risk decision. Further, the worker would then simply have the right to "correct" the data. There is nothing in the bill about how this works or what occurs if the requested "correction" is disputed. For example, a worker could go in and correct all time entries stating they clocked in late.

- Overly broad definitions: ADS is defined as any system that merely "assists" someone in making a decision, no matter how minor. An "employment-related decision" includes low-level decisions like scheduling or task allocation.
- Enforcement: SB 7 creates a new private right of action, including penalties.

Independent contractors: SB 7 treats employees and independent contractors the same. An independent contractor's contract will dictate the terms of the job, the circumstances under which the relationship may be terminated, and other provisions that SB 7 will impact. For example, SB 7 significantly limits the ability of an ADS to consider customer reviews/ratings. That may be one of the only performance metrics of a contractor that is available. It also does not make sense to pepper them with lengthy notices."

GOVERNOR'S VETO MESSAGE:

This bill would establish new rules for employers using automated decision systems (ADS) to make employment-related decisions. Proposed rules include requiring the employer to notify a worker before deploying an ADS that makes employment-related decisions, prohibiting an employer from relying solely on an ADS when making a disciplinary, termination, or deactivation decision, and giving a worker the right to request data used by the ADS to help make such a decision.

I share the author's concern that in certain cases unregulated use of ADS by employers can be harmful to workers. However, rather than addressing the specific ways employers misuse this technology, the bill imposes unfocused notification requirements on any business using even the most innocuous tools. This proposed solution fails to directly address incidents of misuse.

Moreover, this measure proposes overly broad restrictions on how employers may use ADS tools. For example, prohibiting an employer from using customer ratings as the primary input data for an ADS takes away a potentially valuable tool for rewarding high-performing employees. To the

extent that customer reviews are unfairly or inappropriately used to make decisions about a worker, legislation should address those specific scenarios rather than ban this practice altogether.

Finally, I share the author's concern about situations where an employer uses an ADS to make disciplinary, termination, or deactivation decisions. Such situations are partially covered by forthcoming California Privacy Protection Agency regulations, which would allow employees and independent contractors to better understand how their personal data is used by automated decision technology. Before enacting new legislation in this space, we should assess the efficacy of these regulations to address these concerns.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 45-17, 9/11/25
AYES: Addis, Aguiar-Curry, Alvarez, Arambula, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Hart, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Ortega, Papan, Patel, Pellerin, Ransom, Celeste Rodriguez, Rogers, Schiavo, Schultz, Sharp-Collins, Solache, Stefani, Ward, Wicks, Zbur, Rivas
NOES: Alanis, Ávila Farías, DeMaio, Dixon, Ellis, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Johnson, Lackey, Macedo, Patterson, Sanchez, Ta, Tangipa, Wallis
NO VOTE RECORDED: Ahrens, Castillo, Chen, Davies, Flora, Harabedian, Irwin, Jackson, Nguyen, Pacheco, Petrie-Norris, Quirk-Silva, Ramos, Michelle Rodriguez, Blanca Rubio, Soria, Valencia, Wilson

Prepared by: Alma Perez-Schwab / L., P.E. & R. / (916) 651-1556
10/20/25 9:47:24

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

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VETO

Bill No: SB 11
Author: Ashby (D)
Enrolled: 9/17/25
Vote: 27

SENATE JUDICIARY COMMITTEE: 12-0, 4/1/25
AYES: Umberg, Niello, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Valladares

SENATE PUBLIC SAFETY COMMITTEE: 6-0, 4/22/25
AYES: Arreguín, Seyarto, Caballero, Gonzalez, Pérez, Wiener

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

SENATE FLOOR: 38-0, 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, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Hurtado, Reyes

SENATE FLOOR: 37-0, 9/13/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Choi, Gonzalez, Valladares

ASSEMBLY FLOOR: 79-0, 9/12/25 - See last page for vote

SUBJECT: Artificial intelligence technology

SOURCE: Author

DIGEST: This bill ensures that computer-manipulated or generated content is incorporated into the right of publicity law and criminal false impersonation statutes. This bill requires those making available such technology to provide a warning to consumers about liability for misuse, as provided. This bill also requires Judicial Council to review the impact of AI on evidence introduced in court proceedings and to adopt rules of court as necessary.

ANALYSIS:

Existing law:

1) Establishes California's right of publicity law, which provides that any person who knowingly uses another's name, voice, signature, photograph, or likeness, in any manner, on or in products, merchandise, or goods, or for purposes of advertising or selling, or soliciting purchases of, products, merchandise, goods or services, without such person's prior consent, shall be liable for any damages sustained by the person or persons injured as a result thereof. (Civil (Civ.) Code § 3344(a).)

2) Subjects a person in violation to liability to the injured party for the greater of the actual damages suffered or statutory damages of $750, and any profits from the unauthorized use that are attributable to the use and are not taken into account in computing the actual damages. Punitive damages may also be awarded to the injured party or parties. The prevailing party shall also be entitled to attorney's fees and costs. (Civ. Code § 3344(a).)

3) Provides that where a photograph or likeness of an employee of the person using the photograph or likeness appearing in the advertisement or other publication prepared by or on behalf of the user is only incidental, and not essential, to the purpose of the publication in which it appears, there shall arise a rebuttable presumption affecting the burden of producing evidence that the failure to obtain the consent of the employee was not a knowing use of the employee's photograph or likeness. (Civ. Code § 3344(c).)

4) Defines "digital replica" to mean a computer-generated, highly realistic electronic representation that is readily identifiable as the voice or visual

likeness of an individual that is embodied in a sound recording, image, audiovisual work, or transmission in which the actual individual either did not actually perform or appear, or the actual individual did perform or appear, but the fundamental character of the performance or appearance has been materially altered. It does not include the electronic reproduction, use of a sample of one sound recording or audiovisual work into another, remixing, mastering, or digital remastering of a sound recording or audiovisual work authorized by the copyright holder. (Civ. Code § 3344.1.)

5) Defines "artificial intelligence" to mean an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments. (Civ. Code § 3110(a).)

6) Provides that any person who knowingly and without consent credibly impersonates another actual person through or on a website or by other electronic means for purposes of harming, intimidating, threatening, or defrauding another person is guilty of a public offense punishable by a fine and/or imprisonment. (Penal (Pen.) Code § 528.5.)

7) Provides that every person who falsely impersonates another in either their private or official capacity, and in that assumed character carries out specified actions, is punishable by a fine and/or imprisonment. (Pen. Code § 529.)

8) Provides that every person who falsely impersonates another, in either their private or official capacity, and in such assumed character receives any money or property, knowing that it is intended to be delivered to the individual so personated, with intent to convert the same to their own use, or to that of another person, or to deprive the true owner thereof, is punishable in the same manner and to the same extent as for larceny of the money or property so received. (Pen. Code § 530.)

This bill:

1) Requires, by December 1, 2026, a person or entity that makes available to consumers any AI technology that enables a user to create a digital replica to provide a consumer warning that misuse of the technology may result in civil or criminal liability for the user, as provided.

2) Subjects violations to a civil penalty not to exceed $10,000 for each day that the technology is provided to or offered to the public without a consumer warning in a civil action.

3) Provides, for purposes of the right of publicity law, that a voice or likeness includes a digital replica.

4) Removes the rebuttable presumption from the right of publicity statute.

5) Requires, by no later than January 1, 2027, the Judicial Council to review the impact of artificial intelligence on the admissibility of proffered evidence in court proceedings and develop any necessary rules of court to assist courts in assessing claims that proffered evidence has been generated by or manipulated by artificial intelligence and determining whether such evidence is admissible.

6) Defines the following terms:

   a) "Artificial intelligence" has the same meaning as in Section 3110 of the Civil Code.
   b) "Digital replica" has the same meaning as in Section 3344.1 of the Civil Code.

7) Provides that for the purposes of all Penal Code provisions for which the false impersonation of another is a required element, including, without limitation, Sections 528.5, 529, and 530, false impersonation includes the use of a digital replica with the intent to impersonate another.

8) Includes language to avoid chaptering out.

Background

Given the recent explosion in generative AI capabilities and its near ubiquitous use, concerns have been raised that existing law must be updated to account for harms associated with its use. The rapid advancement of AI technology has made it drastically cheaper and easier to produce realistic synthetic content that is virtually impossible to distinguish from authentic content.

This bill makes clear that computer-manipulated or -created content is incorporated into existing laws involving the false impersonation, or use of likeness, of another, namely the right of publicity and false impersonation laws. This bill also tasks Judicial Council with reviewing the impact of AI on the admissibility of evidence

in court proceedings and developing necessary rules of court.[1] To ensure consumers are on notice of these laws, those making such technology available that is capable of creating a digital replica are required to warn consumers that misuse can result in civil or criminal liability. This bill is author-sponsored. It is supported by several groups, including the California District Attorneys Association and the National AI Youth Council. It is opposed by a coalition of industry and advertising associations, including the Network Advertising Initiative and Technet.

For a more thorough discussion, please see the Senate Judiciary Committee analysis of this bill.

Comment

According to the author:

> Artificial intelligence has pushed the boundaries of how technology makes human lives easier. However, the lack of necessary regulations has led to its abuse. Bad actors are creating and sharing AI deepfake videos, images, and audio recordings that use a person's name, image, or likeness without their consent. An alarming number of these deepfakes depict people engaging in sexual activities. This leaves victims vulnerable to exploitation including identity theft, scams, misinformation, and drastic misrepresentation of character. While some deepfakes target public figures, AI software allows users to create non-consensual content featuring anyone. This issue has disproportionately impacted women and girls, though not exclusively.
>
> Existing law does not allow victims to pursue private legal action when someone uses their likeness for AI generated material without their consent. SB 11 closes this gap by granting individuals the right to initiate litigation against those who use AI to falsely impersonate them and further requires courts to evaluate evidence generated by AI to ensure authenticity of evidentiary materials presented in our judicial system to a judge or jury. It also requires consumer warnings on AI software, both identifying and discouraging its potential for misuse. This bill strikes a balance between regulating rapidly

[1] It should be noted that Judicial Council has already initiated the process of establishing a rule and standard for the use of generative AI in court-related work. Given the extremely broad definition used for AI in the recent invitation to comment, which encompasses the definition used herein, that work, once completed, may very well satisfy the relevant provision of this bill.

advancing AI technologies and allowing continued innovation in the AI sector.

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

According to the Senate Appropriations Committee:

- Department of Consumer Affairs (DCA): DCA estimates that this bill would cost the Department $10,000-$15,000 per enforcement action in AG costs. Additionally, the Department would require enforcement resources to assist in investigating potential violations, as well as an Attorney to review case complaints and make prosecutorial referrals. Additionally, DCA's Office of Information Services (OIS) has determined a $200 IT impact to post the consumer warning to its website.

- Trial Courts: The Judicial council reports minor and absorbable costs (Trial Court Trust Fund, General Fund) associated with creating a rule of court related to AI. The Council further notes unknown workload costs pressures associated with determining the impact of AI on evidence. In addition, this bill could result in unknown, potentially significant costs to the state funded trial court system (Trial Court Trust Fund, General Fund) to additional adjudicate civil and criminal actions.

- Incarceration and Supervision: Unknown, potentially significant costs (local funds, General Fund) to the counties and the Department of Corrections and Rehabilitation (CDCR) to incarcerate people for the crimes expanded by this bill.

According to the Assembly Appropriations Committee:

- Possible costs (General Fund, special funds) to the Department of Justice (DOJ) of an unknown amount. Actual costs will depend on whether the Attorney General pursues enforcement actions, and, if so, the level of additional staffing DOJ needs to handle the related workload. If DOJ hires staff to handle enforcement actions authorized by this bill, it would incur significant costs, likely in the low hundreds of thousands of dollars annually at a minimum. If DOJ does not pursue enforcement as authorized by this bill, it would likely not incur any costs.
- Cost pressures (Trial Court Trust Fund, General Fund) of an unknown but potentially significant amount to the courts to adjudicate civil actions and additional criminal charges, and to review the impact of AI technology on

evidence and, if needed, issue related rules of court. Actual costs for adjudication will depend on the number of cases filed and the amount of court time needed to resolve each case. It generally costs approximately $1,000 to operate a courtroom for one hour. Judicial Council reports minor and absorbable costs to conduct the study and create rules of court.

- Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The fiscal year 2025-26 state budget provides $82 million ongoing General Fund to the Trial Court Trust Fund for court operations.
- Costs (local funds, General Fund) to the counties and the California Department of Corrections and Rehabilitation to incarcerate people convicted of false impersonation offenses. Actual incarceration costs will depend on the number of convictions, the length of each sentence, and whether each sentence must be served in county jail or state prison. The average annual cost to incarcerate one person in county jail is approximately $29,000. The Legislative Analyst's Office estimates the average annual cost to incarcerate one person in state prison is $133,000. County incarceration costs are not subject to reimbursement by the state. However, 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 public safety realignment.

SUPPORT: (Verified 10/15/25)

California Civil Liberties Advocacy
California District Attorneys Association
Chamber of Progress
Common Sense Media
Los Angeles County Democratic Party
National AI Youth Council
Recording Industry Association of America
SAG-AFTRA
The Center for AI and Digital Policy
Transparency Coalition.AI

OPPOSITION: (Verified 10/15/25)

Association of National Advertisers
California Chamber of Commerce
California Hispanic Chambers of Commerce

Computer and Communications Industry Association
Network Advertising Initiative
Software Information Industry Association
Technet

ARGUMENTS IN SUPPORT: Transparency Coalition.AI writes:

> AI capabilities have shown how detrimental its misuse can be when there is malicious intent. AI manipulated content continues to harm victims across the state, with examples ranging from fake audio of elected officials making false statements, to synthetic material of primarily women engaging in sexual activities. While some deepfakes target public figures, easily accessible AI software now allow users to create non-consensual content featuring anyone. This issue predominately impacts women and girls and has been difficult for victims to address, much less seek justice.
>
> SB 11 addresses the continued exploitation of AI technology. It is imperative to establish guardrails that protect consumers from harm and allow existing victims to seek recourse. This bill focuses on balancing innovation and individual privacy to prevent AI abuse.

ARGUMENTS IN OPPOSITION: A coalition of industry groups, including the Association of National Advertisers writes:

> [A]s drafted, we are unclear if the bill is intended to capture business to business activities, such as companies selling advertising services to other companies wherein the advertisement may include synthetic content. To that end, Proposed Section 22650 should be amended to expressly permit business partners / vendors to use our AI tools to generate content as well as authorize businesses to sell or develop such content for their business partners/vendors. The bill should also be amended to clarify what exactly it means by "misuse" for purposes of this warning.

GOVERNOR'S VETO MESSAGE:

> This bill would amend existing statutes regarding the right of publicity and the crime of false impersonation to address situations involving digital replicas. It would also direct the Judicial Council to consider issues raised by evidence generated or manipulated by artificial intelligence (AI).

I commend the author for working to ensure that our state is prepared for the challenges raised by AI's ability to produce highly realistic digital content. I share the author's concern over the risks posed by synthetic content, including the use of AI to impersonate or appropriate another's likeness without their consent.

However, this bill also requires any AI technology that enables a user to create a digital replica to include, wherever a user may input a prompt, a hyperlink to a clear and conspicuous disclosure to warn users of potential civil or criminal liability. Failure to include the hyperlink exposes the technology provider to significant civil liability under this measure.

This year, I have signed bills requiring companion chatbot operators to disclose to users that they are interacting with an artificial system (SB 243, Padilla) and internet companies to warn minors of the potential dangers of social media use (AB 56, Bauer-Kahan). Under certain circumstances, public disclosures and warning labels can play a key role in providing transparency to the public and mitigating harm. In this case, however, it is unclear whether a warning would be sufficient to dissuade wrongdoers from using AI to impersonate others without their consent. For this reason, I cannot sign this bill.

ASSEMBLY FLOOR: 79-0, 9/12/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO VOTE RECORDED: Ta

Prepared by: Christian Kurpiewski / JUD. / (916) 651-4113
10/15/25 14:44:10

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

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VETO

Bill No: SB 24
Author: McNerney (D), et al.
Enrolled: 9/17/25
Vote: 27

SENATE ENERGY, U. & C. COMMITTEE: 13-4, 4/21/25
AYES: Becker, Allen, Archuleta, Arreguín, Ashby, Caballero, Gonzalez, Grayson, Limón, McNerney, Rubio, Stern, Wahab
NOES: Ochoa Bogh, Dahle, Grove, Strickland

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

SENATE FLOOR: 29-9, 9/12/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener
NOES: Alvarado-Gil, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares
NO VOTE RECORDED: Choi, Gonzalez

ASSEMBLY FLOOR: 46-9, 9/11/25 - See last page for vote

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

SOURCE: The Utility Reform Network

DIGEST: This bill prohibits certain political influence activities and expenses by electrical or gas corporations related to opposing efforts to municipalize energy utility service from being recorded in certain accounts and having the costs

recovered from ratepayers. This bill also expands the authority of the Public Advocates Office (PAO), similar to that of 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 fix the rates and charges for public utilities and requires those rates and charges to be just and reasonable. (Public Utilities Code §451)

4) 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))

5) 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)

6) Requires the CPUC to consider and adopt a code of conduct to govern the conduct of the electrical corporation 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)

7) 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)

8) Provides the CPUC with authority to levy fines against regulated entities for violation of law. Requires penalties to be deposited in the State's General Fund. (Public Utilities Code §2100 *et seq*.)

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) Defines "political influence activity" to mean (1) 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; and (2) research, preparation, or any other activity undertaken for the purpose of supporting any activities specified. These activities include adoption, repeal, or modification of federal, state, regional, or local legislation, regulations, or ordinances, election, recall, appointment or removal of a public official or adoption of initiative or referenda, and the approval, modification, or revocation of franchises of a utility, and activities in support of these efforts.

3) Provides that the definition of "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. These activities include those that directly relate to CPUC-approved energy efficiency programs or other public purpose programs, public messages providing necessary information to customers, and those required by federal or state statute or orders of a regulatory authority.

4) Makes explicit that policies affecting gaseous fuels or electricity are not directly and necessarily related to the utility's existing or proposed operations.

5) 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 to undermine the establishment of a publicly owned municipal utility.

6) Requires the CPUC to monitor and investigate compliance and noncompliance.

7) Makes explicit that the requirements to prohibit electrical or gas corporations from recording or recovering costs for opposing municipalization of energy utility service does not prohibit a utility from recording to an above-the-line account a payment made pursuant to an agreement authorized by the National Labor Relations Act or payment authorized by the National Labor Management Cooperation Act of 1978.

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 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.

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.

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.

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 by the City of San Diego and South San Joaquin Irrigation District (two supporters of this bill), 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 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.

Expanding PAO's authority. 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 difference between the statutory authority of the PAO to that of the CPUC, viewing PAO's authority as more narrow, 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. SoCalGas and SDG&E 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.

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

According to the Assembly Appropriations Committee:

It seems likely this bill will lead to additional investigations by the CPUC into IOU requests for cost recovery, with associated, significant costs.

The CPUC estimates it will need approximately $1 million annually (Public Utilities Commission Utilities Reimbursement Account) for three positions, as follows:

- An administrative law judge, at $257,000 annually, to conduct rulemaking, preside over investigations and manage penalty proceedings.
- Two regulatory analysts, at $370,000 each annually, to analyze utility filings, conduct audits, identify misclassified expenditures, recommend corrective actions, facilitate workshops, monitor annual reports, coordinate publication and disclosure compliance, and support enforcement actions and rulemakings.
- One senior attorney, at an annual cost of $278,000, to provide legal support, advise on interpretation of prohibited activities, defend CPUC decisions in legal

challenges, coordinate with the PAO on expanded audit authority, and represent the CPUC in penalty proceedings.

SUPPORT: (Verified 10/13/25)

The Utility Reform Network (Source)
350 Humboldt: Grass Roots Climate Action
California Environmental Justice Alliance
California Environmental Voters
California Farm Bureau
California Solar & Storage Association
Center for Biological Diversity
Central Valley Air Quality Coalition
City of San Diego
Clean Coalition
Climate Action California
Consumer Federation of California
Consumer Watchdog
Earthjustice
Environmental Working Group
Housing Action Coalition
Media Alliance
Microgrid Resources Coalition
NextGen California
Reclaim Our Power: Utility Justice Campaign
Santa Cruz Climate Action Network
SoCal 350 Climate Action
South San Joaquin Irrigation District
Stop PG&E
StopWaste
Sunrise Movement Orange County
The Climate Center
The Public Advocates Office
U.S. Green Building Council California
Union of Concerned Scientists
Vote Solar

OPPOSITION: (Verified 10/13/25)

California Chamber of Commerce

Pacific Gas and Electric Company
San Diego Gas & Electric Company
Southern California Edison
Southern California Gas Company

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

> California residents are burdened with the highest utility rates in the continental United States; nearly double the national average. …For-profit utilities generally have a monopoly within their service territories, except where cities have established a municipal utility district. Municipal utilities are not run for-profit, and some, such as Sacramento Municipal Utility District (SMUD), are run by a publicly elected board, thus ensuring that the wellbeing of residents is prioritized… 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.

ARGUMENTS IN OPPOSITION: SDG&E and SoCalGas state:

> Expanding PAO's powers without appropriate safeguards risks undermining the very principles of due process and regulatory integrity that the CPUC is designed to uphold. Equalizing authority would blur the line between advocate and constitutionally created regulator. Expanding PAO's authority could lead to overbroad intrusions into constitutionally protected areas, behavior already struck down by the California Court of Appeals.
>
> Contrary to claims made by proponents, utilities do not recover lobbying or political influence expenses from ratepayers. Utilities base their budgets and cost recovery requests in the General Rate Case (GRC) on costs we project to incur that are above-the-line… These projected costs are subject to rigorous scrutiny by dozens of intervening parties during the GRC, which the sponsoring parties of this bill litigated at the California Public Utilities Commission (CPUC) over three years in SDG&E and SoCalGas's last GRC. These decisions are best left to the CPUC, which applies the established "just and reasonable" standard to scrutinize all utility costs and take in evidence from all parties over

a robust proceeding with testimony, weeks of cross-examination in hearings, etc.

GOVERNOR'S VETO MESSAGE:

This bill would prohibit electric or gas investor-owned utilities from recovering the costs of certain political influence activities and expenses related to opposing efforts to municipalize electric service by customers. This bill also expands the authority of the Public Advocates Office (PAO) to gather information and review the financial accounts of these utilities, much like the authority currently held by the California Public Utilities Commission.

Thoughtful and effective accountability of our state's private utilities is essential for ensuring the provision of safe, reliable, and affordable electric and gas service to customers. This bill seeks to build on the existing regulatory framework that oversees these utilities. However, this bill contains a significant clerical error related to the definition of "political influence activity," where two provisions directly contradict one another, making this bill unimplementable. While I support clarifying the authority of the PAO to collect information relevant to the affordability of customer electric and gas rates and bills, the drafting error is concerning and must be corrected.

For this reason, I cannot sign this bill.

ASSEMBLY FLOOR: 46-9, 9/11/25
AYES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, Muratsuchi, Ortega, Papan, Pellerin, Petrie-Norris, Ransom, Celeste Rodriguez, Rogers, Schiavo, Schultz, Sharp-Collins, Stefani, Ward, Wicks, Wilson, Rivas
NOES: Chen, Davies, DeMaio, Dixon, Ellis, Jeff Gonzalez, Hadwick, Macedo, Tangipa
NO VOTE RECORDED: Alanis, Calderon, Castillo, Flora, Gallagher, Gipson, Hoover, Johnson, Lackey, McKinnor, Nguyen, Pacheco, Patel, Patterson, Quirk-Silva, Ramos, Michelle Rodriguez, Blanca Rubio, Sanchez, Solache, Soria, Ta, Valencia, Wallis, Zbur

Prepared by: Nidia Bautista / E., U. & C. / (916) 651-4107
10/17/25 12:18:05

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

Office of Senate Floor Analyses
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VETO

Bill No: SB 34
Author: Richardson (D)
Enrolled: 9/17/25
Vote: 27

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 8-0, 4/23/25
AYES: Blakespear, Valladares, Dahle, Gonzalez, Hurtado, Menjivar, Padilla, Pérez

SENATE TRANSPORTATION COMMITTEE: 14-0, 4/28/25
AYES: Cortese, Strickland, Archuleta, Arreguín, Blakespear, Cervantes, Dahle, Gonzalez, Grayson, Menjivar, Richardson, Seyarto, Umberg, Valladares
NO VOTE RECORDED: Limón

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

SENATE FLOOR: 35-0, 9/13/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Wahab, Wiener
NO VOTE RECORDED: Alvarado-Gil, Choi, Dahle, Valladares, Weber Pierson

ASSEMBLY FLOOR: 59-0, 9/11/25 - See last page for vote

SUBJECT: Air pollution: South Coast Air Quality Management District: mobile sources: Ports of Long Beach and Los Angeles

SOURCE: International Longshore and Warehouse Union Local 13
International Longshore and Warehouse Union Local 63
International Longshore and Warehouse Union Local 94

DIGEST: This bill imposes specified conditions and limits on actions by the South Coast Air Quality Management District (SCAQMD) to impose new or additional emissions reduction requirements on sources of air pollution associated with operation of the Ports of Long Beach and Los Angeles until 2031.

ANALYSIS:

Existing federal law establishes the Federal Clean Air Act (FCAA) to regulate, reduce, and control air pollution nationwide, including national ambient air quality standards for major air pollutants, hazardous air pollutants standards, state attainment plans, stationary source emissions standards and permits, and enforcement provisions. (42 United States Code §7401)

Existing state law:

1) Establishes the SCAQMD to be the sole and exclusive local agency within the South Coast Air Basin with the responsibility for comprehensive air pollution control, and to have the duty to represent the citizens of the basin in influencing the decisions of other public and private agencies whose actions might have an adverse impact on air quality in the basin (Health and Safety Code (HSC) § 40400 et seq.)

2) Establishes the California Air Resources Board (CARB) as the air pollution control agency in California and requires CARB, among other things, to control emissions from a wide array of mobile sources and coordinate, encourage, and review the efforts of all levels of government as they affect air quality. (Health and Safety Code (HSC) §39500 et seq.)

This bill:

1) For SCAQMD actions taken on or after July 1, 2025 to reduce port-related sources of air pollution:

    a) Requires the action to:

        i) Recognize the contributions of sources of air pollution outside of the control of the ports.

        ii) Require the ports to prepare assessments of energy demand and supply, cost estimates, and funding source, workforce, and environmental impacts.

iii) Use the assessments prepared by the ports to determine the timelines for achieving the action's targets.

iv) Create a process by which the ports can request extensions to the timelines developed to achieve the action's targets.

b) Prohibits the action from:

i) Imposing a cap on cargo throughput or cruise ship passengers at the ports.

ii) Using public funds or grants, whether municipal, county, state, or federal funds or grants, to require, incentivize, encourage, or otherwise promote the use of automated, remotely controlled, or remotely operated equipment, or infrastructure to support automated, remotely controlled, or remotely operated equipment.

2) Authorizes actions that result in the procurement and operation of human-operated, zero-emission equipment and infrastructure to support human-operated, zero-emission equipment at the ports.

3) Defines "action" as the adoption or amendment of a rule or regulations that imposes new or additional emissions reduction requirements on sources of air pollution associated with an operation at the ports.

4) Sunsets January 1, 2031.

5) Makes related findings.

Background

1) *The San Pedro Bay Ports complex*. The San Pedro Bay Ports are the busiest in the nation. As such, the Ports are also major economic drivers through direct job creation and by supporting manufacturing and industry related to goods movement activity, generating employment for nearly 3 million Americans nationwide. They handle millions of tons of cargo a year worth hundreds of billions of dollars — 40% of the nation’s imports and exports of goods, from produce to electronics to pharmaceuticals.[1]

These neighboring ports are also the region’s largest single sources of air

[1] ‘Herculean effort’: These port communities have waited decades for clean air. Why a new plan may fall short. Alejandra Reyes-Velarde, CalMatters. March 20, 2025. **https://calmatters.org/environment/2025/03/port-communities-air-pollution-plan-los-angeles-long-beach/**

pollution. Every day, their equipment, trucks, rail yards and ships emit 23 tons of smog-forming nitrogen oxides, half a ton of fine particles and nearly a ton of sulfur into the air, according to 2023 data from the South Coast district. That amounts to 8,472 tons of nitrogen and 183 tons of fine particles a year.

2) *Clean Air Action Plan.* Recognizing the need for a comprehensive, far-reaching strategy to reduce port-related air pollution and related health risks, the Port of Los Angeles and Port of Long Beach developed the San Pedro Bay Ports Clean Air Action Plan (CAAP). Originally adopted in 2006, with updates in 2010 and 2017, the CAAP includes goals of achieving 100% zero emissions operations for cargo handling equipment by 2030, and drayage trucks by 2035. Though laudable, these two categories comprise only about 14% of total port emissions, combined.

   Port emissions have declined substantially since 2005 and the ports have met the emission reductions goals established in their 2010 CAAP – which the ports elected not to revise in the 2017 CAAP. These targets therefore do not reflect the additional reductions still needed from port operations to meet air quality standards. Moreover, most of the emissions reductions to date at the Ports have been from CARB regulations, including regulations covering Heavy-Duty Trucks and Busses, Drayage Trucks, Ocean Going Vessel Fuels, Ultra Low Sulfur Diesel, Cargo Handling Equipment, and Ocean Going Vessel At-Berth power.

3) *Proposed Rule 2304.* The SCAQMD Governing Board had directed staff to work with the Ports on a Memorandum of Understanding (MOU) until February 4, 2022, and then shift efforts to develop a rule if no agreement was reached. Although the Port of Long Beach's MOU proposal did include a number of clean air investments, the Ports' overall proposals did not provide sufficient measures to reduce emissions. The Ports' proposal also did not allow for enforceability should the agreed-upon actions not be implemented.

   The SCAQMD published on February 21, 2025, its first draft of a long-awaited proposed rule (Proposed Rule 2304) that would require the two ports to develop a plan by August 2027 to build charging and fueling stations to switch thousands of pieces of diesel equipment, trucks and vessels to electricity and hydrogen.[2]

   The rule would aim to ensure that the Los Angeles and Long Beach ports can

[2] Proposed Rule 2304. SCAQMD. **https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules/rule-2304**

achieve the clean-air goals they set for themselves back in 2017: converting 100% of their diesel cargo-handling equipment — such as tractors and giant, 60-foot cranes that move containers — to zero emissions by 2030. They also aim for all drayage trucks, which haul the ports' containers of cargo to warehouses, to run on electricity or hydrogen by 2035.

Proposed Rule 2304 is currently scheduled to go to the South Coast AQMD Board for consideration in August 2025. If approved, the current rule language would require the plan to be submitted two years after rule adoption, with implementation expected to take many years after that.

Comments

1) *Purpose of Bill.* According to the author, in part, "SB 34 is necessary to ensure that a collaborative agreement is reached to concurrently protect jobs in local communities, the local, regional, state, and national economies, while continuing to improve air quality in the San Pedro Bay Port Complex area.

   "The Ports of Los Angeles and Long Beach are the largest single intermodal commercial gateway in the State of California, the United States, North America, and the Western Hemisphere, creating one job for every four containers moved, supporting over 3,000,000 jobs nationwide, and supporting economic activity that generated $2.78 billion in state and local taxes, plus an additional $4.73 billion in federal taxes, in 2022.

   "An ISR on the Ports of Los Angeles and Long Beach, which the South Coast Air Quality Management District is currently considering, would negatively impact the region's economy and disrupt the State of California's access to essential goods that rely on the Ports of Los Angeles and Long Beach. Nearly 40% of the nation's imports flow through the Ports of Los Angeles and Long Beach, while 30% of the nation's exports leave through this same gateway. The over-regulation, related excess costs, and added uncertainties will unequivocally lead to the diversion of cargo, and with it jobs and economic benefits, to less environmentally-conscious ports within the United States, Canada and Mexico. The economic impact of these Port activities on local communities, regional, state, and national economies is enormous."

2) *But what about the air?* The South Coast Air Basin has the worst levels of smog in the country and fails to meet multiple air quality standards.[3] While emissions have been reduced over the years, the Ports remain the largest source of smog-forming emissions in the region.[4] According to SCAQMD, the marine terminals and seaports are responsible for 15-20% of total emissions in the air basin.[5] Without further action, the region will fail to meet state and federal clean air standards. There are numerous consequences for failing to meet clean air standards for the region's residents and economy alike.

   The communities near the Ports suffer the highest levels of air toxics risks in the region, with just over double the cancer risk of the regional average. The South Coast region is also home to approximately two-thirds of the state's environmental justice communities which are disproportionately impacted by air pollution, including emissions related to goods movement. Air pollution causes or contributes to asthma and lung damage, respiratory and cardiac diseases, cancer, birth defects, premature death, and other health issues. Not meeting federal air quality standards results in about 1,500 premature deaths per year, and total monetized health impacts from this air pollution are about $19.4 billion per year in the South Coast Air Basin.

   Limiting SCAQMD's authority to regulate port emissions does not reduce their obligation to clean the air in the air basin, it only redirects and concentrates it. If some regulated entities are not responsible for their fair share of emission reductions, others will have to do more to take up the slack.

3) *A long time coming.* Although Proposed Rule 2304 was released in February of 2025, SCAQMD and the San Pedro Ports Complex have a long history of collaboration. For decades, the air district has been actively engaged with the Ports, industry, labor, community groups, and other stakeholders to craft health protective regulations that do not disrupt the Ports' vital operations.

   Nevertheless—and even in spite of the commendable progress made to reduce emissions from the Ports—SCAQMD recognized that further action was necessary to work towards FCAA compliance and better address the significant remaining pollution at the Ports. The parties were pursuing a MOU-only approach for years (2018-2022) before negotiations ultimately broke down and

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[3] State of the Air 2024. American Lung Association. **https://www.lung.org/getmedia/dabac59e-963b-4e9b-bf0f-73615b07bfd8/State-of-the-Air-2024.pdf**

[4] 'Herculean effort': These port communities have waited decades for clean air. Why a new plan may fall short. Reyes-Velarde, Alejandra, 3/20/2025. CalMatters. **https://calmatters.org/environment/2025/03/port-communities-air-pollution-plan-los-angeles-long-beach/**

[5] SCAQMD position letter to the committee dated 3/26/25

SCAQMD ultimately pivoted to rulemaking for a port ISR.[6] A particularly notable sticking point was, according to a presentation to the SCAQMD Board in August of 2021, the Ports' insistence that the MOU not be enforceable.

SCAQMD has worked with the Ports for 4 years to attempt to develop an MOU-only approach to meeting the targets laid out in the CAAPs. Negotiations on doing so were ultimately fruitless, with SCAQMD's ability to enforce the MOU being a major sticking point. Once the MOU-only approach was abandoned, SCAQMD started developing a rule. That rule—after incorporating stakeholder feedback—has ultimately taken the open-ended approach of letting the regulated Ports set their own targets, their own timelines, and their own milestones in plans to be approved by SCAQMD.

Each year that goes by without an enforceable plan in place means another year of the Ports' operations proceeding largely as they have been. It also means another year of SCAQMD working to clean the air and achieve FCAA targets with one hand tied behind its back. The regulator has much to lose by being unable to regulate. The regulated Ports have much to gain by drawing out the process.

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

According to the Assembly Appropriations Committee:

1) CARB asserts it cannot estimate the costs associated with this bill, but warns they may be significant given what ARB sees as the legal ambiguity of what constitutes "imposing a cap" on cargo throughput at the ports. ARB contends that in the event this bill effectively stalls SCAQMD's indirect source rule (ISR) and the South Coast remains out of attainment for National Ambient Air Quality Standards for ozone and the strategies to reduce nitrogen oxides emissions in the region are further limited, the U.S. Environmental Protection Agency may, upon its review and disapproval of the updated State Implementation Strategy, impose highway sanctions, resulting in the loss of tens of billions of dollars of federal funding for highway projects. Additionally, ARB argues this bill may result in cost pressures on ARB in the millions to tens of millions of dollars to find equivalent emissions reductions from other sources in order to meet the state's climate targets.

[6] Update on Facility-Based Mobile Source Measure Development for Marine Ports. SCAQMD Board Meeting, February 4, 2022. **www.aqmd.gov/docs/default-source/Agendas/Governing-Board/2022/2022-Feb4-017.pdf**)

2) By imposing additional duties on SCAQMD and the ports, this bill imposes a state-mandated local program. If the Commission on State Mandates determines this bill's requirements to be a reimbursable state mandate, the state may need to reimburse these costs – which may exceed $150,000 – to local governments (General Fund).

SUPPORT: (Verified 9/11/25)
International Longshore & Warehouse Union Local 13 (co-source)
International Longshore & Warehouse Union Local 63 (co-source)
International Longshore & Warehouse Union Local 94 (co-source)
California Trucking Association
Garden Grove Chamber of Commerce
Harbor Association of Industry and Commerce
South Bay Association of Chambers of Commerce
Supply Chain Federation

OPPOSITION: (Verified 9/11/25)
American Lung Association
California Air Pollution Control Officers Association
California Environmental Voters
California Environmental Voters (formerly CLCV)
Center for Biological Diversity
Clean Air Task Force
Cleanearth4kids.org
Climate Action Campaign
Communities for a Better Environment
Earthjustice
Move LA
Natural Resources Defense Council
Pacific Environment
Pacific Maritime Association
People's Collective for Environmental Justice
Regional Asthma Management & Prevention
Regional Asthma Management and Prevention
San Francisco Bay Physicians for Social Responsibility
Sierra Club California
South Coast Air Quality Management District
Union of Concerned Scientists

GOVERNOR'S VETO MESSAGE:

This bill would impose new requirements on the South Coast Air Quality Management District (SCAQMD) for any adoption or amendment of a rule or regulation passed after July 1, 2025 that imposes new or additional emissions reduction requirements on sources of air pollution associated with port operations. The bill also would prohibit any port-related action that imposes a cap on cargo throughput or cruise ship passengers, or uses public funds to require or incentivize the use of automated or remotely operated equipment or supporting infrastructure. All these prohibitions and requirements would remain in effect until January 1, 2031.

California's ports are critical to the stability of our national and global supply chains and are relied upon by most Americans to meet their everyday needs. Today, our ports handle about 40 percent of the nation's containerized imports and 30 percent of our nation's exports, making them vital points in the flow of goods and commerce. At the same time, ports are also one of the most significant sources of local air pollution due to their reliance on fossil fuels. Over the past several years, our ports have made tremendous progress in building zero-emission infrastructure to reduce harmful air and climate pollution that benefits not just the ports, but also the surrounding communities.

With the current federal Administration directly undermining our state and local air and climate pollution reduction strategies, it is imperative that we maintain the tools we have and encourage cooperative action at all levels to avoid the worst health and climate impacts. To that end, I am encouraged by the productive discussions between the SCAQMD and the Ports of Los Angeles and Long Beach to identify and advance prudent air quality improvement measures and the SCAQMD's recent unanimous direction to staff to further their efforts to reach a Cooperative Agreement. This locally driven and collaborative approach toward reducing air and climate pollution is the type of consensus that should be supported and encouraged. This bill interferes with this approach, the progress made, and the ongoing good faith efforts made by the SCAQMD and the Ports of Los Angeles and Long Beach.

For this reason, I cannot sign this bill.

ASSEMBLY FLOOR: 59-0, 9/11/25
AYES: Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Berman, Bonta, Bryan, Calderon, Caloza, Carrillo, Chen, Davies, DeMaio, Dixon, Ellis, Flora, Fong, Gabriel, Gallagher, Gipson, Jeff Gonzalez, Mark González, Hadwick, Harabedian, Hoover, Jackson, Johnson, Lackey, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patterson, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO VOTE RECORDED: Addis, Arambula, Bennett, Boerner, Castillo, Connolly, Elhawary, Garcia, Haney, Hart, Irwin, Kalra, Krell, Lee, Macedo, Patel, Pellerin, Petrie-Norris, Celeste Rodriguez, Rogers, Sanchez

Prepared by: Heather Walters / E.Q. / (916) 651-4108
10/14/25 16:29:15

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

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VETO

Bill No: SB 36
Author: Umberg (D) and Smallwood-Cuevas (D), et al.
Enrolled: 9/13/25
Vote: 27

SENATE JUDICIARY COMMITTEE: 10-0, 4/8/25
AYES: Umberg, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Wahab, Wiener
NO VOTE RECORDED: Niello, Valladares, Weber Pierson

SENATE PUBLIC SAFETY COMMITTEE: 5-1, 4/22/25
AYES: Arreguín, Caballero, Gonzalez, Pérez, Wiener
NOES: Seyarto

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

SENATE FLOOR: 29-7, 6/3/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener
NOES: Alvarado-Gil, Choi, Dahle, Grove, Niello, Seyarto, Strickland
NO VOTE RECORDED: Jones, Ochoa Bogh, Reyes, Valladares

SENATE FLOOR: 30-8, 9/11/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener
NOES: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Seyarto, Strickland
NO VOTE RECORDED: Ochoa Bogh, Valladares

ASSEMBLY FLOOR: 60-17, 9/9/25 - See last page for vote

SUBJECT: Price gouging: state of emergency

SOURCE: Author

DIGEST: This bill strengthens the laws protecting those affected by wildfires and other emergencies in the state, including from price gouging.

ANALYSIS:

Existing law:

1) Establishes the Unfair Competition Law (UCL), which provides a statutory cause of action for any unlawful, unfair, or fraudulent business act or practice and unfair, deceptive, untrue, or misleading advertising, including over the internet. (Business and Professions Code (Bus. & Prof. Code) § 17200 et seq.)

2) Defines "unfair competition" to mean and include any unlawful, unfair, or fraudulent business act or practice and any unfair, deceptive, untrue, or misleading advertising, and any act prohibited by the False Advertising Law (FAL), (Bus. & Prof. Code § 17200.)

3) Provides that any person who engages, has engaged, or proposes to engage in unfair competition may be enjoined in any court of competent jurisdiction. (Bus. & Prof. Code § 17203.)

4) Requires actions for relief pursuant to the UCL be prosecuted exclusively in a court of competent jurisdiction and only by the following:

   a) the Attorney General;

   b) a district attorney;

   c) a county counsel authorized by agreement with the district attorney in actions involving violation of a county ordinance;

   d) a city attorney of a city having a population in excess of 750,000;

   e) a county counsel of any county within which a city has a population in excess of 750,000;

f) a city attorney in a city and county;

g) a city prosecutor in a city having a full-time city prosecutor in the name of the people of the State of California upon their own complaint or upon the complaint of a board, officer, person, corporation, or association with the consent of the district attorney; or

h) a person who has suffered injury in fact and has lost money or property as a result of the unfair competition. (Bus. & Prof. Code § 17204.)

5) Provides that any person who engages, has engaged, or proposes to engage in unfair competition is liable for a civil penalty not to exceed $2,500 for each violation. The court shall impose a civil penalty for each violation. In assessing the amount of the civil penalty, the court shall consider any one or more of the relevant circumstances presented by any of the parties to the case, including the nature and seriousness of the misconduct, the number of violations, the persistence of the misconduct, the length of time over which the misconduct occurred, the willfulness of the defendant's misconduct, and the defendant's assets, liabilities, and net worth. (Bus. & Prof. Code § 17206.)

6) Establishes the Consumer Legal Remedies Act (CLRA), which prohibits unfair methods of competition and unfair or deceptive acts or practices undertaken by any person in a transaction intended to result or which results in the sale or lease of goods or services to any consumer. (Civil (Civ.) Code § 1750 et seq.)

7) Provides that any consumer who suffers any damage as a result of the use or employment by any person of a method, act, or practice declared to be unlawful by Section 1770 of the Civil Code may bring an action against that person to recover or obtain any of the following:

a) actual damages, but in no case shall the total award of damages in a class action be less than $1,000;

b) an order enjoining the methods, acts, or practices;

c) restitution of property;

d) punitive damages;

e) court costs and attorney's fees to a prevailing plaintiff. However, reasonable attorney's fees may be awarded to a prevailing defendant upon a finding by the court that the plaintiff's prosecution of the action was not in good faith; and

f) any other relief that the court deems proper. (Civ. Code § 1780(a), (e).)

8) Requires the trier of fact, when an action is brought on behalf of or for the benefit of senior citizens, disabled persons, or veterans ("protected persons"), as those are defined, to redress unfair or deceptive acts or practices or unfair methods of competition, to consider the following factors in addition to other appropriate factors in determining the amount of a fine, civil penalty or other penalty, or other remedy to impose whenever the trier of fact is authorized by statute to impose a fine, penalty, or any other remedy the purpose or effect of which is to punish or deter and the amount of the fine, penalty, or remedy is subject to the trier of fact's discretion:

   a) Whether the defendant knew or should have known that their conduct was directed to one or more protected persons.

   b) Whether the defendant's conduct caused one or more protected persons to suffer: loss or encumbrance of a primary residence, principal employment, or source of income; substantial loss of property set aside for retirement, or for personal or family care and maintenance; or substantial loss of payments received under a pension or retirement plan or a government benefits program, or assets essential to the health or welfare of the protected person.

   c) Whether one or more protected persons are substantially more vulnerable than other members of the public to the defendant's conduct because of age, poor health or infirmity, impaired understanding, restricted mobility, or disability, and actually suffered substantial physical, emotional, or economic damage resulting from the defendant's conduct. (Civ. Code § 3345.)

9) Authorizes the trier of fact, when it makes an affirmative finding in regard to the specified factors above, to impose a fine, civil penalty or other penalty, or other remedy in an amount up to three times greater than authorized by the statute, or, where the statute does not authorize a specific amount, up to three times greater than the amount the trier of fact would impose in the absence of that affirmative finding. (Civ. Code § 3345.)

10) Provides that upon the declaration of a state of emergency or local emergency resulting from specified crises, including earthquakes, floods, fires, and other disasters, and for a period following that declaration, it is unlawful for a person, contractor, business, or other entity to sell or offer to sell specified goods and services, such as consumer food items, goods or services used for emergency cleanup, emergency supplies, building materials, housing, gasoline

or repair or reconstruction services for a price of more than 10 percent above the price charged immediately prior to the proclamation of emergency. (Penal (Pen.) Code § 396.)

This bill:

1) Provides that, in addition to any liability for a civil penalty pursuant to Section 17206, a person who violates the UCL, if the act or acts of unfair competition are perpetrated against one or more persons displaced due to a state of emergency or local emergency at the time of the violation, shall be liable for a civil penalty not to exceed $2,500 for each violation, which may be assessed and recovered in a civil action as prescribed in Section 17206.

2) Makes it unlawful pursuant to the CLRA to violate Section 396 of the Penal Code, including, but not limited to, price gouging during a state of emergency or local emergency.

3) Adds persons displaced due to a state of emergency or a local emergency, as defined, at the time of any violation to the protected persons eligible for enhanced remedies pursuant to Section 3345.

4) Updates Section 396 to explicitly define and prohibit "price gouging" and reworks the provisions governing extensions of the relevant periods in which the section is in effect.

5) Places a series of obligations on housing listing platforms, as provided, including requiring specified policies and reporting mechanisms to be established.

6) Requires the policies and mechanism required of platforms to be publicly posted and readily accessible to users.

7) Defines a "housing listing platform" as an internet website, application, or other similar centralized platform that acts as an intermediary between a consumer and another person which allows another person to list the availability of housing, lodging, or units for sale or for rent to a consumer.

Background

The aftermath of an emergency, such as a natural disaster or other crisis, represents a uniquely vulnerable period for affected communities, characterized by significant emotional, physical, and economic challenges. During these critical moments,

victims are particularly susceptible to predatory business practices and fraudulent schemes that can exacerbate their existing hardships.

Survivors often face immediate pressures to secure housing, replace essential goods, and initiate reconstruction efforts, all while managing limited financial resources. Unscrupulous actors frequently exploit this vulnerability through price gouging—dramatically increasing the cost of essential goods and services during emergency periods. Comprehensive legal protections are essential to mitigate these risks and ensure equitable recovery for disaster-impacted populations.

This bill, a part of the Senate's Golden State Commitment legislative package to strengthen wildfire recovery, bolsters protections for those affected by wildfires and other crises in the state. It does so by reinforcing laws aimed at preventing price gouging and other predatory practices targeting consumers affected by emergencies. It also enlists online housing listing platforms to help root out such practices in the housing stock in the wake of a disaster. The bill is author-sponsored. It is supported by various consumer advocacy groups, including Consumer Watchdog. No timely opposition was received.

Comments

According to the authors:

> In times of crisis, Californians should be able to focus on recovery and rebuilding, not on predatory financial exploitation. Unfortunately, recent disasters—such as the devastating January 2025 firestorms—have shown that gaps in our current laws allow opportunists to take advantage of vulnerable, displaced residents.
>
> SB 36 closes these loopholes and strengthens protections against rental price gouging during declared emergencies. Under existing law, price gouging protections apply broadly to goods and services but do not explicitly cover rental housing. As we saw in the aftermath of the Southern California fires, bad actors took advantage of this oversight by listing properties in neighboring counties that were not subject to the emergency declaration, evading accountability while still targeting displaced residents.
>
> SB 36 ensures that disaster victims are not further victimized by financial exploitation. It enhances civil penalties for price gouging, empowers public prosecutors with greater enforcement tools, and extends protections to counties within a 50-mile radius of the affected area to prevent circumvention of the law. Additionally, SB 36 brings accountability to

online housing platforms by requiring them to monitor and report instances of price gouging and enforce fair pricing policies.

California has long led the way in protecting consumers, and SB 36 builds on that commitment by closing critical gaps in our price gouging laws. When disaster strikes, Californians deserve stability, fairness, and the assurance that the law will hold those who seek to profit from tragedy accountable. I urge my colleagues to support SB 36 to protect our most vulnerable residents when they need it most.

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

According to the Senate Appropriations Committee:

- Department of Justice (DOJ) and local prosecutors: Workload cost pressures (Unfair Competition Law Fund, General Fund, local funds) to the DOJ and local prosecutors of an unknown but potentially significant amount. If state and local prosecutors file civil enforcement actions as authorized by this bill it will result in a significant workload increase.

- Trial Courts: Unknown, potentially significant cost to the state funded trial court system (Trial Court Trust Fund, General Fund) to adjudicate additional civil and criminal actions.

- State and Local Law Enforcement Agencies: Workload costs pressures to state and local law enforcement agencies (General Funds, local funds) of an unknown, but potentially significant amount to respond to and investigate alerts about price listings on the housing listing platforms that violate the price gouging statute.

- Local Incarceration and Supervision: Unknown, potentially significant costs (local funds, General Fund) to the counties to incarcerate people for the crimes expanded by this bill.

According to the Assembly Appropriations Committee:

- Costs (General Fund, UCL Fund) to the Department of Justice (DOJ) to investigate and prosecute violations. DOJ anticipates costs of approximately $1.1 million in fiscal year 2025-26 and $1.8 million annually ongoing for nine additional staff positions: attorneys, special investigators, program analysts, and legal secretaries in its Public Rights Division and Special Prosecutions Section.

- Cost pressures (Trial Court Trust Fund, General Fund) of an unknown but potentially significant amount to the courts to adjudicate criminal charges and civil actions resulting from this bill. A defendant charged with a misdemeanor or felony is entitled to a jury trial and, if the defendant is indigent, legal representation provided by the government. Actual costs will depend on the number of cases filed and the amount of court time needed to resolve each case. It generally costs approximately $1,000 to operate a courtroom for one hour. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The fiscal year 2025-26 state budget provides $82 million ongoing General Fund to the Trial Court Trust Fund for court operations.

- Costs (local funds, General Fund) to the counties to incarcerate people convicted of price gouging. Actual incarceration costs will depend on the number of convictions and the length of each sentence. The average annual cost to incarcerate one person in county jail is approximately $29,000, though costs are higher in larger counties. County incarceration costs are not subject to reimbursement by the state. However, 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 public safety realignment.

SUPPORT: (Verified 10/15/25)

City of Los Angeles
Consumer Attorneys of California
Consumer Watchdog
TechEquity Action

OPPOSITION: (Verified 10/15/25)

None received

ARGUMENTS IN SUPPORT: Consumer Watchdog writes in support:

> While emergency declarations prohibited excessive rent increases in Los Angeles County, dishonest property owners exploited a loophole by listing rental properties at exorbitant rates in neighboring counties such as Orange County, where no emergency had been declared. This practice obstructed enforcement efforts and placed further hardship on displaced families in desperate need of shelter.

Consumer Watchdog supports SB 36 because it strengthens consumer protections by increasing penalties for price gouging and requiring online housing platforms to enforce fair pricing policies, report violations, and provide mechanisms for consumer complaints. It empowers displaced individuals to take legal action, grants courts the authority to award damages, and enhances prosecutorial tools to investigate and address housing-related price gouging. Additionally, it extends protections to counties within a 50-mile radius of an affected area, preventing exploitation in nearby markets.

GOVERNOR'S VETO MESSAGE:

This bill expands price gouging protections following a State of Emergency or Local Emergency declaration, establishes a housing listing program to report and remove listings that violate price gouging, and imposes criminal and civil penalties on violators. This bill would also allow the Legislature to terminate an extension of price gouging limitations via a concurrent resolution.

I appreciate the author's intent to strengthen and expand protections against price gouging for those displaced by a state or local emergency. Unfortunately, this bill includes a provision that would allow the Legislature to terminate extensions of emergency protections by concurrent resolution. This shift would weaken the Governor's authority under the Emergency Services Act and undermine the executive branch's flexibility to respond to rapidly evolving disasters. In times of emergency, Californians expect swift and decisive action to protect public safety, deliver resources, and maintain stability. Making the Governor's actions subject to termination by concurrent vote of the Legislature could delay critical measures and create uncertainty when Californians can least afford it. For that reason, I am unable to sign this bill.

ASSEMBLY FLOOR: 60-17, 9/9/25

AYES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez,

Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wicks, Wilson, Zbur, Rivas
NOES: Alanis, Castillo, Chen, DeMaio, Dixon, Ellis, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Johnson, Lackey, Macedo, Patterson, Sanchez, Ta, Tangipa
NO VOTE RECORDED: Davies, Flora, Wallis

Prepared by: Christian Kurpiewski / JUD. / (916) 651-4113
10/15/25 14:51:31

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

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VETO

Bill No: SB 75
Author: Smallwood-Cuevas (D)
Enrolled: 9/18/25
Vote: 27

SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 5-0, 4/23/25
AYES: Smallwood-Cuevas, Strickland, Cortese, Durazo, Laird

SENATE PUBLIC SAFETY COMMITTEE: 6-0, 4/29/25
AYES: Arreguín, Seyarto, Caballero, Gonzalez, Pérez, Wiener

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

SENATE FLOOR: 38-0, 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, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Hurtado, Reyes

SENATE FLOOR: 37-0, 9/13/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Choi, Gonzalez, Valladares

ASSEMBLY FLOOR: 79-1, 9/12/25 - See last page for vote

SUBJECT: Employment: Preapprenticeship Pathways to Employment Pilot Program

SOURCE: Author

DIGEST: This bill requires the Department of Corrections and Rehabilitation (CDCR), in partnership with the Department of Industrial Relations (DIR) and recognized building and construction trades councils to establish the Pre-apprenticeship Pathways to Employment Pilot Program to provide incarcerated individuals with access to pre-apprenticeship training aligned with state-registered apprenticeships in the building and construction trades, no later than January 1, 2028.

ANALYSIS:

Existing law:

1) Establishes the Prison to Employment program, administered by the California Workforce Development Board (CWDB), to coordinate reentry and workforce services in each of the state's 14 workforce regions so that the formerly incarcerated and other justice-involved individuals in these regions can find and retain employment. (Unemp. Ins. Code, §§ 14040-14042.)

2) Requires the Secretary CDCR to appoint a Superintendent of Correctional Education, who oversees and administers all prison education programs. Requires the Superintendent to set both short- and long-term goals for literacy and testing and career technical education programs, and to establish priorities for prison academic and career technical education programs. (Pen. Code § 2053.4.)

3) Requires a career technical education program consider to all of the following factors, consistent with the goals and priorities of CDCR:

    a) Whether the program aligns with the workforce needs of high-demand sectors of the state and regional economies;
    b) Whether there is an active job market for the skills being developed where the incarcerated person will likely be released;
    c) Whether the program increases the number of incarcerated individuals who obtain a marketable and industry or apprenticeship board-recognized certification, credential, or degree;
    d) Whether there are formal or informal networks in the field that support finding employment upon release from prison; and,

e) Whether the program will lead to employment in occupations with a livable wage. (Pen. Code § 2053.5.)

4) Establishes the Pre-Release Construction Trades Certificate Program administered by CDCR to increase employment opportunities in the construction trades for incarcerated individuals upon release. (Pen. Code, § 2716.5.)

5) Establishes the Prison Industry Authority (Cal PIA) within CDCR. (Pen. Code, § 2800.)

This bill:

1) Requires, CDCR in partnership with the DIR and recognized building and construction trades councils, to establish the Pre-apprenticeship Pathways to Employment Pilot Program (program) no later than January 1, 2028.

2) Requires CDCR to ensure equitable access to the program across each facility under its jurisdiction, including facilities housing women and gender-responsive institutions. Requires CDCR to implement the program in at least one men's and one women's facility.

3) Requires the program to include all of the following:

a) Instruction based on the Multi-Craft Core Curriculum (MC3), recognized by the State Building and Construction Trades Council of California. The instruction shall prepare participants for entry into a wide range of union-affiliated skilled trades, including, but not limited to, each of the following: carpentry; ironwork; sheet metal; laborers, and operating engineers.
b) Availability to incarcerated individuals who are within 24 months of release and express interest in careers in the trades.
c) Career readiness and case management services that are designed to facilitate direct transition into union apprenticeships following release. These services may be provided by existing workforce and community-based programs and shall include, but are not limited to, each of the following:

i. Employment and training services, including job readiness workshops, occupational skills training, pre-apprenticeship placement, and paid transitional work opportunities.

ii. Behavioral health and substance use services, including mental health counseling, cognitive behavioral therapy, substance use disorder treatment, and peer recovery support.
iii. Housing support services, including emergency shelter, transitional housing, housing navigation, and rapid rehousing assistance.
iv. Transportation assistance, including public transit passes, rideshare vouchers, and driver's license reinstatement support.
v. Family and childcare support, including parenting classes, childcare subsidies, and family reunification services.
vi. Legal services, including expungement and record sealing clinics, support with fines and fees, and reentry-related legal navigation.
vii. Digital and financial literacy services, including digital skills training, budgeting support, credit repair, and access to communication tools.
viii. Basic needs support, including access to work clothing, hygiene items, food assistance, and mobile phone access.

d) Classroom and hands-on instruction in construction safety, trade mathematics, blueprint reading, industry orientation, and other foundational skills aligned with state-registered apprenticeship standards. Content shall be taught by certified instructors and coordinated with local joint apprenticeship training committees.
e) Facilities who implement the program shall not grant preferential treatment based on race, sex, color, ethnicity, or national origin. Requires access be based on facility needs, proximity to release, and participant interest in skilled trades careers.
f) Requires participants who complete the program receive an MC3 certification from a certified training provider.

4) Requires CDCR to submit a report to the Legislature, beginning January 1, 2029, and each year thereafter, that includes the following information:

a) The number of individuals who have enrolled in the program.
b) The number of individuals who have completed the program.
c) The number of individuals placed in registered apprenticeships or related employment.
d) The number of individuals from each participating facility and program site in categories above.
e) Identified barriers to access and participation.

5) Provides the provisions of this bill remain in effect until January 1, 2032, and as of that date are repealed.

Background

Pre-Apprenticeships and MC3 Curriculum. An apprenticeship is a program that trains a person to become skilled in a particular trade by combining hands-on experience with a classroom component. Apprenticeships are considered full-time employment. Pre-apprenticeship programs, also known as apprenticeship readiness programs, are designed to prepare participants to enter registered apprenticeship programs.

The MC3 curriculum is a standardized, comprehensive curriculum intended to prepare participants for careers in the construction industry. The curriculum requires 120 hours of classroom training and includes areas of focus such as Tools and Materials, Construction Health and Safety, Blueprint Reading, Basic Math for Construction, among others.

In a carceral setting, pre-apprenticeship programs enable incarcerated individuals to complete an initial stage of training and education, preparing them for an apprenticeship upon release.

Prior Efforts Related to Pre-Release and Post-Release Job Training. Many studies have examined the relationship between employment and recidivism. Although the formerly incarcerated face many barriers to obtaining employment, high quality employment is correlated with lower rates of recidivism. (Connell, C., et al. *Effectiveness of interventions to improve employment for people released from prison: systematic review and meta-analysis*, Health Justice 11, 17 (2023) available at <https://www.healthandjusticejournal.biomedcentral.com/articles/10.1186/s40352-023-00217-w#:~:text=Employment%20is%20associated%20with%20a,Sampson%20%26%20Laub%2C%201993). Given this correlation, the State has invested in various types of in-prison job training in order to improve job prospects for the incarcerated population upon release.

Through Cal PIA's Career Technical Education program, incarcerated individuals receive work and training opportunities, including in construction and carpentry, as well as certifications for completion of that training. (https://www.calpia.ca.gov/workforce-development/career-technical-education-

cte/) In 2024, CDCR relaunched the MC3 pre-apprenticeship program at five prisons. (CDCR, *104 graduate construction training program* (Jan. 14, 2025) available at <https://www.cdcr.ca.gov/insidecdcr/2025/01/14/104-graduate-construction-training-program/ .) The MC3 program was established in 2012 in partnership with the California State Building Trades Council.

In 2018, the Legislature established the Pre-Release Construction Trades Certification Program, administered by CDCR, to increase employment opportunities in the construction trades for incarcerated individuals after release. The program is overseen by a joint advisory committee, composed of representatives from building and construction trades employee organizations, the State Building and Construction Trades Council of California, joint apprenticeship training programs, Cal PIA, the Division of Apprenticeship Standards, the Labor and Workforce Development Agency, and any other representatives the department determines appropriate.

The State has also invested in re-entry work training programs. As part of California's efforts to increase rehabilitative opportunities and reduce recidivism, the CWDB, CDCR, Cal PIA, and California Workforce Association created the Corrections-Workforce Partnership in 2017. This partnership linked education, job training, and work experience in prison to post-release jobs by fostering a system of coordinated service delivery to a population that faces a variety of barriers.

In 2018, the Legislature appropriated $37 million for the Prison to Employment Initiative (P2E), administered by the CWDB. The mission of P2E is to create a pathway toward employment and away from recidivism for formerly incarcerated and justice-involved individuals. (CWDB, *Interim Report for Evaluation of Workforce Development Programs submitted pursuant to Supplemental Report of the 2018-19 Budget Act, Item 7120-101-000* (Oct. 2021), p. 1 available at <https://cwdb.ca.gov/wp-content/uploads/sites/43/2021/10/P2E-Interim-Report_ACCESSIBLE.pdf#:~:text=P2E%20funds%20the%20integration%20of%20workforce%20and%20reentry,recidivism%20for%20the%20formerly%20incarcerated%20and%20justice-involved%20population .) P2E funds the integration of workforce and re-entry services through grants to workforce service providers across the state, including both direct and supportive services. (*Id*. at p. 2.)

CDWB's interim report evaluating the P2E program outlines the types of direct services participants receive such as interview coaching and tuition for MC3 training in the construction trades. (*Id*. at p. 2.) Additionally, supportive services help participants meet their basic needs, such as with stipends to cover

participants' transportation, clothing, and food costs. (*Ibid*.) As of June 2021, P2E funds have been used to serve over 3,190 formerly-incarcerated and justice-involved individuals statewide. (*Id*. at p. 4.) In January 2023, CWDB announced $19 million in awards to new projects (P2E 2.0). (CWDB, *Prison to Employment (P2E 2.0) Award Announcements* available at <https://cwdb.ca.gov/wp-content/uploads/sites/43/2023/01/P2E-2.0-Award-Announcement-Jan-2023_ACCESSIBLE.pdf .) The grant term for P2E 2.0 runs from January 2023 through December 2025.

This bill expands on current and past initiatives to increase employment opportunities for formerly incarcerated individuals and reduce recidivism by requiring CDCR to partner with DIR and building and construction trades councils to establish a pre-apprenticeship pilot program. This bill specifies program requirements, including use of the MC3 curriculum. This bill requires that incarcerated individuals who complete the program receive an MC3 certification from a certified training provider, and includes a data reporting requirement. The pilot program sunsets in 2032.

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

According to the Assembly Appropriations Committee:

- Annual costs in the low millions of dollars to CDCR to establish and operate the Program, including hiring certified instructors and coordinating with local joint apprenticeship training committees to provide classroom and hands-on instruction across various subject matters (General Fund (GF)). CDCR estimates implementation costs to exceed $1.5 million per institution, with additional per-institution costs in the millions of dollars to provide career readiness and case management services absent interest from community groups to provide such services.
- Additionally, CDCR notes that several provisions of this bill are unclear, which may further increase costs. For example, the requirement to ensure equitable access to the Program across each CDCR facility may require CDCR to implement the Program at all facilities, not just one men's and one women's facility, and references to post-release case management services and data reporting may require CDCR to contact and track individuals no longer within CDCR's jurisdiction.
- Costs of approximately $209,000 in the first year and $197,000 annually thereafter to DIR's Division of Apprenticeship Standards to partner with CDCR to implement the Program (GF).

SUPPORT: (Verified 10/14/25)

ACLU California Action
A New Way of Life Re-Entry Project
California Legislative Women's Caucus
California Public Defenders Association
Ella Baker Center for Human Rights
Roberts Enterprise Development Fund

OPPOSITION: (Verified 10/14/25)

None received

GOVERNOR'S VETO MESSAGE:

This bill would require the California Department of Corrections and Rehabilitation (CDCR), in partnership with the Department of Industrial Relations, to launch a pre-apprenticeship pilot program for five different trades in at least two institutions by 2028 through 2032, with annual reporting starting in 2029.

Providing the incarcerated population with skills to use upon release is critical to the successful reintegration of these individuals back into their communities. In this spirit, California has made significant, targeted investments over the past several years to support multiple educational and work-based programs within the state prison system. This includes the Adult Basic Education program, partnerships with institutions of higher education, the availability of Career Technical Education courses, and apprenticeship work opportunities.

While I am proud of this ongoing work, I appreciate the author's commitment to expand rehabilitative programming and career pathways - and I acknowledge there is more work to be done. However, this bill would establish a structure that cannot be implemented, conflicts with existing work, and creates cost pressures exceeding several million dollars annually to establish and operate a new pre-apprenticeship pilot program.

I encourage the Legislature to revisit this issue as part of next year's budget process, so that targeted investments in CDCR's rehabilitative programming

can be considered in the context of ongoing work to assist the incarcerated population with reentry into the community.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 79-1, 9/12/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NOES: DeMaio

Prepared by: Stephanie Jordan / PUB. S. /
10/15/25 12:22:02

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

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VETO

Bill No: SB 76
Author: Seyarto (R)
Enrolled: 9/8/25
Vote: 27

SENATE TRANSPORTATION COMMITTEE: 14-0, 3/25/25
AYES: Cortese, Strickland, Archuleta, Arreguín, Blakespear, Cervantes, Gonzalez, Grayson, Limón, Menjivar, Richardson, Seyarto, Umberg, Valladares
NO VOTE RECORDED: Dahle

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

SENATE FLOOR: 38-0, 5/29/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Limón, Reyes

ASSEMBLY FLOOR: 75-0, 9/4/25 - See last page for vote

SUBJECT: Vehicles: registration fees and penalties

SOURCE: Author

DIGEST: This bill requires the Department of Motor Vehicles (DMV), by January 1, 2030, to waive delinquent registration fees and penalties when a transferee (purchaser) of a used vehicle applies for a transfer of registration and DMV determines that the fees and penalties accrued prior to the purchase of the vehicle. Any such delinquent fees and penalties would become the personal debt of

the transferor (seller) of the vehicle, and would be subject to collection by DMV, as specified.

ANALYSIS:

Existing law:

1) Establishes various vehicle registration fees to be paid to DMV and deposited in accounts for spending on priorities including regulating vehicles, administrating registration, maintaining streets and highways, and supporting the California Highway Patrol (CHP). (VEH §9250-§9808)

2) Specifies that vehicle fees are delinquent whenever the application for renewal of registration is made after midnight of the expiration day of the registration or 60 days after the registered owner is notified by DMV, whichever is later. (VEH §9552)

3) Establishes a schedule of penalties to be collected for any late registration alongside the original fee that have higher cost penalties for longer delinquency periods. (VEH §9554 and §9554.5)

4) Authorizes DMV to waive registration penalties when a transferee or purchaser of a vehicle applies for transfer of registration if the penalties accrued prior to the purchase of the vehicle, the transferee or purchaser was not aware of the nonpayment, and the original fees are paid. (VEH §9562)

5) Authorizes DMV to waive vehicle registration fees and penalties for a vehicle if the fees became due prior to the purchase of the vehicle and the transferee or purchaser was not aware of the nonpayment and the license plate assigned to the vehicle displays a valid registration. (VEH §9562)

6) Specifies that, if the outstanding fees have been waived, the unpaid fees and penalties are the personal debt of the transferor of the vehicle and may be collected by DMV in appropriate civil action. (VEH §9562)

This bill:

1) Requires, beginning January 1, 2030, DMV to waive delinquent registration fees and any penalties that have accrued on fees due prior to the purchase of a vehicle when a transferee or purchaser of a vehicle applies for transfer of registration.

2) Requires, beginning January 1, 2030, the DMV to create a system to collect the waived fees from the seller or transferor of the vehicle when the seller or transferor registers another car or applies for a renewal of license.

Comments

1) *Purpose of this bill*. According to the author, "Transportation is commonly the second-biggest expenditure for the average family. California families hit by surprise fees can be left without transportation, or in a worse financial position. This measure will shield consumers from predatory practices and unexpected financial distress by enhancing consumer protections for the increasingly common practice of the private sales of vehicles; ensuring fair treatment and greater financial stability for California families."

2) *Vehicle registration fees.* It is illegal to operate an unregistered vehicle on public roads in California. At the time of registration DMV collects a variety of registration fees. Most of these fees are deposited in the Motor Vehicle Account (MVA) where they are used to support the key functions of DMV and CHP. There are also additional fees that have been added over time to support other state priorities, such as a $3 fee for the California Transportation Program.

   Registration fees and penalties are tied to a vehicle, not the vehicle owner. If a vehicle is not re-registered before the registration expires, DMV levies late penalties pursuant to a statutorily established schedule, ranging from $10 for a delinquency period of 10 days or less, to a penalty of $100 for a delinquency period of more than two years. DMV does not offer a grace period for paying annual vehicle registration fees. Even though license plates display only the month and year, vehicle registration expires on a specific day. DMV sends billing notices approximately 50 days before a vehicle's registration expires.

3) *Buyer beware.* Currently, during vehicle transactions between private parties it is the onus of the buyer to assess the vehicle's condition, including unpaid registration fees, and determine if it meets their needs. The DMV's website has a readily accessible fee calculator where anyone can enter a vehicle's identification number (VIN) and determine the amount of fees and penalties that would need to be paid to register the vehicle. Additionally, the registration sticker affixed to the vehicle's license plate indicates whether the vehicle has been registered and is a visible indication to a buyer of the registration status.

Currently, if a vehicle is sold with outstanding unpaid registration fees and penalties it is the responsibility of the new owner to pay these outstanding fees when they register the vehicle. This bill would change that system by forgiving outstanding fees and penalties that accrued prior to the sale of the vehicle. The seller of a vehicle would instead retain responsibility for paying any registration fees or penalties that accrued prior to the sale. DMV would have to collect those delinquent fees when that person next registers a vehicle or renews a license. Due to the existing consumer protections for vehicles purchased from licensed dealers, the provisions of this bill would only apply to used car buyers purchasing vehicles from a private parties.

4) *Waiving penalties.* DMV has a statutory mechanism available to waive unpaid registration penalties if the buyer signs a statement of fact asserting that they did not know the penalties were outstanding at the time of purchase. The process and form for this wavier is available on the DMV website. However this authority is discretionary— DMV could choose not to waive the penalties. DMV does not track how often people request penalties to be waived through this mechanism or how often these requests are granted.

   The circumstances when DMV may waive fees are more limited than those for waiving penalties. Statute allows DMV to waive registration fees for a buyer only when *all* of the following conditions are met:

   - The buyer applies for transfer and it is determined that the registration fees became due prior to the transferee's date of purchase;
   - The buyer was not aware that the fees were unpaid and due; and,
   - The license plate assigned to the vehicle displays a valid year sticker issued by DMV that matches the year for which the buyer is requesting a waiver of fees and penalties.

   The waiver is intended to address the situation when a vehicle was displaying a current registration sticker on the plate when it was sold, but it turns out later that it owed fees. Unlike in most cases when the vehicle's registration is visibly expired, under these unique circumstances there is an implication that the buyer was misled by the seller.

5) *MVA insolvency.* Registration fees and penalties make up a substantial part of the MVA. A February 2025 Legislative Analyst's Office (LAO) report found that for 2025-26, MVA revenues are estimated to total about $5 billion. Of this amount, over $4 billion is projected to come from vehicle registration fees.

MVA is the primary funding source for CHP and DMV. According to the LAO, the MVA is "rapidly heading for insolvency" as expenditures continue to outpace revenues. Specifically, the MVA is projected to become insolvent in 2025-26 with deficits increasing in future years. As such, the LAO recommends the Legislature set a high bar for considering approval of any proposals that create additional MVA cost pressures and accelerate the risk of insolvency.

Related/Previous Legislation

SB 932 (Seyarto, 2024) – Would have required DMV to waive unpaid registration fees and penalties if they accrued prior to the vehicle being purchased. The bill failed passage in the Senate Appropriations Committee.

AB 3243 (Ta, 2024) – Would have, until January 1, 2026, required DMV to accept 20% of an outstanding registration amount in lieu of delinquent vehicle registration fees if an individual is below a certified income threshold. The bill failed passage in the Assembly Appropriations Committee.

AB 281 (Donnelly, 2013) – Would have required DMV to waive unpaid registration fees and penalties if they accrued prior to the vehicle being purchased. The bill failed passage in the Assembly Transportation Committee.

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

According to the Senate Appropriations Committee:

- Unknown, likely significant one-time DMV costs to make IT systems changes to provide for fee and penalty waivers, capture delinquent debt amounts, and transfer them to a prior registered owner's vehicle registration and driver's license records. These costs are unknown because the changes must be implemented prior to January 1, 2030, which is after the completion of DMV's current IT modernization efforts that are scheduled to be complete prior to the bill's implementation date. DMV cannot predict the costs to modify systems post modernization because its functionalities are currently under development. DMV would also incur one-time costs to establish new processes and procedures for collection of delinquent fees and penalties from prior owners. (Motor Vehicle Account – MVA)

- Unknown, significant ongoing annual DMV administrative costs beginning in 2029-30, primarily as a result of the requirement for staff to cross check vehicle registration records of prior owners and match them to that person's other

vehicle registrations and driver's license records to conduct collections of delinquent fees and penalties. DMV indicates that this process would be a manual and labor-intensive process, and that there is currently no internal link between vehicle ownership and driver's license records, which may be recorded under different names. In some cases these costs would exceed the amount of delinquent charges that could potentially be collected. (MVA)

- DMV anticipates major vehicle registration fee and penalty losses as a result of the mandatory waiver of delinquent fees and penalties upon transfer of ownership. Precise revenue losses are unknown, but likely in the millions annually. Staff notes that these revenue losses could be partially offset to the extent the department is able to successfully collect delinquent fees and penalties from sellers when they attempt to register another vehicle or renew a driver's license. (primarily MVA and Motor Vehicle License Fee Account, but also local funds and other special funds)

SUPPORT: (Verified 10/3/25)

AAA Northern California, Nevada & Utah
Automobile Club of Southern California
Chino Valley Chamber of Commerce
Consumers for Auto Reliability & Safety

OPPOSITION: (Verified 10/3/25)

None received

GOVERNOR'S VETO MESSAGE:

Beginning January 1, 2030, this bill would require the Department of Motor Vehicles (DMV) to waive delinquent vehicle registration fees and penalties that became due before a private vehicle sale when the purchaser applied for transfer. The DMV would instead be required to recover those fees and penalties from the seller or transferor when they next register another vehicle or renew a driver's license.

This bill would exacerbate the structural insolvency of the Motor Vehicle Account (MVA), the primary funding source for the DMV and CHP. Shifting collection responsibility away from purchasers would reduce

revenues, increase administrative costs, and deepen long-term deficits. In doing so, it would diminish resources available to support the CHP's critical public safety initiatives— including newly launched Crime Suppression Teams and regional crime-reduction partnerships — while also straining the DMV's digital transformation by imposing new duties even as funding is reduced.

As with other measures affecting the MVA, moving the operative date to a future year does not solve the underlying fiscal challenges — it only delays them.

We must set a very high bar for any significant new fiscal commitments until the MVA structural deficit is addressed in a sustainable way.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 75-0, 9/4/25
AYES: Addis, Aguiar-Curry, Alanis, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Jackson, Kalra, Krell, Lackey, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO VOTE RECORDED: Ahrens, Alvarez, Irwin, Lee

Prepared by: Isabelle LaSalle / TRANS. / (916) 651-4121
10/6/25 10:37:20

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

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VETO

Bill No: SB 88
Author: Caballero (D), et al.
Enrolled: 9/13/25
Vote: 27

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 8-0, 3/19/25
AYES: Blakespear, Valladares, Dahle, Gonzalez, Hurtado, Menjivar, Padilla, Pérez

SENATE NATURAL RES. & WATER COMMITTEE: 6-0, 4/22/25
AYES: Limón, Seyarto, Allen, Grove, Laird, Stern
NO VOTE RECORDED: Hurtado

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

SENATE FLOOR: 40-0, 9/11/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ASSEMBLY FLOOR: 72-0, 9/9/25 - See last page for vote

SUBJECT: Air resources: carbon emissions: biomass

SOURCE: Placer County Air Pollution Control District
Sacramento Metropolitan Air Quality Management District

DIGEST: Requires the California Air Resources Board (CARB) to publish an assessment of the life-cycle emissions from alternative uses of forest and

agricultural biomass residues and develop a strategy to support beneficial carbon removal products; directs the Department of Forestry and Fire Protection (CAL FIRE) to require state-funded forest health projects to include a forest biomass resource disposal component, as specified; and, directs the California Energy Commission (CEC) to include the value proposition of using agricultural biomass resources and forest biomass resources for low- and negative-carbon liquid and gaseous fuels in certain reports.

ANALYSIS:

Existing law:

1) Under the California Global Warming Solutions Act of 2006 (Health and Safety Code (HSC) §38500 et seq.):
   a) Establishes the California Air Resources Board (CARB) as the state agency responsible for monitoring and regulating sources emitting greenhouse gases (GHGs).

   b) Requires CARB to approve a statewide GHG emissions limit equivalent to the statewide GHG emissions level in 1990 to be achieved by 2020 (AB 32, (Nunez, Chapter 488, Statutes of 2006)) and to ensure that statewide GHG emissions are reduced to at least 40% below the 1990 level by 2030 (SB 32 (Pavley, Chapter 249, Statutes of 2016)).

2) States it is the policy of the state that the protection and management of natural and working lands (NWL) is an important strategy in meeting the state's GHG emissions reduction goals, and the protection and management of those lands can result in the removal of carbon from the atmosphere and the sequestration of carbon in, above, and below the ground. (Public Resources Code (PRC) §9001 et seq.)

3) Under AB 1757 (C. Garcia, Chapter 341, Statutes of 2022) (HSC §38561.5):
   a) Directs California Natural Resources Agency (CNRA) to, in collaboration with CARB and others, to determine an ambitious range of targets for natural carbon sequestration and for nature-based climate solutions that reduce GHG emissions for 2030, 2038, and 2045 ("Targets"), which will be integrated into the AB/SB 32 Scoping Plan Updates.

4) Directs CARB to, by January 1, 2025, develop standard methods for state agencies to consistently track GHG emissions and reductions, carbon sequestration, and, where feasible and in consultation with CNRA and CDFA,

additional benefits from NWLs over time.

5) Under SB 901 (Dodd, Chapter 626, Statutes of 2018), requires CARB in consultation with CalFire to, by December 31, 2020, develop:
   a) A standardized system for quantifying the direct carbon emissions and decay from fuel reduction activities for purposes of meeting the accounting requirements for Greenhouse Gas Reduction Fund (GGRF) expenditures;
   b) A historic baseline of greenhouse gas emissions from California's natural fire regime reflecting conditions before modern fire suppression; and
   c) A report that assesses GHG emissions associated with wildfire and forest management activities. (HSC § 38535)

This bill:

1) Requires CARB to:

   a) On or before January 1, 2028, publish on its website an assessment of the life-cycle emissions from alternative uses of forest and agricultural biomass residues that take into account wildfire management actions.

   b) On or before January 1, 2029, publish on its website a comprehensive strategy to support beneficial carbon removal products, including, but not limited to, biochar, that are generated from agricultural or forest biomass resources.

2) Requires CAL FIRE to require, to the extent feasible, all state-funded forest health projects to include an appropriate forest biomass resource disposal component that includes a scientifically based, verifiable method to determine the amount of biomass to be physically removed and the amount to be burned by prescribed burn.

3) Requires the CEC to include the value proposition of using agricultural biomass resources and forest biomass resources for low- and negative-carbon liquid and gaseous fuels, including hydrogen, from noncombustion conversion technology methods and other emerging and innovative approaches in relevant reports and other agency-sponsored documentation.

Background

What is biomass? Biomass consists of organic residues from plants and animals obtained from harvesting and processing agricultural and forestry crops. Waste

biomass is widely available across California, with an estimated 56 million bone dry tons per year available from trash, agricultural waste, sewage and manure, logging, and fire prevention activities in 2045. Today, this biomass returns its carbon to the atmosphere when it decays or burns in prescribed fires or wildfires, or it is burned to produce energy at a power plant.

Where can biomass go? There are a number of options available to make use of biomass resources, rather than treating them strictly as a waste stream to be disposed of.

a) *Combustion*. Today, most biomass used for energy in the state is combusted. "Biomass power plant" is the general term for waste-to-energy power plants that burn organic material, including wood waste. According to the CEC, in 2020, biomass electric facilities produced 5,628 gigawatt-hours, or roughly 3% of the state's in-state electricity generation portfolio. The CEC notes there are just under 90 operating biomass power plants in California, with an installed capacity of about 1,259 megawatts (MW), a capacity that has largely remained unchanged since 2001, per the CEC *Energy Almanac* data.
b) *Non-combustion thermochemical processes*. There are two main approaches to converting woody biomass into usable fuels: gasification and pyrolysis. Gasification is the conversion of biomass feedstocks to gaseous fuel, while pyrolysis is the thermal decomposition of biomass in the absence of oxygen (that prevents combustion) to produce liquid fuels. These gas and liquid fuels can be used in conventional equipment (for example, boilers, engines, and turbines) or advanced equipment (such as fuel cells) for the generation of heat and electricity.
c) *Biochar*. The leftover, high-carbon material that remains after thermochemical conversion in an oxygen-limited environment is called biochar. When applied to soil, biochar could potentially aid in retaining moisture and nutrients, while improving soil quality and potentially sequestering carbon from the atmosphere. A recent special report of the Intergovernmental Panel on Climate Change[1] has included biochar as one of the top six negative emission technologies in terms of achievable scale. However, care must be taken in biochar's production and application to ensure the stored carbon is not quickly released back into the atmosphere.

[1] Rogelj J, Shindell D, Jiang K, Fifita S and Al E, Mitigation pathways compatible with 1.5°C of sustainable development, in *Global Warming of 1.5°C. an IPCC Special Report on the Impacts of Global Warming of 1.5°C above Pre-Industrial Levels and Related Global Greenhouse Gas Emission Pathways, in the Context of Strengthening the Global Response to the Threat of Climate Change*, Vol. **163**. (2018).

These are all relatively nascent pathways, and as a result, best practices and emissions profiles are yet to be established for the different technologies. If these end uses of "waste" biomass can be made to be sufficiently appealing (either through incentives or other policies), the logic follows that they can help drive the market towards the dramatic increase in management activities necessary to achieve the AB 1757 goals.

Comments

Purpose of Bill. According to the author, "SB 88 takes critical steps to identify and reduce the harmful air pollution caused by wildfires and open-air burning of forest and agricultural waste in California. By requiring California Air Resources Board, CalFire, and the California Energy Commission to track and quantify harmful pollution emissions, establish emissions baselines, and promote the beneficial use of clean biomass conversion, the bill will mitigate wildfire risks, reduce air pollution and greenhouse gas emissions, and encourage sustainable alternatives to open air burning. This measure will help California meet its climate goals, clean the air pollution, reduce healthcare costs related to dirty air, and accelerate the transition to carbon-negative solutions, ensuring a healthier and more sustainable future."

Balancing California's fire deficit, but at what cost? The concept of "fire deficit" refers to an accumulation of unburned fuel in forests, which increases the likelihood of catastrophic fires. Reducing California's fire deficit is critical: more catastrophic wildfires mean more loss of life, property, and cherished natural resources. The GHG and criteria air pollutant emissions from wildfires have a disproportionately negative effect on marginalized communities, where people have fewer resources for avoiding smoke and less access to adequate health care.

Ultimately, there are a number of overlapping (and potentially conflicting) big-picture priorities the state must juggle here. Reducing our fire deficit is essential to reduce catastrophic wildfire risk. Minimizing smoke exposure is essential to reduce inequitable air pollution exposure. Maximizing beneficial uses of forest and agricultural biomass is essential to avoid an over-accumulation of waste that can act as fuel for fires and a source of methane through decomposition. Charting a path to solve all of these problems at once requires a mix of innovation, deliberation, and good data.

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

According to the Assembly Appropriations Committee:

- Ongoing costs of an unknown amount, likely under $1 million annually, for CARB to implement this bill (Cost of Implementation Account).

- CEC estimates ongoing annual costs of up to $201,000 (Energy Resources Program Account) for one position to conduct biomass analysis and modeling. CEC describes the scope of the analysis required this the bill as unclear and notes potential redundancies with work already underway to implement SB 1075 (Skinner), Chapter 363, Statutes of 2022.

- Administrative costs of an unknown amount, likely minor and absorbable, for CAL FIRE to implement this bill. However, requiring all state-funded forest health projects to include a forest biomass resource disposal component, even to the extent feasible, could increase project costs, which could reduce the overall number of projects funded with existing grant funding.

SUPPORT: (Verified 9/9/25)

Agricultural Council of California
Agricultural Energy Consumers Association
Almond Alliance of California
American Pistachio Growers
Association of California Water Agencies
Bioenergy Association of California
Breathe California Sacramento Region
California Air Pollution Control Officers Association
California Association of Winegrape Growers
California Biomass Energy Alliance
California Citrus Mutual
California Farm Bureau Federation
California Fresh Fruit Association
County of Fresno
El Dorado County Water Agency
Nisei Farmers League
Northern Sierra Air Quality Management District
Northern Sierra Aqmd
Northern Sonoma County Air Pollution Control District
Pioneer Community Energy
Placer County Air Pollution Control District
Placer County Water Agency
Sacramento Metropolitan Air Quality Management District

Swana California Chapters Legislative Task Force
The Cleaner Air Partnership
Western Growers Association

OPPOSITION: (Verified 9/9/25)

Center for Biological Diversity

GOVERNOR'S VETO MESSAGE:

This bill would require the California Air Resources Board to develop specified methods and protocols to quantify the avoided emissions and beneficial uses of forest and agricultural biomass. This bill also would direct the Department of Forestry and Fire Protection to require forest health projects to include a resource disposal component, and the California Energy Commission to include biomass-derived low- and negative-carbon fuels in certain reports.

Throughout my Administration, I have been supportive of advancing methods and practices to sustainably address the growing amount of woody biomass waste in the state, primarily due to the risk it presents of exacerbating catastrophic wildfires. This is why my Administration, for years, has recommended and acted on strategies to address this challenge and risk.

While I applaud the authors' desire to further this work, most of the requirements in this bill are duplicative of existing efforts. At the same time, other provisions would trigger new and substantial costs at each of the affected agencies not accounted for in the 2025 Budget Act. In partnership with the Legislature this year, my Administration has enacted a balanced budget that recognizes the challenging fiscal landscape our state faces while maintaining our commitment to working families and our most vulnerable communities. With significant fiscal pressures and the federal government's hostile economic policies, it is vital that we remain disciplined when considering bills with significant fiscal implications that are not included in the budget, such as this measure.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 72-0, 9/9/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lowenthal, Macedo, McKinnor, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Sharp-Collins, Solache, Soria, Stefani, Ta, Valencia, Wallis, Ward, Wicks, Wilson, Rivas
NO VOTE RECORDED: Boerner, Elhawary, Lee, Muratsuchi, Celeste Rodriguez, Schultz, Tangipa, Zbur

Prepared by: Heather Walters / E.Q. / (916) 651-4108
10/15/25 12:26:21

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

SENATE RULES COMMITTEE SB 224
Office of Senate Floor Analyses
(916) 651-1520 Fax: (916) 327-4478

VETO

Bill No: SB 224
Author: Hurtado (D)
Enrolled: 9/13/25
Vote: 27

SENATE NATURAL RES. & WATER COMMITTEE: 7-0, 3/25/25
AYES: Limón, Seyarto, Allen, Grove, Hurtado, Laird, Stern

SENATE APPROPRIATIONS COMMITTEE: 4-0, 5/23/25
AYES: Caballero, Cabaldon, Grayson, Richardson
NO VOTE RECORDED: Seyarto, Dahle, Wahab

SENATE FLOOR: 38-0, 6/4/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Weber Pierson, Wiener
NO VOTE RECORDED: Reyes, Wahab

SENATE FLOOR: 40-0, 9/11/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ASSEMBLY FLOOR: 77-1, 9/9/25 - See last page for vote

SUBJECT: Department of Water Resources: water supply forecasting

SOURCE: Author

DIGEST: This bill requires the Department of Water Resources (DWR) to update its water supply forecasting models and procedures to address the effects of climate change, and to implement a formal policy and procedures for documenting its operational plans and rationale for its operating procedures.

ANALYSIS:

Existing law establishes DWR with board jurisdiction over water management, including dam safety, drought response and mitigation, water education, flood preparedness, and water supply and storage. (Water Code (Wat. C.) §120 et seq.)

This bill:

1) Requires DWR, on or before January 1, 2027, to update its water supply forecasting models and procedures to address the effects of climate change.

    a) Requires DWR to report to the Legislature on its progress in implementing the new forecasting model by January 1, 2028, and annually thereafter, and to post the report on its website.

    b) Requires DWR to establish and publish on its website the specific criteria that it will use to determine when the updated water supply forecasting model has demonstrated sufficient predictive capability to be ready for use in each of the watersheds.

2) Requires DWR, on or before January 1, 2027, to implement a formal policy and procedures for documenting DWR's operational plans and DWR's rationale for its operating procedure, including DWR's rationale for water releases from reservoirs.

    a) Requires DWR, on or before January 1, 2028, and annually thereafter, to report to the Legislature explaining its rationale for its operating procedures specific to the previous water year.

Background

1) *State Water Project.* The California State Water Project (SWP) is a multi-purpose water storage and delivery system managed by DWR. It extends more than 705 miles and is a collection of canals, pipelines, reservoirs, and hydrologic power facilities that deliver water to 27 million Californians, 750,000 acres of farmland, and businesses throughout the state.

In its management of the SWP, DWR ensures that "adequate water supplies are available under various hydrologic and legal conditions while maintaining operational flexibility" (water.ca.gov/Programs/State-Water-Project; last accessed March 8, 2025). According to its website, DWR "develops, plans and implements the operation of the SWP in coordination with environmental and regulatory agencies to meet fish, water, and environmental requirements for the Feather River and Sacramento-San Joaquin Delta."

The SWP collects surface water from the northern part of the state in its largest reservoir, Lake Oroville, and transports that water south through rivers, the Sacramento-San Joaquin Delta, and the California Aqueduct to 29 cities, counties, and water districts that have contracts with SWP. These are known as "State Water Project Contractors". DWR delivers a percentage of water to its contractors depending on hydrologic conditions and forecasted runoff. The contractors request an amount of their contracted water on October 1st (the beginning of the "water year") and DWR issues an initial percentage allocation around the beginning of December indicating how much water DWR anticipates, based on hydrologic conditions, it will be able to deliver to contractors in the remainder of the water year. This initial allocation is typically adjusted three to four times over the winter and early spring as the total precipitation for the year becomes clearer.

2) *State Auditor Report.* At the direction of the Joint Legislative Audit Committee, the State Auditor conducted an audit of DWR's methodology used to forecast runoff and manage the SWP. Published in May 2023 and titled *Department of Water Resources: Its Forecasts Do Not Adequately Account for Climate Change and Its Reasons for Some Reservoir Releases Are Unclear*, the assessment concluded that:

   - DWR has not adequately ensured that its water supply forecasts account for the effects of climate change; and
   - DWR must do more to prepare for the impact of more severe droughts on the SWP's operations.

   In a letter to the Governor and Legislature, the California State Auditor said that "DWR has not developed a comprehensive, long-term plan for the [SWP] that meets best practices for proactively mitigating or responding to drought […] Further, DWR has not maintained sufficient documentation to demonstrate that some releases it made from Lake Oroville reservoir in water years 2021 and 2022 were appropriate in volume. … Insufficient documentation also hinders DWR's ability to effectively evaluate and, to the extent necessary, improve its

management of the [SWP] to ensure the most efficient use of the State's limited water supply."

In response, DWR respectfully disagreed with the Auditor's findings that DWR has been slow to account for the effects of climate change. DWR pointed to the establishment of a climate change program in 2008 and the release of progressive phases of its Climate Action Plan in 2012, 2018, 2019, 2020, and 2022; the recognition by various Climate organizations for its leadership in addressing climate change; and various awards DWR has received for climate action.

See Senate Natural Resources and Water Committee analysis for additional background information.

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

According to the Assembly Floor Analysis, the Assembly Appropriations Committee identified the following fiscal impact:

"DWR will incur ongoing General Fund costs, likely in the low hundreds of thousands of dollars annually, to update and implement its water supply forecasting models and procedures and develop the required reports.

For its part, DWR estimates General Fund costs of approximately $119,000 annually in staff costs to fulfill the reporting requirements."

SUPPORT: (Verified 10/8/25)

City of Coalinga
Olivenhain Municipal Water District

OPPOSITION: (Verified 10/8/25)

Sierra Club

ARGUMENTS IN SUPPORT: According to the author, "SB 224 requires the DWR to update its policies and procedures to better combat the impacts of climate change. The bill also requires the DWR to document and address the rationale behind its water operating decisions. SB 224 strengthens California's ability to manage its water resources efficiently, prevents unnecessary water loss, and enhances the state's resiliency to drought. Accurate water data modeling, planning, and accountability will ensure water stays a vital resource for California in the years ahead."

ARGUMENTS IN OPPOSITION: According to Sierra Club California, "climate modeling should be conducted by an outside, independent agency to ensure the data is accurate, unbiased, and there are not conflicts of interest."

GOVERNOR'S VETO MESSAGE:

I am returning Senate Bill 224 without my signature.

The bill would require the Department of Water Resources (DWR) to update its water supply forecasting models and procedures to address the effects of climate change.

This bill is in response to an audit request in 2022 that incorrectly claimed the DWR overestimated the amount of water expected to run off the Sierra Nevada and prematurely released over 700,000 acre-feet of water in 2021. The resulting State Auditor report indeed found no unnecessary release of water, but stated that DWR did not adequately account for climate change in its water supply forecasts. In June of this year, DWR submitted its final report to the State Auditor, identifying in detail how it has implemented the Auditor's recommendations, including additional climate change modeling.

I am satisfied with DWR's response to this audit and with its ongoing work to model climate change, particularly rain and snowfall, across California. As a result, this bill is unnecessary.

ASSEMBLY FLOOR: 77-1, 9/9/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Rivas
NOES: DeMaio

NO VOTE RECORDED: Muratsuchi, Zbur

Prepared by: Genevieve Wong / N.R. & W. / (916) 651-4116
10/8/25 10:47:31

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

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VETO

Bill No: SB 257
Author: Wahab (D), et al.
Enrolled: 9/12/25
Vote: 27

SENATE HEALTH COMMITTEE: 11-0, 4/23/25
AYES: Menjivar, Valladares, Durazo, Gonzalez, Grove, Limón, Padilla, Richardson, Rubio, Weber Pierson, Wiener

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

SENATE FLOOR: 40-0, 9/10/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ASSEMBLY FLOOR: 68-0, 9/9/25 - See last page for vote

SUBJECT: PARENT Act

SOURCE: Insurance Access and Equity Alliance

DIGEST: This bill establishes pregnancy as a health plan/insurer triggering event for a special enrollment opportunity in the individual health insurance market.

ANALYSIS:

Existing law:

1) Establishes the Department of Managed Health Care (DMHC) to regulate health plans under the Knox-Keene Health Care Services Plan Act of 1975; the California Department of Insurance (CDI) to regulate health and other insurers; and the Medi-Cal program, administered by the Department of Health Care Services (DHCS), under which low-income individuals are eligible for medical coverage. [Health & Safety Code (HSC) §1340, et seq., Insurance Code (INS) §106, et seq. and Welfare & Institutions Code (WIC) §14000, et seq.]

2) Requires health plan and insurers to fairly and affirmatively offer, market, and sell all of their health benefit plans that sold in the individual health insurance market to all individuals and dependents in each service area in which health care services are provided or arranged, and limit enrollment to specified open enrollment periods, annual enrollment periods, and special enrollment periods, as specified. Prohibits the imposition of any preexisting condition provision upon any individual. [HSC §1399.849 and INS §10965.3]

3) Requires a health plan or insurer to allow an individual to enrollee in or change individual health benefit plans, or add a dependent, as a result of the following triggering events:
   a) Individual or dependent losses minimum essential coverage;
   b) Individual gains or becomes a dependent;
   c) Individual is mandated to be covered as a dependent pursuant to a valid state or federal court order;
   d) Individual is released from incarceration;
   e) Individual's health coverage issuer substantially violated a material provision of the health coverage contract;
   f) Individual gains access to a new health benefit plan as a result of a permanent move;
   g) The individual was receiving services from a contracting provider under another health plan, for a specified conditions and that provider is no longer participating in the health benefit plan. The conditions include an acute or serious condition, pregnancy including maternal mental health treatment, terminal illness, newborn care, and surgery;
   h) The individual demonstrates to Covered California, with respect to health plans offered through Covered California, or DMHC and CDI, with respect to plans offered outside of Covered California, that the individual did not enrolled during the immediate preceding enrollment period because the individual was misinformed that individual was covered with minimum essential coverage;

i) The individual is a member of the reserve forces of the U.S. military returning from active duty or a member of the California National Guard returning from active duty; or,
j) With respect to Covered California, any triggering events listed in federal regulations. [HSC §1399.849 and INS §10965.3]

4) Prohibits a lien asserted by a DMHC or CDI licensee, or, a medical group or independent practice association, to the extent it asserts or enforces a lien, for the recovery of money paid or payable to or on behalf of an enrollee or insured for health care services provided from exceeding reasonable costs actually paid, as specified. [Civil Code (CIV) §3040]

This bill establishes pregnancy as a health plan or insurer, enrollment triggering event in the individual health insurance market.

Comments

According to the author of this bill:

> This bill closes an unfair loophole in health insurance coverage for pregnancy. Health insurers are increasingly exploiting surrogacy contracts to demand reimbursement for maternal healthcare coverage. This discriminatory practice penalizes gestational carriers, people pursuing family building through surrogacy, and the professionals who support them. It forces intended parents to pay exorbitant out-of-pocket expenses, putting surrogacy further out of reach for people facing infertility and LGBTQ+ individuals who want to be parents. Without proper regulation, some insurers even seek reimbursement beyond deductibles or out-of-pocket maximums, skirting their mandate to cover maternity care. This bill also makes pregnancy a qualifying life event to enroll in health insurance outside of open enrollment, because neither the method nor timing of conception should affect one's access to prenatal healthcare. This bill will ensure consistent, equitable pregnancy-related coverage and protect access to affordable care for all pregnant individuals, including gestational carriers, and the families they help create.

Background

Existing programs for pregnancy coverage without enrollment periods. A person can apply for Medi-Cal coverage at any time, as there are no open enrollment

periods or special enrollment periods. To qualify for Medi-Cal, there are different eligibility categories which may have different income eligibility limits. For example, a person can apply for full scope Medi-Cal coverage if they are an adult under age 65, parents with incomes up to 138% of the FPL ($29,187 in 2025), or children with family incomes up to 266% of the FPL ($56,259 in 2025). There are also programs for pregnant women and infants with family income up to 322% of the FPL ($68,103 in 2025). Medi-Cal grants presumptive eligibility to cover prenatal benefits for a pregnant person, and makes a person Medi-Cal eligible as though that person was pregnant for all pregnancy-related and postpartum services for a 60-day period beginning on the last day of pregnancy.

California Health Benefits Review Program (CHBRP) report. CHBRP found some evidence that special enrollment periods increase take-up of health insurance among pregnant people, but that not enough research has been conducted to determine whether special enrollment periods improve utilization of maternity services or maternal and infant health outcomes.

Other states. According to CHBRB, New York was the first state to make pregnancy a triggering event for special enrollment in 2015. Seven other states and the District of Columbia have done the same (Connecticut, New Jersey, Maryland, Maine, Rhode Island, Colorado, and Vermont) with Illinois and Virginia recently enacting legislation that will take effect in 2026.

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

According to the Assembly Appropriations Committee:

The Department of Insurance estimates costs of $6,000 in fiscal year (FY) 2025-26 and $18,000 in FY 2026-27 for state administration (Insurance Fund).

The Department of Managed Health Care estimates minor and absorbable costs.

Covered California anticipates minor and absorbable systems and outreach costs.

SUPPORT: (Verified 10/15/25)

AFSCME, AFL-CIO
American College of Obstetricians and Gynecologists District IX
California WIC Association
County of Santa Clara
Equality California
National Association of Pediatric Nurse Practitioners

OPPOSITION: (Verified 10/15/25)

Association of California Life & Health Insurance Companies
California Association of Health Plans
California Family Council
Women's Liberation Front
1 Individual

ARGUMENTS IN SUPPORT: Proponents believe the enactment of this bill would signify a monumental step forward in eliminating discriminatory practices in healthcare coverage related to pregnancy, and that it aligns with California's longstanding commitment to reproductive freedom and the protection of individual rights. The American College of Obstetricians and Gynecologists (ACOG) writes pregnancy is a significant medical and life circumstance that deserves the same flexibility and responsiveness currently afforded to other triggering events like marriage or job loss. ACOG says ensuring that individuals can access or adjust their health coverage when they become pregnant is a commonsense step that promotes maternal and infant health, especially in communities where coverage gaps contribute to disparities in care. The California WIC Association writes this bill is especially timely and needed given California's ongoing efforts to reduce maternal mortality, eliminate racial disparities in birth outcomes, and expand reproductive justice.

ARGUMENTS IN OPPOSITION: The California Association of Health Plans (CAHP) and the Association of California Life and Health Insurance Companies (ACLHIC) write "tying special enrollment periods to a specific medical condition sets a concerning precedent, undermining market rules that ensure broad participation and affordability. CHBRP analysis estimates [this bill] would increase net expenditures by nearly $70 million annually and raise individual plan premiums by $2.04 PMPM, making coverage less affordable for Californians. Allowing enrollment triggered by pregnancy risks encouraging individuals to defer purchasing insurance until they need care, weakening California's coverage model."

GOVERNOR'S VETO MESSAGE:

> This bill would make pregnancy a triggering event for purposes of enrollment or changing a health benefit plan.
>
> I thank the author for her commitment to ensuring pregnant individuals have access to early and regular prenatal care and am supportive of policies that

provide timely access to health care coverage. Unfortunately, this bill risks the overall affordability of health care in California, and is projected to increase health care spending by tens of millions of dollars annually - at a time when California is taking steps to control costs, as consumers are facing uncertainty and double-digit rate increases in their health care premiums across the nation.

Additionally, just this spring, California submitted a new essential health benefits (EHB) benchmark plan, which establishes minimum coverage requirements for specified plans as required by the ACA, to include specified infertility services, specified durable medical equipment, and hearing exams and hearing aids. This proposed expansion reached the upper limit of projected premium increases permitted by federal regulations. Passing additional policies that will lead to further premium increases while the EHB benchmark plan is still pending federal consideration would be irresponsible.

Finally, this bill would set a dangerous precedent for condition-specific special enrollment periods. The individual health insurance market can easily become unstable if persons are allowed to enroll when medical expenses first occur. This is why I signed a bill in 2019, SB 78, establishing an individual shared responsibility penalty for people who do not have or maintain their health insurance coverage. Individual market instability will lead to even higher costs in this fragile market.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 68-0, 9/9/25
AYES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Chen, Connolly, Davies, Dixon, Elhawary, Flora, Fong, Gabriel, Garcia, Jeff Gonzalez, Mark González, Haney, Harabedian, Hart, Hoover, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Valencia, Wallis, Wicks, Wilson, Zbur, Rivas
NO VOTE RECORDED: Alanis, Castillo, DeMaio, Ellis, Gallagher, Gipson, Hadwick, Irwin, Johnson, Macedo, Tangipa, Ward

Prepared by: Teri Boughton / HEALTH / (916) 651-4111
10/15/25 14:25:52

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

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VETO

Bill No: SB 263
Author: Gonzalez (D), et al.
Enrolled: 9/12/25
Vote: 27

SENATE TRANSPORTATION COMMITTEE: 14-0, 3/25/25
AYES: Cortese, Strickland, Archuleta, Arreguín, Blakespear, Cervantes, Gonzalez, Grayson, Limón, Menjivar, Richardson, Seyarto, Umberg, Valladares
NO VOTE RECORDED: Dahle

SENATE BUS., PROF. & ECON. DEV. COMMITTEE: 11-0, 4/28/25
AYES: Ashby, Choi, Archuleta, Arreguín, Grayson, Menjivar, Niello, Smallwood-Cuevas, Strickland, Umberg, Weber Pierson

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

SENATE FLOOR: 35-1, 5/28/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Hurtado, Jones, Laird, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NOES: Alvarado-Gil
NO VOTE RECORDED: Cervantes, Grove, Limón, Reyes

SENATE FLOOR: 40-0, 9/10/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ASSEMBLY FLOOR: 69-5, 9/9/25 - See last page for vote

SUBJECT: International trade: tariffs: impact study

SOURCE: Author

DIGEST: This bill requires the Governor′s Office of Business and Economic Development (GOBiz) in consultation with the California State Transportation Agency (CalSTA) and the Department of Finance (DOF), to conduct a study on the impacts that increases in tariffs and reciprocal tariffs have on the state's international trade of imports and exports.

ANALYSIS:

Existing law:

1) Establishes GOBiz to, amongst other duties, serve as the lead agency for the state's economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth, as specified.

2) Requires CalSTA to prepare a state freight plan that directs the immediate and long-range planning activities and capital investments of the state with respect to the movement of freight, as provided.

3) Requires CalSTA to establish a freight advisory committee to, among other responsibilities, participate in the development of the state freight plan.

This bill:

1) Requires GOBiz, in consultation with the DOF and CalSTA, to conduct a study on the impacts that potential future increases in tariffs and reciprocal tariffs on international trade of imports and exports, generally, and on trade specifically occurring at California's public seaports, cargo airports, and land ports of entry, might have on the following:

    a) California's economic output;

    b) Employment of Californians, both direct and indirect;

    c) Affordability of goods for California consumers;

d) State and local tax revenues;

e) Revenues at California airports, land ports of entry, and seaports, and the costs and availability of funding, financing, and underwriting of nonrevenue-based expenses, including environmental improvements, at these locations; and,

f) Specific sector-related impacts, including on manufacturing and agriculture, from both tariffs imposed by the United States on imports and reciprocal tariffs imposed by foreign countries on exports from California.

2) Requires CalSTA to convene the California Freight Advisory Committee to discuss the scope of the study within one calendar quarter of initiating the study.

3) Requires GOBiz to submit the study to the Legislature on or before January 1, 2029.

Comments

1) *Purpose of this bill.* According to the author, *"*In January 2025, President Trump announced his intention to impose tariffs of 25% on goods from Canada and Mexico, raise tariffs on China, and consider imposing tariffs on other goods and nations. China, Canada, and Mexico are California's three largest trade partners, and international trade accounts for a significant portion of California's economy – it supports millions of jobs, is critical to California's key industries, and produces billions of dollars in tax revenue. The proposed tariffs, some of which have already gone into effect, could have serious impacts on California's economic output, the affordability of consumer goods, employment, tax revenues, and financing for infrastructure and environmental improvements at California's sea ports, cargo airports, and land ports of entry. SB 263 will direct specified state agencies to conduct a study, which will inform policy decisions that promote California's trade competitiveness, address affordability concerns, protect California jobs, and continue funding critical clean energy infrastructure projects to reduce emissions related to the goods movement industry."

2) *Seaports in California.* California has 12 seaports (11 public, 1 private), through which large volumes of goods are both imported and exported internationally. The 12 seaports vary in size, operations, and finances. For example, California contains the nation's two largest seaports, the Port of

Los Angeles (POLA) and the Port of Long Beach (POLB)—both operated by public entities—as well as a smaller ports, such as the Port of Benicia (private).

With respects to international commerce and volume, according to a 2022 report by the Legislative Analyst Office (LAO), "ports are facilities where goods are loaded and unloaded from ships, as well as where goods are processed and prepared for further distribution to retailers and consumers." LAO further notes, ports handle a significant portion of international commerce. For example, waterborne vessels were the leading transportation mode for international freight in 2020, moving 40 percent of U.S. international freight value (worth more than $1.5 trillion) and 70 percent of freight by weight (almost 1.5 trillion tons).

3) *Economic Impacts.* While significant fluctuation with the Trump Administration's tariffs currently exists, tariffs are widely viewed to have negative economic impacts, such as increasing the costs of certain goods, causing economic slowdowns, and potentially raising unemployment. Considering the number of California ports and the volume of goods processed / transported annually, the rapid implementation of federal tariffs and reciprocal tariffs on imports and exports will have an impact on California's economy. However, it is currently unclear on what the comprehensive economic impacts of the fluctuating tariffs will be for the state. This bill directs GOBiz, in consultation with other relevant state departments, to conduct a study on the state's economic and labor impacts associated with the implementation of increased federal tariffs.

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

According to the Assembly Appropriations Committee:

1) Cost pressure of a significant amount, likely in the high hundreds of thousands of dollars to low millions of dollars, one time, to fund the study (General Fund and special funds).

SUPPORT: (Verified 10/16/25)

Associated General Contractors of California
Associated General Contractors-San Diego Chapter
California Association of Port Authorities
California Building Industry Association
California Chamber of Commerce

California Grocers Association
California Retailers Association
California Trucking Association
California Yimby
City of Long Beach
Consumer Watchdog
Consumers for Auto Reliability & Safety
Harbor Association of Industry and Commerce
Inland Empire Economic Partnership
International Longshore and Warehouse Union, Local 13
Long Beach Area Chamber of Commerce
Los Angeles Area Chamber of Commerce
Los Angeles County Business Federation
Pacific Maritime Association
Pacific Merchant Shipping Association
Port of Long Beach
Port of Oakland
San Francisco Bar Pilots
Supply Chain Federation
Western Growers Association

OPPOSITION: (Verified 10/16/25)

None received

GOVERNOR'S VETO MESSAGE:

> This bill requires the Governor's Office of Business and Economic Development (GOBiz), in consultation with the California State Transportation Agency (CalSTA) and the Department of Finance, to conduct a study on how increases in tariffs and reciprocal tariffs affect the state's international trade of imports and exports.
>
> The chaos brought by the Trump administration's trade policy is undisputed. California is pushing back through all avenues available, including challenging the legality of these actions in court. In addition to taking legal action, my Administration is actively assessing and responding to the impact of tariffs through various initiatives. GO-Biz's International Affairs and Trade Unit has produced a "Tariff Resource Guide" for businesses, and CalSTA's Freight Policy Team has developed a supply chain dashboard as they continuously coordinate with stakeholders from the logistics and supply

chain community. We are also investing in improving and modernizing our own systems, including $27 million in Go-Biz's Containerized Ports Interoperability Program and CalSTA's $1.5 billion investment to build a more efficient, sustainable, and resilient supply chain across the state.

While I appreciate the author's intent to study the impacts of tariffs, this bill is duplicative of ongoing work; another study is not needed to understand the economic chaos created by the Trump administration.

For this reason, I cannot sign this bill.

ASSEMBLY FLOOR: 69-5, 9/9/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, Dixon, Elhawary, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NOES: DeMaio, Ellis, Macedo, Patterson, Tangipa
NO VOTE RECORDED: Chen, Flora, Gallagher, Hadwick, Johnson, Sanchez

Prepared by: Manny Leon / TRANS. / (916) 651-4121
10/17/25 9:49:36

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

SENATE RULES COMMITTEE SB 274
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VETO

Bill No: SB 274
Author: Cervantes (D), et al.
Enrolled: 9/17/25
Vote: 27

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

SENATE PUBLIC SAFETY COMMITTEE: 5-1, 4/29/25
AYES: Arreguín, Caballero, Gonzalez, Pérez, Wiener
NOES: Seyarto

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

SENATE FLOOR: 28-6, 9/13/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Wahab, Weber Pierson, Wiener
NOES: Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland
NO VOTE RECORDED: Alvarado-Gil, Choi, Dahle, Stern, Umberg, Valladares

ASSEMBLY FLOOR: 41-29, 9/13/25 - See last page for vote

SUBJECT: Automated license plate recognition systems

SOURCE: Author

DIGEST: This bill requires operators and end-users of automated license plate recognition (ALPR) systems to bolster their safeguards relating to employee access and usage of such systems. This bill requires the Department of Justice (DOJ) to audit public agency operators and end-users annually to ensure compliance with their usage and privacy policies, as provided. This bill places retention limits on ALPR data, with exceptions.

ANALYSIS:

Existing law:

1) Provides, pursuant to the California Constitution, that all people have inalienable rights, including the right to pursue and obtain privacy. (California. Constitution. Article. I, § 1.)

2) Defines "automated license plate recognition system" or "ALPR system" to mean a searchable computerized database resulting from the operation of one or more mobile or fixed cameras combined with computer algorithms to read and convert images of registration plates and the characters they contain into computer-readable data. "ALPR information" means information or data collected through the use of an ALPR system. "ALPR operator" means a person that operates an ALPR system, except as specified. "ALPR end-user" means a person that accesses or uses an ALPR system, except as specified. The definitions exclude transportation agencies when subject to Section 31490 of the Streets and Highways Code. (Civil (Civ.) Code § 1798.90.5.)

3) Requires an ALPR operator to maintain reasonable security procedures and practices, including operational, administrative, technical, and physical safeguards, to protect ALPR information from unauthorized access, destruction, use, modification, or disclosure. ALPR operators must implement usage and privacy policies in order to ensure that the collection, use, maintenance, sharing, and dissemination of ALPR information is consistent with respect for individuals' privacy and civil liberties. It further requires the policies to include, at a minimum, certain specified elements. (Civ. Code § 1798.90.51.)

4) Requires an ALPR operator, if it accesses or provides access to ALPR information, to do both of the following:
   a) Maintain a record of that access, as specified.
   b) Require that ALPR information only be used for the authorized purposes described in the usage and privacy policy. (Civ. Code § 1798.90.52.)

5) Requires ALPR end-users to maintain reasonable security procedures and practices, including operational, administrative, technical, and physical safeguards, to protect ALPR information from unauthorized access, destruction, use, modification, or disclosure. ALPR end-users must implement usage and privacy policies in order to ensure that the access, use, sharing, and dissemination of ALPR information is consistent with respect for individuals' privacy and civil liberties. It further requires the policies to include, at a minimum, certain elements. (Civ. Code § 1798.90.53.)

6) Provides that a public agency shall not sell, share, or transfer ALPR information, except to another public agency, and only as otherwise permitted by law. For purposes of this section, the provision of data hosting or towing services shall not be considered the sale, sharing, or transferring of ALPR information. (Civ. Code § 1798.90.55.)

7) Authorizes the Department of the California Highway Patrol to retain license plate data captured by a license plate reader for no more than 60 days, except in circumstances when the data is being used as evidence or for all felonies being investigated, including, but not limited to, auto theft, homicides, kidnapping, burglaries, elder and juvenile abductions, Amber Alerts, and Blue Alerts. (Vehicle (Veh.) Code § 2413(b).)

This bill:

1) Provides that the current requirements for ALPR operators and end-users to maintain reasonable security procedures and practices must include:
   a) Safeguards for managing which employees can see the data from their systems, including requiring supervisory approval, robust authentication protocols for establishing an account to access an ALPR system, and tracking searches of ALPR information made by employees.
   b) Requiring data security training and data privacy training for all employees that access ALPR information.

2) Requires DOJ to conduct audits of public agency ALPR operators and end-users, as provided.

3) Requires that the usage and privacy policies must indicate the purpose for which specified employees and contractors are granted access to, and permission to use, ALPR information.

4) Prohibits a public agency from retaining ALPR information that does not match information on a hot list for more than 60 days after the date of collection.

Background

ALPR systems are searchable computerized databases resulting from the operation of one or more cameras combined with computer algorithms to read and convert images of registration plates and the characters they contain into computer-readable data. The cameras can be mobile, e.g. mounted on patrol cars, or fixed, e.g. mounted on light poles. ALPR systems allow for the widespread and systematic collection of license plate information. ALPR data can have legitimate uses, including for law enforcement purposes. Currently, at least 230 police and sheriff departments in California use an ALPR system, with at least three dozen more planning to use them. While such systems are useful, there are serious privacy concerns associated with the systematic collection, storage, disclosure, sharing, and use of ALPR data.

Current law requires operators of these systems and those using the data to implement usage and privacy policies. However, concerns have remained about the widespread collection of this data and the wildly inconsistent and opaque ways the data is used, stored, and destroyed. A scathing report from the California State Auditor confirms that police departments in the state are not complying with existing law and recommends further regulation of these systems. In fact, Attorney General Rob Bonta has recently filed a lawsuit against the El Cajon police department for "repeatedly violating state law by sharing [ALPR data] with law enforcement agencies in more than two dozen states."[1]

This bill implements some of the report's recommendations by providing for audits and requiring more specific safeguards regarding employee access to ALPR systems and provides more authority for DOJ to oversee these systems. ALPR information cannot be retained by public agencies for longer than 60 days if it does not match information on a hot list.

This bill is author-sponsored. It is supported by the California Public Defenders Association. It is opposed by a coalition of law enforcement groups. For a more thorough assessment, please see the Senate Judiciary Committee analysis of this bill.

[1] Wendy Fry, *California sues, says El Cajon police are illegally sharing license plate info with other agencies* (October 6, 2025) Associated Press, https://apnews.com/article/bill-wells-el-cajon-general-news-california-lawsuits-a1f63d67bcfca48ef58e77e2474c2567.

Comment

California State Auditor report uncovers disturbing lack of compliance, oversight. In response to the growing concerns with ALPR systems, the Joint Legislative Audit Committee tasked the California State Auditor with conducting an audit of law enforcement agencies' use of ALPR systems and data.

The 2020 report focused on four law enforcement agencies that have ALPR systems in place.[2] The report found that "the agencies have risked individuals' privacy by not making informed decisions about sharing ALPR images with other entities, by not considering how they are using ALPR data when determining how long to keep it, by following poor practices for granting their staff access to the ALPR systems, and by failing to audit system use." In addition, the audit found that three of the four agencies failed to establish ALPR policies that included all of the elements required by SB 34. All three failed to detail who had access to the systems and how it will monitor the use of the ALPR systems to ensure compliance with privacy laws. Other elements missing were related to restrictions on the sale of the data and the process for data destruction. The fourth entity, the Los Angeles Police Department, did not even have an ALPR policy.

The Auditor's report calls into question how these systems are being run, how the data is being protected, and what is being done with the data. The report reveals that agencies commingled standard ALPR data with criminal justice information and other sensitive personal information about individuals, heightening the need for stronger security measures and more circumscribed access and use policies.

According to the author:

> ALPRs are a form of location surveillance, the data they collect can reveal our travel patterns and daily routines, the places we visit, and the people with whom we associate and love. Along with the threat to civil liberties, these data systems pose significant security risks. There have been multiple known breaches of ALPR data and technology in recent years, indicating potential cybersecurity threats.
>
> In a climate where the current federal administration is pursuing mass deportations of U.S. citizens and undocumented individuals alike,

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[2] *Automated License Plate Readers, To Better Protect Individuals' Privacy, Law Enforcement Must Increase Its Safeguards for the Data It Collects* (February 2020) California State Auditor, https://www.auditor.ca.gov/pdfs/reports/2019-118.pdf.

Automated License Plate Recognition (ALPR) is a powerful surveillance technology that can invade the privacy of all individuals and violate the rights of entire communities. When considered in bulk, ALPR data can form an intimate picture of a driver's activities and even deter First Amendment-protected activities. This kind of targeted tracking threatens to chill fundamental freedoms of speech. ICE's contract allowing access to ALPR databases has emerged at a critical moment when concerns are escalating regarding the implications of data collection and retention practices, as well as the ongoing operations of immigration enforcement. These developments threaten to undermine the foundational goals of sanctuary city laws meant to protect vulnerable immigrant communities within our state.

ALPR technology also poses a risk to individuals who frequent sensitive locations like health care facilities, immigration clinics, gun shops, labor union halls, protest sites, and places of worship. Using this technology to monitor and target vehicles in these areas can create a chilling effect, discouraging individuals from seeking necessary services or participating in civic engagement due to fear of being tracked or apprehended by immigration authorities. Ultimately, these practices not only compromise community trust but also undermine the very principles of safety and protection that sanctuary laws aim to uphold.

Most ALPR data is stored in databases for extended periods, often up to five years. While police departments typically maintain these databases, they are frequently managed by private companies. Law enforcement agencies that do not have their own ALPR systems can access data collected by other agencies through regional sharing systems and networks operated by these private firms. Senate Bill 274 would prohibit public agencies from using ALPR systems to collect geolocation data at specific locations for immigration enforcement purposes and would limit the retention of ALPR information to no more than 30 days.

The temptation to "collect it all" should never overshadow the critical responsibility to "protect it all." Senate Bill 274 is a significant legislative measure aimed at establishing robust safeguards and crucial oversight regarding the use of ALPR throughout our state. This bill is designed to ensure that the privacy of Californians is

respected and preserved, while also maintaining compliance with existing sanctuary laws that safeguard vulnerable communities. Under this bill, public safety agencies will be required to collect only the data necessary for legitimate criminal investigations, thereby preventing any potential misuse of ALPR technology. Specifically, the legislation prohibits the use of ALPR information for immigration enforcement purposes, ensuring that local law enforcement agencies do not overreach or compromise the trust of the communities they serve. By implementing these measures, Senate Bill 274 aims to strike a balance between enhancing public safety and protecting individual privacy rights in our increasingly digitized world.

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

According to the Senate Appropriations Committee:

- Department of Justice (DOJ): Unknown, potentially significant workload costs pressures (General Fund) to the DOJ to audit any public agency that is an ALPR operator or ALPR end-user to determine whether they have implemented a usage and privacy policy.

State and Local Agencies: Unknown, potentially significant costs (General Fund, local funds) to state and local agencies, including any law enforcement agency that uses ALPRs. If the Commission on State Mandates determines these costs to constitute a reimbursable state mandate, the state may need to reimburse these local costs.

According to the Assembly Appropriations Committee:

1) Ongoing annual costs (General Fund) of an unknown but substantial amount, likely in the high hundreds of thousands of dollars annually, to DOJ to conduct annual random audits of each public agency that is an ALPR operator or end-user. The DOJ did not provide its estimate of costs, but affirmed it interprets the bill as requiring DOJ to conduct an annual in-person audit of each public agency that is an ALPR operator or end-user to determine whether the agency has complied with the requirements of state law and with the agency's own privacy policy.

2) Annual costs (various funds) of an unknown amount, but likely in the hundreds of thousands of dollars at least, to each state agency that operates ALPRs, such as the California Highway Patrol.

3) Potential annual costs (General Fund) of an unknown amount, but likely in the hundreds of thousands of dollars at least, to reimburse local public agency costs

to comply with this bill. The state would incur these costs only if a local agency or agencies filed a claim with the Commission on State Mandates and the commission determined the state liable for reimbursement.

SUPPORT: (Verified 10/7/25)

California Public Defenders Association
Surveillance Technology Oversight Project

OPPOSITION: (Verified 10/7/25)

Arcadia Police Officers' Association
Brea Police Association
Burbank Police Officers' Association
California Association of School Police Chiefs
California Coalition of School Safety Professionals
California Narcotic Officers' Association
California Police Chiefs Association
California Reserve Peace Officers Association
California State Sheriffs' Association
City of Los Alamitos
City of Thousand Oaks
Claremont Police Officers Association
Corona Police Officers Association
Culver City Police Officers' Association
Electronic Frontier Foundation
Fullerton Police Officers' Association
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
Sacramento County Sheriff Jim Cooper
Santa Ana Police Officers Association

ARGUMENTS IN SUPPORT: Surveillance Technology Oversight Project writes:

Fusion centers in California and across the nation routinely facilitate ICE's access to ALPR data, violating state and local protections for undocumented immigrants and allowing ICE to easily and efficiently intercept the individuals it targets. Cutting off ALPR data access is essential to blocking the mass deportation of Californians.

Senate Bill 274 will hold local law enforcement accountable if it shares ALPR data in violation of California's sanctuary laws, ending the current status quo, which allows that sharing without consequences. Beyond this, it is an important privacy measure for all Californians: SB 274 will eliminate the over-long storage of data that reveals all California drivers' life patterns, including where they live, work, socialize, and worship.

ARGUMENTS IN OPPOSITION: A coalition of law enforcement agencies, including the California Coalition of School Safety Professionals, writes:

While we appreciate the author's effort to permit law enforcement to access LPR data when the information is used as evidence or for all felonies being investigated, there is no way to know in advance when the LPR data will be used as evidence or for a felony that has not yet been committed.

Additionally, the restrictions imposed by SB 274 would prevent investigators from accessing the LPR data for misdemeanors, including violent misdemeanors.

As currently amended, SB 274 will significantly hamper the ability of law enforcement to effectively investigate crimes throughout the state by requiring the deletion of LPR data after 30 days, thereby preventing investigators from using the LPR data to investigate crimes which occurred more than 30 days ago.

GOVERNOR'S VETO MESSAGE:

To the Members of the California State Senate:

I am returning Senate Bill 274 without my signature.

This bill restricts the use and sharing of automated license plate reader (ALPR) data, including by placing a default 60-day limit on how long public entities may retain ALPR data.

I appreciate the author's intent to prevent information regarding a person's whereabouts from falling into the wrong hands. Nevertheless, this measure does not strike the delicate balance between protecting individual privacy and ensuring public safety. For example, it may not be apparent, particularly win respect to cold cases, that license plate data is needed to solve a crime until after the 60-day retention period has elapsed. Conversely, restrictions on interagency data sharing may impair solving crimes in real time, such as highway shootings, where the suspect may be rapidly crossing jurisdictional boundaries.

Further, by restricting law enforcement agencies' use of ALPR information only for locating persons or vehicles suspected of involvement in crimes, this bill would prevent the use of this information to locate missing persons. This bill also creates cost pressures, which are not accounted for in this year's budget, by requiring the Department of Justice to conduct random audits of public entities in order to ensure compliance with this bill. In partnership with the Legislature this year, my Administration has enacted a balanced budget that recognizes the challenging fiscal landscape our state faces while maintaining our commitment to working families and our most vulnerable communities. With significant fiscal pressures and the federal government's hostile economic policies, it is vital that we remain disciplined when considering bills with significant fiscal implications that are not included in the budget, such as this measure.

ASSEMBLY FLOOR: 41-29, 9/13/25
AYES: Addis, Aguiar-Curry, Alvarez, Arambula, Ávila Farías, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Jackson, Kalra, Lee, Lowenthal, McKinnor, Ortega, Pellerin, Quirk-Silva, Celeste Rodriguez, Rogers, Schultz, Sharp-Collins, Solache, Valencia, Ward, Wicks, Wilson, Zbur, Rivas
NOES: Alanis, Bains, Castillo, Chen, Davies, DeMaio, Dixon, Ellis, Flora, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Irwin, Johnson, Krell, Lackey, Macedo, Pacheco, Patterson, Petrie-Norris, Ramos, Ransom, Michelle Rodriguez, Blanca Rubio, Sanchez, Ta, Tangipa, Wallis

NO VOTE RECORDED: Ahrens, Calderon, Caloza, Muratsuchi, Nguyen, Papan, Patel, Schiavo, Soria, Stefani

Prepared by: Christian Kurpiewski / JUD. / (916) 651-4113
10/8/25 10:05:27

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

Office of Senate Floor Analyses
(916) 651-1520 Fax: (916) 327-4478

VETO

Bill No: SB 275
Author: Smallwood-Cuevas (D), et al.
Enrolled: 9/12/25
Vote: 27

SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 5-0, 3/26/25
AYES: Smallwood-Cuevas, Strickland, Cortese, Durazo, Laird

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

SENATE FLOOR: 40-0, 9/9/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ASSEMBLY FLOOR: 78-1, 9/8/25 - See last page for vote

SUBJECT: Eligible training provider list

SOURCE: California Workforce Association

DIGEST: This bill prohibits an approved training provider from being removed from the eligible training provider list (ETPL), if the provider has submitted verification of completion of continued eligibility requirements through a local workforce development board, as specified, and requires continued eligibility reviews to be conducted once every two fiscal years, as specified.

ANALYSIS:

Existing federal law establishes the Workforce Innovation and Opportunity Act (WIOA) to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. (Title 29 United States Code (U.S.C.) §3101-3361)

Existing state law:

1) Establishes the California Workforce Development Board (CWDB), under the purview of the Labor and Workforce Development Agency, as the body responsible for assisting the Governor in the development, oversight, and continuous improvement of California's workforce system, including its alignment to the needs of the economy and the workforce. (Unemployment Insurance Code (UIC) §14010 et seq.)

2) Provides that the CWDB, in collaboration with state and local partners, including the California Community Colleges Chancellor, the State Department of Education, other appropriate state agencies, and local workforce development boards must develop the State Plan to serve as a framework for the development of public policy, employment services, fiscal investment, and operation of all state labor exchange, workforce education, and training programs to address the state's economic, demographic, and workforce needs. The strategic workforce plan must be prepared in a manner consistent with the requirement of the federal WIOA of 2014. (UIC §14020)

3) Requires CWDB to do the following in order to support the requirement of the State Plan:
   a) Identify industry sectors and industry clusters that have a competitive economic advantage and demonstrated economic importance to the state and its regional economies.
   b) Identify industry sectors and industry clusters with substantial potential to generate new jobs and income growth for the state and its regional economies.
   c) Provide a skills-gap analysis enumerating occupation and skills shortages in the industry sectors and industry clusters as having strategic importance to the state's economy and its regional economies. Skills-gap analysis for the state and its regional economies must use labor market data to specify a list of high-priority, in-demand occupations for the state and its regional economies. This list must be used to inform investment decisions and eligible training provider policies.

d) Establish, with input from local workforce development boards and other stakeholders, initial and subsequent eligibility criteria for the federal WIOA of 2014 eligible training provider list that effectively directs training resources into training programs leading to employment in high-demand, high-priority, and occupations that provide economic security, particularly those facing a shortage of skilled workers. (UIC §14020(d))

4) Establishes eligibility criteria, to the extent feasible, which must use performance and outcome measures to determine whether a provider is qualified to remain on the eligibility list. At a minimum, initial and subsequent eligibility criteria shall consider the following:
   a) The relevance of the training program to the workforce needs of the state's strategic industry sectors and industry clusters.
   b) The need to plug skills gaps and skills shortages in the economy, including skills gaps and skills shortages at the state and regional level.
   c) The need to plug skills gaps and skills shortages in local workforce development areas.
   d) The likelihood that the training program will lead to job placement in a job providing economic security or job placement in an entry-level job that has a well-articulated career pathway or career ladder to a job providing economic security.
   e) The need for basic skills in combination with programs that provide occupational skills training for individuals with barriers to employment and those who would otherwise be unable to enter occupational skills training.
   f) To the extent feasible, local boards must utilize criteria that measure training and education provider performance, including, but not limited to, the following:
      i.) Measures of skills or competency attainment.
      ii.) Measures relevant to program completion, including measures of course, certificate, degree, licensure, and program of study rate of completion.
      iii.) For those entering the labor market, measures of employment placement and retention.
      iv.) For those continuing in training or education, measures of educational or training progression.
      v.) For those who have entered the labor market, measures of income, including wage measures. (UIC §14020 (d)(4))

This bill:

1) Prohibits an approved training provider who has submitted verification of completion of continued eligibility though a local workforce development board from being removed from the eligible training provider list (ETPL) until a determination has been made that the provider or program does not meet eligibility requirements.

2) Requires continued eligibility review to be conducted once every two fiscal years in a manner determined by EDD.

3) Provides that it is the intent of the Legislature in enacting this is to streamline the continued eligibility process for trainees, trainers, local workforce development boards, and EDD.

Background

California Workforce Development Board and the State Plan. The CWDB was established in 1998, as outlined in the federal Workforce Investment Act. In 2014, the Workforce Investment Act was replaced by the WIOA, which outlined the vision and structure through which state workforce training and education programs are funded and administered regionally and locally. WIOA mandates the creation of a statewide strategic workforce plan. Every few years, the CWDB, in conjunction with its statewide partners, releases the Unified Strategic State Plan (State Plan).

In order to support the requirement of the State Plan, CWDB was required to establish initial eligibility criteria for the federal WIOA eligible training provider list that directs training resources into training programs leading to high-demand, high-priority employment, and occupations that provide economic security, particularly those facing a shortage of skilled workers. CWDB also established eligibility criteria, to the extent feasible, which used performance and outcome measures to determine whether a provider is qualified to remain on the eligibility list.

California Eligible Training Provider List. The California Eligible Training Provider List (ETPL) helps adults and people who have lost their jobs find training programs. The ETPL includes approved places that offer different types of training, including classes, online courses, and apprenticeships. The ETPL was created by the Workforce Investment Act of 1998 and updated by the WIOA of

2014. The training providers on this list are funded through WIOA to help cover training costs.

Training providers who would like to be added to the ETPL, must register by creating an account on CalJOBS. After registering, the local workforce development boards will review the application. If the training providers are approved as an eligible training provider, they can submit training programs to be listed on the ETPL.

The Employment Development Department (EDD) is the entity responsible for publishing, disseminating, and maintaining the comprehensive ETPL with performance and cost information. In addition, EDD is responsible for ensuring programs meet the eligibility criteria and performance levels established by the CWDB; removing programs that do not meet the program criteria or performance levels established; and taking enforcement actions against providers that intentionally provide inaccurate information, or that substantially violate the requirements of WIOA.

Prior/Related Legislation

SB 1270 (Eduardo Garcia, Chapter 94, Statutes of 2015) made necessary changes to existing workforce development statutes to conform to the new federal guidelines under the Workforce Innovation and Opportunity Act (WIOA) while preserving core elements of California's workforce development policies. This bill updated statutory references to the Workforce Investment Act of 1998 to instead refer to the WIOA and make related conforming changes. This bill also renamed the California Workforce Investment Board (CWIB) the California Workforce Development Board and revised the membership of the board. Finally, this bill renamed the local boards as local workforce development boards and revised their duties consistent with the federal WIOA.

SB 118 (Lieu, Chapter 562, Statues of 2013) required the former California Workforce Investment Board (CWIB), now called the California Workforce Development Board (CWDB), to incorporate specific principles into the State Plan that align the education and workforce investment systems of the state to the needs of the 21st century economy and promotes a well-educated and highly skilled workforce to meet the future workforce needs. SB 118 also established, with input from local workforce development boards and other stakeholders, initial and subsequent eligibility criteria for the WIOA Eligible Training Provider List (ETPL) that effectively directs training resources into training programs leading to

employment in high-demand, high-priority, and high-wage occupations, as specified.

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

According to the Assembly Appropriations Committee:

- One-time costs of approximately $500,000 (Contingent Fund) and ongoing costs of approximately $500,000 (Consolidated Work Program Fund) to EDD to: (a) update ETPL policy and procedures impacting the initial and subsequent eligibility review processes, including publishing guidance for LWDBs, (b) update information technology systems to support such changes, and (c) hire additional staff to review provider applications and meet applicable federal deadlines within this bill's compressed timeline. EDD notes that a prior similar ETPL program revision required approximately two years to complete, and estimates needing up to 30 months to implement this bill.

- Minor and absorbable costs across the 45 LWDBs to submit the required ETPL reviews to EDD every two years. The sponsor of this bill notes that EDD currently requires LWDBs to submit reviews annually and reducing report frequency will alleviate related staff workload costs for LWDBs. If the Commission on State Mandates determines this bill's requirements to be a reimbursable state mandate, the state would need to reimburse these costs to local agencies.

SUPPORT: (Verified 10/8/25)

California Workforce Association (Source)
Association of Community and Continuing Education
Alameda County Workforce Development Board
Apple Valley Adult School
Association of Community and Continuing Education
Bakersfield Adult School
Bay Area Community College Consortium
Beaumont Adult School
Butte Community College
Cabrillo Community College District
California Adult Education Administrators Association
California Council for Adult Education
California Edge Coalition
Capital Adult Education Regional Consortium

Castro Valley Adult and Career Education
CAUSE Impacts
Chaffey Community College District
Citrus College
City of Riverside
Coast Community College District
College of the Siskiyous
Consumnes River College Franklin Career Center
Copper Mountain College
County of Kern
County of Los Angeles Board of Supervisors
Cuesta Community College
Eastbay Works
Elk Grove Adult and Community Education
Escondido Adult School
Fairfield-Suisun Adult School
Fontana Adult School
Foothill Workforce Development Board
Fresno City College
Fresno Regional Workforce Development Board
Golden Sierra Workforce Development Board
Grossmont Community College
Hartnell Community College District
Imperial County Workforce Development Board
L. M. Lewis Consulting
Lake Elsinore Unified School District
Lake Elsinore Valley Adult School
Laney College
Laney Community College
Lassen Community College
Los Angeles Cleantech Incubator
Los Angeles Valley College
Martinez Adult Education
Mendocino College
Mendocino Community College District
Mendocino-lake Adult and Career Education Consortium
Merritt Community College
Mid-alameda County Consortium for Adult Education
Mira Costa Community College District
Miracosta College

Modesto Junior College
Monterey County Workforce Development Board
Moreno Valley Community College
Mother Lode Job Training
Mt. Diablo Adult Education
Mt. Sac School of Continuing Education
Mt. San Antonio College
Mt. San Jacinto Community College District
Murrieta Valley Adult School
Norco Community College
North Orange County Community College District
North Orange County Regional Occupational Program
North Orange County ROP Education Center
Novaworks
Oakland Adult and Career Education
Oakland Private Indistry Council
Oakland Workforce Development Board
Opportunity Junction
Oxnard Community College
Palo Verde College
Palo Verde Community College District
Pittsburg Adult Education Center
Pittsburg Adult School
Placer School for Adults
Redlands Adult School
Richmond Workforce Development Board
Richmond Works
Rio Hondo College
Rio Hondo Community College
Riverside Adult School
Riverside Community College
Riverside Community College District
Rubicon Programs
Saddleback College
Salinas Adult School
San Benito County Workforce Development Board
San Bernardino Community College District
San Bernardino Valley College
San Bernardino Valley Community College Applied Technology Center
San Diego & Imperial Counties Community Colleges Regional Consortium

San Diego Community College District
San Francisco Office of Economic & Workforce Development
San Juan Adult Education
San Mateo Adult and Career Education
Santa Barbara Community College District
Santiago Canyon Community College
Shasta Community College
South Bay Workforce Investment Board
Southwest Riverside Adult Education Consortium
Southwestern Community College District
Taft Community College
The Anaheim Workforce Development Board
The League Xs
The Unity Council
Tri-valley Career Center
Unite-la, INC.
Visalia Adult School
Vista Adult School
West Contra Costa Adult Education
West Hills College Lemoore
West Valley Community College
Whittier Union Adult School
Woodland Adult Education
Workforce Alliance of The North Bay
Workforce Development Board of Madera County
Workforce Development Board of Solano County

OPPOSITION: (Verified 10/8/25)

None received

ARGUMENTS IN SUPPORT: According to the sponsors, the California Workforce Association: "As the sponsor of SB 275, we recognize the critical role that the [California Eligible Training Provider List (ETPL)] plays in providing job seekers with access to high-quality training programs that align with California's workforce needs. However, the current requirement that training providers submit continued eligibility documentation every 365 days—rather than on a biannual basis, as permitted under federal guidelines—creates an unnecessary administrative burden for providers, local workforce boards, and EDD staff. One of the challenges with the 365-day cycle is limited access to employment and wage data, which may disqualify eligible providers due to underreported performance metrics.

The EDD states in its directive that, when reviewing continued eligibility submissions, it will review and render a decision within 30 days of receiving the continued eligibility application. Due to staffing shortages and other constraints, this is not happening. When this happens, providers fall off the ETPL. This has resulted in providers being removed from the list simply due to administrative delays rather than noncompliance. In some areas, this has resulted in 100% of providers falling off the list.

SB 275 offers a practical solution by allowing providers to submit continued eligibility documents biannually and ensuring that they remain on the ETPL while their applications are under review. These changes will enhance efficiency, reduce administrative bottlenecks, and prevent disruptions in workforce training services that are essential to California's economic growth and workforce development goals."

GOVERNOR'S VETO MESSAGE:

> This bill would ease the eligibility review process for training providers on the Eligible Training Provider List (EPTL) under the Workforce Innovation and Opportunity Act of 2014 by establishing a uniform two-year review window.
>
> I share the author's commitment to expanding access to high-quality training programs and preventing unnecessary disruptions in the eligibility review process. As part of that commitment, my administration established an advisory group earlier this year to engage in a collaborative, bottom-up approach to improving the ETPL process. The work of the advisory group, which includes representatives from local workforce boards, training providers, community organizations, community colleges, and adult education programs, is ongoing.
>
> This bill undermines the advisory group's effort and could delay necessary reforms. Moreover, this measure may conflict with federal rules that require the first continued eligibility review to occur within one year of a provider's initial approval, rather than two.
>
> For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 78-1, 9/8/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon,

Caloza, Carrillo, Castillo, Chen, Connolly, Davies, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NOES: DeMaio

NO VOTE RECORDED: Nguyen

Prepared by: Jazmin Marroquin / L., P.E. & R. / (916) 651-1556
10/8/25 14:26:42

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

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VETO

Bill No: SB 292
Author: Cervantes (D)
Enrolled: 9/13/25
Vote: 27

SENATE ENERGY, U. & C. COMMITTEE: 16-0, 4/29/25
AYES: Becker, Ochoa Bogh, Allen, Archuleta, Arreguín, Ashby, Caballero, Dahle, Gonzalez, Hurtado, Limón, McNerney, Rubio, Stern, Strickland, Wahab
NO VOTE RECORDED: Grove

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

SENATE FLOOR: 38-0, 6/3/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Jones, Reyes

SENATE FLOOR: 40-0, 9/11/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ASSEMBLY FLOOR: 78-0, 9/10/25 - See last page for vote

SUBJECT: Electricity: wildfire mitigation: deenergization events and reliability

SOURCE: Author

DIGEST: This bill requires the California Public Utilities Commission (CPUC) to consider requiring specified data reporting by electrical corporations regarding post-deenergization event reports and annual reliability reports. This bill also requires electric publicly owned utilities (POUs) to post on their website annual reliability reports.

ANALYSIS:

Existing law:

1) Establishes the CPUC with regulatory authority over public utilities, including electrical corporations. (Article XII of the California Constitution)

2) Requires every public utility to furnish and maintain adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities, as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public. (Public Utilities Code §451)

3) Requires the CPUC to adopt inspection, maintenance, repair, and replacement standards, for the distribution systems of electrical corporations and requires the standards or rules to provide for high-quality, safe, and reliable service. Requires the CPUC to adopt standards for operation, reliability, and safety during periods of emergency and disaster. (Public Utilities Code §364)

4) Establishes the policy of the state that each electrical corporation is required to continue to operate its electric distribution grid in its service territory and to do so in a safe, reliable, efficient, and cost-effective manner. (Public Utilities Code §399.2(a))

5) Authorizes the CPUC to supervise and regulate every public utility in the state and to do all things necessary and convenient in the exercise of such power and jurisdiction. (Public Utilities Code §701)

6) Requires the CPUC to require an electrical corporation to include in its annual reliability report information on the reliability of service to end-use customers that identifies the frequency and duration of interruptions of service. (Public Utilities Code §2774.1)

7) Requires an electrical corporation to construct, maintain, and operate its electrical lines and equipment in a manner that will minimize the risk of catastrophic wildfire posed by those electrical lines and equipment. (Public Utilities Code §8386 (a))

8) Requires electrical corporations, local electric POUs, and electrical cooperatives to annually prepare wildfire mitigation plans (WMPs) that include, among other things, descriptions of protocols for disabling reclosers and deenergizing portions of the electrical distribution system that consider the associated impacts on public safety and protocols related to mitigating public safety impacts of disabling reclosers and deenergizing portions of the electrical distribution system. (Public Utilities Code §8386 (b))

9) Requires the WMPs of electrical corporations to identify circuits that have frequently been deenergized pursuant to a deenergization event to mitigate the risk of wildfire and the measures taken, or planned to be taken, by the electrical corporation to reduce the need for, and impact of, future deenergization of those circuits. (Public Utilities Code §8386 (c)(8))

10) Defines "access and functional needs population" consists of individuals who have developmental or intellectual disabilities, physical disabilities, chronic conditions, injuries, limited English proficiency or who are non-English speaking, older adults, children, people living in institutionalized settings, or those who are low income, homeless, or transportation disadvantaged, including, but not limited to, those who are dependent on public transit or those who are pregnant relative to a local jurisdiction's emergency plan. (Government Code §8593.3(f))

11) Defines "disadvantaged community" to be areas disproportionately affected by environmental pollution and areas with concentrations of people who are low-income, among other factors. (Health and Safety Code §39711)

This bill:

1) Requires the CPUC, on or before January 1, 2027, to determine whether its existing policies and procedures should be revised or enhanced to augment the safety and reliability of the electrical distribution system, including whether to consider reliability statistics of census tracts and whether the data reported aids the CPUC's understanding of patterns of electrical outages that affect tribal governments, rural, disadvantaged or low-income communities.

2) Requires a local electric POU to prepare an annual electric reliability report that identifies the frequency and duration of interruptions of service and may include specified reliability metrics and statistics. Requires that information in the annual reliability report prepared by the local electric POU and made publicly available be provided with sufficient confidentiality to protect electrical system security.

3) Imposes a state-mandated local program by imposing additional duties on a local electric POU.

4) Makes legislative findings to limit the rights to information in the require reports to ensure they are sufficiently confidential for purposes of protecting electrical system security.

5) Requires electrical corporations to work with persons representatives of agencies and community-based organizations that serve, advocate on behalf of, or serve and advocate on behalf of, persons from the access and functional needs population to develop and make publicly available a plan to support that population during deenergization events.

6) Requires electrical corporations, after each deenergization event, to prepare a post-deenergization event report that complies with the CPUC's reporting requirements.

7) Requires the CPUC, on or before January 1, 2027, to determine whether that report should also include other specified information, including census-tract level information and whether the census-tract is identified as a disadvantaged community.

8) Requires the report to be provided to the locally elected body and specified individuals of the cities and counties affected by the deenergization event.

Background

Electricity service reliability annual reporting. Pursuant to CPUC decisions (D. 16-01-008 and D. 96-09-045) and statute, electrical corporations are required to annually prepare electric system reliability reports detailing the previous year's electric reliability on their respective system and division levels based on recorded average outage duration and frequency. Electric system reliability metrics are defined by the Institute of Electrical and Electronics Engineers (IEEE) in standard

IEEE 1366 – Guide for Electric Power Distribution Reliability Indices. The reports are required to be submitted by electrical corporations to the CPUC on July 15th. Additionally, the CPUC requires electrical corporations to make reliability data available to the public upon request.

The CPUC requires electrical corporations to report on the following four metrics annually:

- System Average Interruption Duration Index (SAIDI) – measures the average total minutes of outage that a customer on the system experienced in the reporting year.
- System Average Interruption Frequency Index (SAIFI) – measures the average number of sustained outages (i.e., outages greater than five minutes in duration) that a customer on the system experienced in the reporting year.
- Customer Average Interruption Duration Index (CAIDI) – measures the average duration of a single sustained outage (i.e., an outage that lasted longer than five minutes) that a customer experienced in the reporting year.
- Momentary Average Interruption Duration Index (MAIFI) – measures the average number of momentary outages (i.e., outages that lasts less than five minutes) that a customer experienced in the reporting year.

The CPUC requires the above metrics to be reported with, and without, the inclusion of Major Event Days (MEDs). MEDs are defined by IEEE 1366 as days in which the daily SAIDI of an event exceeds a statistically defined threshold based on the previous five years of daily SAIDI data. According to the CPUC website, this threshold excludes all but the worst 0.63% of outage events, making MEDs low frequency, high consequence events. The cause of an outage has no bearing on whether it will be classified as an MED. Deenergization events understood as proactive power shutoffs by electrical corporations to reduce the risks of fires (coined as Public Safety Power Shutoff (PSPS) events) are considered MEDs only insofar as they exceed the statistically defined threshold for MEDs.

Deenergization events. In recent years, California has experienced a number of catastrophic wildfires, including several ignited by electrical utility infrastructure. Electrical equipment, including downed power lines, arcing, and conductor contact with trees and grass, can act as an ignition source. Risks for wildfires also increased with extended drought and bark beetle infestation that has increased tree mortalities and, as a result, increased the fuel, and risk for wildfires. As a result, electrical corporations have increasingly utilized proactive power shutoffs, deenergization of electric distribution (and sometimes transmission) lines, as a tool to prevent igniting wildfires, particularly during high wind event days with dry

ground conditions. Although the use of proactive power shutoffs were met with opposition and concerns about its use by affected communities, ultimately the CPUC acknowledged electrical corporations' authority to deenergize lines in order to protect public safety, noting this authority in Public Utilities Code §451 and §399.2.

Oversight and post-event reporting of deenergization events. The CPUC adopted protocols for deenergizing electric lines with a focus on who should receive notice and when, who should be responsible for notification, how different customer groups should be identified, the information that should be included in notifications in advance of and directly preceding a deenergizing event, the methods of communication, and how the electrical corporations should communicate and coordinate with public safety partners before, during, and after an event. The protocols require electrical corporations to develop work groups that include representative of the access and functional needs population. As the protocols have evolved over the years, there has been expanded requirements to develop needs assessments and plans to coordinate with identified access and functional needs population. Electrical corporations are also required to incorporate their protocols and procedures for proactive power shutoffs, as required by CPUC rules, within their WMPs. Additionally, the CPUC requires electrical corporations to provide post-event reports after each deenergization event with specified information, including: a list of circuits deenergized, its corresponding county, number of customers affected, and whether those customers are identified as requiring additional energy for medical reasons (medical baseline) or access and functional needs and maps of the affected areas. Electrical corporations must file these reports within 10 business days of restoration of service following a deenergization event (with some opportunity to extend the deadline).

Comments

Need for this bill. According to the author's office,

> The bill is designed to furnish valuable insights into affected communities through a process of community-engaged vulnerability analysis and mitigation initiatives. By assessing energization events and collecting relevant data proactively, we can take pre-emptive measures to address potential crises. Our state must grasp the risks that its diverse communities face regarding power outages to pursue innovative and effective resilience solutions.

> It is particularly important to highlight that individuals across different income levels and privilege spectrums—especially those who have been historically marginalized and low-income—are disproportionately affected by outages. These communities often deal with overlapping vulnerabilities such as inadequate infrastructure, limited access to resources, and social isolation, which can severely impede their ability to recover from disasters.

Desire for more granular data about customers affected by power outages. In January of this year, with expected severe Santa Ana winds, low-humidity, high vegetation growth from previous wet winters, and dry conditions due to delayed precipitation, Southern California was at high risk for wildfires. Additionally, aerial fire suppression was limited by the extreme winds, which included gusts approaching 100 mph in some areas. As a result of these conditions, Southern California Edison (SCE) executed proactive power shutoffs resulting in extended outages throughout their service territory impacting upwards of over 500,000 customer accounts (affecting many times more individuals) between January 2 through January 27, including two separate (and, in some cases, overlapping) events. These deenergization events coincided with several wildfires in the broader region, including two large catastrophic fires, the Palisades Fire and the Eaton Fire, whose causes have not been determined, but in the case of the Eaton Fire, SCE suspects an out-of-service transmission tower may have played a role. The proactive power shutoffs executed by SCE in January of this year left customers across their service territory without power and, in some cases, without advanced notification of the loss of power. The bill's author's office notes their district was among the very hard-hit from the power outages, as power was shutoff for nearly a week in areas that had never experienced proactive power shutoffs. This bill requires the CPUC to consider additional data as part of existing reporting requirements in order to help better understand the impacts of these power shutoffs and other power outage events at a more granular level, specifically at the census-tract level and with identification for disadvantaged communities with the premise of better understanding any disproportionate effect on these communities. This bill also requires electrical corporations to work with organizations that support the access and functional needs population to plan for deenergization events, consistent with existing CPUC rules. The author's office has shared this is intended to reflect the existing requirements and practice of the CPUC deenergization protocols. This bill also requires electric POUs to post annual reliability reports on their respective websites and submit these reports to the CEC.

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

According to the Assembly Appropriations Committee:

Onetime costs to the CPUC, likely in the hundreds of thousands of dollars (Public Utilities Commission Utilities Reimbursement Account), to consider IOUs post-deenergization event report requirements and annual IOU reliability report requirements.

According to the CPUC, most of the work required by this bill is already underway, though not yet complete, and the bill's requirements might be premature. Even so, the CPUC indicates it would assign an administrative law judge to complete the tasks the bill requires of it, at an annual cost of $257,000.

SUPPORT: (Verified 10/6/25)

None received

OPPOSITION: (Verified 10/6/25)

None received

ARGUMENTS IN SUPPORT: According to the author:

> SB 292 plays a crucial role by providing detailed historical and natural disaster-related data on power outages, which is essential for developing robust resilience planning strategies. As a state, it is imperative that we gain a deep understanding of the complexities surrounding demographic and socioeconomic factors to effectively enhance our planning efforts. This comprehensive data will serve as a guiding light, allowing us to identify and prioritize investments in the most vulnerable areas and implement tailored local solutions that can offer critical support during disasters, outages, and crises.

GOVERNOR'S VETO MESSAGE:

> I am returning Senate Bill 292 without my signature.
>
> This bill would require the California Public Utilities Commission (CPUC) to determine whether existing electric investor-owned utility (IOU) annual electric service reliability reports and post-Public Safety Power Shutoff (PSPS) event reports should include more detailed, circuit-level, and demographic data. The bill also requires the CPUC to consider amendments to General Order (GO) 166-Standards for Operation, Reliability, and Safety During Emergencies and Disasters – and requires publicly owned utilities to post their annual electric service reliability reports online.

While I share the author's desire to improve the collection and disclosure of information related to PSPS events, this bill is duplicative of an existing CPUC public decision-making process. As such, this bill disrupts the procedures and requirements that have been developed over the past several years to effectively collect and disclose information about the factors influencing utility PSPS events and their frequency, scope and duration.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 78-0, 9/10/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO VOTE RECORDED: Flora, Tangipa

Prepared by: Nidia Bautista / E., U. & C. / (916) 651-4107
10/8/25 11:58:07

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

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VETO

Bill No: SB 298
Author: Caballero (D), et al.
Enrolled: 9/13/25
Vote: 27

SENATE ENERGY, U. & C. COMMITTEE: 14-0, 4/7/25
AYES: Becker, Allen, Archuleta, Arreguín, Ashby, Caballero, Gonzalez, Grove, Hurtado, Limón, McNerney, Rubio, Stern, Wahab
NO VOTE RECORDED: Ochoa Bogh, Dahle, Strickland

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 8-0, 4/30/25
AYES: Blakespear, Valladares, Dahle, Gonzalez, Hurtado, Menjivar, Padilla, Pérez

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

SENATE FLOOR: 34-0, 6/2/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Alvarado-Gil, Choi, Hurtado, Jones, Ochoa Bogh, Reyes

SENATE FLOOR: 38-0, 9/11/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Alvarado-Gil, Choi

ASSEMBLY FLOOR: 80-0, 9/9/25 - See last page for vote

SUBJECT: State Energy Resources Conservation and Development Commission: seaports: plan: alternative fuels

SOURCE: Pacific Merchant Shipping Association

DIGEST: This bill requires the California Energy Commission (CEC) to develop a specified plan for oceangoing vessels' alternative fuel needs at California's public seaports.

ANALYSIS:

Existing law:

1) Establishes the CEC as a five-member body appointed by the Governor and specifies the duties of the CEC, which includes, but is not limited to assessing trends in energy consumption and forecasting the demand and supply for certain fuels in the states. (Public Resources Code §25200 et. seq.)

2) Establishes the Clean Transportation Program (CTP), which is administered by the CEC to provide incentives for the development and deployment of innovative fuel and vehicle technologies that support California's climate change policies. Existing law specifies the types of projects eligible for CTP funding and sets prioritization criteria for receiving incentives from the CTP. Existing law requires the CEC to allocate no less than 15% of the CTP's annual funding to deploy hydrogen refueling stations. (Health and Safety Code §44272 et. seq. and §43018.9)

3) Establishes the California Air Resources Board (CARB) as the state agency responsible for the preparation and implementation of state plans pursuant to the federal Clean Air Act. Existing law provides CARB with broad authority to adopt regulations to meet air quality standards under the Clean Air Act. (Health and Safety Code §39600 et. seq.)

4) Establishes the State Lands Commission to manage sovereign and public trust lands, which includes, but is not limited to, waterfront lands, coastal waters and the land underlying the state's major ports. (Public Resources Code §6101 et. seq.)

This bill:

1) Requires the CEC to work with the California State Lands Commission, California State Transportation Agency (CalSTA) and CARB to develop a plan by December 31, 2030, for alternative fuel needs of oceangoing vessels at California's public seaports that will enable public seaports to meet their emissions reduction goals.

2) Requires the plan developed pursuant to this bill to do the following:

    a) Identify significant alternative fuel infrastructure and equipment trends, needs, and issues.
    b) Identify barriers to permitting alternative fuel facilities at seaports and opportunities to address those barriers.
    c) Describe seaport facilities that are available and feasible for the development or redevelopment of infrastructure and operations to support the deployment of alternative fuels for oceangoing vessels.
    d) Include a forecast of the estimated demand and supply of alternative fuels needed to transition oceangoing vessels to lower emissions fuels, and to the extent feasible, provide estimated costs for this transition.

3) Requires the CEC to convene a working group to advise the CEC. This bill specifies that this working group must consist of representatives from seaports, marine terminal operators, ocean carriers, waterfront labor, cargo owners, environmental and community advocacy groups, fuel providers, fuel suppliers, fuel producers, barge operators, storage terminal operators, the State Lands Commission, CalSTA, CARB, the California Public Utilities Commission, and local air districts.

4) Requires CARB to provide the CEC with information regarding fuels for oceangoing vessels that comply with CARB's regulations for those vessels.

5) Clarifies that the plan developed pursuant to this bill shall be solely limited to alternative fuels for oceangoing vessels and shall not include references to aspects of cargo handling at ports.

6) States that it is the intent of the Legislature that the plan developed pursuant to this bill not promote the development, implementation, or expansion of fully automated cargo handling.

Background

Bill pertains to ships' mobile source emissions, which are subject to CARB regulations. Emissions from commercial shipping are internationally regulated by several entities, including the International Maritime Organization (IMO), United States Environmental Protection Agency and the Coast Guard. In 2023, the IMO member states adopted goals to reach net-zero emissions from international shipping by 2050, with an uptake in zero or near-zero greenhouse gas (GHG) fuels by 2030. The United States is an IMO member state. While IMO and other agencies set standards for international shipping, CARB sets emissions standards for shipping that impacts California ports and California air quality. CARB has adopted several regulations to limit oceangoing vessels' pollution impacting California. Between 2007 and 2008, CARB adopted pollution limits for vessels at berth in California ports and fuel specifications for those vessels within California waters and 24 nautical miles from the state's coast. CARB continues to update these regulations. While CARB has temporarily paused development of an update to its mobile source strategy, the draft strategy notes that oceangoing vessels are one of several mobile sources of emissions that still contribute significantly to air and climate pollution despite existing regulations. CARB also notes that these vessels will need to substantially decrease their emissions to meet air quality standards. In the 2025 draft Mobile Source Strategy, CARB states the following regarding efforts to further reduce emissions from these types of mobile sources: "The 2025 Mobile Source Strategy (2025 MSS) is being developed to describe an integrated approach for meeting California's clean air mandates by identifying the technology pathways and programmatic concepts needed for the numerous mobile source sectors into the future."

CEC funds hydrogen refueling infrastructure and maintains authority over fuel demand and supply forecasting. This bill requires the CEC to develop a specified plan for the deployment and use of alternative fuels at seaports for the purpose of lowering mobile source emissions from oceangoing vessels. However, the CEC has not historically maintained authority over developing mobile source strategies for specific sectors. While CARB and local air districts regulate emissions from mobile sources and can limit the use of certain fuels that impact air quality, the CEC conducts regular analyses of fuel supplies, including transportation fuel supplies. Generally, these analyses are used for policy-setting and monitoring fuel demand and supply throughout the state.

Under existing law, the CEC administers the CTP, which provides funding opportunities to develop and deploy zero-emission fuels, technology and

infrastructure. At least 15% of these funds are used to support hydrogen infrastructure deployment, and seaports have received funding for electric vehicle (EV) charging and hydrogen refueling infrastructure through the CTP. For example, the Port of Long Beach received $8 million from the CTP to deploy a hydrogen refueling stations for medium and heavy-duty freight vehicles.

The CEC has provided incentives to ports for zero-emission vehicle infrastructure deployment and conducts regular assessments of fuel demand and supply; however, the CEC has not developed state plans for mobile source emissions reduction or plans to help seaports meet their emissions reduction goals. As a result, the CEC will likely require significant assistance from other agencies to complete the plan required by this bill. The CEC may be able to assess the electricity supply needed to electrify certain power operations and assess the demand for hydrogen for use at ports, including for fueling ships. However, upstream fuel development largely falls under the jurisdiction of the California Geologic Energy Management Division (CalGEM) and the California Department of Conservation. Multiple state agencies and the federal government play a role in overseeing fuel pipelines, depending on the type of pipeline. The State Lands Commission is primarily responsible for permitting activities regarding California seaports, and CARB maintains much of the state's data regarding mobile and stationary emissions.

Prior/Related Legislation

SB 34 (Richardson) of 2025, would have established, until January 1, 2036, limitations on and requirements Southern California Air Quality Management District regulations on regarding mobile source pollution at seaports. The bill was vetoed.

AB 1250 (Papan, Chapter 725, Statues of 2025) would have clarified that any alternative fuel with a lower carbon intensity than any marine diesel oil, marine gas oil, or petroleum fuel as specified shall be presumed to meet or exceed the 2010 international organization for standardization requirements for distillate and residual marine fuels.

SB 983 (Wahab) of 2024, would have required the CEC to form the Alternative Fuels Infrastructure Taskforce upon appropriation by the Legislature. The bill would have required the taskforce to make recommendations for deploying alternative fueling infrastructure at retail gasoline stations in California. The bill was vetoed.

AB 126 (Reyes, Chapter 319, Statutes of 2023) among other provisions, the bill extended the operation and funding for the CTP and required the CEC to allocate at least 15% of annual CTP funding for hydrogen refueling infrastructure.

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

According to the Assembly Appropriations Committee:

1) CEC's fuels and transportation division estimates annual costs of approximately $337,000 to hire two air pollution specialists, as well as annual contracting costs of approximately $300,000, until 2030 (Alternative and Renewable Fuel and Vehicle Technology Fund). Tasks include convening and facilitating the working group and conducting the necessary research and analysis to develop the required plan.
2) ARB estimates annual contracting costs of approximately $100,000 from fiscal year (FY) 2026-27 to FY 2028-29 (Air Quality Improvement Fund) to assist CEC and research and analyze potential alternative fuels likely to be used in California ports, fuel availability, infrastructure needs, emissions profiles, feasibility, and expected timelines for adoption, among other relevant topics.
3) SLC estimates minor and absorbable costs.
4) Costs of an unknown, likely minor and absorbable, amount for CalSTA.

SUPPORT: (Verified 10/13/25)

Pacific Merchant Shipping Association (Source)
California Council for Environmental & Economic Balance
Cruise Lines International Association
Invenergy, LLC
Los Angeles County Business Federation (BizFed)
Port of Long Beach
San Francisco Bar Pilots Association
Supply Chain Federation

OPPOSITION: (Verified 10/13/25)

None received

ARGUMENTS IN SUPPORT: According to the author:

SB 298 will strengthen California's position as a global leader in both environmental sustainability, economic growth, and workforce training by incentivizing the affordability and availability of alternative fuels for maritime vessels. This bill will help to transition the maritime industry from using diesel products to alternative fuels to reduce harmful emissions and improve air quality along California’s coastline, ensuring healthier communities and a cleaner future. The bill creates a path to deploy infrastructure to support the development of fueling facilities for alternative fuels at the ports by 2030. This collaborative effort will not only support California’s ambitious climate goals but also ensure the state’s ports remain competitive, foster innovation and long-term success for the maritime industry and the workforce that they employ.

GOVERNOR'S VETO MESSAGE:

This bill would require the California Energy Commission (CEC), in coordination with the State Lands Commission, California State Transportation Agency, and the California Air Resources Board (CARB), to develop a plan by December 31, 2030, for the alternative fuel needs of Ocean-Going Vessels (OGVs) at ports that will meet ports' emission reduction goals.

As the nation's premier gateway for international trade, California's ports are an essential component of the nation's economy. I strongly support efforts to plan and deploy zero-emission infrastructure and technologies at our ports. This is why CARB has already begun the informal rulemaking phase for an OGV In-Transit Regulation to reduce harmful air pollution from OGVs while transiting, maneuvering, and anchoring in waters off the California coastline.

Though well-intentioned, the plan required by this bill could complicate CARB's active OGV In-Transit rulemaking and result in costs to the CEC's primary operating fund, which is currently facing an ongoing structural deficit, thus exacerbating the fund's structural imbalance. I encourage the supporters of this measure to work with CARB through its rulemaking process to collaboratively identify solutions for deploying alternative fuels at our ports.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 80-0, 9/9/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

Prepared by: Sarah Smith / E., U. & C. / (916) 651-4107
10/15/25 12:43:29

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

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VETO

Bill No: SB 317
Author: Hurtado (D), et al.
Enrolled: 9/13/25
Vote: 27

SENATE HEALTH COMMITTEE: 11-0, 4/23/25
AYES: Menjivar, Valladares, Durazo, Gonzalez, Grove, Limón, Padilla, Richardson, Rubio, Weber Pierson, Wiener

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

SENATE FLOOR: 40-0, 9/11/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ASSEMBLY FLOOR: 79-0, 9/8/25 - See last page for vote

SUBJECT: Wastewater surveillance

SOURCE: Author

DIGEST: This bill codifies the existing California Surveillance of Wastewaters (Cal-SuWers) program by requiring the California Department of Public Health, in consultation with participating wastewater treatment facilities, local health departments, and other subject matter experts, to maintain the network to test for pathogens, toxins, or other public health indicators in wastewater.

Assembly Amendments make nonsubstantive, clarifying changes.

ANALYSIS:

Existing law:

1) Establishes the California Department of Public Health (CDPH), directed by a state Public Health Officer (PHO), to be vested with all the duties, powers, purposes, functions, responsibilities, and jurisdictions as they relate to public health and licensing of health facilities. Gives the PHO broad authority to detect, monitor, and prevent the spread of communicable disease in the state. [Healthy and Safety Code (HSC) §131050 and §120130]

2) Requires CDPH to examine the causes of communicable disease in man and domestic animals occurring or likely to occur in this state. [HSC §120125]

3) Requires each county board of supervisors to appoint a local health officer (LHO). Requires LHOs to enforce and observe orders and ordinances of the board of supervisors, pertaining to the public health and sanitary matters, orders, including quarantine and other regulations prescribed by CDPH, and statutes relating to public health. [HSC §101000 and §101030]

4) Requires LHOs to immediately report to CDPH every discovered or known case or suspected case of certain reportable diseases. Requires LHOs to make reports that CDPH requires within 24 hours after investigation. [HSC §120190]

This bill:

1) Requires CDPH, in consultation with participating wastewater treatment facilities, local health departments (LHDs), and other subject matter experts, to maintain the Cal-SuWers network to test, as appropriate for public health use, for pathogens, toxins, and other public health indicators in wastewater. Requires testing to be conducted by CDPH or other monitoring programs in Cal-SuWers.

2) Defines “Cal-SuWers network” as the statewide wastewater surveillance program administered by CDPH that includes data from the Cal-SuWers program and data generated by and received from participating wastewater programs not administered by CDPH.

3) Makes participation in Cal-SuWers by LHDs and wastewater treatment facilities voluntary.

4) Requires CDPH to work with participating LHDs and wastewater treatment facilities to collect samples and to arrange for those samples to be tested by qualified laboratories.

5) Permits CDPH to consult with, or contract with, other wastewater epidemiology projects or public health programs being conducted or previously completed by nonprofits, nongovernmental organizations, academic institutions, and other governmental entities to maintain the mission of Cal-SuWers.

6) Permits CDPH to coordinate with health care providers, LHDs, and emergency response agencies to ensure wastewater surveillance data is used for early intervention, outbreak response, and public health planning.

7) Permits CDPH to communicate to the general public, through a publicly accessible website, to provide transparency and public awareness of wastewater-based disease monitoring. Permits the website to be maintained by an entity other than CDPH, and requires the website to:
   a) Provide real-time data visualization of wastewater surveillance results, including regional trends and pathogen detection patterns;
   b) Include educational materials and resources to help the public understand how wastewater surveillance supports public health; and,
   c) Be updated to ensure current information is available to residents, public health officials, and policymakers.

8) Permits CDPH to utilize external funding sources to implement this bill, to solicit private donations or grants, and to accept moneys donated by other wastewater epidemiology or federal programs.

Comments

According to the author of this bill:

> This bill requires CDPH, in consultation with participating wastewater treatment facilities, LHDs, and other subject matter experts, to maintain the Cal-SuWers network. This network of monitoring programs will continue to test for pathogens, toxins, and other public health indicators in California wastewater. Wastewater surveillance is a proven and cost-effective tool for public health monitoring, allowing for the early detection of infectious diseases. Ensuring wastewater monitoring programs like Cal-SuWers will endure is of the upmost importance to safeguard food supply sources and California residents.

Background

Cal-SuWers. Cal-SuWers is managed by CDPH and funded through a U.S. Centers for Disease Control and Prevention (CDC) Epidemiology and Laboratory Capacity (ELC) grant. Groups participating in wastewater monitoring include LHDs, wastewater utilities, academic researchers, commercial laboratories, and the CDC National Wastewater Surveillance System (NWSS). Typically, a wastewater utility is responsible for collecting samples on-site, but in some circumstances, partnerships between LHDs and utilities have been formed to collect and ship samples to a testing lab. Samples collected are tested for infectious disease pathogens including SARS-CoV-2, influenza, and mpox. Other programs that participate in the network or the NWSS may test for other pathogens. Data collected through the program are submitted to the NWSS. The cost of physically collecting the wastewater samples is covered by the participating sanitation district and sometimes subsidized by the ELC grant. Cal-SuWers sites are monitored by the CDPH Drinking Water and Radiation Lab, which tests samples from several counties. Cal-SuWers covers more than 60% of the state's population. According to CDPH, California has hundreds of active wastewater treatment plants, but due to resource constraints at the utility, laboratory, and public health levels, it is not currently feasible nor necessary to collect and test wastewater samples from all utilities in the state. CDPH states that the goal of Cal-SuWers is to serve as a sentinel surveillance system with enough wastewater treatment plants participating to be representative of most populations and regions of the state so that CDPH and LHDs have useful disease trends.

Federal grant reductions. On March 24, 2025, CDPH received notice from the CDC that it intends to immediately end a significant amount of state and local public health funding. According to background information received from CDPH, "Although this funding was initially awarded during COVID-19, it also now supports, with prior federal approval, respiratory virus and vaccine preventable disease monitoring, testing and response, immunizations and vaccines for children, and health disparities efforts. This funding also supports the public health work and data systems improved during the pandemic, including continued response to COVID-19 disease and other respiratory and vaccine-preventable diseases that require similar resources. CDPH estimates that grant terminations will result in a loss of at least $840 million of federal funding. More than $330 million of these funds were targeted at supporting public health efforts at the local level. There are also local health departments that are directly funded by the federal government that would increase this statewide total amount at risk." CDPH received termination notices for three federal grants: ELC, Immunization and Vaccines for

Children, and Health Disparities Grant. These grants were scheduled to end between May 2026 and July 2027, depending on the grant.

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

According to the Assembly Appropriations Committee, General Fund (GF) cost pressures in the millions of dollars annually to maintain the Cal-SuWers network and continue testing in future years. The 2025-26 state budget includes a GF allocation of $3.25 million to support a statewide wastewater surveillance program of routine wastewater testing for detection of infectious diseases.

SUPPORT: (Verified 10/9/25)

California Association of Sanitation Agencies
California Nurses Association
Los Angeles County Sanitation Districts
Orange County Sanitation District

OPPOSITION: (Verified 10/9/25)

None received

ARGUMENTS IN SUPPORT: The California Association of Sanitation Agencies Municipal writes that wastewater surveillance offers an emerging and innovative tool for disease monitoring and provides an alternative metric for assessing the state of infectious diseases circulating in a community, even for underreported or asymptomatic outbreaks. Many wastewater agencies in California, across the nation, and around the globe, with the support of the CDC and of their own volition, have been cooperating with public health authorities by sampling their influent wastewater to determine the presence or absence of COVID-19, mpox, influenza, Respiratory Syncytial Virus (RSV), and other diseases. This testing ramped up in the early days of the COVID-19 pandemic, and has evolved into a robust network of monitoring programs managed by CDPH in coordination with the CDC, academia, public health laboratories, LHDs and wastewater agencies known as Cal-SuWers. The surveillance data provided by the Cal SuWers program has offered valuable insight into whether a viral incident trend is increasing, decreasing, or plateauing in the community within a given sewer shed. The Los Angeles County Sanitation Districts writes that in April 2020, the Sanitation Districts began testing for SARS-CoV-2 in wastewater to help public health officials manage the COVID-19 pandemic. Since then, the program has expanded through partnerships with additional laboratories and now includes sampling from two major treatment plants: the Warren Water Resource Facility,

serving 3.5 million people in the Los Angeles Basin, and the Lancaster Water Reclamation Plant. The testing scope has broadened to include not only COVID-19 but also Influenza A and B, RSV, mpox, Norovirus, Avian Flu (H5N1), and Human Metapneumovirus. Years of wastewater surveillance data show a consistent pattern: an increase in pathogen-specific genetic material in wastewater precedes corresponding increases in new cases and hospitalizations. This makes wastewater testing a timely, cost-effective early warning system, helping public health officials respond quickly to emerging threats. The Orange County Sanitation District states that this bill comes at a critical time, as the CDC faces significant budget cuts that threaten support for these surveillance programs. As such, this bill would allow flexibility to scale based on available funding, including both state and external sources such as grants and private donations. This ensures that the program can maintain a baseline level of surveillance. By building this capacity at the state level, this bill helps insulate California from the uncertainty of shifting federal priorities and enables a more resilient, proactive response to emerging threats. By investing in a comprehensive wastewater monitoring system, California can continue to be a leader in public health innovation and disease prevention.

GOVERNOR'S VETO MESSAGE:

> This bill would require the California Department of Public Health (CDPH) to administer the statewide wastewater surveillance program, known as the California Surveillance of Wastewaters network (CalSuWers network), in consultation with local health departments, wastewater utilities, academic institutions, and other partners, to monitor pathogens and other public health indicators.
>
> While I share the author’s commitment to increasing surveillance tools available to monitor public health, this bill will result in ongoing General Fund cost pressures not accounted for in the 2025 Budget Act. In partnership with the Legislature this year, my Administration has enacted a balanced budget that recognizes the challenging fiscal landscape our state faces while maintaining our commitment to working families and our most vulnerable communities. With significant fiscal pressures and the federal government’s hostile economic policies, it is vital that we remain disciplined when considering bills with significant fiscal implications that are not included in the budget, such as this measure.

ASSEMBLY FLOOR: 79-0, 9/8/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon,

Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Nguyen

Prepared by: Melanie Moreno / HEALTH / (916) 651-4111
10/9/25 12:55:01

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

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VETO

Bill No: SB 326
Author: Becker (D) and Laird (D), et al.
Enrolled: 9/17/25
Vote: 27

SENATE GOVERNMENTAL ORG. COMMITTEE: 13-0, 3/25/25
AYES: Padilla, Valladares, Archuleta, Ashby, Blakespear, Cervantes, Hurtado, Jones, Ochoa Bogh, Richardson, Rubio, Wahab, Weber Pierson
NO VOTE RECORDED: Dahle, Smallwood-Cuevas

SENATE NATURAL RES. & WATER COMMITTEE: 6-0, 4/22/25
AYES: Limón, Seyarto, Allen, Grove, Laird, Stern
NO VOTE RECORDED: Hurtado

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

SENATE FLOOR: 39-0, 6/3/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Reyes

SENATE FLOOR: 37-0, 9/13/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Choi, Gonzalez, Valladares

ASSEMBLY FLOOR: 79-0, 9/12/25 - See last page for vote

SUBJECT: Wildfire safety: fire protection building standards: defensible space requirements: The California Wildfire Mitigation Strategic Planning Act

SOURCE: Author

DIGEST: This bill requires the Office of the State Fire Marshal (SFM) to prepare, and regularly update, a Wildfire Risk Mitigation Planning Framework (Framework), a Wildfire Risk Baseline and Forecast (Forecast), and a Wildfire Mitigation Scenarios Report (Report), as specified; and requires, contingent upon an appropriation, the Department of Forestry and Fire Protection (CAL FIRE) to provide local assistance to local governments to achieve wildfire risk reduction consistent with the aforementioned plans, for defensible space inspections, and to facilitate compliance with forthcoming ember-resistant zone (known as zone zero) regulations, as specified.

ANALYSIS:

Existing law:

1) Establishes the SFM, within CAL FIRE, and establishes the Deputy Director of Community Wildfire Preparedness and Mitigation (Deputy Director) within the OSFM, as specified.

2) Makes the Deputy Director responsible for fire preparedness and mitigation missions of Cal FIRE, as specified.

3) Requires the SFM to identify areas in the state as moderate, high, and very high fire hazard severity zones (FHSZs) based on consistent statewide criteria and the severity of fire hazard, as specified.

This bill:

1) Establishes, and defines as specified, the California Wildfire Mitigation Strategic Planning Act and makes establishes related definitions.

2) Requires, on or before January 1, 2027, and every three years thereafter, the Deputy Director, in consultation with the state hazard mitigation officer, to prepare a Framework sufficient to quantitatively evaluate wildfire risk mitigation actions as determined by the Deputy Director, as specified.

3) Requires, on or before April 1, 2027, and every three every three years thereafter, the Deputy Director, in consultation with the state hazard mitigation officer, to prepare a Forecast for the State of California delineated on a statewide level and by county, and to include geographic specificity as determined by the Deputy Director to be sufficient to evaluate targeted wildfire risk mitigation actions, as specified.

4) Requires, on or before August 1, 2027, the Deputy Director, in consultation with the state hazard mitigation officer, to prepare a Wildfire Mitigation Scenarios Report, to be updated annually, as specified.

5) Requires CAL FIRE to develop and update the Framework, Forecast, and Report with a private consultant and administer additional local assistance grants, as specified.

6) Requires, contingent upon an annual appropriation by the Legislature in the annual Budget Act for the purposes of the Framework, Forecast, and Report, beginning in the 2029-30 fiscal year and extending to the 2044-45 fiscal year, inclusive, CAL FIRE to allocate funds for programs to be implemented by local governments to achieve wildfire risk reduction in a cost-effective manner that is maximally consistent with the Framework.

7) Authorizes, for fiscal years 2025-26 to 2028-29, inclusive, a local agency to submit an application to the Deputy Director to fund wildfire inspector positions sufficient to conduct inspections in Very High FHSZs (VHFHSZ). As a condition of receiving funds, requires a local agency to adopt, by an ordinance that is applicable to existing structures in VHFHSZs, the zone zero regulations as well as other requirements, as specified.

8) Requires, contingent upon an appropriation by the Legislature, in the annual Budget Act, beginning in the 2025-26 fiscal year and extending to the 2028-29 fiscal year, inclusive, CAL FIRE to allocate funds to facilitate early implementation of zone zero regulations for existing commercial and residential structures, and for other allowable purposes.

9) Requires the SFM to propose to extend the applicability of the building standards adopted pursuant to this section to all reconstruction of all buildings destroyed within the perimeters of a wildfire that occurs on and after July 1, 2026.

10) Expands the eligible activities under CAL FIRE's local assistance grant program for projects that plan and carry out risk-targeted wildfire prevention work within a local government's jurisdiction, as specified.

11) Requires the application of the ember-resistant zone regulation to take effect for: (1) an existing structure not used as a rental property, the requirement for an ember-resistant zone applies either upon the sale of that structure or three years after the regulatory effective date for a new structure, whichever comes first; and (2) an existing structure that is used as a rental property, the requirement for an ember-resistant zone applies on the same date as the effective date for a new structure.

12) Includes language to prevent a chaptering conflict with AB 1455 (Bryan), as specified.

Background

Author Statement. According to the author's office, "preventing catastrophic wildfire requires strong coordination between all of our investments. Building on current efforts, this bill would create a planning structure to maximize the effectiveness of California's work to reduce the impacts of wildfire. As California spends more to prevent catastrophic wildfire, we should also make sure that these investments go as far as possible in keeping residents safe. This bill creates a planning structure that does just that and ensures that all our efforts are well coordinated."

Community Wildfire Preparedness and Mitigation. The SFM's Community Wildfire Preparedness and Mitigation Division collaborates with federal, state, and local agencies, tribes, non-profit entities, and stakeholders to prepare California communities against wildfires. CAL FIRE develops strategies, conducts hazard inspections, and provides education and grants for wildfire prevention efforts, fostering prepared and resilient communities. Community Wildfire Protection Plans (CWPPs) are collaboratively developed plans that focus on reducing wildfire risk to identified values. The California CWPP Toolkit provides important guidance and resources for CWPP development and implementation.

Wildfire Risk Mitigation Planning Framework. This bill requires the Deputy Director, on or before January 1, 2027 (and every three years thereafter), to prepare the Framework. The Framework serves as the strategic tool for quantitatively evaluating various wildfire mitigation actions, and is designed to facilitate geospatial analysis of mitigation efforts. It will detail critical elements such as the

responsible entities, cost estimates, risk reduction efficiencies, and potential interactions with environmental and climate factors, thereby guiding coordinated efforts among multiple stakeholders. The Framework is intended to support long-term planning and effective allocation of resources in wildfire risk reduction.

Wildfire Risk Baseline and Forecast. On or before April 1, 2027 (and every three years thereafter), this bill requires the Deputy Director to prepare the Forecast for the State of California to provide a detailed, quantitative assessment of current wildfire risks and future projections across the state. The Forecast will delineate wildfire risks on both a statewide and county level, incorporating geographic specificity to assess potential impacts. It will include estimates of current ignition risks, evaluate potential consequences to life, property, and ecosystems, and establish key risk metrics with projections over one-year, three-year, and ten-year periods, serving as a benchmark for targeted mitigation strategies.

Wildfire Mitigation Scenarios Report. By August 1, 2027 (and annually thereafter), this bill requires the Deputy Director to prepare the Report focused on providing a comprehensive overview of potential future spending and strategic responses to mitigate wildfire risks. The Report will outline a range of scenarios for wildfire mitigation expenditures, detailing the planned actions by state agencies, utilities, local governments, and private actors. It will quantify the overall reduction in wildfire risk achieved through these actions and evaluate the cost-effectiveness of investments, offering recommendations to enhance coordination and maximize risk-spend efficiency across diverse mitigation initiatives.

Back to the Future. This bill is substantially similar to both SB 1014 (Dodd, 2024) and SB 436 (Dodd, 2023) each of which would have required either the Deputy Director or OES to create the Framework, Forecast, and Report. Those bills were held in the Assembly and Senate Appropriations Committees.

Prior/Related Legislation

SB 629 (Durazo, 2025) establishes a new post-wildfire safety area designation; requires the SFM to designate post-wildfire safety areas which trigger state fire protection standards; and requires FHSZs be based upon additional criteria, including post-wildfire safety areas, as specified. (Vetoed by Governor Newsom)

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

According to the Assembly Appropriations Committee, costs of an unknown amount, potentially in the tens of millions of dollars, to CAL FIRE to develop and update the Framework, Forecast, and Report with a private consultant and administer additional local assistance grants (General Fund).

Annual cost pressures of an unknown amount, likely in the tens of millions of dollars, to CAL FIRE to provide additional local assistance grants to achieve wildfire risk reduction consistent with the Framework and support early compliance with zone zero regulations (General Fund, special fund, or Proposition 4). CAL FIRE notes that the local assistance grant program has been consistently funded since FY 2014-15, at amounts in the tens of millions of dollars to the one hundred million dollar range.

Annual costs of approximately $260,000 to OES for at least one staff position to consult with CAL FIRE on the Framework, Forecast, and Report (General Fund). OES notes that costs may increase depending on the nature and evolution of the role.

Likely minor and absorbable costs to OEIS and the PUC to review and consider the Framework, Forecast, and Report, and the California Building Standards Commission to consider extending fire protection building standards to certain reconstructed buildings.

SUPPORT: (Verified 10/14/25)

California Environmental Voters
Cities Association of Santa Clara County
County of Los Angeles Board of Supervisors
County of San Mateo
Independent Insurance Agents & Brokers of California, INC.
James Hardie
League of California Cities
Marin Clean Energy
Megafire Action
Pacific Forest Trust
Personal Insurance Federation of California
USGBC California
Vibrant Planet, a Public Benefit Corporation

OPPOSITION: (Verified 10/14/25)

California Association of Realtors

ARGUMENTS IN SUPPORT: In support of this bill, Megafire Action writes that, "[f]or too long, wildfire mitigation has been defined by random acts of restoration—piecemeal efforts that lack a unified strategy for reducing the greatest threats to people, infrastructure, and ecosystems. Despite billions in spending and years of effort, the state still lacks a shared understanding of where wildfire risk is highest at the parcel to acre-level, how it is changing as a result of successful mitigation projects, and which interventions offer the greatest return on investment."

Further, "SB 326 has the potential to change that. By creating a Wildfire Risk Mitigation Planning Framework, establishing a Risk Baseline and Forecast, and requiring actionable Mitigation Scenarios, this bill builds the data foundation for a smarter, more targeted, and more accountable wildfire resilience strategy. Just as California uses earthquake fault maps and floodplain models to guide development and investment, this bill lays the groundwork for wildfire to be treated as the predictable, preventable hazard it is. That is a visionary shift."

ARGUMENTS IN OPPOSITION: In opposition to the bill, the California Association of Realtors write, "AB 1455 and SB 326 codifies the Governor's Executive Order No. N-18-25 requiring the California Board of Forestry and Fire Protection (Board) to initiate formal or emergency rulemaking establishing requirements for structures, prohibiting combustible materials in ember-resistant zones within 5 feet of any structure (i.e., Zone 0) no later than December 31, 2025, and mandates the Board to update its guidance document on fuels management within one year of the regulation's adoption.

"While C.A.R. shares the goal of improving home and community resilience, we respectfully must oppose these measures which require homeowners to comply with the Board regulations within 3 years of the regulations adopted for new structures and rental properties (i.e., commercial and residential) or during the home purchase, whichever comes first."

GOVERNOR'S VETO MESSAGE:

> This bill would require the Department of Forestry and Fire Protection to prepare a Wildfire Risk Mitigation Planning Framework, a Wildfire Risk Baseline and Forecast, and a Wildfire Mitigation Scenarios Report, and to

update each report at regular intervals. The bill would also expand the list of eligible entities for Wildfire Prevention Grants Program funding to include activities that support early compliance with Zone Zero regulations.

The requirements of this bill would trigger substantial, ongoing costs that are not accounted for in the budget. In partnership with the Legislature this year, my Administration has enacted a balanced budget that recognizes the challenging fiscal landscape our state faces while maintaining our commitment to working families and our most vulnerable communities. With significant fiscal pressures and the federal government's hostile economic policies, it is vital that we remain disciplined when considering bills with significant fiscal implications that are not included in the budget, such as this measure.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 79-0, 9/12/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO VOTE RECORDED: Irwin

Prepared by: Brian Duke / G.O. / (916) 651-1530
10/14/25 15:08:33

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

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VETO

Bill No: SB 355
Author: Pérez (D), et al.
Enrolled: 9/12/25
Vote: 27

SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 5-0, 4/9/25
AYES: Smallwood-Cuevas, Strickland, Cortese, Durazo, Laird

SENATE JUDICIARY COMMITTEE: 13-0, 4/29/25
AYES: Umberg, Niello, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Valladares, Wahab, Weber Pierson, Wiener

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

SENATE FLOOR: 38-0, 5/29/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Limón, Reyes

SENATE FLOOR: 40-0, 9/9/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ASSEMBLY FLOOR: 79-0, 9/8/25 - See last page for vote

SUBJECT: Judgment debtor employers: Employment Development Department

SOURCE: California Federation of Labor Unions, AFL-CIO
Sheet Metal, Air, Rail, and Transportation Workers Local 105

DIGEST: This bill 1) requires employers with unsatisfied judgments for owed wages to provide documentation to the Labor Commissioner (LC) that the judgment is fully satisfied or the judgment debtor entered into an agreement for the judgment to be paid in installments, as prescribed; 2) subjects the judgment debtor employer to a civil penalty for violations; and 3) requires the LC to notify the Tax Support Division of the Employment Development Department of unsatisfied judgments as a notice of potential tax fraud.

Assembly Amendments of 6/26/25 make clarifying changes and add a 90-day timeline within which the prescribed civil penalty against an employer will be due.

ANALYSIS:

Existing law:

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

2) Establishes a citation process for the LC to enforce violations of the minimum wage that includes, among others, the following procedural requirements:

   a) A citation issued to an employer, as specified.
   b) The LC shall promptly take all appropriate action to enforce the citation and to recover the civil penalty assessed, wages, liquidated damages, and any applicable penalties.
   c) To contest a citation, a person shall, within 15 business days after service of the citation, notify the office of the LC that appears on the citation of their appeal by a request for an informal hearing. The LC or their deputy or agent shall, within 30 days, hold a hearing.
   d) Any amount found due by the LC as a result of a hearing shall become due and payable 45 days after notice of the findings, written findings, and order have been mailed to the party assessed.
   e) A person to whom a citation has been issued shall, in lieu of contesting a citation pursuant to this section, transmit to the office of the LC designated

on the citation the amount specified for the violation within 15 business days after issuance of the citation. (Labor Code §1197.1 et seq.)

3) Requires the LC, within 15 days after the hearing is concluded, to file in the office of the division a copy of the order, decision, or award (ODA). The ODA shall include a summary of the hearing and the reasons for the decision. Additionally, the ODA includes any sums found owing, damages proved, and any penalties awarded pursuant to the Labor Code, including interest on all due and unpaid wages, as specified. (Labor Code §98.1)

4) Requires, upon filing of the ODA, the LC to:

   a) Serve a copy of the decision personally, by first-class mail, or in the manner specified in Section 415.20 of the Code of Civil Procedure on the parties.
   b) Advise the parties of their right to appeal the decision or award and further advise the parties that failure to do so within 10 days shall result in the decision or award becoming *final and enforceable as a judgment* by the superior court. (Labor Code §98.1 and §98.2)

5) Provides that if a final judgment against an employer arising from the employer's nonpayment of wages for work performed in this state remains unsatisfied after a period of 30 days after the time to appeal therefrom has expired and no appeal therefrom is pending, the employer shall not continue to conduct business in this state, as specified, *unless the employer has obtained a bond from a surety company* and has filed a copy of that bond with the Labor Commissioner. The bond shall be effective and maintained until satisfaction of all judgments for nonpayment of wages. The principal sum of the bond shall not be less than the following:

   a) Fifty thousand dollars ($50,000) if the unsatisfied portion of the judgment is no more than five thousand dollars ($5,000).
   b) One hundred thousand dollars ($100,000) if the unsatisfied portion of the judgment is more than five thousand dollars ($5,000) and no more than ten thousand dollars ($10,000).
   c) One hundred fifty thousand dollars ($150,000) if the unsatisfied portion of the judgment is more than ten thousand dollars ($10,000).
   (Labor Code §238)

6) Specifies that if no appeal of the ODA is filed within the period specified, the ODA shall, in the absence of fraud, be deemed the final order. Existing law

then requires the LC to file, within 10 days of the ODA becoming final, a certified copy of the final order with the clerk of the superior court of the appropriate county unless a settlement has been reached by the parties and approved by the LC. Judgment shall be entered immediately by the court clerk in conformity therewith. (Labor Code §98.2)

7) Requires, in order to ensure that judgments are satisfied, authorizes the LC to serve upon the judgment debtor, personally or by first-class mail at the last known address of the judgment debtor listed with the division, a form, as specified, to assist in identifying the nature and location of any assets of the judgment debtor. Requires the judgment debtor to complete the form and cause it to be delivered to the division within 35 days, unless the judgment has been satisfied. (Labor Code §98.2)

8) Provides that in case of willful failure by the judgment debtor to comply with a final judgment, the division or the judgment creditor may request the court to apply the sanctions provided in Section 708.170 of the Code of Civil Procedure including an order requiring a person to appear before the court. Failure to appear can result in a warrant to have the person brought before the court to answer for the failure to appear. (Labor Code §98.2)

9) Requires the LC to make every reasonable effort to ensure that judgments are satisfied, including taking all appropriate legal action. (Labor Code §98.2)

10) Authorizes, until January 1, 2029, a public prosecutor to prosecute an action, either civil or criminal, for a violation of certain provisions of the labor code or to enforce those provisions independently. (Labor Code §181)

11) Establishes the Employment Development Department (EDD) within the Labor and Workforce Development Agency. EDD is responsible for, among other duties, the collection of payroll taxes from employers in the following four categories: Unemployment Insurance Tax; Employment Training Tax; State Disability Insurance Tax; and California Personal Income Tax. EDD's Tax Branch works with employers to ensure that necessary payroll taxes and information are reported promptly and accurately to the department. (Unemployment Insurance Code §301 et seq.)

This bill:

1) Requires a judgment debtor employer, within 60 days of a final judgment being entered against an employer requiring payment to an employee or the state pursuant to existing law, to provide documentation to the Labor Commissioner that any of the following is true:

   a) The judgment is fully satisfied.
   b) The bond required by subdivision (a) of Section 238 has been posted.
   c) The judgment debtor has entered into an agreement for the judgment to be paid in installments pursuant to subdivision (b) of Section 238 and is in compliance with that agreement.

2) Subjects a judgment debtor employer who fails to comply with the above provisions liable for a civil penalty of two thousand five hundred dollars ($2,500) in a citation issued by the Labor Commissioner.

3) Requires the LC, if a judgment debtor employer does not comply with the provisions specified in (1) above within the stipulated timeline, to, no later than 30 days from the passing of the 60 days, provide written notice to the judgment debtor employer that the LC will submit the unsatisfied judgment to the Tax Support Division of the EDD as a notice of potential tax fraud, and that the civil penalty, specified above, is due within 90 days of the notice.

4) If the judgment debtor employer does not both comply with the provisions specified in (1) above and pay the civil penalty prescribed by (2) within 90 days from the date of the written notice required by (3), then requires the Labor Commissioner to, within 30 days, provide to the EDD a notice that includes both of the following:

   a) A summary of the final judgment.
   b) The names and identifying information of the persons or entities liable for payment of the judgment, including social security numbers, taxpayer identification numbers, and addresses.

Background

Data on Wage Theft. California leads the nation with some of the strongest workplace protections for workers. Unfortunately, those laws are meaningless if they are not implemented or enforced, leaving workers struggling to recoup owed wages. Wage theft in California, which impacts low-wage workers

disproportionately, is well documented. Wage theft captures many labor law violations including violations of the minimum wage, overtime, denied meal periods, or misclassification of employees as independent contractors, among others.

State Auditor Report on the Labor Commissioner's Office. In May 29, 2024, the California State Auditor released a report summarizing the findings of an audit of the Division of Labor Standards Enforcement. Among other things, the report found:

- The LC's office often takes two years or longer to process wage claims, with a median of 854 days to issue a decision (more than six times longer than the law allows).
- The DLSE's Enforcement Unit's work results in only a small percentage of successful payment to workers. Between January 2018 and November 2023, about 28% of employers did not make LC-ordered payments. The LC consequently obtained judgments against those employers. In roughly 24% of judgments during that time, or about 5,000 cases, the workers referred their judgments to the Enforcement Unit. The unit successfully collected the entire judgment amount in only 12% of those judgments, or in about 600 cases.

Employment Development Department Payroll Tax Collection
California's Employment Development Department administers the State's payroll tax programs and is one of the largest tax collection agencies in the nation. EDD's Tax Branch administers the following payroll tax programs and works with employers to ensure that payroll taxes are reported promptly and accurately: Unemployment Insurance (UI), Employment Training Tax (ETT), State Disability Insurance (SDI), and Personal Income Tax (PIT) Withholding.

Failure by employers to pay their workers and their state tax responsibilities contributes to the underground economy. As noted by EDD, when businesses operate in the underground economy, they illegally reduce the amount of money used for insurance, payroll taxes, licenses, employee benefits, safety equipment, and safety conditions. These types of employers then gain an unfair competitive advantage over businesses that comply with the various business laws. This causes unfair competition in the marketplace and forces law-abiding businesses to pay higher taxes and expenses.[1]

[1] Ibid

Need for this bill?. According to the author: "Current enforcement mechanisms lack sufficient deterrents, allowing employers to treat wage theft as a calculated risk. They face very few tangible or immediate consequences for noncompliance, enabling them to deny claims, delay payments, or refuse payments altogether. SB 355 supports California workers who have been victims of wage theft by providing the Labor Commissioner's Office (LCO) with a new enforcement tool by authorizing the LCO to submit a notice of an unpaid wage theft claim to the Tax Support Division of the EDD as potential tax fraud."

Related/Prior Legislation

SB 261 (Wahab, 2025) aims to recover unpaid wages owed to workers by, among other things, subjecting, for final judgments unsatisfied after a period of 180 days, the employer to a civil penalty not to exceed three times the outstanding judgment amount.

SB 310 (Wiener, 2025) would permit the penalty for failure to pay wages owed to employees to be recovered through an independent civil action, as specified.

AB 1234 (Ortega, 2025) would, among other things, revise and recast the provisions relating to the process for the LC to investigate, hold a hearing, and make determinations relating to an employee's complaint of wage theft. Among other things, the bill would impose an administrative fee payable in the amount of 30% of the ODA to be deposited into the Wage Recovery Fund, created by the bill, and appropriated to compensate the LC for the staffing required to investigate and recover wages and penalties owed to aggrieved employees.

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

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

According to the Assembly Appropriations Committee:

- Costs of approximately $4 million in the first year and $3.7 annually thereafter to the LC to issue and enforce citations against non-compliant employers (Labor Enforcement and Compliance Fund). Costs may be minimally offset by penalty revenue.

- Minor and absorbable costs to EDD to receive notices about non-compliant employers from the LC. EDD notes that this bill does not require EDD to investigate a non-compliant employer, so EDD does not anticipate related enforcement costs.

- Possible payroll tax revenue gain of an unknown amount, to the extent EDD identifies tax fraud by a non-compliant employer and recovers uncollected tax revenues (special fund).

SUPPORT: (Verified 10/16/25)

California Federation of Labor Unions, AFL-CIO (co-source)
Sheet Metal, Air, Rail, and Transportation Workers Local 105 (co-source)
California Federation of Teachers
California Immigrant Policy Center
California Nurses Association
California Rural Legal Assistance Foundation
California School Employees Association
California State Legislative Board of the SMART – Transportation Division
City of San Jose
Pilipino Workers Center
SEIU California State Council
Transport Workers Union of America, AFL-CIO
United Food and Commercial Workers, Western States Council
Worksafe

OPPOSITION: (Verified 10/16/25)

None received

ARGUMENTS IN SUPPORT: According to the sponsors:

"Current enforcement mechanisms lack sufficient deterrents, enabling employers to treat wage theft as a calculated risk, knowing that they face very few tangible or immediate consequences for noncompliance when the status quo allows them to deny claims, delay payments, or refuse payments altogether... The notice to the EDD is an important flag that there may be tax issues with the employer, either from failure to pay wages or misclassification of workers. This bill gives the LCO a powerful deterrent for employers who fail to pay outstanding wage theft judgments in a timely fashion, ensuring that the state does not continue to lose out on expected revenue and workers no longer have to continue waiting for the pay they have earned."

GOVERNOR'S VETO MESSAGE:

This bill would require an employer subject to a final judgment for unpaid wages to provide the Labor Commissioner's Office with documentation that the judgment was paid. If the employer fails to provide the information, the Labor Commissioner's Office would be required to transmit the judgment to the Employment Development Department (EDD) as a notice of potential tax fraud and assess a civil penalty against the employer.

My Administration is committed to combatting wage theft and ensuring workers receive the pay they are owed. However, the proposed referral process would be costly, duplicative, and unlikely to significantly improve collections of unpaid wages. The Labor Commissioner's Office already coordinates extensively with EDD regarding potential employer tax fraud cases through existing task forces that combat the underground economy, including the Joint Enforcement Strike Force and the Labor Enforcement Task Force. Through these partnerships, the Labor Commissioner's Office shares information about cases, and EDD investigates and conducts enforcement when tax fraud is found. In 2024 alone, these coordinated efforts resulted in over 2,000 payroll tax audits and investigations and $213.5 million in assessments. Given limited resources and department capacity, creating an additional process that duplicates this focused work is not prudent.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 79-0, 9/8/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Nguyen

Prepared by: Alma Perez-Schwab / L., P.E. & R. / (916) 651-1556
10/20/25 9:49:21

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

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VETO

Bill No: SB 369
Author: Padilla (D)
Enrolled: 9/12/25
Vote: 27

SENATE NATURAL RES. & WATER COMMITTEE: 6-0, 3/25/25
AYES: Limón, Allen, Grove, Hurtado, Laird, Stern
NO VOTE RECORDED: Seyarto

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

SENATE FLOOR: 39-0, 9/10/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Choi

ASSEMBLY FLOOR: 69-5, 9/8/25 - See last page for vote

SUBJECT: Salton Sea: restoration projects: skilled and trained workforce

SOURCE: International Union of Operating Engineers, California-Nevada Conference

DIGEST: This bill extends the requirement to use a skilled and trained workforce to Salton Sea restoration projects undertaken by specified state agencies.

ANALYSIS:

Existing law:

1) Requires, Under the Salton Sea Restoration Act, the Secretary of California Natural Resources Agency (CNRA), in consultation and coordination with the Salton Sea Authority, to lead the Salton Sea restoration efforts, as specified. (Fish and Game Code (FGC) §2942(a)(1))

    a) Authorizes Department of Water Resources (DWR), in coordination with California Department of Fish and Wildlife (CDFW), to undertake Salton Sea restoration efforts. (FGC §2942(a)(3))

2) Allows DWR design-build projects to authorize the Director of DWR to procure design-build contracts for public works projects in excess of $1,000,000 that are at the Salton Sea. (Public Contract Code (PCC) §10204)

3) Prohibits a design-build entity from being prequalified or short-listed unless the entity provides an enforceable commitment that the entity and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the project or the contract falls within an apprenticeable occupation in the building and construction trades. (PCC §10208(c))

4) Requires owners or operators of specified petroleum refineries and petrochemical manufacturing facilities, when contracting for construction or related work, to use a skilled and trained workforce to perform all onsite work, as specified. Does not apply this requirement in situations of workforce shortages and emergencies, as specified. (Health and Safety Code (HSC) §25536.7)

5) Prescribes skilled and trained workforce requirements for when a public entity is required to obtain an enforceable commitment that a bidder, contractor, or other entity will use a skilled and trained workforce to complete a contract or project. (PCC §2600)

6) Defines "skilled and trained workforce" to mean a workforce that meets certain requirements including a phase-in of a skilled and trained workforce – 30% workforce during the first year of implementation, 40% workforce during the second year, 50% workforce during the third year of implementation, and 60% workforce thereafter. (PCC §2601(d))

7) Excludes acoustical installers, bricklayers, carpenters, cement masons, drywall installers or lathers, marble masons, finishers, or setters, modular furniture or systems installers, operating engineers, pile drivers, plasterers, roofers or waterproofers, stone masons, surveyors, teamsters, terrazzo workers or finishers, and tile layers, setters, and finishers from these phase-in workforce

requirements, and instead requires at least 30% workforce for these occupations. (PCC §2601(d))

This bill:

1) Requires, for a Salton Sea restoration project in excess of $1,000,000, CDFW, DWR, and CNRA to obtain an enforceable commitment that every bidder, contractor, subcontractor, or other entity at every tier to use a skilled and trained workforce to perform all work that falls within an apprenticeship occupation in the building and construction trades. This requirement does not apply if all construction work on the project is subject to a project labor agreement that requires the use of a skilled and trained workforce.

2) Defines "Salton Sea restoration project" as the erection, construction, alteration, repair, and improvement of any Salton Sea ecosystem structure, building, road, or other improvement that is undertaken as part of the restoration of the Salton Sea ecosystem.

3) Makes findings and declarations about the Salton Sea, its surrounding community, and the benefits of a skilled and trained workforce requirements.

Background

The Salton Sea. The Salton Sea is California's largest lake, located 235 feet below sea level in Riverside and Imperial Counties near the California-Mexico border. The Salton Sea watershed is part of the Colorado River basin, and encompasses roughly 8,000 square miles. Over the past millennia, the meandering Colorado River periodically filled the Salton Basin, creating ancestral freshwater lakes that eventually evaporated. Today's Salton Sea was formed in 1905 when massive flooding caused the Colorado River to break through an irrigation canal and flow uncontrolled into the Salton Basin for 18 months. After the breach in the irrigation canal was fixed, the Salton Sea has been primarily sustained by agricultural drainage water, approximately 80% of which flows from the farming-heavy Imperial Valley to the south.

Many species depend on the Salton Sea ecosystem: it supports over 400 species of birds, is home to many species of fish, and is a critical stop on the Pacific Flyway for migrating birds, including several threatened and endangered species. The Salton Sea National Wildlife Refuge was established in 1930 to preserve wintering habitat for waterfowl and other migratory birds. The southern end of the Salton Sea may be the richest source of geothermal energy in the United States, and possibly the world.

The role of state agencies. AB 71 (V. Manuel Perez, Chapter 402, Statutes of 2013) articulates the state's goals and established a state framework for Salton Sea restoration. The goals include permanently protecting fish and wildlife that are dependent on the Salton Sea ecosystem, restoring the long-term stable aquatic and shoreline habitat for fish and wildlife that depend upon the Salton Sea, mitigating air quality impacts, and protecting water quality, among others.

AB 71 requires the CNRA Secretary to lead Salton Sea restoration efforts. The bill provides that the CNRA Secretary and the Legislature shall maintain full authority and responsibility for any state obligation under the Quantification Settlement Agreement and that both shall have final approval for any proposed restoration plan. AB 71 also authorizes CDFW and DWR to undertake certain restoration efforts.

Governor Brown launched the Salton Sea Management Program (SSMP) in 2018 to coordinate Salton Sea restoration efforts. CNRA, CDFW, and DWR implement the SSMP, while the State Water Resources Control Board (State Water Board) monitors and assesses progress on the implementation of the SSMP.

In 2018, the SSMP released the "Phase I: Ten-Year Plan" to guide state projects at the Salton Sea and to address potential public health and environmental effects over the ensuing decade. The plan seeks to improve conditions by constructing 30,000 acres of habitat and dust suppression projects around the Salton Sea.

In April 2024, the SSMP published a "Salton Sea Long-Range Plan" (Long-Range Plan), a long-term pathway for the restoration and management of the Salton Sea beyond the next decade. The Long-Range Plan discusses 13 restoration concepts for long-range solutions, with some concepts having multiple variations. These concepts of varying feasibility include, amongst others, pump out options that create an artificial outlet for the Salton Sea by pumping Salton Sea water from the Sea and using it for dust control, pumping Salton Sea water to the Sea of Cortez, or both; water optimization to capture water in interceptor canals; water recycling, involving the construction of five desalination plants; water importation of desalinated water from Sea of Cortez; and water exchange.

[See Senate Natural Resources and Water Committee analysis for additional background information]

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

According to the Assembly Floor Analysis, the Assembly Appropriations Committee identified the following fiscal impact:

1) "Costs of an unknown amount, almost certainly in excess of $150,000 in the aggregate, to CNRA, DWR, and DFW for increased administrative costs to ensure compliance with the new contracting requirements (General Fund, bond funds). The magnitude of these costs is variable based on the number of and amount of funding allocated to potential restoration projects.

2) The aforementioned state agencies may also incur potentially significant increased project costs, to the extent this bill increases bid prices or deters some contractors from bidding on contracts. In cases where a foregone contractor would have been the low bidder, the state agency will pay more, and remaining contractors may face less competitive pressure when bidding on contracts, thus increasing contract costs. The labor requirement may also result in scheduling delays or limit the number of bids received due to regional workforce limitations. For example, if there is a shortage of skilled and trained workers locally, a contractor may need to spend more on travel, lodging, and meals for workers from other parts of the state.

3) DFW notes it currently uses a variety of methods to contract for Salton Sea restoration work, including utilizing nonprofits, public works contracts, and partnerships with other state agencies. Often, workers hired to work on projects in the Salton Sea have been trained in other countries or receive on-the-job training. Requiring contracted workers to obtain formal skills and training for construction positions as a prerequisite to working on Salton Sea restoration projects may limit the department's options to hire workers and complete projects on time and within specified budgets.

4) For a prior version of the bill, DWR noted that while there is significant uncertainty about the cost of this bill, the department estimated approximately a 10% increase in contracting costs as a result of the skilled and trained workforce requirement. As an example, DWR expects to receive approximately $150 million from the Proposition 4 climate bond for Salton Sea projects – which the department plans to expend through five separate state contracts. Of this amount, DWR estimates an approximately $15 million increase in project costs. CNRA notes it carries out nearly all its Salton Sea-related project contracting through DWR. Limiting the skilled and trained workforce requirement to projects over $1 million should limit the overall impact on project and contracting costs, although the magnitude remains unknown.

5) The Department of Industrial Relations does not anticipate any costs as a result of this bill."

SUPPORT: (Verified 10/14/25)

International Union of Operating Engineers, California-Nevada Conference (source)
California Federation of Labor Unions, AFL-CIO
California State Association of Electrical Workers
California State Pipe Trades Council
Comite Civico Del Valle, Inc.
County of Riverside
District Council of Iron Workers of the State of California and Vicinity
Los Amigos de la Comunidad, Inc.
Southern California Contractors Association
State Building & Construction Trades Council of California
Western States Council Sheet Metal, Air, Rail and Transportation

OPPOSITION: (Verified 10/14/25)

California Department of Finance

ARGUMENTS IN SUPPORT: According to the author, "For years, the receding lake bed at the Salton Sea, exacerbated by our changing climate, has created environmental hazards that threaten the health of communities in the Imperial Valley, predominantly composed of Latino agricultural workers. The state and federal government have provided funding for Salton Sea restoration, which is critical to ensuring the health and well-being of the Salton Sea ecosystem and the Imperial Valley community, but is only a piece of helping this region overcome the challenges it faces. The Imperial Valley already has a high unemployment rate and many residents face poor working conditions and low wages. Given the risk to workers, and effort to ensure a labor pipeline for residents in the Imperial Valley, and support towards the rapid completion of Salton Sea Restoration projects, SB 369 is crucial to statutorily require the use of a local skilled and trained workforce for all restoration work at the Salton Sea."

ARGUMENTS IN OPPOSITION: According to the California Department of Finance, "[t]he Department of Finance is opposed to this bill because it would significantly increase the cost of the state's existing legal liabilities associated with Salton Sea restoration."

GOVERNOR'S VETO MESSAGE:

I am returning Senate Bill 369 without my signature.

This bill would impose new workforce requirements on contractors, subcontractors, and entities at every other tier that work on state restoration projects at the Salton Sea starting January 1, 2026.

Over the course of my Administration, the state's Salton Sea Management Program has dramatically increased the pace and scale of its restoration projects, covering miles of previously exposed lakebed with bird and fish habitat, as well as native plants.

These efforts are addressing severe habitat loss and the public health risks of exposed lakebed dust emissions. Simultaneously, these investments are providing job opportunities for local workers in a region long burdened by high unemployment. These mutually beneficial outcomes are a transformative step for this region. That is why I was proud to collaborate with the author last year on the creation of the Salton Sea Conservancy, which will further advance these shared objectives and enhance these outcomes.

I appreciate the author's efforts and commitment to addressing the pervasive issues in the Salton Sea region. Though well-intended, I am concerned this bill may result in delays to critical, shovel-ready restoration projects.

Recognizing the importance of prioritizing efforts to provide high-quality, local jobs while balancing the urgent need to accelerate restoration projects at the Salton Sea, I am directing the California Natural Resources Agency, in consultation with the California Labor and Workforce Development Agency, to identify and publish recommendations on increasing regional workforce development opportunities and promote long-term economic mobility in the community.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 69-5, 9/8/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Chen, Connolly, Davies, Elhawary, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, McKinnor, Muratsuchi, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NOES: DeMaio, Dixon, Ellis, Johnson, Macedo

NO VOTE RECORDED: Castillo, Gallagher, Hadwick, Hoover, Nguyen, Sanchez

Prepared by: Genevieve Wong / N.R. & W. / (916) 651-4116
10/14/25 15:58:38

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

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VETO

Bill No: SB 388
Author: Padilla (D), Cervantes (D), Hurtado (D) and Rubio (D), et al.
Enrolled: 9/12/25
Vote: 27

SENATE GOVERNMENTAL ORG. COMMITTEE: 11-2, 3/25/25
AYES: Padilla, Valladares, Archuleta, Ashby, Blakespear, Cervantes, Hurtado, Richardson, Rubio, Wahab, Weber Pierson
NOES: Jones, Ochoa Bogh
NO VOTE RECORDED: Dahle, Smallwood-Cuevas

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

SENATE FLOOR: 32-8, 9/10/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Grove, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NOES: Alvarado-Gil, Choi, Dahle, Jones, Niello, Ochoa Bogh, Seyarto, Strickland

ASSEMBLY FLOOR: 62-9, 9/8/25 - See last page for vote

SUBJECT: California Latino Commission

SOURCE: Author

DIGEST: This bill establishes the California Latino Commission (CLC) to address the inequities faced by the Latino community in housing, education, economic mobility, labor, and health care.

ANALYSIS:

Existing law:

1) Establishes within the state government various commissions, including, but not limited to, the Commission on the State of Hate, the Commission on the Status of Women and Girls, and the California Commission on Disability Access, as specified.

2) Requires, via The Bagley-Keene Open Meetings Act (Bagley-Keene), with specified exceptions, that all meetings of a state body be open and public and all persons be permitted to attend any meeting of a state body.

3) Requires any report that is required or requested by law to be submitted by a state or local agency to a committee of the Legislature or the Members of either house of the Legislature generally, to instead be submitted as a printed copy to the Secretary of the Senate, as an electronic copy to the Chief Clerk of the Assembly, and as an electronic or printed copy to the Legislative Counsel.

4) Establishes the position of Statewide Director of Immigrant Inclusion to develop a comprehensive statewide report on programs and services that serve immigrants, develop an online clearinghouse of immigrant services, resources and programs, and monitor the implementation of statewide laws and regulations that service immigrants.

This bill:

1) Establishes, until January 1, 2036, the CLC in state government to address the inequities faced by the Latino community in housing, education, economic mobility, labor, and health care.

2) Requires the commission to be composed of three members appointed by the Governor, three members appointed by the President pro Tempore of the Senate, and three members appointed by the Speaker of the Assembly who shall have expertise in any of the following areas:

    a) Housing policy and advocacy.
    b) Education, particularly in community colleges or Science, Technology, Engineering and Mathematics (STEM) fields.

c) Labor rights and union representation.
d) Public health and health equity, with a focus on Medi-Cal and poverty.
e) Economic development and workforce opportunities for Latinos.
f) Environment and climate change.
g) Small business and entrepreneurship.
h) K-12 students.
i) Any other area deemed appropriate by the CLC.

3) Requires commission members to serve two-year terms and shall meet at least quarterly to review data, develop strategies, and ensure that state policies are effectively addressing the needs of the Latino community.

4) Provides that CLC shall have the following powers and duties:

a) Collecting and analyzing data regarding the disparities faced by Latinos in housing, education, employment, and healthcare, and assessing the effectives of existing state programs and policies in addressing those disparities.
b) Developing recommendations to address the housing crisis affecting Latinos, as specified.
c) Developing initiatives to increase Latino enrollment and graduation rates in STEM fields in California's public universities, private universities, and community colleges, as specified.
d) Promoting policies that increase Latino participation in high-wage, high-tech industries, as specified.
e) Investigating the low participation of Latinos in organized labor and proposing strategies to increase union representation, collective bargaining rights, and workplace protections for Latinos.
f) Working with health agencies to ensure equitable access to health services for Latinos, particularly through Medi-Cal, and developing long-term strategies for reducing poverty and improving the economic mobility of Latino families.
g) Monitoring the implementation of state programs and policies affecting the Latino community, tracking progress over time, and reporting findings annually to the Governor and Legislature.

5) Requires the CLC to host annual public forums, listening sessions, and town hall meetings across California, particularly in areas with significant Latino populations, to ensure that community members have a direct role in shaping the commission's agenda and priorities.

6) Requires the CLC to collaborate with specified state agencies.

7) Requires each state agency to provide appropriate and reasonable assistance to the CLC, as specified.

8) Provides that the CLC and its activities shall be supported by appropriations by the Legislature from the General Fund and grants from federal and private sources.

9) Requires the CLC to submit an annual report to the Governor and the Legislature detailing its work, recounting the resources it needs, and recommending policies for the following year.

Background

Author Statement. According to the author's office, "Latinos are the heart of our economy and our culture here in California. Yet, Latinos continue to face enormous challenges across various metrics including in education, housing, health, and economic mobility. We have not done enough to make Latinos part of our conversation as the state looks forward to the future workforce and our economy. As families face a growing affordability crisis, we must seek every avenue to help underserved communities find greater economic mobility and educational outcomes by ensuring those communities are front and center to the challenges impacting them. For a community as diverse as the Latino community, this means ensuring that they are the driver's seat in identifying challenges and priorities to better serve their needs."

Latino Community in California. The Latino community in California is a vital part of the state's cultural, political, and social landscape. As of the latest census data, Latinos account for approximately 40% of California's population, making them the largest ethnic group in the state. Mexican Americans form the majority, followed by Central Americans, South Americans, and Caribbean Americans.

The roots of the Latino community in California stretch back to the 18th century when Spanish explorers and settlers arrived in the region. The area was part of Mexico until the mid-19th century, which influenced early settlement patterns and cultural ties. Significant migrations of Mexicans to California occurred during the 20th century, particularly during the Mexican Revolution (1910-1920) and the Bracero Program (1942-1964), which allowed Mexican laborers temporary work in

the United States. Most recent immigrants have come from various countries in Central and South America due to factors like political instability in immigrant's home countries.

The historical ties to California have resulted in significant cultural contributions to the State of California. Spanish is widely spoken in California, and it is not uncommon to find bilingual education programs and various media outlets targeting Spanish speakers. Celebrations such as Dia de los Muertos, Cinco de Mayo, and various other events highlight the rich cultural heritage of the Latino community. Latino cuisine has also had a profound impact on California's food culture, with Mexican food being a staple in California culinary landscape.

Despite all of these contributions, the Latino community has historically faced many challenges including disparities in housing, education, labor, and healthcare. Additionally, the recent intensification of immigration enforcement in California has profoundly affected the Latino community. For example, recent workplace raids, particularly in agriculture, have created a climate of fear among many Latino workers, leading to economic uncertainty for those workers and their families. Raids have also resulted in the detention and deportation of individuals, which can lead to separation of families and create unstable situations for children and relatives who may be U.S. citizens.

The recent fires in southern California have also dramatically impacted the Latino community in California. According to UCLA's Latino Policy & Politics Institute, at least 74,000 Latinos were directly displaced or at risk of displacement due to the wildfires. Additionally, at least 35,000 jobs held by Latinos are at risk of temporary or permanent displacement due to the wildfires. The institute also found that Latino workers face greater economic instability due to limited opportunities for remote work. This disparity reflects the overrepresentation of Latinos in job requiring physical preference, which are particularly vulnerable to layoffs or closures during natural disasters.

Similar Entities in Other States. Several states have established Latino commissions or similar entities to address issues related to the Latino community, promote advocacy, and provide advice on policies affecting the Latino community in those states. These commissions often serve as advisory boards to state governments and focus on such issues as health, education, immigrant, and economic development. For example, the State of Illinois established the Latino Family Commission which purpose is to advise the Governor and the General Assembly, as well as work directly with state agencies to improve and expand

existing policies, services, programs, and opportunities for Latino families. In Massachusetts, Governor Maura T. Healy signed an executive order in 2023, which established the Governor's Council of Latino Empowerment. This council advises the Governor on strategies to expand economic opportunities for and improve the overall wellbeing of Massachusetts's Latino community.

Related/Prior Legislation

SB 12 (Gonzalez, 2025) of the current legislative session establishes the Office of Immigrant and Refugee Affairs (Office) within a newly created Immigrant and Refugee Affairs Agency (Agency). The bill would establish duties and responsibilities of the Agency and the Office, which includes, among other duties, establishing a permanent structure within the state to serve immigrants and refugees, and assisting other state agencies in evaluating programs for accessibility and effectiveness in providing services to immigrant and refugees. (Held in the Senate Appropriations Committee Suspense File)

AB 3031 (Lee, 2024) would have established the LGBTQ+ Commission with the goals of acting in an advisory capacity to the Legislature and the Governor, engaging in fact finding and data collection, reviewing and assessing programs affecting the state's LGBTQ+ community, and providing the Legislature and Governor with information and recommendations to address the needs of California's LGBTQ+ community. (Vetoed by Governor Newsom)

AB 116 (Nakano, Chapter 716, Statutes of 2002) established the Commission on Asian and Pacific Islander American Affairs, required the commission to act as a liaison with Asian Pacific islander American (APIA) communities, hold meetings on issues affecting the APIA community, and submit an annual report the Governor and the Legislature that details the commission's activities.

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

According to the Assembly Appropriations Committee, Annual GF costs of an unknown amount, potentially in the high hundreds of thousands of dollars to low millions of dollars, to staff and operate the CLC. The author is requesting state budget funding of $1 million in the first year and $500,000 ongoing to establish and support the CLC. At the time of this analysis's preparation, the proposed 2025-26 state budget agreement did not include funding for the CLC. Additionally, costs to the CLC include office space, equipment, staff salaries, and resources for travel and large public meetings across the state, with significantly higher costs if the CLC requires data collection or other information technology

infrastructure. It is likely that the CLC will require comparable resources to existing state commissions with related missions and sizes. For reference, the proposed 2025-26 state budget agreement includes $959,000 and four positions for the Commission on Asian and Pacific Islander American Affairs (GF) and approximately $2 million and 14 positions for the Commission on the Status of Women and Girls ($1.6 million GF, $357,000 Women and Girls Fund).

Finally, costs of an unknown, but potentially significant, amount across state agencies to collaborate with the CLC to achieve the CLC's objectives (GF or special fund). Such costs will vary by agency, and may range from minor (if the agency has an informal advisory role) to significant (if formal interagency agreements for data and resource sharing or assistance are needed).

SUPPORT: (Verified 10/14/25)

Alianza Coachella Valley
Alliance for Better Community
California Faculty Association
California Hispanic Chambers of Commerce
California Human Development
California Latino Legislative Caucus
Center for Employment Training
Central Valley Opportunity Center
First Day Foundation
Hispanas Organized for Political Equality
Imperial Valley Equity & Justice Coalition
Inland Coalition for Immigrant Justice
LA Cooperativa Campesina De California
Latino Coalition for A Healthy California
Latino Legislative Caucus
Latino Education Advancement Foundation
Lideres Campesinas en California en California Inc.
Proteus,Inc.
Unidosus
University of California

OPPOSITION: (Verified 10/14/25)

None received

ARGUMENTS IN SUPPORT: According to the Latino Coalition for a Healthy California, "this proposal mirrors existing commissions and is tasked with making

recommendations for the Governor and Legislature, developing initiatives, and monitoring progress in tackling disparities facing Latinos. The Latino community is not monolith. The issues facing Latinos in California face vary across the state, some with more urban challenges to those more commonly found in only the most rural areas. The Latino Commission will act as a focal point for experts to address this community's diverse needs across the state through its ability to conduct research, develop strategies, and outline recommendations across key issues."

GOVERNOR'S VETO MESSAGE:

> This bill would establish the California Latino Commission to advise and make recommendations to the Legislature and the Governor on policy matters affecting Latino communities.
>
> California is home to more than 15 million Latinos - nearly 40 percent of the state's population. Latinos play a central role in California's economy and culture, and my Administration will continue ongoing work to identify and address the challenges that face this community. While I am appreciative of the intent to provide this distinct venue to further address disparities and drive opportunity through data collection and analysis, initiatives, partnerships, evaluation, and other powers and duties, this bill would lead to ongoing implementation costs in the millions of dollars while duplicating existing efforts, many of which are supported by state funding.
> In partnership with the Legislature this year, my Administration has enacted a balanced budget that recognizes the challenging fiscal landscape our state faces while maintaining our commitment to working families and our most vulnerable communities. With significant fiscal pressures and the federal government's hostile economic policies, it is vital that we remain disciplined when considering bills with significant fiscal implications that are not included in the budget, such as this measure.
> For this reason, I cannot sign this bill.

ASSEMBLY FLOOR: 62-9, 9/8/25
AYES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Davies, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez,

Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wicks, Wilson, Zbur, Rivas
NOES: Castillo, DeMaio, Dixon, Ellis, Gallagher, Johnson, Macedo, Sanchez, Tangipa
NO VOTE RECORDED: Alanis, Chen, Flora, Jeff Gonzalez, Hadwick, Lackey, Nguyen, Ta, Wallis

Prepared by: Felipe Lopez / G.O. / (916) 651-1530
10/14/25 16:10:55

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

Office of Senate Floor Analyses
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VETO

Bill No: SB 404
Author: Caballero (D), et al.
Enrolled: 9/17/25
Vote: 27

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 7-0, 4/2/25
AYES: Blakespear, Dahle, Gonzalez, Hurtado, Menjivar, Padilla, Pérez
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: 36-0, 5/29/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, McGuire, McNerney, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Choi, Limón, Menjivar, Reyes

SENATE FLOOR: 35-0, 9/13/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Weber Pierson, Wiener
NO VOTE RECORDED: Choi, Gonzalez, Menjivar, Valladares, Wahab

ASSEMBLY FLOOR: 65-1, 9/12/25 - See last page for vote

SUBJECT: Hazardous materials: metal shredding facilities

SOURCE: Author

DIGEST: This bill establishes a new regulatory structure at the Department of Toxic Substances Control 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 is 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.

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.

The Late 1980s to Today – A Brief History of Metal Shredding Regulation. 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).

SB 1249 (Hill, Chapter 756, Statutes of 2014). Following concerns about metal shredder safety, SB 1249 was enacted. The bill gave DTSC the authority to develop alternative management standards (different from a hazardous waste facility permit) if, after evaluating metal shredding facilities, DTSC determined alternative management standards would still protect the public and the environment.

SB 1249 gave DTSC a timeframe to develop and adopt alternative management standards that may have led to the elimination of the "f letter" process, but DTSC never adopted any standards and the authority to do so sunset under the terms of SB 1249.

Cue The Lawyers – Part One. More than a decade before the enactment of SB 1249, DTSC issued "Official Policy/Procedures #88-6 Auto Shredder Waste Policy and Procedures" – better known as OPP #88-6 – in November 1988. 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 – and 7 years after the passage of SB 1249 – 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.

Cue The Lawyers – Part 2. 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

1) *I Fought The Law.* If SB 404 becomes law, it would effectively end the litigation referenced in the "Background" section of this analysis, as well as other related lawsuits. This bill repeals OPP #88-6 and because SB 404 defines metal shredder aggregate as scrap metal and not hazardous waste, this bill also nullifies DTSC's since-expired emergency regulation that sought to remove metal shredder aggregate from the definition of scrap metal.

2) *Making Shredded MSR Non-Hazardous.* As noted in the "Background" section, DHS – DTSC's predecessor – determined in the 1980s that then-current metal treatment fixation technologies could lower the soluble concentrations of metals in MSR, making this treated waste "insignificant" as a hazard to human health and safety, livestock, and wildlife. Following that determination, a number of metal shredding facilities applied for and received nonhazardous waste determinations – known as "f letters" – from DHS, and later DTSC. As such, their treated MSR is regulated as nonhazardous waste provided they use the approved metal fixation treatment formulas and technologies to deal with their MSR.

   This bill eliminates the "f-letter" process and allows chemically treated MSR to be used beneficially as alternative daily cover or otherwise disposed of in authorized solid waste landfills provided they adhere to or exceed the MSR treatment fixation technology standards set in this bill. Those that cannot meet the standards may alternatively handle MSR as hazardous waste.

3) *Metal Shredder Aggregate, MSR, & DTSC Permitting.* While this is a bit of an oversimplification, it may be helpful to think of metal shredding facilities as producing two main end products – metal shredder aggregate and MSR.

The metal shredder aggregate consists of the ferrous and nonferrous materials that are recycled and sold, while the MSR is just that – residue and waste that must be properly disposed of in accordance with standards set forth by this bill.

Under current law, DTSC, CalRecycle, the SWRCB, local air districts, and CUPAs can all 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 HWCL.

4) *The Bottom Line – A Triple Venn Diagram.* At its core, SB 404 deals with three different items or concepts that do overlap in places:

- Regulation of MSR. This is likely the least contentious portion of this bill. SB 404 states that if a facility treats MSR according to the standards set in this bill, that facility does not have to be classified as a hazardous waste facility. However, if a facility chooses not to treat MSR according to those standards, it can still operate but it does have to operate this portion of its business under a hazardous waste facility permit.

- Resolution of Lawsuits. SB 404 resolves a number of lawsuits involving DTSC, the metal shredding industry, and entities arguing they were impacted by a metal shredding facility. This includes not just the lawsuits mentioned in the "Background" section of this analysis, but a number of others, including some involving the former Oakland A's. Opinions on whether this bill's resolution of these suits is appropriate vary and likely depend on whether a party views itself as likely to win in court and/or achieve a better regulatory outcome via the courts and/or is in a position to garner attorneys fees should it prevail in court.

- Regulation of Metal Shredder Aggregate. This appears to be the most contentious part of SB 404.

Some opponents argue since this bill defines metal shredder aggregate as scrap metal, DTSC should not be involved in the regulatory process. They are further concerned adding a DTSC permitting process on top of the existing processes required by regional water boards, air districts, fire authorities, CUPAs, and others will complicate the permitting process without adding any value.

Other opponents argue the opposite side of the same coin, fearing under this bill DTSC is losing regulatory authority it has now and is not given enough new authority – or specific direction – to regulate entities, protect environmentally sensitive communities, and more.

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

According to the Assembly Appropriations Committee, DTSC estimates ongoing costs of up to $1.6 million, though those costs will be reimbursed by permit fees the bill allows DTSC to charge. The Department of Justice (DOJ) anticipates costs of an unknown, but potentially significant, related to representing, litigating and doing enforcement work on behalf of DTSC.

SUPPORT: (Verified 10/15/25)

Auto Dismantlers Association
Beacon House Association of San Pedro
Boys & Girls Clubs of The Los Angeles Harbor
California Council for Environmental & Economic Balance (CCEEB)
California Metal Recyclers Coalition
California Police Chiefs Association
California Professional Firefighters
California State Association of Electrical Workers
California State Council of Laborers
California State Pipe Trades Council
California Steel Industries, INC.
California Strategies & Advocacy, LLC
Central City Association of Los Angeles
Ecology Recycling Services
Grand Vision Foundation
Latino Caucus of California Counties
Pacific Steel Group (PSG)
Peace Officers Research Association of California (PORAC)
Recology Waste Zero
Recycled Materials Association - West Coast Chapter
Republic Services, Inc.
Resource Recovery Coalition of California
Rincon San Luiseno Band of Indians
South Colton Diversity Committee
Strength Based Community Change
Waste Management
Western States Council Sheet Metal, Air, Rail and Transportation
Wilmington Chamber of Commerce

OPPOSITION: (Verified 10/15/25)

Cargill, Inc.

Kramar's Iron and Metal Co.
Natural Resources Defense Council
Oakland Athletics
Pacific Auto Recycling Center
People's Collective for Environmental Justice
San Francisco Baykeeper
Universal Service Recycling, Inc.
Valley Industry and Commerce Association (VICA)
West Oakland Environmental Indicators Project

GOVERNOR'S VETO MESSAGE:

The bill would establish a comprehensive regulatory program for metal shredding facilities to be administered by the Department of Toxic Substances Control (DTSC) and would require metal shredding facilities to obtain a permit from DTSC.

I support the author's intent to create a uniform structure for permitting metal shredding facilities in California. These facilities are critical to maintaining supply chain stability, recycling 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 overwhelm available landfill capacity, creating a massive accumulation of damaged and abandoned cars, appliances, and other items.

However, 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.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 65-1, 9/12/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Boerner, Calderon, Caloza, Carrillo, Chen, Connolly, Davies, Dixon, Elhawary, Fong, Gabriel, Gallagher, Gipson, Jeff Gonzalez, Mark González, Hadwick, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lee, Lowenthal, Macedo, McKinnor, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Sharp-Collins, Solache, Soria, Stefani, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NOES: Ellis
NO VOTE RECORDED: Bennett, Berman, Bonta, Bryan, Castillo, DeMaio, Flora, Garcia, Haney, Lackey, Muratsuchi, Sanchez, Schultz, Ta

Prepared by: Evan Goldberg / E.Q. / (916) 651-4108, Heather Walters / E.Q. / (916) 651-4108
10/15/25 16:43:12

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

Office of Senate Floor Analyses
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VETO

Bill No: SB 411
Author: Pérez (D), et al.
Enrolled: 9/12/25
Vote: 27

SENATE EDUCATION COMMITTEE: 7-0, 4/2/25
AYES: Pérez, Ochoa Bogh, Cabaldon, Choi, Cortese, Gonzalez, Laird

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

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

SENATE FLOOR: 40-0, 9/9/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ASSEMBLY FLOOR: 79-0, 9/8/25 - See last page for vote

SUBJECT: Stop Child Hunger Act of 2025

SOURCE: California Association of Food Banks
California State Council of Service Employees International Union
GRACE/End Child Poverty California

DIGEST: This bill requires the California Department of Education (CDE), subject to an appropriation, with support from the Department of Social Services (DSS), to develop a statewide application that is made available through a single

statewide website that enables families to submit federally required information for meal eligibility, as specified.

ANALYSIS:

Existing law:

1) Requires local educational agencies (LEAs), beginning with the 2022-23 school year, to make available a nutritionally adequate breakfast and a nutritionally adequate lunch (that qualify for federal reimbursement) free of charge during each school day to any student who requests a meal without consideration of the student's eligibility for a federally funded free or reduced-price meal. (Education Code (EC) § 49501.5)

2) Requires CDE to work with DSS to maximize participation in the federal Summer Electronic Benefit Transfer for Children (Summer EBT) program. CDE is required to share all data determined by the departments to be necessary. (EC § 49506)

3) Requires LEAs to make paper applications for free or reduced-price meals available to students at all times during each regular school day, and are authorized to also make an application electronically available online, as specified. Online applications must comply with the following requirements, among other things:

    a) Require completion of only those questions that are necessary for determining eligibility.

    b) Comply with specified privacy rights and disclosure protections.

    c) Include links to all of the following:

        i) The online application to CalFresh.

        ii) The online single state application for health care.

        iii) The Department of Public Health's web page entitled "About WIC and How to Apply," or another web page that connects families to the Special Supplemental Nutrition Program for Women, Infants, and Children.

iv) The website of a summer lunch program authorized to participate within the city or school district. (EC § 49557)

This bill:

1) Requires CDE, subject to an appropriation, with support from DSS, to develop, and provide families with, a statewide application that is made available through a single statewide website that enables families to submit federally required information.

2) Requires the statewide application to adhere to all of the following:

   a) Is made available with sufficient time for families to apply for summer of 2028 benefits.

   b) Has the ability to, upon completion of the application, be routed to the applicant family's LEA to determine Summer EBT eligibility.

   c) Meets the requirements for CDE's new student benefit form that is in an alternative electronic format that meets the requirements and purposes of the Local Control Funding Formula, and also the federal requirements to determine eligibility for the National School Lunch Program, School Breakfast Program, and Summer EBT Program (SUN Bucks).

   d) Is limited, with regard to information requested, to minimum requirements under federal law and guidance.

   e) Is translated with accessible language into at least all threshold languages that are required for the CalFresh program.

3) Requires LEAs to make an electronic device available for families to use to access the statewide application, upon request.

4) Modifies the existing requirement that LEAs make paper applications for free- or reduced-price meals available to students at all times during each regular school day to specify this requirement is only if required by federal law and guidance.

5) Expands the links required to be included in an online application for free- or reduced-price meals to also include a link to the website providing information

about the federal Summer EBT program.

6) Clarifies that the plan LEAs must formulate to ensure students eligible for free- or reduced-price meals are not treated differently from other children, are only for schools that do not serve meals universally to all students.

7) Prohibits the statewide application developed pursuant to this bill from being subject to the Project Approval Lifecycle of the Department of Technology.

8) Applies the provisions of this bill to charter schools.

Comments

School meal applications and forms. Student eligibility for the National School Lunch Program and School Breakfast program is determined based on a family's income, as reported by families via the National School Lunch Program meal application, and verified by the LEA. LEAs are reimbursed with federal and state funds for meals served to eligible students at either the Free, Reduced-Price or Paid category. For schools operating the National School Lunch and School Breakfast programs under standard meal counting and claiming, the National School Lunch Program application can also be used to identify low-income students for purposes of the Local Control Funding Formula (LCFF). Federal regulations prohibit schools operating the National School Lunch and School Breakfast programs under a federal provision (see next below) from collecting meal applications. These schools can use the Alternative Income Form for LCFF purposes. The Alternative Income Form cannot be used for determining eligibility for the National School Lunch or School Breakfast programs or for SUN Bucks. While state law now requires LEAs to offer two meals per day free of charge to all students, income eligibility information is still needed for the purposes described above.

This bill requires LEAs, to the extent allowed by federal law and guidance, to provide alternative income verification forms instead of the application for free- or reduced-price meals.

The federal SUN Bucks program requires that each student be individually identified for eligibility (even while LEAs may be approved to provide meals to all students under the federal Community Eligibility Provision or Provision 2, which allow schools with a high percentage of low-income students to serve all students at that schoolsite free of charge). Therefore, the information required for the National School Lunch Program and for SUN Bucks is not aligned.

Due to the need for updated applications to accommodate the information required to determine eligibility for SUN Bucks, SB 153 (Committee on Budget and Fiscal Review, Chapter 38, Statutes of 2024) required CDE to develop a student benefit form in an alternative electronic format that meets the requirements and purposes of the LCFF, and also the federal requirements to determine eligibility for the National School Lunch Program, School Breakfast Program, and Summer EBT Program (SUN Bucks). CDE recently released the new Universal Benefits Application template for these purposes. Federal regulations require states to make a Summer EBT application available to households whose children are enrolled in the National School Lunch or School Breakfast programs and who do not already have an individual eligibility determination; however, federal regulations do not require the application to be an interactive web-based tool.

Beginning in the 2025-26 school year, schools participating in the National School Lunch Program or School Breakfast Program that are approved to operate a federal provision, such as the Community Eligibility Provision or Provision 2, must collect Universal Benefits Applications for SUN Bucks eligibility on an annual basis. This will ensure that the estimated 1.8 million students who attend schools serving meals to all students under the federal Community Eligibility Provision or Provision 2 can apply for SUN Bucks eligibility.

The author notes that, while the new Universal Benefits Application is an important step, it is a static PDF that does not allow families to complete and submit it online. This bill requires CDE to develop a statewide application that is made available through a single statewide website that enables families to submit federally required information.

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

According to the Assembly Appropriations Committee, this bill would impose the following costs:

1) One-time General Fund costs of approximately $3.2 million in the first year of implementation, and $2.8 million ongoing, for the CDE to acquire an additional 12 staff and information technology resources necessary to develop and maintain the data system to collect income eligibility applications from families.

2) Minor and absorbable workload for the CDSS to support the CDE in developing the application website.

SUPPORT: (Verified 10/19/25)

California Association of Food Banks (co-source)
California State Council of Service Employees International Union (co-source)
GRACE/End Child Poverty California (co-source)
Alameda County Community Food Bank
Alchemist CDC
American Academy of Pediatrics, California
Asian Pacific Islander Forward Movement
Back to the Start
California Academy of Nutrition and Dietetics
California Catholic Conference
California Food and Farming Network
California Immigrant Policy Center
California State PTA
California Teachers Association
California WIC Association
Ceres Community Project
CFT- A Union of Educators & Classified Professionals, AFT, AFL-CIO
CleanEarth4Kids.org
Community Action Partnership of Orange County
Community Foodbank of San Benito
Courage California
Early Matters Fresno
Farm2people
Feeding San Diego
Food Access LA
Food Bank of Contra Costa and Solano
Food for People, the Food Bank for Humboldt County
Food in Need of Distribution Food Bank
Friends Committee on Legislation of California
Fullwell
GLIDE
Grace Institute - End Child Poverty in CA
Hunger Action Los Angeles
Latino Coalition for a Healthy California
Los Angeles Community Action Network
Los Angeles Food Policy Council
Los Angeles Regional Food Bank
Marin Food Policy Council
Mazon: A Jewish Response to Hunger

National Council of Jewish Women-California
NextGen California
Nourish California
Parent Voices California
Pesticide Action Network North America
Roots of Change
Sacramento Food Bank & Family Services
Second Harvest Food Bank of Orange County
Second Harvest Food Bank of Santa Cruz County
Second Harvest of Silicon Valley
Share Our Strength
Sierra Harvest
Western Center on Law & Poverty
What We All Deserve

OPPOSITION: (Verified 10/19/25)

None received

GOVERNOR'S VETO MESSAGE:

> This bill requires the California Department of Education (CDE), with support from the California Department of Social Services (CDSS), to develop and provide a statewide web application enabling families to submit federally required information, in adherence with specified requirements, to determine eligibility for school meal programs beginning with the application for summer 2028 benefits, contingent upon an appropriation. Through California's Universal School Meals program, all students, regardless of income, now have access to two free meals each school day. In addition, the Summer Electronic Benefits Transfer (SUN Bucks) program assists eligible families to ensure students are fed during the summer months. While I wholeheartedly support the author's intent to increase access to school meal programs, this bill imposes additional costs on the Department of Education to build, maintain, and operate a new statewide online data management system to determine eligibility. This should be considered as part of the budget process, rather than through legislation.
> In partnership with the Legislature this year, my Administration has enacted a balanced budget that recognizes the challenging fiscal landscape our state faces while maintaining our commitment to working families and our most vulnerable communities. With significant fiscal pressures and the federal

government's hostile economic policies, it is vital that we remain disciplined when considering bills with significant fiscal implications that are not included in the budget, such as this measure.

For this reason, I cannot sign this bill.

ASSEMBLY FLOOR: 79-0, 9/8/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO VOTE RECORDED: Nguyen

Prepared by: Lynn Lorber / ED. / (916) 651-4105
10/20/25 9:57:29

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

SENATE RULES COMMITTEE SB 414
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VETO

Bill No: SB 414
Author: Ashby (D)
Enrolled: 9/17/25
Vote: 27

SENATE EDUCATION COMMITTEE: 6-0, 4/23/25
AYES: Pérez, Ochoa Bogh, Cabaldon, Choi, Gonzalez, Laird
NO VOTE RECORDED: Cortese

SENATE JUDICIARY COMMITTEE: 11-0, 4/29/25
AYES: Umberg, Niello, Allen, Arreguín, Ashby, Caballero, Laird, Stern, Valladares, Weber Pierson, Wiener
NO VOTE RECORDED: Durazo, Wahab

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

SENATE FLOOR: 30-1, 6/2/25
AYES: Allen, Alvarado-Gil, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Choi, Dahle, Grayson, Grove, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Pérez, Richardson, Rubio, Seyarto, Stern, Strickland, Umberg, Valladares, Weber Pierson, Wiener
NOES: Smallwood-Cuevas
NO VOTE RECORDED: Archuleta, Cervantes, Cortese, Durazo, Gonzalez, Hurtado, Padilla, Reyes, Wahab

SENATE FLOOR: 24-0, 9/13/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Grayson, Grove, Jones, Laird, Limón, McNerney, Niello, Ochoa Bogh, Richardson, Rubio, Seyarto, Stern, Strickland, Umberg, Weber Pierson, Wiener
NO VOTE RECORDED: Alvarado-Gil, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Hurtado, McGuire, Menjivar, Padilla, Pérez, Reyes, Smallwood-Cuevas, Valladares, Wahab

ASSEMBLY FLOOR: 55-3, 9/13/25 - See last page for vote

SUBJECT: School accountability: Office of the Education Inspector General: school financial and performance audits: charter school authorization, oversight, funding, operations, and networks: flex-based instruction: local educational agency contracting

SOURCE: Real Journey Academies

DIGEST: This bill makes changes to the oversight, auditing, and funding systems for nonclassroom-based (NCB) charter schools—rebranded as "flex-based" charter schools. It updates and expands audit procedures for all local educational agencies (LEAs), creates a new Office of the Education Inspector General to investigate fraud and financial mismanagement, and makes changes to the funding determination process. This bill establishes statewide contracting requirements to prevent misuse of public funds, increases accountability for charter authorizers through technical assistance and oversight grants, and extends the moratorium on new flex-based charter schools through June 30, 2026.

Assembly Amendments: (1) establish a new Office of the Education Inspector General, (2) overhaul the funding determination process for flex-based charter schools by creating new funding tiers, allowing indefinite renewal contingent on audit compliance, and adjusting how instructional spending thresholds are calculated, (3) require networks of flex-based charter schools to apply for funding determinations together or be audited under a unified process, (4) adds a set of contracting restrictions applying to all LEAs and designed to prevent misuse of funds, (5) create two new state programs to support charter authorizer oversight: a mentor grant for struggling authorizers and an oversight grant to help defray new costs, (6) extend the moratorium on new flex-based charter schools to June 30, 2026, and (7) declare intent to establish a statewide charter oversight entity.

ANALYSIS:

Existing law:

1) Requires each LEA, including charter schools, to conduct an annual independent audit by a certified public accountant (CPA) in accordance with regulations established by the State Controller (Controller). Specifies that audits

must examine financial statements and compliance with applicable laws. (Education Code (EC) § 41020)

2) Authorizes the Controller to review LEA audit reports, conduct quality control reviews of CPA firms, and disqualify auditors who fail to meet professional standards. (EC § 41020.5)

3) Requires the Controller to develop and update an annual audit guide for K-12 LEAs in consultation with stakeholders. (EC § 14502.1)

4) Declares that charter schools are part of the public school system and subject to applicable oversight by the state, including laws relating to financial accountability. (EC § 47604.1)

5) Authorizes a chartering authority to monitor the fiscal and academic performance of a charter school and take appropriate corrective action. (EC § 47604.32)

6) Grants the State Board of Education (SBE) authority to take corrective action against a charter school, including revocation of the charter, in cases involving gross financial mismanagement or failure to meet performance expectations. (EC § 47604.5)

7) Requires NCB charter schools (defined as schools where less than 80% of instruction occurs in person) to obtain a funding determination from the SBE to receive state apportionment. (EC § 47612.5)

8) Authorizes chartering authorities to charge charter schools for actual costs of supervisorial oversight, not exceeding 1% (or 3% in some cases) of revenues. (EC § 47613)

9) Requires LEAs offering independent study to comply with teacher-pupil ratio requirements, which differ based on instructional model. (EC § 51745.6)

10) Authorizes the Controller to conduct periodic quality control reviews of audit firms that perform K-12 LEA audits and make recommendations for improvement or enforcement action. (EC § 14504.2)

This bill:

1) Renames "nonclassroom-based" charter schools as "flex-based" charter schools and makes corresponding terminology updates in provisions relating to public meeting requirements and audit procedures.

2) Extends the use of verified data by charter schools in the renewal process until June 30, 2028.

3) Adds the Charter Schools Development Center, the California Charter Schools Association, and the California School Employees Association to the list of stakeholders to be consulted in the audit guide development process.

4) Updates the schedules and procedures in the annual audit guide for LEAs to include student enrollment and attendance, the top 25 payments or transfers, student-to-teacher ratios, funding determination thresholds for flex-based schools, loans and related entities, charter school governing body members, the five highest paid employees, determination if flex-based schools are part of a network, sampling of credit card payments, payments of 10% or $1 million whichever is less, analytical procedure to determine unusual enrollment patterns in high school, whether any 12th grade students did not complete required state assessments, and verification of four student work products per attendance period.

5) Establishes a second set of instructions for the audit guide that state the provisions shall be no more burdensome than the generally accepted auditing standards (GAAS).

6) Requires chartering authorities to notify the California Department of Education (CDE) and the county superintendent of schools if they suspect fraud, misappropriation of funds, or other illegal fiscal practices.

7) Expands the grounds on which the SBE may revoke a charter to include false claims by a charter school. Requires the SBE or its designee to promptly investigate allegations of false claims or misappropriation of public funds if there is probable cause.

8) Establishes, until 2034, the Office of the Education Inspector General as an independent governmental entity to conduct forensic audits to identify fraud, misappropriation of funds, or illegal activity at LEAs and entities managing a charter school.

9) Changes the funding levels that flex-based charter schools are eligible for in the funding determination process to 100%, 85%, 70%, and a proportional percentage below 100% if the school fails to meet the spending threshold for instruction and related services by less than 3%.

10) Authorizes flex-based charter schools to continue to receive the funding level prescribed by the SBE in the funding determination indefinitely, so long as the annual financial and compliance audit verifies that the school continues to meet the funding determination thresholds approved by the SBE.

11) Requires each school in a network of flex-based charter schools to either have the annual financial and compliance audit completed by the same auditor, or, apply for a funding determination in the same year and be heard by the SBE at the same hearing, and requires the CDE or the auditor to analyze the pupil-to-teacher ratio and spending thresholds across the entire network.

12) Requires, when a flex-based school applies for mitigating circumstances, the Advisory Commission on Charter Schools (ACCS) and the SBE to grant serious consideration to the budgeting and staffing decisions of the charter school, provided those decisions are otherwise legal and compliant with applicable law.

13) Authorizes the following as part of the funding determination threshold calculations:

    a) Allow exclusion of restricted grants and funds that are not spent on certificated staff salaries or instruction and related services;

    b) Allow exclusion of proceeds from loans for facilities and state apportionment;

    c) Allow exclusion of unspent one-time funds;

    d) Include spending on physical school sites as instructional-related expenditures;

    e) Require disclosure of reserves by accounting category;

    f) Allow exclusion of reserve increases from revenue if reserves are below 10%; and

    g) Require explanations for reserves over 10% and notify authorizers when under 5%.

14) Includes contracted services for certificated staff to be counted toward the percentage of revenue expended on certificated staff salaries and benefits.

15) Establishes the following rules for contracting for all LEAs:

a) Prohibiting contracted programs from being sectarian;

b) Prohibiting contracts from paying for tuition and fees at a private school, except pursuant to an individualized education program (IEP);

c) Prohibiting financial payments or gifts to a pupil or prospective pupil or their family for enrollment, referral, or retention;

d) Requires that contracts be at a reasonable market value;

e) Prohibits contracting or purchasing season passes to amusement parks, theme parks, zoos, or family entertainment activities, but allows for one time admissions that are aligned to teacher assignments, graduation, or co-curricular activities;

f) Prohibits LEAs from providing financial incentives for manipulating or falsifying student attendance;

g) Requires LEAs to only contract with an entity that has a business license or certificate and that holds appropriate insurance for the service;

h) Prohibits LEAs from contracting with parents for services provided exclusively to their own child;

i) Prohibits LEAs from reimbursing parents for activities or services, except pursuant to an IEP or settlement agreement;

j) Requires contractors to have policies and procedures for site safety;

k) Requires all contractors to have a valid criminal record summary;

l) Requires all contractors to show evidence of qualifications and expertise;

m) Prohibits contractors, as part of the contract with the LEA, from charging pupil fees; and

n) Requires flex-based charter contracts to itemize costs with details to determine a qualifying expense for the funding determination.

16) Establishes the Charter Authorizer Mentor Grant program and authorizes the California Collaborative on Educational Excellence (CCEE) to identify five entities, including nonprofit organizations, to provide two years of technical assistance to charter authorizers who have two consecutive years of at least two audit findings related to charter oversight.

17) Prohibits a charter authorizer that is required to receive technical assistance for two years from approving new flex-based charter schools until the authorizer has an annual financial and compliance audit without audit findings related to charter oversight.

18) Allows new flex-based charter schools to apply for authorization from any school district in the county or the county board of education and authorizes the flex-based charter school to establish facilities in both the authorizing district as well as the school district that is receiving technical assistance and is prohibited from authorizing new flex-based schools.

19) Establishes a charter authorizer oversight grant program to pay for the increased cost of oversight activities established by this measure, however, does not establish the new oversight activities for charter authorizers referenced in the grant program.

20) Requires charter schools, like school districts, to pay a penalty for hiring teachers who do not hold a teaching credential from the Commission on Teacher Credentialing.

21) Requires LEAs that offer 10th grade and 12th grade to also offer 11th grade.

22) Requires the Legislative Analyst's Office (LAO) to prepare an analysis of the increased mandate costs for charter schools as a result of this bill including the new audit requirements, the inclusion of the funding determination analysis in the annual audit, responding to new accounting and oversight requirements, approval requirements by the governing body of a charter school for contracts over one hundred thousand dollars ($100,000), and the increased costs to the independent audit contract for the auditor to meet the new requirements.

23) Establishes Legislative intent to establish a statewide oversight entity.

24) Extends the moratorium on flex-based charter schools to June 30, 2026.

25) Includes charter schools in the mandate test claim process by declaring charter schools a public agency.

Comments

1) *Need for this bill.* According to the author, "Charter schools are a part of many communities and often provide alternative educational flexibility for families with a myriad of situations; including medical conditions, special needs, and other unique circumstances. They serve as a resource for families and deliver vital educational programs to our students.

   "Several fiscal audits conducted by various agencies' have identified opportunities for improvement for various charter schools and charter school authorizers across the state. Most of the negative audit findings point back to a greater need for oversight, transparency, and accountability.

   "SB 414 addresses these issues specifically by holding charter schools responsible for internal accounting and for educational outcomes for all students. This bill incorporates recommendations from several reports, strengthening oversight and ensuring academic success. It is vital to implement strong accountability measures and establish proper oversight to ensure that students receive quality education in appropriate, safe, and stable learning environments regardless of whether a school is traditional, chartered, or a hybrid model. SB 414 puts students first and puts into law the important recommendations made through audits from several entities including the Legislative Analyst's Office (LAO) and State Controller."

2) *Background on Charter Schools.* Charter schools are public schools that operate under the terms of a charter agreement approved by a school district, county office of education, or the SBE. Established by the Charter Schools Act of 1992, they were intended to increase learning opportunities for all students, especially those who are academically low-achieving, and to promote innovation, site-based decision-making, and performance-based accountability.

   Today, charter schools serve over 700,000 students in California. They are publicly funded and tuition-free, but operate with greater flexibility in exchange for accountability for results. Charter schools may be operated by nonprofit organizations or, in some cases, by charter management organizations (CMOs) that oversee multiple schools. While most charter schools operate classroom-based programs similar to traditional schools, a significant share operate in a NCB model.

3) *What Are NCB Charter Schools?* A charter school is considered NCB if less than 80% of its instructional time occurs under the immediate supervision of a

credentialed teacher in a classroom setting. NCB charter schools may offer instruction through virtual, blended, or home-based learning models. These schools often serve high proportions of students with unique learning needs, such as students who are medically fragile, pursuing athletic or artistic careers, or seeking alternatives to traditional settings.

Because NCB schools are not funded automatically based on attendance like classroom-based schools, they must obtain a funding determination from the SBE. This process is based on an evaluation of audited expenditures and is intended to ensure public funds are being used for instructional purposes. However, the process has been widely criticized for its lack of rigor, real-time accountability, and effectiveness in preventing misuse of funds. The integrity of financial reporting in NCB schools plays a critical role in funding eligibility, and, when abused, can be exploited to inflate apportionments and divert public resources.

4) *The Moratorium on NCB Charter Schools and Broader 2019 Charter School Reforms.* In 2019, the Legislature passed AB 1505 (O'Donnell, Chapter 486, Statutes of 2019) and AB 1507 (Smith, Chapter 487, Statutes of 2019), which significantly restructured charter school law. Among other changes, AB 1505 strengthened the criteria for charter authorization and renewal by:

   a) Allowing authorizers to consider academic and fiscal impact on the district when reviewing petitions.

   b) Tying renewal decisions to a school's performance on the California School Dashboard, streamlining renewal for high performers and requiring greater scrutiny for low performers.

   c) Expanding credentialing requirements to all charter school teachers and applying conflict-of-interest laws to charter boards.

   AB 1507 restricted charter schools from operating sites outside their authorizing district's boundaries.

   Together, these bills also enacted a moratorium on new NCB charter schools through January 1, 2026. The pause was intended to give the state time to re-evaluate oversight, funding, and academic accountability in the NCB sector, following concerns about weak controls and inconsistent performance.

This bill builds on this reformed oversight landscape by proposing additional audit, fiscal, and governance tools specific to charter school accountability.

5) *The A3 Charter Schools Fraud Case.* The most significant charter school fraud case in California's history, the A3 Education scandal, came to light in 2019. Prosecutors alleged that two individuals created a network of 19 NCB charter schools and enrolled tens of thousands of students, many without their knowledge or participation, to fraudulently claim public funding. The scheme involved:

   a) Inflated and duplicated enrollment using a manipulated "multi-track" calendar.

   b) Unauthorized use of public funds through related-party contracts.

   c) A total fraud estimate of over $400 million in misappropriated state funds.

   The case revealed multiple breakdowns in the oversight chain—from charter authorizers to external auditors to state agencies—prompting calls for systemic reform.

6) *Oversight Reports Prompting Legislative Action.* In response to the A3 scandal and other fraud incidents, state and independent agencies released three major reports:

   a) *State Controller's Office (SCO) Charter School Audit Task Force Report (2024):* Focused on improving the quality of school audits by increasing auditor training, revising the audit guide, establishing CPA review and rotation policies, and ensuring follow-up on audit findings.

   b) *California Charter Authorizing Professionals (CCAP) Fraud Prevention Report (2024/25):* Called for a broader anti-fraud framework, including adoption of Fraud Risk Management Programs, regulation of back-office providers and CMOs, enhanced board training, and the creation of a centralized Office of the Inspector General for K-12 education.

   c) *LAO/Fiscal Crisis and Management Assistance Team (FCMAT) Joint Report on Nonclassroom-Based Charter Schools (2024):* Analyzed the NCB funding determination process and recommended major changes to better align funding with instructional delivery. Recommendations included real-

time enrollment tracking, clearer definitions of instruction, and changes to charter oversight authority.

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

According to the Assembly Appropriations Committee:

- Ongoing Proposition 98 General Fund costs of an unknown but significant amount, likely in the millions of dollars to tens of millions of dollars statewide, for LEAs, especially charter schools, to comply with the various requirements added by this bill.

- This bill makes several changes to charter school audit and charter school authorizer oversight requirements. There are nearly 1,300 charter schools in the state. For audits, each LEA contracts with an independent auditing firm to conduct its annual audit verifying compliance with state law via the K-12 Audit Guide. As statutory requirements for LEAs increase and continue to add procedures, independent auditing firms charge LEAs more to account for increased workload. If an auditing firm increases charges to a charter school by $500 per year to account for requirements added by this bill, the bill creates $650,000 in new costs.

- Ongoing General Fund costs of $174,000 for the CDE to hire one additional staff responsible for fulfilling CDE requirements of the bill. CDE cites potential for significant additional costs to the extent that investigations require existing staff time across multiple divisions.

- Ongoing General Fund costs of an unknown amount, possibly in the low hundreds of thousands to high hundreds of thousands of dollars for the SCO to hire additional staff responsible for determining topics for required auditor training, processing auditor certifications, providing technical assistance to auditors, and processing a potential increase in auditor quality control reviews.

SUPPORT: (Verified 10/17/25)

REAL Journey Academies (source)
Achieve Charter School of Paradise
Albert Einstein Academies Charter Schools
Alder Grove Charter School 2
All Tribes American Indian Charter School
Allegiance Steam Academy
Alma Fuerte Public School

Alpha Public Schools
Altus Schools
America's Finest Charter School
American Heritage Charter Schools
Antioch Charter Academy
Antioch Charter Academy II
APLUS+
Aspire Public Schools
Association of Personalized Learning Schools & Services
Aveson Schools
Big Picture Educational Academy - Adult High School
Bridges Charter School
Bridges Preparatory Academy
Bright STAR Schools
Brookfield Engineering Science Technology
California Asian Chamber of Commerce
California Charter Schools Association
California Creative Learning Academy
California Online Public School
California Pacific Charter Schools
California Virtual Academies
Camino Nuevo Charter Academy
Capital College & Career Academy
Charter Schools Development Center
Children's Community Charter School
Chime Institute
Circle of Independent Learning Charter School
Clarksville Charter School
Community Montessori
Compass Charter Schools of San Diego
Connecting Waters Charter Schools
Core Butte Charter School
Core Charter School
Crossroads Charter Academy
Desert Trails Preparatory Academy
Dimensions Collaborative School
Dixon Montessori Charter School
Dr. Lewis Dolphin Stallworth Charter School
Edison Bethune Charter Academy
Eel River Charter School

El Sol Science and Arts Academy
Eleanor Roosevelt Community Learning Center
Element Education
Environmental Charter Schools
Epic California Academy
Equitas Academy Charter Schools
Excel Academy Charter School
Extera Public Schools
Family Partnership Charter School
Feaster (Mae L.) Charter School
Feather River Charter School
Forest Charter School
Forest Ranch Charter
Gabriella Charter Schools
Gateway College and Career Academy
Gateway Community Charters
Glacier High School Charter
Global Education Academy
Golden Eagle Charter School
Gorman Learning Center Charter School
Gorman Learning Charter Network
Granada Hills Charter
Granada Hills Charter High School
Granite Mountain Charter School
Great Valley Academy
Greater San Diego Academy Charter School
Green DOT Public Schools
Griffin Technology Academies
Guajome Schools
Heritage Peak Charter School
Hightech LA
Howard Gardner Community School
Ingenium Schools
Innovations Academy
Invictus Leadership Academy
Irvine International Academy
Isana Academies
Iva High
Ivy Academia Entrepreneurial Charter School
Jamul-Dulzura Union School District

JCS Family Charter Schools
JCS, Inc.
John Muir Charter Schools
Julia Lee Performing Arts Academy
Julian Union School District
Kairos Public Schools
Kavod Charter School
Kepler Neighborhood School
Kidinnu Academy
KIPP Public Schools Northern California
LA Jolla Band of Luiseno Indians
Lake View Charter School
Liberty Charter High School
Literacy First Charter Schools
Live Oak Charter School
Magnolia Public Schools
Mayacamas Countywide Middle School
Meadows Arts and Technology Elementary School
Method Schools
Mountain Home School Charter
Natomas Charter School
Navigator Schools
New LA
New Pacific School Roseville
New Village Girls Academy
New West Charter
Nord Country School
Northwest Prep Charter School
NOVA Academy Early College High School
NOVA Academy-Coachella
Ocean Charter School
Odyssey Charter Schools
Olive Grove Charter School
Opportunities for Learning
Options for Youth
Orange County Academy of Sciences and Arts
Orange County School of the Arts / California School of the Arts Foundation
Oxford Preparatory Academy
Pacific Charter Institute
Para Los Ninos

Pauma Band of Luiseno Indians
PCA College View
Redwood Coast Montessori
Rincon Band of Luiseno Indians
River Montessori Charter School
River Oaks Academy Charter School
Rocklin Academy Family of Schools
Rocky Point Charter School
Sacramento County Board of Education
Sage Oak Charter Schools
San Diego Virtual School
Santa Rosa French-American Charter School
Scholarship Prep Charter School
Sebastopol Independent Charter
Shasta Charter Academy
Sherman Thomas Charter School
Sherwood Montessori
Springs Charter School
Stem Preparatory Schools
Success One! Charter
Summit Public Schools
Sutter Peak Charter Academy
Sycamore Academy of Science and Cultural Arts
Sycamore Creek Community Charter School
Tehama eLearning Academy
Temecula Valley Charter School
The Cottonwood School
The Foundation for Hispanic Education
The Grove School
The Language Academy of Sacramento
The Learning Choice Academy
The O'Farrell Charter Schools
Trillium Charter School
Urban Charter Schools Collective
Valley Charter School
Valley International Preparatory High School
Vaughn Next Century Learning Center
Vibrant Minds Charter School
Virtual Learning Academy
Vista Charter Public Schools

Voices College Bound Language Academies
Vox Collegiate
Western Sierra Charter Schools
Westlake Charter School
William Finch Charter School
YPI Charter Schools
Yuba County Career Preparatory Charter School
Several Individuals

OPPOSITION: (Verified 10/17/25)

Alameda County Office of Education
Association of California School Administrators
California Association of School Business Officials
California Federation of Labor Unions
California Federation of Teachers
California School Boards Association
California School Employees Association
California County Superintendents
California Teachers Association
Carlsbad Citizens for Community Oversight
Riverside County Office of Education
San Diego County Office of Education
San Diego Unified School District
Small School Districts Association
Two Individuals

GOVERNOR'S VETO MESSAGE:

This bill makes changes to the oversight, auditing, and funding systems for nonclassroom-based (NCB) charter schools, expands local educational agencies' auditing procedures, and establishes a new Office of the Education Inspector General.

In the wake of several high-profile cases of fraud by NCB charter schools, in partnership with the Legislature, we charged the Legislative Analyst's Office and the Fiscal Crisis Management and Assistance Team with studying ways to improve oversight and accountability, and to provide policymakers with recommendations to address those issues.

I deeply appreciate the efforts of the author and the negotiating parties to develop legislation that builds on these recommendations and the findings from the State Controller. However, this bill falls short. While the oversight and auditing provisions are meaningful, other sections are unworkable, would face legal challenges, and require hundreds of millions of dollars to implement. Additionally, provisions added late in the legislative process undermine important agreements my Administration made during my first term.

While I cannot sign this bill, I remain committed to improving oversight of our education system while preserving the ability of high-quality charter schools to continue educating the students they serve. As such, I am calling on all interested parties to work together in the coming months to find a swift resolution on remaining unresolved issues, so that follow-up legislation can be introduced and passed when the Legislature returns early next year. This legislation must ensure that public funds are properly utilized, address fraud and malfeasance, improve accountability and oversight, and acknowledge our fiscal reality to allow for successful implementation.
In partnership with the Legislature this year, my Administration has enacted a balanced budget that recognizes the challenging fiscal landscape our state faces while maintaining our commitment to working families and our most vulnerable communities. With significant fiscal pressures and the federal government's hostile economic policies, it is vital that we remain disciplined when considering bills with significant fiscal implications that are not included in the budget, such as this measure.
For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 55-3, 9/13/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Ávila Farías, Bauer-Kahan, Bennett, Berman, Bonta, Carrillo, Castillo, Chen, Davies, DeMaio, Dixon, Ellis, Flora, Gabriel, Gallagher, Gipson, Jeff Gonzalez, Hadwick, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Krell, Lackey, Lowenthal, Macedo, Nguyen, Pacheco, Papan, Patterson, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Blanca Rubio, Sanchez, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Rivas
NOES: Garcia, Lee, Muratsuchi
NO VOTE RECORDED: Alvarez, Arambula, Bains, Boerner, Bryan, Calderon, Caloza, Connolly, Elhawary, Fong, Mark González, Haney, Kalra, McKinnor, Ortega, Patel, Pellerin, Rogers, Schiavo, Schultz, Sharp-Collins, Zbur

Prepared by: Ian Johnson / ED. / (916) 651-4105
10/17/25 12:12:58

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

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VETO

Bill No: SB 418
Author: Menjivar (D), et al.
Enrolled: 9/16/25
Vote: 27 - Urgency

SENATE HEALTH COMMITTEE: 9-0, 4/9/25
AYES: Menjivar, Durazo, Gonzalez, Limón, Padilla, Richardson, Rubio, Weber Pierson, Wiener
NO VOTE RECORDED: Valladares, Grove

SENATE JUDICIARY COMMITTEE: 11-1, 4/22/25
AYES: Umberg, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Wahab, Weber Pierson, Wiener
NOES: Valladares
NO VOTE RECORDED: Niello

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SENATE FLOOR: 29-10, 9/11/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Weber Pierson, Wiener
NOES: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares
NO VOTE RECORDED: Wahab

ASSEMBLY FLOOR: 60-18, 9/10/25 - See last page for vote

SUBJECT: Health care coverage: prescription hormone therapy and nondiscrimination

SOURCE: California Legislative LGBTQ Caucus (co-source)
California LGBTQ Health and Human Services Network (co-source)
Equality California (co-source)

Gender Justice Los Angeles (co-source)
Planned Parenthood Affiliates of California (co-source)
Poder San Francisco (co-source)
Public Health Advocates (co-source)
The TransLatin@ Coalition (co-source)
TransFamily Support Services (co-source)
Women's Foundation California (co-source)

DIGEST: This bill permits a person to receive coverage for a 12-month supply of federal Food and Drug Administration-approved prescription hormone therapy, and necessary supplies for self-administration, prescribed by an in network provider and dispensed at one time, as specified. This bill prevents a person from being excluded from enrollment or participation in, denied the benefits of, or subjected to discrimination by, any health plan or health insurer licensed in this state on the basis of race, color, national origin, age, disability, or sex. Defines "discrimination on the basis of sex" to include, but not be limited to, discrimination on the basis of sex characteristics, including intersex traits; pregnancy or related conditions; sexual orientation; gender identity; and, sex stereotypes. Contains an urgency clause that will make this bill effective upon enactment.

ANALYSIS:

Existing federal law Prohibits, under Section 1557 of the Patient Protection and Affordable Care of Act of 2010 (ACA), discrimination on the grounds of race, color, national origin, sex, age, and disability in certain health programs and activities. [42 United States Code (U.S.C.) §18116]

Existing state law:

1) Establishes the Department of Managed Health Care (DMHC) to regulate health plans under the Knox-Keene Health Care Service Plan Act of 1975 and the California Department of Insurance to regulate health insurers under the Insurance Code. [Health & Safety Code (HSC) §1340, et seq., and Insurance Code (INS) §106, et seq.]

2) Authorizes a pharmacist to furnish up to a 12-month supply of an FDA-approved, self-administered hormonal contraceptive at the patient's request under protocols developed by the Board of Pharmacy. (Business and Professions Code § 4064.5)

This bill:

1) Requires a pharmacist to dispense, at a patient's request, up to a 12-month supply of a FDA-approved prescription hormone therapy pursuant to a valid prescription that specifies an initial quantity followed by periodic refills, unless the following is true:

    a) The patient requests a smaller supply;
    b) The prescribing provider instructs that the patient must have a smaller supply;
    c) The prescribing provider temporarily limits refills to a 90-day supply due to an acute dispensing shortage; or
    d) The prescription hormone therapy is a controlled substance. If the prescription hormone therapy is a controlled substance, the pharmacist is required to dispense the maximum supply allowed under state and federal law to be obtained at one time by the patient.

2) Indicates 1) above does not require a pharmacist to dispense or furnish a drug that would violate existing law.

3) Requires a health plan contract or health insurance policy issued, amended, renewed, or delivered on or after the operative date of this bill, that provides outpatient prescription drug benefits, to cover up to a 12-month supply of a FDA-approved prescription hormone therapy, and the necessary supplies for self-administration, that is prescribed by a network provider within their scope of practice and dispensed at one time for an enrollee or insured by a provider or pharmacist, or at a location licensed or otherwise authorized to dispense drugs or supplies. Prohibits the use of utilization controls or other forms of medical management with respect to the amount dispensed.

4) Requires if prescriptions for medically necessary FDA-approved prescription hormone therapy are unavailable to a plan enrollee or insured within the network, the plan or insurer to arrange for the prescription hormone therapy to be provided by an out-of-network provider.

5) Applies this bill only to prescription hormone therapy that is able to be safely stored at room temperature without refrigeration.

6) Defines "prescription hormone therapy" to mean all drugs approved by the FDA as of January 1, 2025, and all drugs approved by the FDA thereafter, that are used to medically suppress, increase, or replace hormones that the body is not producing at intended levels, and the necessary supplies for self-administration. "Prescription hormone therapy" does not include glucagon-like peptide-1 or glucagon-like peptide-1 receptor agonists.

7) Requires Medi-Cal to cover up to a 12-month supply of a FDA-approved prescription hormone therapy as described in 3) above subject to utilization controls and medical necessity.

8) Sunsets this bill's provisions on prescription hormone therapy coverage on January 1, 2035.

9) Prohibits a subscriber, enrollee, policyholder, or insured from being excluded from enrollment or participation in, be denied the benefits of, or be subjected to discrimination by, any health plan licensed in this state on the basis of race, color, national origin, age, disability, or sex.

10) Defines "discrimination of the basis of sex" to include, but not be limited to, discrimination on the basis of any of the following:

    a) Sex characteristics, including intersex traits;
    b) Pregnancy or related conditions;
    c) Sexual orientation;
    d) Gender identity; and,
    e) Sex stereotypes.

11) Indicates this bill does not require access to, or coverage of, a health care service for which the health plan or insurer has a legitimate, nondiscriminatory reason for denying or limiting access to, or coverage of, the health care service or determining that the health care service is not clinically appropriate for a particular individual, or fails to meet applicable coverage requirements, including reasonable medical management techniques, such as medical necessity requirements. Prohibits a determination under this provision from being based on unlawful animus or bias, or constitute a pretext for discrimination.

Comments

Author's statement. According to the author, within the first month of the Trump Administration, the president issued sixty-four executive orders (EOs). EO 14187 directed the Secretary of the federal Department of Health and Human Services to review the legality of Section 1557 of the ACA, which currently makes it unlawful for any healthcare provider who receives federal funding to refuse to treat an individual based on race, color, national origin, sex, age or disability. This rule is crucial in supporting multiple vulnerable communities from discrimination. The author also notes that, in the past couple of years, 70 clinics that provide gender-affirming care have closed, and recently, the largest provider for this essential health care in Los Angeles, the Children's Hospital of Los Angeles, ceased operating in July. The author indicates essential care includes Hormone Replacement Therapy, which affects a large community of individuals, such as individuals undergoing cancer, transgender individuals, and individuals experiencing perimenopause, menopause, osteoporosis prevention, or other hormone deficiencies, to treat conditions like hyperthyroidism. The author states that, as the Trump Administration attempts to roll back essential protections, California needs to reaffirm these protections. With this bill, the author states we are taking a proactive step to codify these protections in state law to ensure health care access for all in California and provide a 12-month supply of hormone replacement therapy in one lump sum due to the ever-changing nature of the federal administration.

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

According to the Assembly Appropriations Committee:

1) DMHC estimates costs of approximately $468,000 in fiscal year (FY) 2026-27, $510,000 in FY 2027-28, and $579,000 in 2028-29 and ongoing. DMHC expects most of these costs would result from the need to address an increased volume of complaints from enrollees and health care providers (Managed Care Fund).

2) The California Health Benefits Review Program (CHBRP) estimates annual costs to the Medi-Cal program of $231,000 (General Fund, federal funds). If dispensing 12 months of hormone therapy is not consistent with federal Medicaid rules, federal financial participation might not be available and the entire Medi-Cal cost would be paid from the General Fund.

3) CDI estimates costs of $6,000 in FY 2025-26, and $23,000 in FY 2026-27 (Insurance Fund).

4) CHBRP estimates California Public Employees Retirement System (CalPERS) premiums would increase by $9,000 overall; approximately $4,000 would be costs to the state (General Fund).

5) Minor and absorbable costs to the Board of Pharmacy.

SUPPORT: (Verified 10/15/25)

California Legislative LGBTQ Caucus (co-source)
California LGBTQ Health and Human Services Network (co-source)
Equality California (co-source)
Gender Justice Los Angeles (co-source)
Planned Parenthood Affiliates of California (co-source)
Poder San Francisco (co-source)
Public Health Advocates (co-source)
The TransLatin@ Coalition (co-source)
TransFamily Support Services (co-source)
Women's Foundation California (co-source)
AIDS Healthcare Foundation
Alliance for Children's Rights
Alliance for TransYouth Rights
American Association of University Women – California
American Civil Liberties Union California Action
American College of Obstetricians and Gynecologists
API Equality-LA
APLA Health
Asian Americans Advancing Justice Southern California
Asian Resources, Inc.
Bienestar Human Services
California Academy of Child and Adolescent Psychiatry
California Academy of Family Physicians
California Advocates for Nursing Home Reform
California Behavioral Health Association
California Chapter of the American College of Emergency Physicians
California Dental Association
California Federation of Teachers
California Immigrant Policy Center
California Latinas for Reproductive Justice
California LGBTQ Health and Human Services Network
California Pan - Ethnic Health Network
California State Council of Service Employees International Union

California Women's Law Center
Center for Community Action & Environmental Justice
Central Coast Coalition for Inclusive Schools
Children Now
Citizens for Choice
City of San Jose
Clinica Monseñor Oscar A. Romero
Community Clinic Association of Los Angeles County
County Behavioral Health Directors Association California
Courage California
Culver City Democratic Club
Disability Rights California
East Bay Community Law Center
El/La Para Translatinas
Essential Health Access
Feminist Majority Foundation
Flux
Gender Alchemy
Green Policy Initiative
Health Access California
Indivisible CA: StateStrong
Insurance Commissioner Ricardo Lara / California Department of Insurance
Latino Coalition for a Healthy California
LGBTQ+ Inclusivity, Visibility, and Empowerment
Los Angeles LBGT Center
Mental Health America of California
Mirror Memoirs
Mixteco/Indigena Community Organizing Project
National Health Law Program
Nourish California
Orange County Equality Coalition
Our Time to Act
PFLAG Los Angeles
Radiant Health Centers
Rainbow Families Action Bay Area
Sacramento LGBT Community Center
San Francisco Marin Medical Society
Santa Monica Democratic Club
South Asian Network
Southeast Asia Resource Action Center

The Children's Partnership
The Los Angeles Trust for Children's Health
The San Diego LGBT Community Center
The Trevor Project
TransCanWork
Viet Rainbow of Orange County
Youth Leadership Institute
Western Center on Law & Poverty, INC.
Women's Health Specialists
One individual

OPPOSITION: (Verified 10/15/25)

Association of California Life and Health Insurance Companies
California Association of Health Plans
California Catholic Conference
California Family Council
Californians United for Sex-Based Evidence in Policy and Law
Fieldstead and Company, Inc.
Our Duty
Real Impact.
Women Are Real
Women's Declaration International
One individual

ARGUMENTS IN SUPPORT: LGBTQ+ Inclusivity, Visibility, and Empowerment (LIVE) writes as healthcare institutions face increasing scrutiny from the federal administration for providing gender-affirming care, denials of such care are expected to rise unless specific protections are established. These denials include limiting access to essential services and adopting policies that restrict or exclude the LGBTQ+ community from receiving gender-affirming care. Mental Health America of California writes this bill strengthens protections for the LGBTQ+ population by explicitly defining discrimination based on sex to include sex characteristics, pregnancy and related conditions, sexual orientation, gender identity, and sex stereotypes. Ensuring access to gender-affirming care is critical for the well-being of transgender individuals, as it provides access to necessary medical, mental health, and substance use services and supports. Disability Rights California believes this bill will help address overlapping forms of discrimination in health care. Orange County Equality Coalition writes this rule is crucial in supporting multiple vulnerable communities from discrimination including LGBTQ+ (especially transgender individuals), non-English speaking individuals,

and women seeking abortion care services, along with many others who have historically struggled to access medical care.

ARGUMENTS IN OPPOSITION: The California Catholic Conference writes that no insurer or plan sponsor should be required as a condition of participating in the market for health plans, to violate the very religious and moral convictions that prompt them to offer those benefits in the first place. Catholic employers forced to provide insurance coverage that finances the destruction of healthy organs and body systems would violate established human rights norms, and the Christian virtues of charity, integrity, and justice. The Trump administration already struck down the HHS Rule 1557. Passing this bill will place service providers in a paradox, either requiring that they follow state law to cover gender transition procedures and thus face federal challenges, or suffer financial losses from defense against lawsuits from violation of state law. This catch-22 may force more service providers to go out of business or shut down their services. The California Association of Health Plans (CAHP) and the Association of California Life and Health Insurance Companies (ACLHIC) write in opposition to 9 health insurance mandate bills including this one. The opposition writes these bills will increase costs, reduce choice and competition, and further incent some employers and individuals to avoid state regulation by seeking other coverage options. According to the opposition, benefit mandates impose a one-size-fits all approach to medical care and benefit design without consideration for consumer choice.

GOVERNOR'S VETO MESSAGE:

> This bill would require health plans and insurers to cover a 12-month supply of federal Food and Drug Administration-approved prescription hormone therapy, and necessary supplies for self-administration, prescribed by an in network provider and dispensed at one time without utilization management (UM).
>
> I appreciate the author's intent to ensure patient access to the comprehensive care they need. While there are provisions of this bill that are worthy of support, I am concerned about the limitation on the use of UM, which is an important tool to ensure enrollees receive the right care at the right time. Prohibiting this cost containment strategy is likely to result in an increase in enrollee premiums to offset costs incurred by health plans and insurers. At a time when individuals are facing double-digit rate increases in their health care premiums across the nation, we must take great care to not enact

policies that further drive up the cost of health care, no matter how well-intended.

For this reason, I cannot sign this bill.

ASSEMBLY FLOOR: 60-18, 9/10/25
AYES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wicks, Wilson, Zbur, Rivas
NOES: Alanis, Castillo, Chen, Davies, DeMaio, Dixon, Ellis, Flora, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Johnson, Lackey, Macedo, Patterson, Sanchez, Ta
NO VOTE RECORDED: Tangipa, Wallis

Prepared by: Teri Boughton / HEALTH / (916) 651-4111
10/15/25 14:24:32

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

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VETO

Bill No: SB 419
Author: Caballero (D), et al.
Enrolled: 9/12/25
Vote: 27- Urgency

SENATE REVENUE AND TAXATION COMMITTEE: 5-0, 5/14/25
AYES: McNerney, Valladares, Ashby, Grayson, Umberg

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

SENATE FLOOR: 36-0, 6/2/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, 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, Strickland, Umberg, Valladares, Weber Pierson, Wiener
NO VOTE RECORDED: Becker, Hurtado, Reyes, Wahab

SENATE FLOOR: 37-3, 9/9/25
AYES: Alvarado-Gil, Archuleta, Arreguín, Ashby, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NOES: Allen, Becker, Stern

ASSEMBLY FLOOR: 70-0, 9/8/25 - See last page for vote

SUBJECT: Hydrogen fuel

SOURCE: California Hydrogen Coalition

DIGEST: This bill enacts a state General Fund-only (3.9375%) sales and use tax exemption for purchases of hydrogen fuel made on or after July 1, 2026.

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 register with the California Department of Tax and Fee Administration (CDTFA), as well as remit taxes collected from purchasers to CDTFA.

2) Applies the sales tax whenever a retail sale occurs, which is generally any sale other than one for resale in the regular course of business.

3) Provides that unless the purchaser pays the sales tax to the retailer, they are liable for the use tax, which is imposed on any person consuming tangible personal property in the state, and requires the purchaser to remit use tax to CDTFA.

4) Sets the state sales and use tax rate at 7.25% of the sales price of the property sold or used, of which 3.9375% flows to the state General Fund.

5) Allows cities, counties, and specified special districts to increase the sales and use tax, also known as district or transactions and use taxes, up to a 2% countywide cap, with some exceptions.

6) Exempts some items from the state and local sales and use tax, while others are exempt from the state sales tax, but not the local share.

7) Subjects sales of hydrogen fuel to the sales and use tax.

8) Subjects certain sales of hydrogen fuel to the excise taxes under the Use Fuel Tax Law.

9) Includes excise taxes under the Use Fuel Tax Law in the gross receipts of the sales and use tax.

10) Authorizes a state General Fund-only sales and use tax exemption for specified zero-emission technology transit buses sold to a city, county, city and county, transportation or transit district, or other public agency providing transit services to the public until January 1, 2024 (AB 784, Mullin, Chapter 684, Statues of 2019) which the Legislature extended to January 1, 2026 (AB

2622, Mullin, Chapter 353, Statues of 2022).

11) Authorizes a state General Fund-only sales and use tax exemption on qualifying zero or near-zero emission motor vehicles purchased or leased by qualified buyers under the Clean Cars 4 All program on purchases made purchases made between January 1, 2023, and December 31, 2027 (SB 1382, Gonzalez, Chapter 375, Statues of 2022).

12) Imposes the road improvement fee, an annual registration fee, on battery-electric and hydrogen fuel cell electric vehicles that are model year 2020 or later.

This bill:

1) Authorizes a state General Fund-only (3.9375%) sales and use tax exemption for sales of hydrogen fuel, as defined, made on or after July 1, 2026.

2) Defines "hydrogen fuel" as fuel composed of molecular hydrogen intended for consumption in a surface motor vehicle or electricity production device with an internal combustion engine or fuel cell that meets any of the following criteria:

   a) The fuel is sold by a hydrogen fuel station.

   b) The fuel is sold for use in a hydrogen fuel cell electric vehicle.

   c) The fuel is sold for use in a hydrogen internal combustion engine vehicle.

3) Sunsets on July 1, 2030.

4) Makes legislative findings and declarations to comply with Section 41 of the Revenue and Taxation Code, specifically to require CDTFA to report to the Legislature by October 1, 2027, and annually thereafter, the amount of hydrogen fuel sold at retail in the state each fiscal year, and the estimated gross receipts from the sale of hydrogen fuel in the state each fiscal year.

Background

Clean Transportation Program (CTP). The CTP, administered by the California Energy Commission (CEC), was established by AB 118 (Nunez, Chapter 750, Statutes of 2007) to accelerate the development and deployment of clean, efficient, low-carbon alternative fuels and technologies. AB 118 was re-authorized by AB 8 (Perea, Chapter 401, Statutes of 2013), which preempted California Air Resources Board (CARB) authority to require publicly available hydrogen-fueling stations

through regulation, and instead required CEC to fund the development of up to 100 such hydrogen stations from vehicle registration fee revenues in the amount of up to $220 million over the next 11-plus years. AB 118 also required CEC and CARB to jointly report annually on progress toward establishing a hydrogen fueling network, beginning on December 31, 2015. The CTP was re-authorized again by AB 126 (Reyes, Chapter 319, Statutes of 2023). AB 126 required CEC to fund at least $15 million annually through 2030 for hydrogen fueling stations and continue the annual reporting mandated by AB 118.

According to the most recent published joint report by CEC and CARB, as of July 15, 2024, California's hydrogen fueling network has 62 stations (four fewer than last year) and faces supply and reliability challenges. As such, it is unlikely that the 200 hydrogen fueling station target set by Governor Brown's Executive Order B-48-18 will be achieved. Additionally, according to the 2024 report, there were 14,429 hydrogen fuel cell vehicles (HFCV) with an active registration status in California, with projections to reach 20,500 by 2030 (one-third of the previously reported estimate of 62,600 on-road HFCVs by 2029).

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

According to the Assembly Appropriations Committee:

- General Fund (GF) revenue loss of approximately $3.8 million. By decreasing SUT revenue, this bill also likely decreases Proposition 98 GF spending by approximately 40% of the GF revenue loss (the exact amount depends on the specific amount of the annual Proposition 98 guarantee).

- Absorbable costs to CDTFA to notify industry stakeholders, revise the SUT return and related publications, and answer public inquiries.

SUPPORT: (Verified 10/14/25)

California Hydrogen Coalition (Source)
Air Products and Chemicals, Inc.
Alameda-Contra Costa Transit District
California Hydrogen Business Council
County of Fresno
Foothill Transit
Green Hydrogen Coalition
Long Beach Area Chamber of Commerce
Port of Long Beach
Sunline Transit Agency

OPPOSITION: (Verified 10/14/25)

350 Bay Area Action
350 Humboldt: Grass Roots Climate Action
350 Sacramento
California Teachers Association
Center for Biological Diversity
Center for Community Action and Environmental Justice
Center on Race, Poverty & the Environment
Climate Action California
Communities for a Better Environment
Natural Resources Defense Council
People's Collective for Environmental Justice
Restore the Delta
Santa Cruz Climate Action Network
Sierra Club California

ARGUMENTS IN SUPPORT: According to the author, "Currently, hydrogen-powered vehicle owners in California face an unfair double taxation system, paying both a Sales and Use Tax (SUT) at the pump and a $100 annual road improvement fee at registration. SB 419 seeks to correct this imbalance by aligning hydrogen taxation with local utility tax, to ensure a more equitable, clear, and streamlined system without altering the existing registration fee. This bill will create tax parity for Zero Emissions Vehicles to encourage alternative vehicle fuel options, specifically hydrogen fuel cell vehicles. This bill will encourage the development of new hydrogen fuel stations, more hydrogen powered vehicles, and more options for consumers. SB 419 will reinforce California's climate change goals to reduce carbon emissions in the transportations sector. The bill will help encourage the production, consumption and proliferation of hydrogen fuel markets across the state."

ARGUMENTS IN OPPOSITION: According to The Center for Biological Diversity, this bill "will incentivize the use of hydrogen fuel without consideration of how that fuel is produced or its necessity, or lack thereof, in a clean energy future. This bill will (1) incentivize the use of hydrogen fuel derived from harmful feedstocks that pose well-documented environmental and public health harms; (2) incentivize hydrogen combustion as a form of motor vehicle propulsion, despite the criteria pollutant emissions that could result; and (3) attempt to put hydrogen fuel on equal footing with battery-electric motor vehicle propulsion, even though battery-electric propulsion is already established, more efficient and economical (with a lower total cost of ownership), and far beyond hydrogen in deployment."

GOVERNOR'S VETO MESSAGE:

This bill would establish a sales and use tax exemption for the purchase of hydrogen fuel.

I appreciate the author's ongoing commitment to encourage the deployment and adoption of more hydrogen-powered vehicles. I share this goal, which is why my Administration, in partnership with the Legislature, has invested billions of dollars in recent years toward zero-emission vehicles (ZEVs) and supporting infrastructure, including hydrogen fuel cell electric vehicles. This marks the most significant investments in the ZEV market in the state's history. However, new tax expenditures, such as this, should be included as part of the annual budget process, given their implications for the General Fund.

In partnership with the Legislature this year, my Administration has enacted a balanced budget that recognizes the challenging fiscal landscape our state faces while maintaining our commitment to working families and our most vulnerable communities. With significant fiscal pressures and the federal government's hostile economic policies, it is vital that we remain disciplined when considering bills with significant fiscal implications that are not included in the budget, such as this measure. For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 70-0, 9/8/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lowenthal, Macedo, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Wicks, Wilson, Rivas
NO VOTE RECORDED: Gabriel, Hart, Lee, McKinnor, Muratsuchi, Nguyen, Celeste Rodriguez, Schultz, Ward, Zbur

Prepared by: Haley Summers / REV. & TAX. / (916) 651-4117
10/15/25 12:19:12

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

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VETO

Bill No: SB 454
Author: McNerney (D), et al.
Enrolled: 9/12/25
Vote: 27

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 8-0, 4/2/25
AYES: Blakespear, Valladares, Dahle, Gonzalez, Hurtado, Menjivar, Padilla, Pérez

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

SENATE FLOOR: 40-0, 9/9/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ASSEMBLY FLOOR: 79-0, 9/8/25 - See last page for vote

SUBJECT: State Water Resources Control Board: PFAS Mitigation Program

SOURCE: Author

DIGEST: This bill creates, upon an appropriation by the Legislature, the PFAS Mitigation Fund in the State Treasury and authorizes the State Water Resources Control Board (State Water Board) to use the fund to cover or reduce the costs associated with treating per- and polyfluoroalkyl substances (PFAS) in drinking water, recycled water, stormwater, and wastewater.

ANALYSIS:

Existing law:

1) Authorizes, pursuant to the federal Safe Drinking Water Act (SDWA), the United States Environmental Protection Agency (U.S. EPA) to set standards for drinking water quality and to oversee the local entities that implement those standards. (Title 42 United States Code (USC) § 300 (f) et seq.)

2) Establishes the California SDWA and requires the State Water Board to maintain a drinking water program. (Health and Safety Code (HSC) § 116270, et seq.)

3) Provides, under federal Drinking Water State Revolving Fund (DWSRF) statute, financial assistance to help water systems and states achieve the health protection objectives of the SDWA. States must create a drinking water revolving loan fund to receive a federal DWSRF grant. (42 USC § 300j-12, et seq.)

4) Establishes the state DWSRF to provide financial assistance for the design and construction of projects for public water systems to meet safe drinking water standards. (HSC §116760, et seq.)

5) Creates the Safe and Affordable Drinking Water Fund (SADWF) in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water. (HSC § 116766.)

6) Establishes the Cleanup and Abatement Account (CAA) within the State Water Quality Control Fund, which is administered by the State Water Board. (Water Code (WC) § 13440)

7) Authorizes the State Water Board to award CAA funds to help clean up a waste, abate the effects of a waste, or address an urgent drinking water need. Public agencies, tribal governments, non-profit organizations serving disadvantaged communities, and community water systems that serve a disadvantaged community are all eligible to receive funds from the CAA. (WC § 13442)

8) Establishes the Emerging Contaminants for Small or Disadvantaged Communities Funding Program (EC-SDC) to provide grants to address emerging contaminants in small or disadvantaged communities (WC § 116774)

9) Establishes the policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. (WC § 106.3)

This bill:

1) Creates the PFAS Mitigation Fund in the State Treasury, contingent upon an appropriation by the Legislature.

2) Authorizes the State Water Board to expend moneys deposited in the fund upon appropriation by the Legislature to provide specified technical assistance services related to PFAS to water suppliers and sewer system providers.

3) Authorizes the State Water Board to seek out and accept non-state, federal, and private funds designated for PFAS remediation and treatment and deposit those funds into the PFAS Mitigation Fund.

4) Establishes eligibility criteria for water or sewer system providers in order to receive funds.

5) Requires the State Water Board to adopt guidelines to implement this chapter.

Background

1) *The paths of PFAS*. Per- and polyfluoroalkyl substances (PFAS) are a broad class of human-made chemicals consisting of chains with bonded carbon and fluorine atoms. Because of their physical and chemical nature, PFAS are very durable making them extremely useful in many industrial, commercial, and medical applications. As a consequence of their durability, they are persistent, meaning that they do not degrade easily in the environment and can bioaccumulate in living things.[1,2,3]

   The PFAS on or in products find different ways into the environment throughout a product's life cycle. When some products are manufactured, PFAS gets released into the atmosphere and through wastewater. Common household products, such as pots and cleaners, leach PFAS into household wastewater. PFAS can also leach from products at their end-of-life in landfills.

[1] National Institute of Environmental Health Sciences. (2025). Perfluoroalkyl and Polyfluoroalkly Substances.
[2] Henry, B. J., et. al. (2018). A critical review of the application of polymer of low concern.
[3] Jacobs, S. A., et. al. (2024). Assessment of Fluoropolymer Production and Use With Analysis of Alternative Replacement Materials (No. SRNL-STI-2023-00587).

PFAS compounds have been detected globally in soil, groundwater, and surface water.

Humans are primarily exposed to PFAS through eating and drinking water.[4] The drinking water of at least 70 million Americans contains PFAS at levels high enough to require reporting under federal law. California has multiple water systems that contain at least double the reporting concentration level.[5] Exposure to certain types of PFAS may lead to adverse health effects, including reproductive and developmental effects, increased risk of cancer, suppressed immune systems, and endocrine disruption.[6]

2) *Meeting water quality standards*. The State Water Board's Division of Drinking Water implements and enforces the federal and state Safe Drinking Water Acts, monitors drinking water quality, and issues permits to public water systems throughout the state. The U.S. EPA requires drinking water systems to test and monitor their drinking water and take action if the contamination exceeds the maximum contaminant levels (MCLs). MCLs are based on human exposure limits to harmful chemicals and the extent to which they cause adverse health impacts.[7] Last year, the U.S. EPA updated the enforceable MCLs for six types of PFAS in drinking water and required drinking water systems to implement solutions to reduce concentrations of PFAS to meet these higher standards by 2029.[8] If a public water system does not resolve the contamination through treatment and comply with the required standards within a period of time, then state agencies can take enforcement actions, including administrative orders, legal actions, or issue fines.[9,10]

3) *California's programs for PFAS mitigation*. Efforts of the state to address the PFAS problem have included prohibiting the use of the chemicals in products, data collection, and mitigation and treatment down the line. The Legislature has enacted bans for products containing intentionally added PFAS for non-essential use, including but not limited to cosmetic products (AB 2771, Friedman, Chapter 804, Statutes of 2022); food packaging (AB 1200, Ting, Chapter 503, Statutes of 2021); and juvenile products (AB 652, Friedman,

[4] Kibuye, F. (2023). Understanding PFAS – What they are, their impact, and what we can do.
[5] Fast, A. et. al. (2024). 70 million American s drink water from systems reporting PFAS to EPA.
[6] U.S. Environmental Protection Agency. (2024). Our Current Understanding of the Human Health and Environmental Risks of PFAS.
[7] U.S. Environmental Protection Agency. (2024). How EPA regulates drinking water contaminants.
[8] U.S. EPA (2025). Final PFAS national primary drinking water regulation.
[9] U.S. Environmental Protection Agency (2024). Safe Drinking Water Act (SDWA) Resources and FAQs.
[10] U.S. Environmental Protection Agency (2004). Understanding the Safe Drinking Water Act.

Chapter 500, Statutes of 2021). The PFAS in these products can leach into the environment and may have frequent physical contact with the human body.

California Environmental Protection Agency (CalEPA) has been coordinating efforts with federal agencies and the State Water Board regarding PFAS since 2012. Efforts to address contamination in drinking water have included sampling public water supplies, biomonitoring studies, establishing advisory limits and notification levels, issuing investigative and sampling orders, and providing grants for treatment. SB 170 (Skinner, Chapter 240, Statutes of 2021) appropriated $30 million from the General Fund to the State Water Board to provide technical and financial assistance to address PFAS contamination in drinking water supplies. Another $50 million was allocated in fiscal year 2022/23 and $20 million for fiscal year 2023/24.

4) *Where does funding flow?* The Division of Financial Assistance administers the State Water Board's financial assistance programs, including the Drinking Water State Revolving Fund (DWSRF) and the Clean Water State Revolving Fund (CWSRF). The DWSRF is a financial assistance program to help water systems achieve the health protection objectives of the SDWA. Funds originate from congressional appropriation and are allocated based on the results of the Drinking Water Infrastructure Needs Survey and Assessment. The grants from the federal government are matched by state funds, then flow into a dedicated revolving loan fund which provides loans and assistance to water systems for eligible infrastructure projects. As water systems repay their loans, the repayments and interest flow back into the dedicated revolving fund. The issues this fund addresses are broad, from improving treatment or water sources to repairing or updating distribution or system infrastructure.

   The CWSRF behaves similarly but provides mainly for water quality infrastructure projects and has the capacity to support large projects ($100 million). For fiscal year 2024/25, the State Water Board intended to apply for nearly $100 million for the DWSRF and CWSRF and transfer the full amount to the DWSRF program. The federal Bipartisan Infrastructure Law provides $5 billion nationwide through the CWSRF and DWSRF for the EC-SDC to reduce exposure to PFAS and other emerging contaminants in drinking water, wastewater, and non-point sources in small or disadvantaged communities. For FFY 2024, the state intended to apply for approximately $83 million from this grant program.[11]

[11] California Water Boards. (2024). Supplemental intended use plan: state fiscal year 2024-25.

Other funds include the SADWF (Monning, Chapter 120, Statutes of 2019) which helps water systems provide an adequate and affordable supply of safe drinking water. This fund is broad in a drinking water sense, as it also applies to consolidating water systems and operation and maintenance costs. The CAA provides grants for the cleanup or abatement of a condition of pollution when there are no viable responsible parties available to undertake the work.

Because the needs that are addressed through funding from these programs are diverse and the demand for certain projects may be high, funding to address all or most PFAS concerns across the state may be scarce. This bill would create a dedicated fund to address PFAS mitigation through grants, loans, or other contracts, with funds originating from a variety of sources.

Comments

1) *Author's statement.* According to the author, "California has banned PFAS in consumer products ranging from food packaging and cosmetics to children's cribs and playpens. But PFAS has been used in thousands of products during the past eight decades, so forever chemicals have contaminated a substantial portion of our drinking water. SB 454 would create a much-needed funding tool to help local agencies pay for PFAS cleanup, while also helping protect ratepayers from higher costs."

2) *How the costs of contamination trickle down*. Part of the burden in addressing PFAS contamination can fall on municipal drinking water systems, especially if the source of contamination is unknown. In 2019, 74 community water systems serving 7.5 million Californians with drinking water were found to have PFAS levels that exceeded levels considered safe by independent research, with at least 40% of systems far exceeding the MCLs established by the U.S. EPA today.[12] Water systems that exceed these MCLs are required to take action, from public notification to sufficient treatment methods to meet the respective water quality standards. As mentioned above, if drinking water systems do not meet the required water quality standards by 2029, they may face enforcement actions. The costs of enforcement could further inhibit the ability to comply.

   Treatment is expensive, and addressing contamination levels could cost on the order of tens of millions of dollars. This financial burden can then be shifted to the public. Because water rates are directly tied to the cost of service, costly updates to infrastructure to treat contamination can be passed down and

[12] Environmental Working Group. (2019). Toxic 'forever chemicals' detected in drinking water supplies across California.

increase utility rates. Some water agencies, such as Orange County Water District and Santa Clarita Valley Water Agency, have joined class action lawsuits with hopes of supplementing the costs of treatment with the settlements.[13] However, not all water agencies may have the capacity to litigate and it's not guaranteed that a settlement will cover the full costs. In some cases, if sources of drinking water supply cannot meet MCLs and have no ability to treat the contamination, those systems can be shut down, eliminating access to water supplies.

One water agency currently grappling with this issue is Sweetwater Authority, a municipal water agency in San Diego County. The water agency found that the concentration of PFOA, a PFAS compound, exceeded the recently established MCL for PFOA that is set to take effect in four years.[14] This gives the water agency time to treat the drinking water supply, but the costs to address this issue are upwards of $40 million and source funds have yet to be identified. This also puts into context the financial demand of individual water agencies to address PFAS contamination compared to the grants available. The need from this local water agency is half of what would be available through the EC-SDC grant for FFY 2024 and this is only one of at least 74 water systems.

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

According to the Assembly Appropriations Committee, "The State Water Board will likely incur significant costs, potentially in the hundreds of thousands to low millions of dollars annually, to establish and administer the Fund. The bill allows the State Water Board to utilize up to 5% of the moneys available in the Fund to administer the Fund. Absent sufficient moneys in the Fund to cover these costs at the 5% administrative cap, the State Water Board will require an appropriation from a different fund source – likely the General Fund."

"For its part, State Water Board estimates ongoing annual implementation costs of at least $6.5 million to hire new staff. Specifically, the Division of Financial Assistance estimates $2.75 million in ongoing costs, of which $1.5 million would be for an engineering unit to perform application review and management and $1.25 million would be for administrative staff to draft agreements and coordinate disbursements. The Office of Chief Counsel estimates $250,000 in legal review costs. The Division of Administrative Services estimates costs of at least $2 million to track revenue and claim disbursements, and to provide technical and administrative assistance. The Office of Enforcement anticipates at least $1.5

[13] Withrow, K. (2024). The PFAS Challenge: How Two California Water Agencies are Responding.
[14] Hinch, J. (2024). South County Report: 'Forever' Chemicals Discovered in South County Water.

million in costs to audit and enforce the terms, conditions, and requirements of funding agreements and to prevent fraud, waste, and abuse of the Fund."

SUPPORT: (Verified 10/6/25)

A Voice for Choice Advocacy
Association of California Water Agencies
Bella Vista Water District
Burbank Water and Power
California Association of Sanitation Agencies
California Environmental Voters
California Municipal Utilities Association
California Special Districts Association
California-nevada Section, American Water Works Association
Calleguas Municipal Water District
Camarillo; City of
Camrosa Water District
Carmichael Water District
City of Agoura Hills
City of Pico Rivera
City of Point Arena
City of Roseville
City of Santa Rosa
City of Thousand Oaks
City of Vernon
Cleanearth4kids.org
Climate Reality Project San Diego
Climate Reality Project San Fernando Valley Chapter
Climate Reality Project, Los Angeles Chapter
Climate Reality Project, Orange County
Coachella Valley Water District
Crescenta Valley Water District
Crestline-lake Arrowhead Water Agency
Cucamonga Valley Water District
Desert Water Agency
Diablo Water District
East Valley Water District
Eastern Municipal Water District
Helix Water District
Hidden Valley Lake Community Services District
Jurupa Community Services District

Lake Arrowhead Community Services District
League of California Cities
Los Angeles County Sanitation Districts
Mendocino County Russian River Flood Control & Water Conservation
Mesa Water District
Metropolitan Water District of Southern California
Mid-peninsula Water District
Monte Vista Water District
Monterey Peninsula Water Management District
Olivenhain Municipal Water District
Orange County Water District
Paradise Irrigation District
Rancho California Water District
Regional Water Authority
Rowland Water District
San Gabriel County Water District
Santa Clarita Valley Water Agency
Santa Rosa; City of
Scotts Valley Water District
Stockton East Water District
Sustainable Rossmoor
Sweetwater Authority
Three Valleys Municipal Water District
Tri-valley Cities of Dublin, Livermore, Pleasanton, San Ramon, and Town of Danville
Walnut Valley Water District
Western Municipal Water District
Yorba Linda Water District
Zone 7 Water Agency

OPPOSITION: (Verified 10/6/25)

None received

GOVERNOR'S VETO MESSAGE:

I am returning Senate Bill 454 without my signature.

This bill establishes the PFAS Mitigation Fund, to be administered by the State Water Resources Control Board, to provide financial support or technical

assistance for water suppliers and sewer system providers to reduce or remove perfluoroalkyl and polyfluoroalkyl substances (PFAS) contamination.

While well-intentioned, this bill is unnecessary. The California Environmental Protection Agency has conducted significant work in coordination with other governmental agencies on PFAS concerns since 2012. Establishing a new program without a clear source of funding would divert limited available staff resources toward developing regulations without a definitive improved outcome for Californians.

ASSEMBLY FLOOR: 79-0, 9/8/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO VOTE RECORDED: Nguyen

Prepared by: Taylor McKie / E.Q. / (916) 651-4108
10/7/25 10:15:21

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

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VETO

Bill No: SB 485
Author: Reyes (D)
Enrolled: 9/16/25
Vote: 27

SENATE LOCAL GOVERNMENT COMMITTEE: 7-0, 4/2/25
AYES: Durazo, Choi, Arreguín, Cabaldon, Laird, Seyarto, Wiener

SENATE PUBLIC SAFETY COMMITTEE: 6-0, 4/22/25
AYES: Arreguín, Seyarto, Caballero, Gonzalez, Pérez, Wiener

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SENATE FLOOR: 36-0, 5/8/25 (Consent)
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, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Hurtado, Reyes, Rubio, Valladares

SENATE FLOOR: 40-0, 9/11/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ASSEMBLY FLOOR: 62-12, 9/9/25 - See last page for vote

SUBJECT: County public defender: appointment

SOURCE: California Public Defenders Association

DIGEST: This bill limits the authority of the county board of supervisors to remove an appointed public defender at will, instead requiring a three-fifths vote of the board for neglect of duty, malfeasance or misconduct in office, or other good cause.

ANALYSIS:

Existing law:

1) Provides that in any county a county counsel may be appointed by the board of supervisors.

2) Provides that an appointed county counsel may be removed at any time by the board of supervisors for neglect of duty, malfeasance or misconduct in office, or other good cause shown, upon written accusation to be filed with the board of supervisors, by a person not a member of the board, and heard by the board and sustained by a three-fifths vote of the board.

3) Authorizes the county board of supervisors of any county to establish a public defender office for the county.

4) States that at the time of establishing a public defender office, the board of supervisors shall determine whether the public defender is to be appointed or elected.

5) Provides that if a public defender of any county is to be appointed, they shall be appointed by the board of supervisors to serve at will.

This bill:

1) Limits a board of supervisors' authority to remove an appointed county public defender from office to neglect of duty, malfeasance or misconduct in office, or other good cause, and requires a three-fifths vote by the board to do so.

2) States that it is the intent of the Legislature that this section shall not be construed to exempt a public defender from a county's established performance evaluation process for appointed department heads.

Background

To ensure individuals charged with a crime receive equal protection and due process under the law, the United States (U.S.) and California Constitution's guarantee the right to effective attorney assistance (unless knowingly and intelligently waived) to ensure that defendants in criminal proceedings receive

equal protection under law and due process before being deprived of life or liberty. The U.S. Supreme Court's decision in *Gideon v. Wainwright* (1963) found that the right to counsel is "fundamental and essential to fair trials" in the United States and that defendants who are too poor to hire attorneys cannot be assured of a fair trial unless attorneys are provided by the government, also known as indigent defense. The U.S. Supreme Court further noted that even an intelligent and educated person would be in danger of conviction due to a lack of skill and knowledge for adequately preparing a defense to establish innocence. As such, effective defense counsel is necessary to ensure a defendant has a fair trial against government-funded and trained prosecutors—irrespective of their income level. In many counties, this is accomplished through the establishment of a public defender's office.

Of California's 58 counties, there are 34 public defender offices. Counties without a public defender office contract with law offices to provide indigent defense. Some counties share a public defender. When counties establish a public defender's office, the board of supervisors can elect to have an elected or appointed public defender. Of the state's 34 public defenders, only San Francisco elects their public defender. Unlike county counsels which can only be removed for neglect of duty, malfeasance or misconduct in office, or other good cause, an appointed public defender serves at the will of the board of supervisors, meaning the board can remove them for any reason.

Comments

Purpose of this bill. According to the author, "Chief Public Defenders play a crucial role in ensuring a fair and equitable justice system. They uphold the Constitution by guaranteeing access to competent legal counsel for all, regardless of financial status. When a public defender fulfills this duty to their clients, it may mean taking unpopular stances which can include positions that, although legal, come into conflict with their appointing board. This creates a challenging environment as public defenders can be fired without cause by a county board of supervisors, creating a disincentive to fulfill their duties out of fear of retaliation, and in turn not offering their clients their constitutionally guaranteed rights. To ensure a fair legal system, public defenders must be free from political pressure and retaliation. SB 485 seeks to eliminate the "at-will" status of Chief Public Defenders, allowing them to be removed only by a 3/5 vote of the board for neglect, misconduct, or other justifiable reasons. This reform would protect their independence and allow them to serve with integrity."

Leave it local? Since 1943, the Legislature has allowed county boards of supervisors to remove their public defenders at will. SB 485 seeks to limit this authority by only allowing for removal in cases of neglect of duty, malfeasance or misconduct in office, or other good cause with a 3/5 vote of the board. According to the author, this is necessary to protect public defenders from fear that performing their duties could lead to retaliation. The sponsor of the bill, the California Public Defenders Association, is unaware of an instance where a board of supervisors has removed a public defender. However, they note, "A public defender who fears losing their job if they take up controversial causes cannot adequately fight for their office or for their clients." Additionally, they argue that SB 485 simply models provisions for public defenders after those for county counsels that have been in place since 1959, which allow a board to only remove a county counsel for neglect of duty, malfeasance or misconduct in office, or other good cause. While these provisions are similar, SB 485 does not subject public defenders to a four-year term like county counsels, which provides county boards with the option to select a different county counsel or appoint the existing counsel to an additional four-year term. However, county charters already allow charter counties to determine whether a term limit is necessary, or spell out conditions when they can remove an officer. For example, Fresno, San Diego and Alameda Counties all have provisions in their charter that specify that the county counsel serves at will, and the board can remove them for any reason. Even if this measure is enacted, charter counties could spell out their own terms for a public defender, just like they have for county counsels. General law counties would not have this ability. The Legislature may wish to consider whether it should limit a board of supervisor's ability to remove a public defender at will, and if they do, whether an appointed public defender should have a term-limit similar to that of county counsels.

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

According to the Assembly Appropriations Committee:

- Local costs of an unknown amount, but potentially greater than $150,000 statewide for local agencies to revise administrative procedures regarding the ability of counties to remove appointed public defenders from office. These costs are potentially state-reimbursable, subject to a determination by the Commission on State Mandates.

SUPPORT: (Verified 10/17/25)

California Public Defenders Association (source)
ACLU California Action

California Public Defenders Association
Ella Baker Center for Human Rights
Initiate Justice
Local 148 LA County Public Defenders Union
Oakland Privacy
Smart Justice California, a Project of Tides Advocacy

OPPOSITION: (Verified 10/17/25)

California State Association of Counties
County of Riverside
Rural County Representatives of California
Urban Counties of California

GOVERNOR'S VETO MESSAGE:

This bill would allow an appointed county public defender to be removed from office only upon a three-fifths vote of the board of supervisors and a showing of good cause.

I appreciate the importance of protecting public defenders from undue political interference, as their role sometimes requires taking unpopular positions to fulfill their legal and ethical duties to their clients.

That said, I have not been presented with evidence that California's current system in any way impairs the effectiveness or independence of public defenders. Proponents only cite a handful of examples from other states of public defenders being removed from office for controversial advocacy.

Further, since the law does not place term limits on public defenders, this bill may ultimately make it unduly difficult to replace public defenders for legitimate reasons and leave incumbents entrenched, which I do not support.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 62-12, 9/9/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Caloza, Carrillo, Connolly, Davies, Dixon, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark

González, Haney, Harabedian, Hart, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Valencia, Ward, Wicks, Wilson, Zbur, Rivas

NOES: Castillo, DeMaio, Ellis, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Macedo, Patterson, Sanchez, Tangipa, Wallis

NO VOTE RECORDED: Calderon, Chen, Flora, Irwin, Pacheco, Michelle Rodriguez

Prepared by: Anton Favorini-Csorba / L. GOV. / (916) 651-4119
10/17/25 14:11:36

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

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VETO

Bill No: SB 509
Author: Caballero (D), et al.
Enrolled: 9/16/25
Vote: 27

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

SENATE GOVERNMENTAL ORG. COMMITTEE: 15-0, 4/8/25
AYES: Padilla, Valladares, Archuleta, Ashby, Blakespear, Cervantes, Dahle, Hurtado, Jones, Ochoa Bogh, Richardson, Rubio, Smallwood-Cuevas, Wahab, Weber Pierson

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

SENATE FLOOR: 38-0, 6/3/25
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, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Hurtado, Reyes

SENATE FLOOR: 40-0, 9/11/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ASSEMBLY FLOOR: 59-0, 9/10/25 - See last page for vote

SUBJECT: Office of Emergency Services: training: transnational repression

SOURCE: Author

DIGEST: This bill requires the Office of Emergency Services (Cal OES), on or before January 1, 2027, to develop a transnational repression and response training, as specified.

ANALYSIS:

Existing federal law:

1) Provides that the Department of Homeland Security (DHS), under the federal Homeland Security Act of 2002, has responsibility for integrating law enforcement and intelligence information relating to terrorist threats to the homeland. (6 United States Code (U.S.C.) § 111.)

2) Provides that it is the sense of Congress that some International Criminal Police Organization (INTERPOL) member countries have repeatedly misused INTERPOL's databases and processes to conduct activities of an overtly political or other unlawful character and in violation of international human rights standards, including by making requests to harass or persecute political opponents, human rights defenders, or journalists. (22 U.S.C. § 263b, subd (a).)

3) Requires the Attorney General and Secretary of State to use the voice, vote and influence of the United States, as appropriate, within INTERPOL's General Assembly and Executive Committee to promote reforms aimed at improving the transparency of INTERPOL and ensuring its operation consistent with its Constitution, as specified. (22 U.S.C. § 263b, subd (b).)

4) Requires the U.S. Secretary of State to transmit to the Speaker of the House of Representatives and Committee on Foreign Relations of the Senate, by February 25 of each year, a full and complete report that includes, where applicable, a description of the nature and extent of acts of transnational repression that occurred during the preceding year, as specified.

Existing state law:

1) Establishes Cal OES within the Office of the Governor for the purpose of mitigating the effects of natural, manmade, or war-caused emergencies. (Government (Gov.) Code, § 8550.)

2) Requires Cal OES to coordinate the emergency activities of all state agencies in connection with an emergency and requires every state agency and officer to cooperate with Cal OES in rendering all possible assistance in carrying out its duties, as specified. (Gov. Code, § 8587, subd. (a).)

3) Establishes the California Specialized Training Institute (CSTI) in Cal OES, to assist the Governor in providing training to state agencies, cities, and counties in their planning and preparation for disaster. (Gov. Code, § 8588.3, subd. (b).)

4) Establishes the Curriculum Development Advisory Committee to recommend criteria for terrorism awareness curriculum content to meet the training needs of state and local emergency response personnel and volunteers, and to make recommendations pertaining to training oversight agencies for first responders. (Gov. Code, § 8588.12, subd. (a).)

5) Specifies that Cal OES shall be considered a law enforcement organization as required for receipt of specified criminal intelligence information by persons employed by Cal OES whose duties and responsibilities require the authority to access criminal intelligence information. (Gov. Code, § 8585, subd. (c).)

6) Establishes POST to set minimum standards for the recruitment and training of peace officers, develop training courses and curriculum, and establish a professional certificate program that awards different levels of certification based on training, education, experience, and other relevant prerequisites. Authorizes POST to cancel a certificate that was awarded in error or fraudulently obtained; however, POST is prohibited from canceling a properly-issued certificate. (Penal (Pen.) Code, §§ 830-832.10 and 13500 et seq.)

7) Provides that the Commission on POST has, among others, the power to develop and implement programs to increase the effectiveness of law enforcement and, when those programs involve training and education courses, to cooperate with and secure the cooperation of state-level peace officers, agencies, and bodies having jurisdiction over systems of public higher education in continuing the development of college-level training and education programs. (Pen. Code, § 13500.3, subd. (e).)

8) Requires POST, in consultation with subject matter experts, to develop guidelines and a course of instruction and training for law enforcement officers who are employed as peace officers, or who are not yet employed as a peace officer but are enrolled in a training academy for law enforcement officers, addressing hate crimes. (Pen. Code, § 13519.6, subd. (a).)

This bill:

1) Includes various findings and declarations regarding transnational repression.

2) Includes definitions for the following terms:

   a) "Human rights" means the free exercise or enjoyment of any right or privilege secured to an individual by the California Constitution or the laws of this state or by the United States Constitution or the laws of the United States, in whole or in part.

   b) "Transnational repression" means any action taken by a foreign government or an agent of a foreign government involving the transgression of national borders through physical, digital, or analog means in order to intimidate, silence, coerce, harass, or harm members of diaspora and exile communities or organizations that advocate for individuals in diaspora or exile communities in order to prevent the exercise of their human rights, including gathering information about individuals in diaspora and exile communities or organizations that advocate for individuals in diaspora or exile communities on behalf of a foreign government with the intent to use that information to harass, intimidate, or harm individuals in order to prevent their exercise of their human rights.

3) Provides that on or before January 1, 2027, the Office of Emergency Services, through it California Specialized Training Institute, and in consultation with POST, shall develop a transnational repression recognition and response training, which is intended to provide law enforcement with unbiased information on transnational repression, including trends and guidance from federal authorities.

4) Requires that the training include, but not be limited to, all the following:

   a) How to identify different tactics of transnational repression in physical and nonphysical forms, including, but not limited to, tools of digital surveillance and other cybertools frequently used to carry out transnational repression activities.

   b) Those governments that are known to employ transnational repression, including those that use it most frequently and the specific tactics commonly used by specific foreign governments

   c) Best practices for appropriate local and state law enforcement prevention, reporting, and response tactics.

d) Information about communities targeted by transnational repression and misinformation that may be perpetuated by foreign governments, including, but not limited to, improper labeling of dissidents as terrorist threats and notice abuses effectuated through international law enforcement cooperatives that otherwise play a critical role in addressing transnational crime, including the International Criminal Police Organization (INTERPOL).

e) Any guidance, best practices, definitions, or identified trends or threats issued by federal authorities on national security and public safety.

f) Culturally competent outreach to diverse impacted diaspora communities and subject matter experts in order to support effective and unbiased law enforcement responses to transnational repression.

5) Provides that the provisions above shall not prohibit the exercise of rights under the First Amendment to the United States Constitution.

Comments

In December 2023, the U.S. Senate Foreign Relations Committee held a hearing entitled "Transnational Repression: Authoritarians Targeting Dissenters Abroad," in which the organization Freedom House submitted testimony articulating that "transnational repression occurs when states reach across borders to silence dissent from activists, journalists, and others living in exile, perpetrator states do so using intimidation and violence." An earlier report by Freedom House describes how the federal governing is responding to the growing threat posed by transnational repression:

> Authorities, particularly at the federal level, are increasingly aware of the threat of transnational repression within the United States, and have taken steps to prevent the worst of it: assassination attempts, rendition, and assault. However, property damage, stalking, and intimidation still occur, causing severe disruption to people's lives. The Departments of Homeland Security, Justice, and State, as well as the Federal Bureau of Investigation (FBI) are part of a recently launched "whole-of-government" approach to this issue, which is being coordinated by the National Security Council. Significant effort has been expended to make federal law enforcement practices more responsive to the threat of transnational repression, deploy targeted sanctions to hold perpetrators accountable, and prosecute those

> engaging in the most aggressive campaigns. Important action has also been taken by Congress, including passage of legislation to help end the authoritarian practice of misusing Interpol to target critics.

Established in 1971 to enhance the state's emergency preparedness, the CSTI is a division of Cal OES that provides training in emergency management, homeland security, hazardous materials response, crisis communications, law enforcement, and disaster response, among other topics. CSTIs courses are designed to meet state and federal training requirements in these areas, and the division works closely with a wide range of local, state and federal emergency agencies, including law enforcement agencies, fire departments, hazardous materials response agencies, national guard units, private sector actors, and other educational and research institutions.

This bill seeks to provide California law enforcement personnel and other relevant state and local agencies with training on transnational repression recognition and response, by requiring Cal OES, through CSTI and in consultation with the Commission on Peace Officer Standards and Training, to develop a training that must include: how to identify tactics of transnational repression, instruction on specific governments that are known to employ transnational repression, best practices for local and state law enforcement, information about communities targeted by transnational repression and misinformation that may be perpetuated by foreign governments, and any relevant federal guidance. This bill requires Cal OES to develop the training by January 1, 2027, and provides statutory definitions for the terms "human rights" and "transnational repression."

Because responding to transnational repression is substantially bound up with American foreign policy, the issue generally falls within the jurisdiction of the federal government and federal law enforcement agencies. The proposed federal legislation from the prior congressional session would have defined "transnational repression," established federal training procedures, and provided guidance on transnational repression recognition and response. Notably, the definition of "transnational repression" included in one of the proposed measures from the prior Congress is different than that definition in this bill. Although it is unclear whether the federal measures pending this year will include similar provisions to the measures proposed in the last Congress and given that response to transnational repression is primarily a federal issue, it may be prudent for California to wait for federal legislative guidance before enacting legislation in this space. Conversely, as the likelihood of congressional action in any policy area is unpredictable, it may

benefit California to begin training relevant state actors on transnational repression, and address any future congressional action in future legislation.

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

According to the Assembly Appropriations Committee:

- Cost pressures of an unknown amount, potentially in the millions of dollars, across state agencies to prioritize and execute directives consistent with the declared policy of the state (General Fund or special fund).

- Annual costs of approximately $572,000 to OES for three additional staff positions to research, develop, implement, and update the training program (General Fund).

- Minor and absorbable costs to POST to consult with OES on the training program.

SUPPORT: (Verified 10/14/25)

Americans for Kashmir
California Democratic Party
California Police Chiefs Association
Center for Security, Race and Rights
Hindus for Human Rights
Immigrant Defense Advocates
India Civil Watch International
Indian American Muslim Council
Indo-American Center
Jakara Movement
Japanese American Citizens League
Sikh American Legal Defense and Education Fund
Sikh Coalition
Sikh Council of Central California
South Asian Network

OPPOSITION: (Verified 10/14/25)

Americans4Hindus
Bay Area Hindu Democratic Coalition
Bay Area Jewish Coalition
Bay Area Youth Vaishnav Parivar
Coalition of Hindus of North America

Global Organization People of Indian Origin
Hindu American Foundation, Inc.
Hindu American Political Action Committee
Hindu Americans of San Diego
Hindu Community Institute
Hindu Delegates Forum
Hindu Speakers Bureau
HinduPact
India Heritage Foundation
Indo-American Community Federation
InterfaithShaadi
Israeli-American Civic Action Network
Karya Siddhi Hanuman Temple
Republican Hindu Coalition of California
Riverside County Sheriff's Office
Sacramento Organization of Hindu Malayalee
Santana Hindu-Dharma International Vedic Awareness
Santa Clara County District Attorney's Office
SMVS Newark CA LLC
Sri Venkateshwara Temple
Stand With Us
The Avanti Foundation
The Khalsa Today
United Hindu Council
3 Individuals

GOVERNOR'S VETO MESSAGE:

This bill would require the Office of Emergency Services (Cal OES), in consultation with the Commission on Peace Officer Standards and Training (POST), to develop training on recognizing and responding to transnational repression.

While I appreciate the author's intent to enhance the state's ability to identify and respond to transnational repression, this issue is best addressed through administrative action in coordination with federal agencies. By codifying definitions related to this training, this bill would remove the state's flexibility and ability to avoid future inconsistencies related to this work, especially since no unified federal definition exists.

Cal OES has already developed a training to help law enforcement recognize and respond to transnational repression. Information about this Transnational Repression Awareness class can be found on Cal OES's California Specialized Training Institute Criminal Justice / Homeland Security webpage. This work was done in coordination with Cal OES, POST, and federal partners to ensure alignment with national standards and equip local law enforcement with the tools needed to identify and react to this threat. My administration moved quickly to provide local agencies with the necessary tools to protect these impacted communities while maintaining the essential administrative flexibility to adapt to this evolving issue.
For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 59-0, 9/10/25
AYES: Addis, Aguiar-Curry, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Davies, Dixon, Elhawary, Fong, Gallagher, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Valencia, Wicks, Wilson, Rivas
NO VOTE RECORDED: Ahrens, Bauer-Kahan, Castillo, Chen, DeMaio, Ellis, Flora, Gabriel, Jeff Gonzalez, Hadwick, Hoover, Johnson, Lackey, Macedo, Patel, Patterson, Sanchez, Tangipa, Wallis, Ward, Zbur

Prepared by: Alex Barnett / PUB. S. /
10/14/25 15:06:48

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

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VETO

Bill No: SB 512
Author: Pérez (D), et al.
Enrolled: 9/16/25
Vote: 27

SENATE ELECTIONS & C.A. COMMITTEE: 3-1, 9/9/25
AYES: Cervantes, Allen, Limón
NOES: Choi
NO VOTE RECORDED: Umberg

SENATE FLOOR: 30-10, 9/11/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener
NOES: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ASSEMBLY FLOOR: 50-19, 9/4/25 - See last page for vote

SUBJECT: District elections: initiatives

SOURCE: Self-Help Counties Coalition

DIGEST: This bill expands the types of jurisdictions that may, by an initiative, impose transactions and use taxes (TUTs) for transportation purposes.

ANALYSIS:

Existing law:

1) Provides that initiative is the power of the electors to propose statutes and amendments to the California Constitution and to adopt or reject them. A state initiative measure must receive a majority of votes cast thereon in order to take effect.

2) Permits initiative powers to be exercised by the electors of each city or county under procedures that the Legislature shall provide. If a majority of the voters voting on a proposed local initiative ordinance vote in its favor, the initiative takes effect.

3) Provides that ordinances may be enacted by most districts through the initiative process, with the following exceptions: (1) Irrigation districts; (2) A district formed under a law that does not provide a procedure for elections; (3) A district formed under a law which does not provide for action by ordinance; (4) A district governed by an election procedure that permits voters, in electing the district's directors or trustees, to cast more than one vote per voter; and (5) A district in which the directors are empowered to cast more than one vote per director when acting on any matter. The term "district," for these purposes, includes any regional agency that has the power to tax, to regulate land use, or to condemn and purchase land.

4) Prohibits a local government from imposing, extending, or increasing a general tax unless it is submitted to the electorate and approved by a majority vote. The general tax proposal must be submitted to the voters at an election that is consolidated with a regularly scheduled general election for members of the governing body of the local government.

5) Prohibits a local government from imposing, extending, or increasing any special tax unless it is submitted to the electorate and approved by a two-thirds vote. Any tax levied by a special purpose district or agency is a special tax.

6) Authorizes a county board of supervisors to create a local transportation authority to operate within the county.

7) Authorizes a local transportation authority to impose a retail TUT ordinance applicable in the incorporated and unincorporated territory of a county if the ordinance is adopted by a two-thirds vote of the local transportation authority and the tax is subsequently approved by voters.

8) Requires a county transportation expenditure plan to be prepared for the expenditure of the revenues for the period during which the tax is to be imposed, and prohibits the plan from being adopted until it has received the approval of the board of supervisors and of the city councils representing both a majority of the cities in the county and a majority of the population residing in the incorporated areas of the county.

This bill:

1) Permits the voters of any district authorized to impose a TUT for transportation purposes to impose the TUT by an initiative.

2) Prohibits a TUT enacted by an initiative from exceeding the maximum authorized rate for a tax imposed by an ordinance enacted by the governing body of the district. The initiative must contain all spending limitations and substantive accountability standards that apply to a TUT imposed by an ordinance enacted by the district's governing body, including the inclusion of a transportation expenditure plan that specifies the purposes for which the revenue derived from the tax will be used.

3) Specifies that the provisions of this bill are declaratory of existing law.

Background

Initiatives. The California Constitution guarantees the right of voters to propose statutes and amendments to the Constitution and to adopt or reject them. It also requires the Legislature to provide for initiative powers that may be exercised by voters in cities and counties. Although not required by the California Constitution, the Legislature has adopted procedures in the Elections Code to allow voters to exercise initiative powers in some local districts.

Other types of measures can appear on the ballot for voters' consideration. These include referenda, recalls, and measures that a governing body places on the ballot.

Upland Decision. The California Constitution prohibits a local government from imposing, extending, or increasing a special tax unless it is approved by a two-thirds vote of the electorate. The California Constitution also imposes other restrictions on taxes imposed by local governments, including a requirement that a general tax must be approved by the voters at a general election for members of the local government's governing body, except in an emergency.

In August 2017, the California Supreme Court issued its ruling in *California Cannabis Coalition v. City of Upland*, 3 Cal. 5th 924 (2017). The Court was asked to address whether the requirement that a local government must submit a proposed general tax to the voters at a regularly scheduled general election applies to measures that are placed on the ballot not by the governing body, but instead by the voters through the initiative process.

The court concluded that the California Constitution "does not limit voters' power to propose and adopt initiatives concerning taxation," and that local general taxes proposed through the initiative process could appear on the ballot at elections other than regularly scheduled general elections. In reaching that conclusion, the majority opinion noted that the Court has consistently taken the position that courts should protect and liberally construe the people's initiative power, and that it would not construe the California Constitution as limiting that power "[u]nless a provision explicitly constrains the initiative power or otherwise provides a similarly clear indication that its purpose includes constraining the voters' initiative power."

The *Upland* decision did not directly address whether a local initiative measure that proposes special taxes must comply with the two-thirds vote requirement found in Article XIII C, Section 2, Subdivision (d) of the California Constitution.

Local Transportation Authorities. TUT or district taxes dedicated to transportation originated in 1970, when the Legislature authorized several counties served by the Bay Area Rapid Transit District to impose a regional sales tax. The Legislature subsequently authorized district taxes for individual counties or local entities, including Fresno, Los Angeles, Sacramento, San Diego, and Santa Clara, among others. The Legislature also approved SB 142 (Deddeh, Chapter 786, Statutes of 1987), the Local Transportation Authority and Improvement Act, which provided a process for individual counties to create a local transportation authority and implement local sales taxes of up to 1% for transportation purposes, upon the adoption of a specified expenditure plan and approval of a ballot proposition by county voters. Today, as many as 25 so–called "Self-Help Counties" impose a transportation tax.

Comments

Author's Statement. This bill reaffirms the ability of Californians to fund transportation projects that benefit their communities by clarifying that voters within transportation districts can qualify a transportation sales tax measure by initiative. For nearly 40 years, Proposition 218 has granted voters across 25 counties the ability to approve local sales taxes to fund local and regionally significant transportation projects including public transportation, active transportation, interchanges, roadway improvements, and other transportation infrastructure.

Although Proposition 218 acknowledges the power of the people to affect local taxes, California's Elections Code conflicts with that authority due to the lack of explicit authority to allow for residents of local transportation districts to propose and pass transportation transaction and use tax measure by means of a citizen's ballot initiative. As a result of these inconsistencies, any transportation tax measure that is passed by citizens' ballot initiative may be susceptible to litigation – rendering these crucial transportation projects vulnerable to unnecessary delays and increased costs. This bill addresses this discrepancy that exists by aligning the state's Election Code with the provisions of Proposition 218 and other authorizing statutes − bringing much needed consistency and clarity in California law.

Majority versus Two-Thirds. As previously mentioned, the California Constitution prohibits a local government from imposing, extending, or increasing a special tax unless it is approved by a two-thirds vote of the electorate. An initiative requires a majority vote of the electorate to be approved. If approved, this bill would provide all transportation districts another option, at a lower vote threshold, to raise revenue for specific transportation projects.

Multi-County Districts and Election Administration. Elections are administered at the local level, typically by the county elections official. If an initiative is proposed in a multi-county district, coordination between the respective county election officials would be vital for many of the initiative-related and election-related tasks, such as who provides the ballot question and translates ballot materials into mandated languages.

Related/Prior Legislation

SB 63 (Wiener, Chapter 740, Statutes of 2025), among other provisions, created the Public Transit Revenue Measure District in the counties of Alameda, Contra Costa, San Mateo, Santa Clara, and the City and County of San Francisco and authorizes the district's board to impose a retail TUT by a qualified voter initiative.

SB 904 (Dodd, Chapter 866, Statutes of 2024), among other provisions, authorized special taxes in the Sonoma-Marin Area Transit District to be imposed by a qualified voter initiative, if the initiative complies with certain requirements.

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

According to the Assembly Committee on Appropriations:

To the extent this bill requires a qualified TUT measure be put on the ballot, with resultant workload costs for county elections officials, this bill may create a state-mandated local program. If the Commission on State Mandates determines the provisions of this bill create a new program or impose a higher level of service for which the state must reimburse local costs, counties could seek reimbursement from the state. However, since a county elections official may recover the costs of administering an election for another local agency from that agency, these costs are likely non-reimbursable by the state.

SUPPORT: (Verified 10/15/25)

Self-Help Counties Coalition (source)
California-Nevada Conference of Operating Engineers
California State Building and Construction Trades Council
California State Council of Laborers
District Council of Iron Workers
Riverside County Transportation Commission

OPPOSITION: (Verified 10/15/25)

California Taxpayers Association
Acclamation Insurance Management Services
Alameda County Taxpayers' Association
Allied Managed Care
California Association of Realtors
California Building Industry Association
California Business Properties Association
California Business Roundtable
California Chamber of Commerce
California Fuels and Convenience Alliance
Coalition of Sensible Taxpayers
Coalition of Small and Disabled Veteran Businesses
Contra Costa Taxpayers Association
Council on State Taxation
Family Business Association of California
Flasher Barricade Association
Howard Jarvis Taxpayers Association
Kern County Taxpayers Association
Lake Forest Chamber of Commerce
National Federation of Independent Business

Orange County Taxpayers Association
Solano County Taxpayers Association

ARGUMENTS IN SUPPORT:

In a letter sponsoring this bill, the Self-Help Counties Coalition states, in part, the following:

> …a statutory inconsistency between Proposition 218 (California Constitution Article XIIIC, Section 3) and Elections Code Section 9300 has created legal ambiguity regarding the public's right to use the initiative process within certain special transportation districts. Proposition 218 guarantees voters the right to propose local taxes by initiative, but that right is not clearly reflected in Elections Code 9300 for transportation authorities and transit districts governed by special statutes.
>
> SB 512 resolves this issue by affirming that if a transportation district already has the authority to levy transportation sales taxes, its voters also have the constitutional right to propose such measures through the initiative process. This legislation does not create new taxing authority or impose new taxes—it simply preserves and protects the democratic process by ensuring that local communities can continue to lead on transportation investment.

ARGUMENTS IN OPPOSITION:

A coalition of business groups and taxpayer associations are opposed to this bill for a multitude of reasons. Two of their reasons, in part, are below:

a) Undermines the Two-Thirds Vote Requirement for Special Taxes. Since the passage of Proposition 13 in 1978, California's Constitution has required a two-thirds vote of the electorate to approve local special taxes – those earmarked for specific purposes. This safeguard was reaffirmed by Proposition 218. These provisions were designed to promote affordability and ensure broad public consensus before imposing new costs on Californians.

b) Misapplies the *Upland* Decision. The *Upland* ruling addressed only the timing of elections for citizen initiatives and did not alter the substantive vote thresholds for tax approval. Despite this, some local governments have exploited the ambiguity by advancing tax measures through initiatives to bypass the two-thirds threshold. This bill would codify this tactic, allowing

transportation-related special taxes to be enacted with a simple majority vote, contrary to the intent of voter-approved Propositions 13 and 218.

GOVERNOR'S VETO MESSAGE:

I am returning Senate Bill 512 without my signature.

This bill reaffirms that jurisdictions may use the initiative process to impose transactions and use taxes for transportation purposes.

The courts have consistently and repeatedly affirmed this existing authority; therefore, this bill is unnecessary.

ASSEMBLY FLOOR: 50-19, 9/4/25
AYES: Addis, Aguiar-Curry, Alvarez, Arambula, Ávila Farías, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Jackson, Kalra, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Papan, Pellerin, Quirk-Silva, Ramos, Celeste Rodriguez, Rogers, Blanca Rubio, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wicks, Wilson, Zbur, Rivas
NOES: Alanis, Castillo, Chen, Davies, DeMaio, Dixon, Ellis, Flora, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Lackey, Macedo, Patterson, Sanchez, Ta, Tangipa, Wallis
NO VOTE RECORDED: Ahrens, Bains, Irwin, Krell, Pacheco, Patel, Petrie-Norris, Ransom, Michelle Rodriguez, Schiavo

Prepared by: Scott Matsumoto / E. & C.A. / (916) 651-4106
10/15/25 12:38:59

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

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VETO

Bill No: SB 541
Author: Becker (D), et al.
Enrolled: 9/17/25
Vote: 27

SENATE ENERGY, U. & C. COMMITTEE: 13-4, 4/21/25
AYES: Becker, Allen, Archuleta, Arreguín, Ashby, Caballero, Gonzalez, Grayson, Limón, McNerney, Rubio, Stern, Wahab
NOES: Ochoa Bogh, Dahle, Grove, Strickland

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

SENATE FLOOR: 27-10, 6/3/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener
NOES: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares
NO VOTE RECORDED: Hurtado, Reyes, Richardson

SENATE FLOOR: 29-8, 9/13/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener
NOES: Alvarado-Gil, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland
NO VOTE RECORDED: Choi, Gonzalez, Valladares

ASSEMBLY FLOOR: 57-15, 9/12/25 - See last page for vote

SUBJECT: Electricity: load shifting

SOURCE: Author

DIGEST: This bill requires the California Energy Commission (CEC), as part of an existing biennial report, to estimate each retail supplier's load-shifting potential, giving consideration to certain factors, including cost-effectiveness; and to publish, on or before July 1, 2028, and biennially thereafter, the amount of load shifting that each retail supplier achieved in the prior calendar year.

ANALYSIS:

Existing law:

1) Existing law vests the California Public Utilities Commission (CPUC) with regulatory jurisdiction over public utilities, including electrical corporations. (Article XII of the California Constitution)

2) Requires the State Energy Resources Conservation and Development Commission (California Energy Commission (CEC)) to adopt a biennial integrated energy policy report (IEPR) containing certain information in a specified format. (Public Resources Code §25302)

3) Requires the CEC, in consultation with the CPUC, and the California Independent System Operator (CAISO), to adopt a goal for load shifting to reduce net peak electrical demand and adjust this target in each biennial IEPR thereafter. (Public Resources Code §25302.7)

4) Requires the CPUC to adopt a process for each load-serving entity (LSE) to file an integrated resource plan (IRP) and a schedule for periodic updates to the plan and to ensure that LSEs, among other things, enhance distribution systems and demand-side energy management. (Public Utilities Code §454.52)

5) Requires that all rates for any service or product charged by an electrical corporation must be just and reasonable. (Public Utilities Code §451)

6) Authorizes the CPUC to authorize electrical corporations to offer residential customers the option of receiving service on time-variant pricing (time-of-use rates, critical peak-pricing, and real-time pricing). Prohibits the CPUC from

establishing a mandatory default time-variant pricing tariff for residential customers, except for default time-of-use rates. Requires the CPUC to ensure that any time-of-use rate schedule does not cause unreasonable hardship for senior citizens or economically vulnerable customers in hot climate zones. (Public Utilities Code §745)

This bill:

1) Makes several findings and declarations concerning the potential for load flexibility to help reduce peak load and provide cost-saving opportunities.

2) Requires the CEC, in consultation with the CPUC, CAISO, California balancing authorities, to analyze the cost-effectiveness of specific load flexibility programs and other types of load-shifting interventions and identify both the approximate amount of load shifting and the cost-effectiveness of each type of load-shifting intervention in the next update to the biennial IEPR after January 1, 2027.

3) Requires the CEC, as part of each biennially IEPR, to estimate each retail supplier's load-shifting potential, giving consideration to certain factors.

4) Requires the CEC, on or before July 1, 2028, and biennially thereafter, to analyze and publish the amount of load shifting that each retail supplier achieved in the prior calendar year.

5) Defines "retail seller" to mean an electrical corporation, community choice aggregator (CCA), electric service provider (ESP), or local electric publicly owned utility (POU) and excludes an electrical corporation with 60,000 or fewer customer accounts or a retail supplier with an annual electrical demand of less than 1,000 gigawatt-hours (GWh).

Background

A changing electric grid. The electric grid is undergoing tremendous shifts, including transitioning to cleaner (often intermittent) resources (e.g. solar and wind) at a tremendous pace and scale, changing weather conditions/patterns (including more extreme temperature and storms), and switching or substituting energy uses (e.g. transportation and heating from fossil fuels to electricity). After the unexpected rotating outages called by the CAISO in late summer 2020 during west-wide extreme heat event, the Governor and Legislature took several actions to

address supply shortages during and in the aftermath of these events. These actions include near term procurement orders and increasing planning reserve margins, billions of dollars from the state general fund to establish the Electricity Strategic Supply Reliability Reserve, and authorizing the extended operations of the state's sole remaining nuclear power plant. Within the authorizing legislation for the extension of Diablo Canyon nuclear power plant, SB 846 (Dodd, Chapter 239, Statutes of 2022) also required the CEC, in consultation with the CPUC, and CAISO, to adopt a goal for load shifting to reduce net peak electrical demand and to adjust this target in each biennial IEPR.

About load shifting. Load shifting reflects the understanding that *when* electricity is used can be just as important as *how* much is used. Load shifting entails beneficially shifting electric load (or demand) away from times when electricity is scarce, expensive, and highly polluting to times when electricity is inexpensive, clean, and plentiful. Load shifting can play an important role in helping to address the challenges on the electric grid by aligning customer demand with the supply of clean energy. Load shifting has the potential to help integrate renewable generation, reduce the strain on the electric grid, and help maintain reliability during extreme events. As electrified load increases, especially from electric vehicles, heat pumps, as well as, further adoption of distributed energy resources (especially from solar and energy storage), the need for investments in grid infrastructure may also rise and the opportunities for load shifting also increase.

CEC SB 846 Load-Shift Goal Report. In May 2023, the CEC issued the report required in SB 846 on establishing a load-shifting goal and informed by the 2020 Lawrence Berkeley National Laboratory report on the Shift Resource through 2030, and other relevant research, as required by the statute. The CEC developed a statewide load-shift goal for 2030 of 7,000 megawatts (MW), including 3,400-3,900 MW of incremental resources. The goal encompasses three categories of load flexibility resources:

- Load-modifying demand flexibility resources (3,000 MW) directly impact the load forecast and resource procurement requirements of LSEs. The most common category is time-varying rates, such as time-of-use or hourly dynamic rates that reflect actual grid conditions.
- Resource planning and procurement load flexibility resources (1,620-1,775 MW) either contributes to meeting Resource Adequacy (RA) requirements or reduces RA requirements as a credit. This category includes supply-side demand response that participates in the CAISO as economic or reliability demand response.

- Incremental and emergency load-flexibility resource programs (1,175 MW) intended to increase resource availability during extreme events and do not contribute to meeting RA requirements. These include the Emergency Load Reduction Program and the Demand Side Grid Support program which can be activated during emergency grid events.

The CEC report cautions the statewide goal is based on economic potential.

> Further analysis is needed to determine the cost-effectiveness of specific load flexibility resources and programs. …The proposed goal is not intended to suggest that the state should pursue these targets without the evaluation of the cost-effectiveness of specific resources or programs that would contribute to the goal.

The report also includes 18 policy recommendations to support deployment of the three category of resources.

CEC and CPUC efforts to employ time-varying rates. In addition to the SB 846 report, both the CEC and CPUC are pursuing load flexibility from time-varying rates. The CEC's Load Management Standard proceeding has directed LSEs to create at least one hourly rate offering, or an equivalent program, by 2027. The MIDAS provides a centralized rate database that customers, developers, and devices can use to access rate information. The Flexible Demand Appliance Standards (FDAS) will provide direction to device manufacturers to enable beneficial load flexibility in response to these rates. In June 2022, the CPUC staff issued a report with a proposed roadmap for hourly dynamic pricing to enable widespread load flexibility, including load shifting, called the California Flexible Unified Signal for Energy (CalFUSE). Subsequently, the CPUC opened a rulemaking, *Order Instituting Rulemaking to Advance Demand Flexibility Through Electric Rates* (R. 22-07-005), to enable widespread demand flexibility, instead of the historical piecemeal approach. As part of the proceeding the CPUC has directed electric investor-owned utilities (IOUs) to deploy pilot programs to gain learnings and understandings about the effects of dynamic rates.

Integrated Energy Policy Report (IEPR). The IEPR provides a cohesive approach to identifying and solving the state's pressing energy needs and issues. The report, which is crafted in collaboration with a range of stakeholders, develops and implements energy plans and policies. SB 1389 (Bowen and Sher, Chapter 568, Statutes of 2002) required the CEC to conduct assessments and forecasts of all aspects of energy industry supply, production, transportation, delivery and

distribution, demand, and prices. The CEC is then required to use these assessments and forecasts to develop energy policies that conserve resources, protect the environment, ensure energy reliability, enhance the state's economy, and protect public health and safety." The CEC adopts an IEPR every two years and an update every other year.

Comments

Need for this bill. The author states:

> Electrical bills have grown unsustainably, and the state is looking for ways to constrain future cost increases. Electricity system costs (at least for transmission and distribution) are mostly driven by the need to provide reliable power during the periods of highest demand. If utilities can lower their system peak energy demand – by getting customers to adjust thermostats or shift some of their demand to other times of day, for example – then the utilities can serve more demand during off-peak hours (which helps to lower rates) while avoiding new investments to add to peak capacity. The CEC's "Load-Shift Goal Report" set a goal of achieving 7000 MW of cost-effective load shifting by 2030 (with 3400-3900 MW of that not yet being captured). While the CEC's goal has shed light on this large cost-saving opportunity, more is needed to push our electricity suppliers to capture those savings and make load-flexibility a routine part of their system planning and energy procurement efforts.

Impacts to ratepayers. As the supporters of this bill note, the increasing costs of utility bills, along with anticipated expansion of new resources and the electric grid, necessitate ensuring that electric grid investments are judicious and prudent. Load shifting provides a tool with the potential to better optimize electric grid resources while shifting load during times when cleaner, and less expensive, electricity is available. Successful deployment of load shifting can be a win-win for participating customers and all customers. However, as the opposition to this bill contends there are potential risks that must also be mitigated, especially in relation to dynamic rates and ensuring the resources are cost-effective. Moreover, to the extent load-shifting resources are required as part of LSEs' procurement, ensuring these resources compete with others can help support the least-cost, best-fit principles. The CEC, in its report, acknowledged the load-shift goal is "aspirational, but achievable with robust policy support" and merits further evaluation for cost-effectiveness. The CEC also expressed reluctance to recommend subgoals for specific program types, sectors, or jurisdictions. This bill does not mandate procurement, but would require the CEC to report on the

estimated procurement to meet the load-shifting goal by each retail supplier (except those electric POUs who are excluded from the requirement of the CEC's Power Content Label requirements). The bill requires the CEC to analyze the cost-effectiveness of each load-shifting measure. Electric POUs oppose the requirements to have the CEC establish standards on them to report on the estimated load-shifting they have undertaken and to annually report on their efforts. They believe this reporting is burdensome and not beneficial, as their local governing boards make decisions about solutions that work best in their service territory.

Related/Prior Legislation

AB 1117 (Schultz) of 2025, would have required the CPUC, by July 1, 2028, to develop optional, dynamic electricity rates for large electrical investor-owned utility customers. The bill was held in the Senate Appropriations Committee.

SB 846 (Dodd, Chapter 239, Statutes of 2022) among its many provisions, required the CEC, in consultation with the CPUC, and CAISO, to adopt a goal for load-shifting to reduce net peak electrical demand and to adjust this target in each biennial IEPR.

AB 327 (Perea, Chapter 611, Statutes of 2013) among its many provisions, restructured the rate design for residential electric customers.

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

According to the Assembly Appropriations Committee:

This bill creates significant new analytical, administrative and regulatory workload for both CEC and CPUC, with ongoing annual costs likely in the high hundreds of thousands of dollars, at least.

1) CEC anticipates the need for $656,000 ongoing for three permanent positions to:

    a) Lead development of rules and guidelines for load shift credit accounting, manage data reporting process for retail suppliers and track the state's progress toward increased load flexibility.
    b) Facilitate interagency coordination and lead strategy development efforts.
    c) Evaluate the ability of load flexibility resources to qualify for or reduce a load-serving entity's resource adequacy obligations.

CEC notes its main funding source, ERPA, faces an ongoing structural deficit and warns it, therefore, may not be an appropriate fund source to support the implementation of this bill.

2) The CPUC describes the work this bill creates for it as developing a strategy to reduce distribution infrastructure investments through cost-effective deployment of distributed resources and load shifting; directing IOUs to implement new programs and rate designs and overseeing their implementation; integrating new data into planning processes; and coordinating closely with CEC and CAISO.

   The CPUC estimates costs of approximately $1.4 million (Public Utilities Commission Utilities Reimbursement Account), as follows: $911,000 for three permanent senior regulatory analysts and $257,000 for one three-year limited-term administrative law judge, and $480,000 for outside consultants, hardware and staff training, including modeling capacity and updated avoided cost studies.

SUPPORT: (Verified 10/6/25)

350 Humboldt
350 Sacramento
Advanced Energy United
California Efficiency + Demand Management Council California Energy Storage Alliance
California Solar & Storage Association Carbon Free Palo Alto
Carbon Free Silicon Valley
Clean Coalition
Climate Action California
Coalition for Community Solar Access
Deploy Action
Menlo Spark
Microgrid Resources Coalition
Natural Resources Defense Council
Nexamp
San Jose Community Energy Advocates
School Energy Coalition
The Climate Center
The Climate Reality Project - Silicon Valley Chapter

OPPOSITION: (Verified 10/6/25)

California Community Choice Association
California Municipal Utilities Association
California Special Districts Association
Marin Clean Energy Northern California Power Agency
Sacramento Municipal Utility District
Southern California Public Power Authority

ARGUMENTS IN SUPPORT: The Natural Resources Defense Council states:

> …[SB 541] would reinforce and smooth the implementation of the state's load flexibility goal, while requiring cost-effectiveness and strategic integration. Increasing cost-effective load flexibility on the grid can be beneficial because it allows for more effective use of electrified buildings and vehicles, reduces the electricity infrastructure costs needed to support economic development, and increases the reliability and resiliency of the grid. …SB 541 applies a reasonable next step toward cost-effectively and strategically increasing and investing in load-shifting resources to support a more resilient, zero-emission electricity grid.

ARGUMENTS IN OPPOSITION: According to the California Municipal Utility Association, the Sacramento Municipal Utility District, the Northern California Power Agency, and the Southern California Public Power Association (SCPPA):

> SB 541(Becker), while well-intentioned, would require the California Energy Commission (CEC) to perform onerous and duplicative evaluations of publicly owned electric utility (POU) load-shifting programs. Although POUs have offered amendments throughout the year to resolve all our concerns, our concerns have not been addressed and thus, we must still regretfully oppose the bill. The CEC would be required to analyze the cost-effectiveness of individual POUs' load flexibility programs and to make top-down determinations of load shift potential. This approach duplicates POUs' existing evaluations and undermines POUs' ability to design and value load shift programs based on specific needs and customer preferences. CMUA member utilities are committed to enhancing grid reliability, reducing emissions, and advancing California's clean energy goals through programs that reflect the needs of the communities they serve. SB 541, however, could lead to the CEC imposing demand shift mandates on POUs that risk creating significant burdens for POUs and could

undermine their ability to develop cost-effective, locally tailored load management strategies.

GOVERNOR'S VETO MESSAGE:

I am returning Senate Bill 541 without my signature.

This bill would require the California Energy Commission (CEC), in coordination with the California Public Utilities Commission (CPUC and California Independent Systems Operator (CAISO), to analyze the cost-effectiveness of certain electric load-shifting strategies, estimate each electric retail supplier's load-shifting potential, and analyze and publish the amount of load-shifting that each electric retailer supplier achieved in the prior calendar year.

Deploying strategies to cost-effectively manage the state's electric demand remains a critical tool for maintaining electric grid reliability during extreme events, integrating variable and intermittent renewable and clean energy resources into the electric grid, and reducing electric service costs for customers. This is why the CAISO, CEC, and CPUC continue to explore, develop, and deploy protocols, standards, electric rate tariffs, incentive programs, and new and updated valuation approaches to shape, shift, shimmy, and shed electric load that benefits both the electric grid and electric customers.

While I appreciate the author's intent, this bill is largely redundant and, in some cases, disruptive of existing and planned efforts by the CPUC, CEC and CAISO to maximize the cost-effective potential of electric load-management strategies. This bill would also impose a new workload on the CPUC and CEC, requiring additional resources to support its implementation. At a time when electric bill affordability continues to be a pervasive challenge, it is important that we consider the workload and cost impacts on the CEC and CPUC, some of which are ultimately borne by electric customers, to avoid further compounding the costs embedded in customer electric bills.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 57-15, 9/12/25
AYES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo,

Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wicks, Wilson, Zbur, Rivas

NOES: Alanis, Castillo, Davies, DeMaio, Dixon, Ellis, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Johnson, Macedo, Sanchez, Ta, Tangipa

NO VOTE RECORDED: Bains, Chen, Flora, Lackey, Patterson, Ramos, Ransom, Wallis

Prepared by: Nidia Bautista / E., U. & C. / (916) 651-4107
10/8/25 9:56:13

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

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VETO

Bill No: SB 613
Author: Stern (D), et al.
Enrolled: 9/18/25
Vote: 27

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 6-1, 4/2/25
AYES: Blakespear, Gonzalez, Hurtado, Menjivar, Padilla, Pérez
NOES: Dahle
NO VOTE RECORDED: Valladares

SENATE ENERGY, U. & C. COMMITTEE: 15-0, 4/21/25
AYES: Becker, Ochoa Bogh, Allen, Archuleta, Arreguín, Ashby, Caballero, Gonzalez, Grayson, Grove, Limón, McNerney, Rubio, Stern, Wahab
NO VOTE RECORDED: Dahle, Strickland

SENATE ENERGY, U. & C. COMMITTEE: 13-3, 4/21/25
AYES: Becker, Allen, Archuleta, Arreguín, Ashby, Caballero, Gonzalez, Grove, Limón, McNerney, Rubio, Stern, Wahab
NOES: Ochoa Bogh, Dahle, Strickland
NO VOTE RECORDED: Grayson

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

SENATE FLOOR: 37-0, 6/4/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Alvarado-Gil, Choi, Reyes

SENATE FLOOR: 37-0, 9/13/25

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

ASSEMBLY FLOOR: 54-14, 9/12/25 - See last page for vote

SUBJECT: Methane emissions: petroleum and natural gas producing low methane emissions

SOURCE: Author

DIGEST: This bill requires state agencies to prioritize strategies to reduce methane emissions from imported petroleum and natural gas and requires the Air Resources Board (CARB) to encourage procurement of certified natural gas producing low methane emissions, as specified.

ANALYSIS:

Existing law:

1) Requires CARB to, under AB 2195 (Chau, Chapter 371, Statutes of 2018), use the best available science to quantify and annually report on its website the amount of greenhouse gas (GHG) emissions resulting from the loss or release of natural gas during all processes associated with the production, processing, and transport of natural gas imported into the state from out-of-state sources. (Health and Safety Code (HSC) §39607)

2) Requires CARB to, under AB 1496 (Thurmond, Chapter 604, Statutes of 2015), among other things, consult with specified entities to gather information for purposes of carrying out life-cycle GHG emissions analyses of natural gas imports.

3) Requires the California Public Utilities Commission (CPUC) to, under SB 1371 (Leno, Chapter 525, Statutes of 2014), in consultation with CARB, minimize natural gas leaks from CPUC-regulated gas pipeline facilities, and provide for the development of metrics to quantify the volume of emissions from leaking gas pipeline facilities, and to evaluate and track leaks

geographically and over time.

4) Requires all state agencies to consider and implement strategies to reduce their GHG emissions. (HSC § 38592)

This bill:

1) Defines "measure, monitor, report, and verify" or "MMRV" as a framework used for the systematic measuring of emissions, including the documentation and verification of the accuracy of the reported data.

2) Requires state agencies to prioritize strategies to reduce methane emissions, including emissions from imported petroleum and natural gas, where feasible and cost effective.

3) Authorizes CARB, the Public Utilities Commission (PUC), and other relevant agencies to apply approved MMRV protocols to existing programs to reduce methane emissions, including emissions from imported petroleum and natural gas procured by utilities and other large gas users.

4) Requires CARB to encourage natural gas procurement on behalf of the state to shift to certified natural gas producing low methane emissions, as verified by MMRV, where feasible, cost effective, and in the best interests of ratepayers as determined by the PUC.

5) Provides that these requirements shall not be construed to require any new or additional petroleum and natural gas utility procurement or to promote the expanded use of petroleum and natural gas from fossil resources and is not intended to interfere with state efforts to reduce the use of petroleum and natural gas or increase the production and use of renewable gas.

6) Makes related findings.

Background

1) *Natural gas.* Natural gas is primarily methane. It is also known as “fossil gas.” It can be burned for energy or used as a chemical feedstock. Nearly 45% of the natural gas burned in California was used for electricity generation, and much of the remainder was consumed in the residential (21%), industrial (25%), and commercial (9%) sectors. California continues to depend upon out-of-state

imports for nearly 90% of its natural gas supply[1], underscoring the importance of monitoring and evaluating ongoing market trends and outlook.

On April 23, 2021, Governor Newsom directed CARB to evaluate the phaseout of oil and gas extraction in the state no later than 2045, as part of this Scoping Plan.[2] In the 2022 Scoping Plan Update, CARB's proposed scenario for achieving the state's 2030 and 2045 climate goals involves meeting the anticipated increased demand for electricity without any new natural gas-fired resources as well. Moreover, the plan strives to reduce demand for natural gas across the entire economy. Within the state, CARB intends for oil and gas fugitive methane emissions to be reduced by 50% by 2030 and further reductions as infrastructure components retire in line with reduced fossil gas demand.

2) *Finding and dealing with leaks.* Identifying and addressing points of methane leakage along the natural gas supply chain is a pressing issue. However, identifying fugitive methane emissions is technologically challenging. Satellites are growing in prominence as an important tool in addressing the climate crisis by spotting methane emissions. There are already dozens of greenhouse gas-detecting satellites in orbit today, and both public and private institutions have announced plans to launch more in the future. Additionally, at COP27, the UN announced a new high-tech, satellite-based global methane detection initiative—The Methane Alert and Response System (MARS)—that will leverage satellite data to alert governments, companies, and operators about large methane sources to foster rapid mitigation. California plans to launch its own methane-detecting satellites this year.

   Given the strong warming effects of methane in the atmosphere, minimizing its release is important to mitigate climate change. Given the value of supplying natural gas to end users, minimizing its release can, in fact, save producers money. The International Energy Agency (IEA) has estimates that more than 70% of current emissions from oil and gas operations are already technically feasible to prevent and around 45% could typically be avoided at no net cost because the value of the captured gas is higher than the cost of abatement.

3) *Methane Emissions Reduction Program*. Through the Inflation Reduction Act (IRA), the US Environmental Protection Agency (US EPA) planned to invest

[1] Supply and Demand of Natural Gas in California, CEC. **https://www.energy.ca.gov/data-reports/energy-almanac/californias-natural-gas-market/supply-and-demand-natural-gas-california**
[2] Governor Newsom Takes Action to Phase Out Oil Extraction in California. **https://www.gov.ca.gov/2021/04/23/governor-newsom-takes-action-to-phase-out-oil-extraction-in-california/**

over $1 billion in financial and technical assistance to monitor, measure, quantify and reduce methane emissions from the oil and gas sector in concert with establishing a Waste Emissions Charge (WEC) and updating the GHG Reporting Program to advance greater transparency and accountability for methane pollution. This program was intended to help reduce emissions of methane and other GHGs from the oil and gas sector and to have the co-benefit of reducing non-GHG emissions such as volatile organic compounds and hazardous air pollutants. The program was also to reduce emissions from oil and natural gas infrastructure in or near overburdened communities where people live, work, and go to school.

On March 14, 2025, President Trump signed a resolution, pursuant to the Congressional Review Act, which disapproved the WEC rule. Between that and the freezing of federal IRA funds, there does not seem to be any movement on implementing the Methane Emissions Reduction Program.[3]

Comments

1) *Purpose of Bill.* According to the author, "The importance of high-quality, verifiable data has never been more important when it comes to energy. Accurate data from the state's fossil methane and petroleum sector can help reduce emissions of potent short-lived climate pollutants that are both powerful climate forcers and harmful air pollutants. Accurate data is gleaned with sensors, more advanced leak detection, and facility-based strategies that lead to tangible results: reduced leaks and excess emissions from the state's fossil fuel energy systems. Even while we focus on transitioning away from fossil fuels, we can, and should focus on minimizing the impacts of our ongoing fossil fuel use, including methane emissions from imported natural gas and petroleum."

2) *Gas, break, dip*. If everything went according to plan, natural gas producers would drill wells, operate them according to industry best practices for as long as the well remains economical, and then safely plug and decommission the well. In reality, the companies responsible for the assets may go under, restructure, or otherwise abdicate their duties and leave the wells without adequate care taken to avoid leaks, releases, or other health and environmental hazards. These are termed "orphan wells," and according to a 2020 study from the California Council on Science and Technology, the state has over 5,000 of them today, with an additional almost 70,000 that are economically marginal or

[3] Methane Emissions Reduction Program. EPA.gov **https://www.epa.gov/inflation-reduction-act/methane-emissions-reduction-program** Accessed 3/20/2025

idle and may become orphaned in the future. Particularly if things go wrong (whether the well is less productive, the machinery unreliable, etc.), there may unfortunately be economic incentives to abandon infrastructure. Preventing this kind of behavior relies on robust accountability and enforcement. The natural gas California will be using for years to come will likely continue to come primarily from out of state, but these same issues exist wherever the wells do.

Beyond abandonment, the rest of the fossil fuel supply chain is subject to other unplanned issues as well. No one plans for their operations to become the next Aliso Canyon gas leak, the next Exxon Valdez oil spill, or the next Deepwater Horizon disaster, yet these events keep happening, and will almost certainly continue happening as long as these systems are in place.

The Senate should be cognizant of these facts, and remember that even when best practices are established and enforced for natural gas operations, things do not always go according to plan. The only way to absolutely avoid fossil fuel releases—including methane emissions—across the entire up-, mid-, and downstream natural gas supply chain is to keep it in the ground.

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

According to the Assembly Appropriations Committee:

- PUC estimates ongoing annual staffing and contracting costs of approximately $674,000 (PUC Utilities Reimbursement Account) to implement this bill, including coordinating with ARB to encourage natural gas procurement on behalf of the state to shift to certified natural gas producing low methane emissions, as provided. PUC cautions that changes to gas procurement, such as strongly favoring certified gas, could impact the gas market and create artificial scarcity, with unpredictable impacts on ratepayers.

  PUC further contends it would need to interpret how to apply a loading order to gas, establish procurement systems and cost controls in line with that loading order, and determine how to apply the loading order to Core Transport Agents, who provide an alternative gas procurement option for residential and small commercial customers and are mostly unregulated. The committee notes the loading order provision is in the uncodified findings and declarations section of the bill.

- The Department of General Services (DGS) manages a natural gas services (NGS) program, which procures natural gas for various state and local

government agencies. As of May 2025, the NGS program's monthly use of natural gas was about 17.6 million therms at $0.29 per therm, equating to approximately $5.1 million per month or about $61 million a year (these figures do not reflect the total gas consumption of each participating agency in the NGS program). DGS notes that, depending on the cost and availability of MMRV-approved low methane gas (compared to the least expensive natural gas available to DGS), this bill may result in higher state costs, potentially in the millions of dollars annually (General Fund and special funds). It is not clear to the committee how the "where feasible, cost effective, and in the best interests of ratepayers" language in the bill will help inform state agencies' procurement and purchasing decisions.

- CARB anticipates minor and absorbable costs as a result of this bill. CARB notes it is already working, through multiple regulations and programs, to reduce emissions from imported petroleum and natural gas where feasible and cost-effective – which is generally aligned with the intent of this bill.

The Department of Finance is opposed to this bill because “it creates General Fund and special fund cost pressures for state agencies to procure certified natural gas producing low methane emissions.”

SUPPORT: (Verified 10/15/25)

California Legislative Central Coast Caucus
Sierra Club

OPPOSITION: (Verified 10/15/25)

Western States Petroleum Association

GOVERNOR'S VETO MESSAGE:

This bill requires the California Public Utilities Commission (CPUC), California Air Resources Board (CARB), and other state agencies to prioritize strategies to reduce methane emissions, including from imported fossil natural gas. This bill also authorizes state agencies to apply "measure, monitor, report, and verify" (MMRV) protocols and directs the CPUC to assess whether shifting to certified low-methane natural gas is consistent with the interests of ratepayers.

Fossil natural gas is primarily composed of methane gas, which is a short-lived climate pollutant with a global warming potential more than 80 times greater than carbon dioxide over a 20-year period. The potency of this gas and its climate impact have prompted numerous legislative and regulatory efforts over the years to quantify, identify, and minimize fugitive methane emissions from fossil natural gas infrastructure and to deploy cost-effective leak abatement investments and programs. Currently, our state imports up to 90 percent of its fossil natural gas from out-of-state and relies on this energy source to fuel critical industries and provide essential heating services to many Californians. This demand is expected to decrease in the coming years as we move closer to our 2045 carbon neutrality goal. During this period, we must not lose sight of the state's immediate needs as we continue our collective efforts to transition to clean gaseous fuels and clean electricity.

While well-intended, this bill establishes new requirements that are unclear, duplicative, and risk increasing costs for gas customers in the near term, and could jeopardize fossil natural gas service reliability. I encourage the CPUC, CARB, and other state agencies to continue existing efforts to further minimize methane emissions from the fossil natural gas sector thoughtfully and pragmatically, while continuing to advance the production and use of clean fuels and the clean electrification of many end-uses in the state. For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 54-14, 9/12/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Ortega, Papan, Patel, Pellerin, Petrie-Norris, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Schiavo, Schultz, Sharp-Collins, Solache, Stefani, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NOES: Castillo, Davies, DeMaio, Dixon, Ellis, Gallagher, Jeff Gonzalez, Hadwick, Johnson, Lackey, Macedo, Patterson, Sanchez, Tangipa
NO VOTE RECORDED: Bains, Chen, Flora, Hoover, Jackson, Nguyen, Pacheco, Quirk-Silva, Ramos, Blanca Rubio, Soria, Ta

Prepared by: Heather Walters / E.Q. / (916) 651-4108
10/15/25 14:39:39

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

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VETO

Bill No: SB 616
Author: Rubio (D), Cortese (D) and Stern (D), et al.
Enrolled: 9/18/25
Vote: 27

SENATE INSURANCE COMMITTEE: 7-0, 4/9/25
AYES: Rubio, Niello, Becker, Caballero, Jones, Padilla, Wahab

SENATE JUDICIARY COMMITTEE: 13-0, 4/22/25
AYES: Umberg, Niello, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Valladares, Wahab, Weber Pierson, Wiener

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

SENATE FLOOR: 39-0, 6/3/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Reyes

SENATE FLOOR: 34-0, 9/13/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Wahab, Wiener
NO VOTE RECORDED: Alvarado-Gil, Choi, Dahle, Laird, Valladares, Weber Pierson

ASSEMBLY FLOOR: 66-4, 9/13/25 - See last page for vote

SUBJECT: Community Hardening Commission: wildfire mitigation program

SOURCE: Insurance Commissioner Ricardo Lara/California Department of Insurance

DIGEST: This bill creates an independent Community Hardening Commission (Commission) within the California Department of Insurance (CDI) to develop fire mitigation/community hardening standards, and generate guidelines to enable the creation of a wildfire data sharing platform.

ANALYSIS:

Existing law authorizes formation of a joint powers agreement between the Department of Forestry and Fire Protection and the Office of Emergency Services to administer the California Wildfire Mitigation Financial Assistance Program, known as the California Wildfire Mitigation Program that focuses on offering financial assistance to vulnerable populations in wildfire-prone areas, as well as cost-effective structure hardening and retrofitting to create fire-resistant homes, defensible space, and vegetation management activities.

This bill:

1) Creates the Community Hardening Commission as an independent unit within the Department of Insurance, and states that the Commission will consist of seven members:

    a) The Insurance Commissioner, who will serve as chair, or their designee.

    b) The State Fire Marshal, or their designee.

    c) The Director of Housing and Community Development or their designee.

    d) The Director of Emergency Services or their designee.

    e) The Director of the Office of Energy Infrastructure Safety or their designee.

    f) A member of the public appointed by the Speaker of the Assembly.

    g) A member of the public appointed by the Senate President pro Tempore.

2) Creates an advisory council for the Commission consisting of:

   a) Three representatives from scientific research institutions with expertise in wildfire science, as appointed by the Insurance Commissioner.

   b) A representative on behalf of the insurance industry, as appointed by the Insurance Commissioner.

   c) A representative on behalf of the Insurance Institute for Business and Home Safety, as appointed by the Insurance Commissioner.

   d) A representative on behalf of consumers and policyholders, as appointed by the Insurance Commissioner.

   e) A local representative on behalf of a city or county, or association representing cities or counties, as appointed by the Insurance Commissioner.

   f) A representative on behalf of the business community, as appointed by the Insurance Commissioner.

   g) A representative of the California Building Industry Association, as appointed by the Insurance Commissioner.

   h) A representative of the California Fire Chiefs Association, as appointed by the Insurance Commissioner.

   i) A public member appointed by the Governor.

3) Instructs the Insurance Commissioner to convene the Commission commencing January 1, 2026, and quarterly thereafter, and tasks the Commission with:

   a) Developing, by July 1, 2027, new wildfire community hardening standards as specified, to reduce fire risk and improve access to fire insurance. These standards will be reported to the Legislature, and updated and reviewed periodically.

b) Reviewing existing home hardening regulations and making recommendations for revisions to those regulations to reduce risk and improve access to insurance.

c) Making recommendations to expedite proven and cost-effective community hardening practices that reduce fire risk and improve insurability, and encourage investment in such practices.

d) Making recommendations to encourage vegetation and landscape management.

e) Overseeing participation in a wildfire data sharing platform.

4) States that the Commission will make recommendations to promote alignment across state agencies and departments with these new community hardening standards, and create certification processes that property owners can use or access to demonstrate to an insurer that a home hardening action has been achieved to meet relevant home hardening regulations.

5) Requires the Commission to identify specific catastrophe events, and complete an after-action investigation and report, as specified, which includes relevant post-disaster data, an analysis of the effectiveness of the community hardening measures in impacted communities, and recommendations to update future hardening standards.

6) States that on or before July 1, 2027, the Department of Insurance, in consultation with CAL FIRE, CAL OES, and the Commission, shall develop guidelines, as specified, for state and local agencies to aggregate and make available data related to parcel-, neighborhood-, and community-level wildfire risk for the purpose of supporting a wildfire data sharing platform. This wildfire data sharing platform will seek to measure, monitor, and enable targeted mitigation of wildfire risk in wildland-urban interface communities.

7) Specifies that the Commission shall appoint a governing board from within its membership to provide oversight of state and local agency participation in a wildfire data sharing platform.

8) Requires that the Commission, on or before July 1, 2027, and by every January 1 thereafter through January 1, 2032, shall report to the Legislature its

assessment of any statutory changes or budgetary resources needed to facilitate participation of state and local agencies in a wildfire data sharing platform.

9) Finds that in order to protect the privacy of California residents while also gathering useful data related to wildfire mitigation, the Community Hardening Commission must be allowed to enter into confidential data sharing agreements for purposes of reviewing information to help protect the public from wildfires.

10) Provides that if the Commission on State Mandates determines that this bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to statute.

Background

Sources Available for Wildfire Risk Mitigation. There are multiple sources of varying information available to residents of the state regarding preventative actions and standards for wildfire risk mitigation. Below are some examples of these sources:

a) California Department of Insurance's "Safer from Wildfire" Regulations – An interagency partnership between the Insurance Commissioner and the emergency response and readiness agencies in the Governor's administration.

b) United Policyholders' "Wildfire Risk Reduction and Asset Protection" (WRAP) Initiative.

c) Insurance Institute for Business and Home Safety's "Wildfire Prepared Home" Program

d) State Fire Marshal's Low-Cost Retrofit List

e) California's Building Code, Chapter 7A Wildland-Urban Interface (WUI) Regulations

f) California's Fire Code, Chapter 49: Requirements for Wildland-Urban Interface Areas Regulations

g) State Board of Forestry and Fire Protection: General Guidelines for Creating Defensible Space

Related/Prior Legislation

SB 429 (Cortese, Chapter 541, Statutes of 2025) Upon appropriation, funds the development, demonstration, and deployment of a public wildfire catastrophe model.

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

According to the Assembly Appropriations Committee:

"Costs of approximately $226,000 in fiscal year (FY) 2025-26, $426,000 in FY 2026-27, and $367,000 annually thereafter to CDI to establish the Community Hardening Commission (CHC), develop new wildfire community hardening standards, complete an after-action investigation and report after identified wildfire catastrophe events, and develop guidelines for state and local agencies to enable the wildfire data sharing platform (Insurance Fund). CDI notes that the Budget Act of 2025 provided $12.5 million to CDI to support community hardening oversight and wildfire risk mitigation efforts, including measuring risk for communities and individual residential property owners, pursuant to pending legislation, which includes this bill, among others.

Annual costs of approximately $226,000 to HCD for one additional position to accommodate CHC-related staff workload (General Fund (GF)). Additionally, Housing and Community Development (HCD) anticipates additional costs for consultant fees to support research and other informational needs.

Costs of an unknown amount to Office of Energy Infrastructure Safety (OEIS) to serve on the CHC. The Department of Forestry and Fire Protection (CAL FIRE) does not anticipate costs from this bill.

Annual costs of approximately $929,000 to OES for four additional staff positions to serve on the CHC and change CWMP regulations and program operations pursuant to the CHC's revised community hardening standards, including providing technical assistance and outreach to local communities (GF).

Annual cost pressures of an unknown amount, likely in the tens of millions of dollars, between OES and CAL FIRE to provide additional community hardening grants under the revised CWMP (GF, special fund, or Proposition 4). Since 2020, approximately $35 million has been allocated across budget years to support CWMP administrative costs and grants.

Annual cost pressures of an unknown amount, potentially in the millions of dollars, to CDI to develop or procure the wildfire data sharing platform and facilitate optimal participation, after developing the data guidelines for state and local agencies (Insurance Fund or GF). To the extent such guidelines require a state or local agency to participate in data sharing, the impacted agencies would also incur costs related to data collection and synthesis (GF, special fund, or Proposition 4). If the Commission on State Mandates determines this bill's requirements to be a reimbursable state mandate, the state would need to reimburse these costs to local agencies."

SUPPORT: (Verified 10/16/25)

Ricardo Lara, Insurance Commissioner/California Department of Insurance (Source)
Cal Fire Local 2881
California Association of Realtors
California Building Industry Association
California Fire Chiefs Association
California Professional Firefighters
California State Association of Counties
City of Arcadia
Consumer Watchdog
County of Fresno
County of Madera
County of Mendocino
East Bay Wildfire Coalition of Governments
Fire Districts Association of California
Fresno County Board of Supervisors
Independent Insurance Agents & Brokers of California, INC.
League of California Cities
Little Hoover Commission
Oakland; City of
Rural County Representatives of California
San Gabriel Valley Council of Governments
Santa Barbara; City of
Tri-valley Cities of Dublin, Livermore, Pleasanton, San Ramon, and Town of Danville
United Policyholders
U.S. Green Building Council California

OPPOSITION: (Verified 10/16/25)

Consumer Federation of California

ARGUMENTS IN SUPPORT:

According to Insurance Commissioner Ricardo Lara, sponsor of this bill:

"This bill would create an independent Commission within my Department of Insurance with the goal of communicating the benefits of community-wide mitigation clearly – with one voice – to every corner of our state by aligning our statewide efforts for community wildfire risk reduction and mitigation efforts. We know that community-wide hardening is key to saving lives and protecting homes. Yet year after year, we see communities devastated by fast-moving wildfires that leave behind destruction, heartbreak, and rising insurance premiums. The people I meet across the state want to do their part in mitigating these factors, but they're navigating a confusing and inconsistent maze of standards, regulations, and rules.

Senate Bill 616 creates the California Community Fire Hardening Commission within my Department to bring clarity, consistency, and collaboration to wildfire mitigation efforts. Beginning in 2026, the Commission would review existing hardening regulations and policies, and recommend cost-effective measures that improve insurability and reduce risk. It will also oversee the creation of guidelines towards a comprehensive wildfire data sharing platform, ensuring that all agencies across California could have the information they need to make informed decisions. And after a disaster, this Commission will conduct post-catastrophe reports, providing valuable insights into what worked, what didn't, and make recommendations to improve fire mitigation strategies moving forward."

ARGUMENTS IN OPPOSITION:

The Consumer Federation of California, in opposition to a previous version of this bill, states:

"CFC certainly welcomes more emphasis on community hardening and also on improving data collection and data sharing with communities and community partners, all of which is contained in the bill. However, we are concerned that a good amount of what is contained in the bill could be done right now by the Insurance Commissioner and the California Department of Insurance. CDI has broad authority under the Insurance Code. Additionally, the structure of the Community Hardening Commission created by the bill is awkward in a number of ways. For example, having the commission serve as a 'separate unit' within CDI and then having the bill state that the 'decisions and actions of the commission,

with respect to exercising its authority and carrying out its duties under this chapter or any other applicable law, are not subject to review by the Insurance Commissioner' is puzzling.

We are also concerned that the seven members of the Commission rely too heavily on Executive and Legislative branch members, and not enough on the broader community. When it comes to the commission's advisory council, 9 of the 10 members of the advisory council are appointed by the Insurance Commissioner, while one is appointed by the Governor, which seems incongruous. The advisory council is also exceedingly light on voices from the very communities that it is supposed to be working with, and only has one member representing consumers and policyholders. These provisions should be modified. Ultimately the overall success of the commission in the bill will rely in part on the ability of this and future Insurance Commissioners to more directly link community hardening with insurance availability and affordability."

GOVERNOR'S VETO MESSAGE:

> This bill would establish an independent Community Hardening Commission within the Department of Insurance (CDI) to review current and develop new wildfire community hardening standards every quarter starting January 1, 2026, and make recommendations to expedite certain community hardening practices.
>
> At a time when Californians are grappling with rising insurance costs due to natural disasters exacerbated by climate change, the state has launched multiple efforts to expedite proven and cost-effective home hardening practices, aiming to improve insurability for millions of homeowners. CAL FIRE currently administers California's Wildfire Mitigation Program, established in 2019 to strengthen community-wide resilience against wildfires. The California Governor's Office of Emergency Services (Cal OES) and CAL FIRE, working side-by-side with counties and cities, have launched a statewide wildfire home-hardening playbook that at-risk communities can lift straight off the shelf. In 2022, CDI introduced its "Safer from Wildfires" framework, a first-of-its-kind regulation that requires insurance companies to offer discounts to homeowners and businesses that take specific wildfire mitigation steps. These are just a few examples demonstrating the state's commitment to tackling this important issue.

This year, the Legislature sent me multiple bills with the intention of building upon this ongoing work. Unfortunately, rather than providing a coordinated approach, these measures are in conflict with one another, tasking different state entities with similar objectives. The lack of harmony between these efforts will not only result in conflicting outcomes but also in confusion for consumers, insurance companies, local governments, and emergency responders.

I encourage the Legislature to revisit this important issue next year and work collaboratively to navigate the different approaches to setting hardening standards, including determining the responsible state entity. In the meantime, California will continue to aggressively implement the multiple initiatives underway to mitigate wildfire risk, encourage cost-effective structure hardening and retrofitting, facilitate vegetation management, and address the availability and cost of insurance.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 66-4, 9/13/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Davies, Dixon, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Johnson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NOES: DeMaio, Ellis, Jeff Gonzalez, Tangipa
NO VOTE RECORDED: Castillo, Chen, Flora, Gallagher, Hadwick, Hoover, Lackey, Macedo, Sanchez, Ta

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10/17/25 9:39:13

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

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VETO

Bill No: SB 629
Author: Durazo (D), et al.
Enrolled: 9/18/25
Vote: 27

SENATE GOVERNMENTAL ORG. COMMITTEE: 11-1, 4/22/25
AYES: Padilla, Valladares, Archuleta, Ashby, Blakespear, Cervantes, Richardson, Rubio, Smallwood-Cuevas, Wahab, Weber Pierson
NOES: Ochoa Bogh
NO VOTE RECORDED: Dahle, Hurtado, Jones

SENATE LOCAL GOVERNMENT COMMITTEE: 5-0, 4/30/25
AYES: Durazo, Arreguín, Cabaldon, Laird, Wiener
NO VOTE RECORDED: Choi, Seyarto

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

SENATE FLOOR: 29-3, 6/3/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener
NOES: Jones, Ochoa Bogh, Strickland
NO VOTE RECORDED: Alvarado-Gil, Choi, Dahle, Grove, Niello, Reyes, Seyarto, Valladares

SENATE FLOOR: 29-3, 9/13/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener
NOES: Jones, Ochoa Bogh, Strickland

NO VOTE RECORDED: Alvarado-Gil, Choi, Dahle, Gonzalez, Grove, Niello, Seyarto, Valladares

ASSEMBLY FLOOR: 59-18, 9/12/25 - See last page for vote

SUBJECT: Wildfires: fire hazard severity zones: post-wildfire safety areas

SOURCE: Author

DIGEST: This bill establishes a new post-wildfire safety area designation; requires the State Fire Marshal (SFM) to designate post-wildfire safety areas which trigger state fire protection standards; and requires Fire Hazard Severity Zones (FHSZs) to be based upon additional criteria, including post-wildfire safety areas, as specified.

ANALYSIS:

Existing law:

1) Requires the SFM to identify areas of the state as moderate, high, and very high FHSZ based on specified data.

2) Establishes the Board of Forestry and Fire Protection (Board) to determine, establish, and maintain an adequate forest policy for the state, and protect all wildland forest resources in California that are not under federal jurisdiction.

This bill:

1) Requires FHSZ designations to be based, in addition to existing criteria, on: land within the perimeter of a wildfire that burned 1,000 or more acres, destroyed more than 10 structures, or resulted in one or more fatalities, as specified; urban areas near wildland areas where structures may act as fuel; and areas where agricultural land affects fire hazard, as specified.

2) Requires the SFM to designate any area within the perimeter of a wildfire that burned 1,000 or more acres, destroyed more than 10 structures, or resulted in one or more fatalities, as a post-wildfire safety area, as specified.

3) Requires a post-wildfire safety area designation to trigger state fire protection provisions, as specified, in each designated area.

4) Requires the SFM to transmit post-wildfire safety maps to locals within 90 days of the wildfire reaching 100% containment or by May 1, 2026, whichever is later, and requires a local agency to post notices identifying the post-wildfire safety area location at local government offices and online within 10 business days of receiving the map from the SFM.

5) Requires a city or county with territory in a post-wildfire safety area to review and update the safety element of its general plan to address the risk of fire in post-wildfire safety areas.

Background

Author Statement. According to the author's office, "SB 629 is one of the 13 bills in the Senate's fire response, recovery, rebuilding and prevention package. Following the devastating Los Angeles firestorm and as California continues to face a year-round fire season it is clear that we must harden California's defenses against future disasters."

California's Worsening Wildfire Reality. The State of California has the main responsibility for wildfire response activities on about one-third of California's land area. With over 39 million residents, the State of California is the most populous state in the nation and has the third largest land area among the states (163,695 square miles).

Cal FIRE works to safeguard California through fire prevention and protection, emergency response, and stewardship of natural resource systems. Cal FIRE works to contain large wildfires, preventing them from spreading, damaging communities, and endangering residents. The state also runs programs to reduce the chances that wildfires will start and to limit the damage they cause when they do occur—also known as wildfire prevention and mitigation. One approach to mitigating future wildfire disasters is to reduce the chance that homes ignite when wildfires occur nearby, such as through the maintenance of defensible space – areas free of excess or dead vegetation – around homes.

Many of the largest and most damaging wildfires have occurred in recent years. In January of this year, a series of 14 destructive fires affected the greater Los Angeles Metropolitan area and San Diego County. In the Los Angeles area, the fires killed 29 people, forced more than 200,000 to evacuate or otherwise be displaced, and destroyed more than 18,000 homes and structures while burning

over 57,000 acres of land. The 2018 Camp Fire in Butte was the deadliest wildfire in California history, claiming the lives of 85 people, burning over 150,000 acres, and destroying more than 18,000 structures. The previous year, the October 2017 North Bay fires (a series of 250 wildfires in the Counties of Napa, Lake, Sonoma, Mendocino, Butte, and Solano) burned over 245,000 acres, killed 44 people, and destroyed nearly 9,000 structures.

Office of the State Fire Marshal. The mission of the SFM is to protect life and property through the development and application of fire prevention engineering, education and enforcement. The SFM supports the mission of Cal FIRE by focusing on fire prevention and provides support through a wide variety of fire safety responsibilities. Additionally, the SFM classifies certain lands within the state into FHSZs. Each zone is based on fuel loading, slope, fire weather, and other relevant factors present, including areas where winds have been identified by Cal FIRE as a major cause of wildfire spread. Unlike an insurance company's risk assessment of a house in the woods, which might take into account its composite wood sidings, hazard maps only take into account the lasting facts about a location.

Defensible Space. Defensible space is the buffer created between a building on a property and the grass, trees, shrubs, or any wildland area that surrounds it. This space is needed to slow or stop the spread of wildfire, and it helps protect structures from catching fire. A 2019 analysis done by CAL FIRE of the relationship between defensible space compliance and destruction of structures during the seven largest fires that occurred in California in 2017 and 2018 concluded that the odds of a structure being destroyed by wildfire were roughly five times higher for noncompliant structures compared to compliant ones.

The defensible space for all structures within the SRA and VHFHSZ is 100 feet. CAL FIRE additionally requires the removal of all dead plants, grass, and weeds, and the removal of dry leaves and pine needles within 30 feet of a structure. In addition, tree branches must be 10 feet away from a chimney and other trees within that same 30 feet surrounding a structure. AB 3074 (Friedman, Chapter 259, Statutes of 2020), established an ember-resistant zone within 5 feet of a structure as part of revised defensible space requirements for structures located in FHSZs (known as Zone 0).

According to the Legislative Analyst's Office (LAO) report "Reducing the Destructiveness of Wildfires: Promoting Defensible Space in California," inspections are the main type of activity state and local agencies take related to defensible space. During inspections, inspector visit properties to assess their

compliance with defensible space requirements. State and local agencies vary in how they conduct inspections, which properties are prioritized for inspections, and the training provided to inspectors.

Related/Prior Legislation

SB 326 (Becker, 2025) would have required the Office of the SFM to prepare, and regularly update, a Wildfire Risk Mitigation Planning Framework, a Wildfire Risk Baseline and Forecast, and a Wildfire Mitigation Scenarios Report, as specified; and requires, contingent upon an appropriation, CAL FIRE to provide local assistance to local governments to achieve wildfire risk reduction consistent with the aforementioned plans, for defensible space inspections, and to facilitate compliance with forthcoming ember-resistant zone (known as zone zero) regulations, as specified. (Vetoed by Governor Newsom)

SB 610 (Wiener, 2023) would have established a new framework under the authority of the SFM to identify areas of the state for fire mitigation, replacing the state's existing FHSZ mapping, as specified. (Held in the Assembly Appropriations Committee Suspense File)

AB 9 (Wood, Chapter 225, Statutes of 2021) established the director of Community Wildfire Preparedness and Mitigation within the Office of the SFM , and transferred and delegated certain duties related to fire safety and wildfire prevention from Cal FIRE to the Office of the SFM, as specified.

AB 3074 (Friedman, Chapter 259, Statutes of 2020) established, upon appropriation, an ember-resistant zone within five feet of a structure as part of the defensible space requirements for structures located in specified high FHSZs.

AB 38 (Wood, Chapter 391, Statutes of 2019) requires specified disclosures for the sale of real property in a high or very high FHSZ related to fire safety including home hardening and defensible space, as specified.

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

According to the Assembly Appropriations Committee, costs of an unknown, but potentially significant amount, to CAL FIRE to accommodate workload related to the SFM's development of updated FHSZs and post-wildfire safety areas (General Fund).

One-time costs of an unknown, but likely minor and absorbable, amount to each local agency within a post-wildfire safety area to post a copy of the map. If the Commission on State Mandates determines the bill's requirements to be a reimbursable state mandate, the state would need to reimburse these costs to local agencies (General Fund).

Ongoing costs of an unknown amount to each city and county within a post-wildfire safety area to review and update the agency's safety element to address the risk of fire in the post-wildfire safety area. However, these costs are likely non-reimbursable by the state because costs related to the general plan process are generally recoverable through an agency's permitting fees.

SUPPORT: (Verified 10/14/25)

None received

OPPOSITION: (Verified 10/14/25)

City of La Verne

ARGUMENTS IN OPPOSITION: In opposition to the bill, the City of La Verne writes that, "[w]hile the City of La Verne supports meaningful strategies to increase wildfire resilience and protect communities in Very High Fire Hazard Severity Zones, SB 629 introduces problematic criteria and enforcement provisions that are not sufficiently grounded in fire science. Specifically, the bill's trigger for reclassification of hazard severity zones, any fire over 1,000 acres, resulting in more than 10 structures destroyed, or one fatality, fails to recognize that these thresholds are not inherently tied to wildfire behavior in the Wildland-Urban Interface (WUI). Fires meeting these metrics can and do occur in densely populated urban areas, where vegetation management and defensible space strategies are neither relevant nor effective."

GOVERNOR'S VETO MESSAGE:

> This bill would, among other things, create a newly defined post-wildfire safety area designation and would require the Office of the State Fire Marshal of the California Department of Forestry and Fire Protection to include new criteria when mapping Fire Hazard Severity Zones (FHSZs).
>
> Wildfire risk and hazard modeling are crucial tools for informing wildfire mitigation strategies and allocating resources to prevent ignitions and effectively respond to wildfires before they become catastrophic. Since

2019, my Administration, in partnership with the Legislature, has invested over $5 billion in wildfire mitigation, response, and forest resilience. All of which have been guided by leading-edge science and modeling, with most of it developed right here in California.

I remain strongly supportive of this work and the work of OSFM to enhance its modeling capabilities and maintain updated, robust FHSZs to further inform wildfire mitigation measures. This work is actively underway, and though I find this bill's intent laudable, it presents new, ongoing, and significant costs to the state not accounted for in this year's budget.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 59-18, 9/12/25
AYES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, 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, Lackey, Macedo, Patterson, Sanchez, Ta, Tangipa
NO VOTE RECORDED: Flora, Irwin, Wallis

Prepared by: Brian Duke / G.O. / (916) 651-1530
10/15/25 12:23:47

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

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VETO

Bill No: SB 641
Author: Ashby (D), et al.
Enrolled: 9/18/25
Vote: 27 - Urgency

SENATE BUS., PROF. & ECON. DEV. COMMITTEE: 10-0, 4/7/25
AYES: Ashby, Choi, Archuleta, Arreguín, Grayson, Menjivar, Niello, Smallwood-Cuevas, Umberg, Weber Pierson
NO VOTE RECORDED: Strickland

SENATE PUBLIC SAFETY COMMITTEE: 6-0, 4/29/25
AYES: Arreguín, Seyarto, Caballero, Gonzalez, Pérez, Wiener

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

SENATE FLOOR: 39-0, 6/3/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Reyes

SENATE FLOOR: 37-0, 9/13/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Choi, Gonzalez, Valladares

ASSEMBLY FLOOR: 80-0, 9/12/25 - See last page for vote

SUBJECT: Department of Consumer Affairs and Department of Real Estate: states of emergency: waivers and exemptions

SOURCE: Author

DIGEST: This bill is an urgency measure that supports licensed professionals impacted by a wildfire or natural disaster by waiving various licensure requirements. Addresses predatory practices by prohibiting a person from making an unsolicited purchase offer in a disaster area. Establishes timelines and certifications for appropriate debris removal.

ANALYSIS:

Existing law:

1) Authorizes healing arts programs within the Department of Consumer Affairs (DCA) to adopt regulations to require licensees to display their licenses or registrations in the locality in which they are treating patients, and to inform patients as to the identity of the regulatory agency they may contact if they have any questions or complaints regarding the licensee. (Business and Professions Code (BPC) § 104)

2) Authorizes DCA and each of the boards, bureaus, committees, and commissions within DCA to charge a fee for the processing and issuance of a duplicate copy of any certificate of licensure or other form evidencing licensure or renewal of licensure and charge a fee sufficient to cover all costs incident to the issuance of the duplicate certificate or other form but shall not exceed twenty-five dollars ($25). (BPC § 122)

3) Requires each person holding a license, certificate, registration, permit, or other authority to engage in a profession or occupation issued by a board within DCA to notify the issuing board of any change in the person's mailing address within 30 days after the change, unless the board has specified by regulations a shorter time period and subjects a person to a citation and administrative fine for failing to provide notification. (BPC § 136(a) and (b))

4) Authorizes programs within the DCA to charge a delinquency, penalty, or late fee for any licensee, up to $150. (BPC § 163.5)

5) Requires DCA programs to develop through the regulatory process guidelines to prescribe components for mandatory continuing education programs administered by any board within DCA. (BPC § 166)

6) Authorizes specified DCA programs to require an email address from applicants and licensees at the time of initial application and/or renewal.

7) Establishes the Contractors State License Board (CSLB) within DCA to license and regulate contractors and home improvement salespersons. (BPC § 7000 et seq.

8) Establishes the Real Estate Law to provide for the Department of Real Estate (DRE) regulation of real estate salespersons, real estate brokers, transactions associated with the purchase or lease new homes or subdivided interests, and the sales of timeshare interests to consumers in California. (BPC §§ 10000 et seq.)

9) Establishes the DRE to administer the Real Estate Law. (BPC §§ 1004).

10) Authorizes DRE to investigate the actions of any person engaged in the business or acting in the capacity of a real estate licensee and temporarily suspend or permanently revoke a real estate license for performing, or attempting to perform, specified violations of the Real Estate Law. (BPC § 10176)

This bill:

1) States Legislative intent to provide boards, bureaus, commissions, and regulatory entities within the jurisdiction of the DCA and the DRE with authority to address licensing and enforcement concerns in real time after an emergency is declared.

2) Authorizes the DRE or any board under the DCA to waive certain types of laws related to licensing timeframes, continuing education, examinations, renewal fees, license display, and delinquency fees who reside in or whose primary place of business is in a location damaged by a natural disaster for which a state of emergency is proclaimed or for which an emergency or major disaster is declared.

3) Requires a board to notify the director of the DCA in writing of any waiver approved by a board, and provides that the waiver shall take effect after a

period of five business days after the director receives the notification from the board, unless the director disapproves the waiver within those five days.

4) Requires the Commissioner of DRE to do both of the following immediately upon the declaration of a natural disaster for which a state of emergency is proclaimed or for which an emergency or major disaster is declared:

   a) Expeditiously, and until one year following the end of the emergency, determine the nature and scope of any unlawful, unfair, or fraudulent practices employed by any individual or entity seeking to take advantage of property owners in the wake of the emergency.

   b) Provide notice to the public of the nature of these practices, their rights under the law, relevant resources that may be available, and contact information for authorities to whom violations may be reported.

5) States that this bill is urgent and necessary to take effect immediately in order to support licensed professionals impacted by the disasters caused by the Palisades and Eaton wildfires

Background

Regulatory programs within the jurisdiction of the DCA issue about 3.5 million licenses, certificates, and approvals to individuals and businesses in over 250 categories. Within the DCA are 38 entities, including 26 boards, eight bureaus, two committees, one program, and one commission (hereafter "boards" unless otherwise noted). Collectively, these boards regulate more than 100 types of businesses and 200 different industries and professions. As regulators, these boards perform two primary functions: Licensing—which entails ensuring only those who meet minimum standards are issued a license to practice; and Enforcement—which entails investigation of alleged violations of laws and/or regulations and taking disciplinary action, when appropriate.

DCA boards are semiautonomous regulatory bodies with the authority to set their own priorities and policies and take disciplinary action on their licensees. DCA has direct control and authority over bureaus.

The Real Estate Law, administered by the Department of Real Estate, provides for real estate licensing in this state. DRE licenses more than 425,000 persons in California: over 293,000 real estate salespersons and over 131,000 real estate

brokers, including corporate brokers, as well as more than 26,000 mortgage loan originators.

COVID Waivers. On March 30, 2020, the Governor issued Executive Order N-39-20 authorizing the Director of the Department of Consumer Affairs to waive any statutory or regulatory professional licensing relating to healing arts during the duration of the COVID-19 pandemic – including rules relating to examination, education, experience, and training. This bill follows that example and authorizes programs to waive various requirements for impacted applicants and licensees.

Wildfires. Climate change, primarily caused by the burning of fossil fuels, is increasing the frequency and severity of wildfires, not only in California, but also all over the world. Since 1950, the area burned by California wildfires each year has been increasing. Drought conditions have brought unusually warm temperatures, intensifying the effects of very low precipitation and snowpack and creating conditions for extreme, high severity wildfires that spread rapidly.

In January 2025, Los Angeles experienced the most catastrophic wildfires in its history. Beginning January 7, a series of wildfires ravaged L.A. County, consuming tens of thousands of acres due to strong Santa Ana winds and severe dry conditions. The Palisades and Eaton Fires were the most destructive, burning over 20,000 and almost 14,000 acres, respectively. The fires claimed at least 28 lives and destroyed over 16,240 structures.

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

This bill will result in minor and absorbable fiscal impacts for DCA boards and bureaus, as they already have processes in place to meet the mandates of this bill. DCA notes that in the event of a state of emergency that would impact a large licensing population, workload could be significant and not absorbable within existing resources and that fee waivers would create a loss in revenue. The Office of Information Services (OIS) within the DCA notes any fiscal impact to address board IT workload or updates is indeterminate at this time. DRE reports unknown, potentially significant costs to meet the mandates of this bill, dependent on the frequency and scope of future disasters. DRE notes costs will vary, but the department will require, at a minimum, $150,000 of staff time for legal, communications, and licensing staff to develop waiver plans, write public notices, and update its regulations, forms, enforcement manual, webpages, and databases

SUPPORT: (Verified 10/17/25)

California Association of Licensed Investigators
California Board of Psychology
California State Board of Pharmacy
Contractors State License Board
Osteopathic Medical Board of California

OPPOSITION: (Verified 10/17/25)

None received

ARGUMENTS IN SUPPORT: The California Association of Licensed Investigators writes that "It is important to enact these provisions prior to the next significant federal, state or local emergency in order to ensure that essential services can continue during these challenging periods."

According to the California Board of Psychology, "SB 641 ensures that regulatory bodies can provide immediate and meaningful relief to licensees during emergencies without requiring an executive order. This authority allows the Board to better support licensees experiencing hardship while maintaining continuity of services for consumers. The Board supports SB 641 and appreciates the author's efforts to enhance both regulatory responsiveness and consumer protection in times of crisis."

CSLB notes that "In the aftermath of a natural disaster, safe debris removal and disposal is critical to avoid additional health and environmental problems. SB 641 allows CSLB to determine which licensing classifications have sufficient experience and training to assist in debris removal on a case-by-case basis during a declared federal, state, or local emergency. The bill also allows CSLB to safely waive certain licensing requirements to support applicants and licensees during a state of emergency. SB 641 will enhance CSLB's ability to quickly navigate recovery needs and provide expedient assistance for applicants, licensees, and consumers."

GOVERNOR'S VETO MESSAGE:

> This bill would authorize licensing boards under the Department of Consumer Affairs and the Department of Real Estate to waive the application of specified laws for licensees and applicants who are impacted by a proclaimed federal, state, or local emergency, or whose homes or

businesses are located in a disaster area. Additionally, this bill would ban unsolicited offers by real estate licensees and their clients that are below market value, as it was the day before the disaster, and would ban it throughout the entire geographic area in which the disaster is proclaimed.

I appreciate the intent of the author to help those impacted by natural disasters to find regulatory relief quickly and to protect those with property in disaster areas. In response to recent disasters, my Administration worked closely with the Legislature to coordinate targeted relief and consumer protections to disaster victims - absent the authority sought in this bill.

With respect to the real estate protection provisions, the bill is overly broad, applying to all natural disasters even when housing is unaffected. It also leaves an enforcement gap by regulating licensees only when acting for clients, not for themselves. Together, these issues call into question whether the bill is properly tailored to achieve its stated goals.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 80-0, 9/12/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

Prepared by: Sarah Mason / B., P. & E.D. /
10/17/25 16:33:00

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

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VETO

Bill No: SB 643
Author: Caballero (D), et al.
Enrolled: 9/18/25
Vote: 27

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 7-0, 4/30/25
AYES: Blakespear, Valladares, Gonzalez, Hurtado, Menjivar, Padilla, Pérez
NO VOTE RECORDED: Dahle

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

SENATE FLOOR: 37-0, 6/3/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Choi, Hurtado, Reyes

SENATE FLOOR: 37-0, 9/12/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Choi, Gonzalez, Strickland

ASSEMBLY FLOOR: 78-1, 9/11/25 - See last page for vote

SUBJECT: Carbon Dioxide Removal Purchase Program

SOURCE: Author

DIGEST: This bill establishes the Carbon Dioxide Removal Purchase Program (CDRPP), which is intended to advance the development of carbon dioxide removal (CDR) technologies through a competitive grant program administered by the Air Resources Board (CARB), subject to future appropriation of funds for this purpose.

ANALYSIS:

Existing law:

Under the Global Warming Solutions Act of 2006 and updates thereof (Health and Safety Code (HSC) § 38500 et seq.):

1) Requires the California Air Resources Board (CARB) to ensure that statewide greenhouse gas (GHG) emissions are reduced to at least 40% below the 1990 level by 2030 (SB 32, Pavley, Chapter 249, Statutes of 2016).

2) Requires CARB to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in GHG emissions and to update the scoping plan at least once every 5 years.

3) Statutes, under the California Climate Crisis Act (AB 1279, Muratsuchi, Chapter 337, Statutes of 2022), that it is the policy of the state to achieve net zero GHG emissions no later than 2045, and to ensure that by 2045 statewide anthropogenic GHG emissions are reduced to at least 85% below the 1990 level.

4) Directs CARB, under SB 905 (Caballero, Chapter 359, Statutes of 2022), to establish a Carbon Capture, Removal, Utilization, and Storage Program to, among other things, ensure all included projects minimize copollutant emissions, minimize local water and air pollution, minimize risk of seismic impacts, include specified seismic and underground carbon dioxide monitoring and reporting requirements, and monitor criteria air pollutants and toxic air contaminants.

This bill:

1) Requires CARB to do all of the following:

    a) Administer the competitive grant program, as specified.

b) On or before January 1, 2028, and annually thereafter, conduct and publish on its internet website a survey of CDR projects existing or in development within the state, as specified.

c) Conduct at least two public workshops to receive comments from the public.

d) On or before December 31, 2027, and annually thereafter, until December 31, 2035, publish on its internet website a report describing program activities completed CDR projects to date.

e) On or after July 1, 2026, but on or before December 31, 2035, fund CDR projects in an amount totaling $50 million.

f) Only fund eligible CDR projects that meet both of the following requirements:

   i) The eligible CDR project demonstrates the ability to secure carbon removal purchases from third parties in an amount at least equal to the amount of funds provided to that project by CARB;

   ii) The eligible CDR is additional, as defined; and

   iii) To the extent feasible, provide grants CDR projects operating in at least two of the following categories: direct air capture, biomass carbon removal and storage, enhanced mineralization or enhanced weathering, and marine carbon dioxide removal.

g) Prioritize the following criteria in selecting eligible CDR projects through the program:

   i) The potential of an eligible CDR project to accelerate development of CDR strategies to the scale needed to achieve the state target for total CDR by the year 2045;

   ii) The potential of an eligible CDR project to be completed on or before December 31, 2035;

   iii) The anticipated impacts of the community benefit mechanisms associated with an eligible CDR project; and

   iv) Distribution of program funds across multiple geographic areas and multiple eligible CDR project categories.

h) On or before January 1, 2028, adopt guidelines for the program that include all of the following:

i) The definition of an eligible CDR project;

ii) A requirement that an eligible CDR project be physically located within the state;

iii) A requirement that an eligible CDR project incorporate or fund community benefit mechanisms commensurate with the eligible CDR project;

iv) A requirement that an eligible CDR project results in carbon dioxide removals that are verified in the claimed quantity by an independent third-party verifier using appropriate, industry-standard protocols;

v) A minimum duration of sequestration, elimination, or other storage of removed gases without leakage to the atmosphere that is sufficiently long enough to ensure that the risk of leakage poses no material threat to public health, safety, the environment, or the achievement of net zero greenhouse gas emissions in California, and shall not be less than 100 years;

vi) A prohibition against the use of CDR processes for purposes of enhanced oil recovery; and

vii) A prohibition against the use of a biomass feedstock for CDR, unless it is for biomass carbon removal and storage, as defined.

2) Exempts ARB's development of guidelines, standards, and requirements under the bill from the Administrative Procedures Act.

3) Provides that implementation is subject to an appropriation by the Legislature. Requires all funds to be available for encumbrance or expenditure and liquidation until June 30, 2035.

4) Makes related findings.

Background

1) *Net zero GHG emissions*. Achieving net zero GHG emissions – a state where GHG emissions either reach zero or are entirely offset by equivalent

atmospheric GHG removal – is essential in all scenarios that would keep Earth's average temperature within 1.5 °C of its historical average. Net zero GHG emissions is also often used interchangeably with "carbon neutrality," however net-zero GHG emissions implies the inclusion of GHGs other than those that contain carbon, such as nitrous oxide, as defined by AB 32 (Nunez, Chapter 488, Statutes of 2006). The sooner net-zero GHG emissions is reached globally, the less warming will be experienced.

In California, carbon neutrality by 2045 was initially set as a goal for the state under Governor Brown's Executive Order (EO) B-55-18. The goal was subsequently set in statute by Assemblymember Muratsuchi's AB 1279 in 2022, with the additional condition that net zero GHG emissions be achieved with at least an 85% direct reduction in emissions, and no more than 15% of the goal being achieved through negative emission technologies and approaches.

2) *Negative emissions: capturing versus removing*. There is too much carbon dioxide in the atmosphere. The current concentration of carbon dioxide in the atmosphere is over 427 parts per million (ppm)[1], and 350 ppm is generally regarded as the level necessary to preserve a planet similar to that on which civilization developed and to which life on Earth is adapted[2]. To restore Earth's atmosphere to roughly 350 ppm carbon dioxide, two things must happen: we must stop adding carbon dioxide to the atmosphere faster than it is removed (to stop the concentration from rising ever higher), and we must remove carbon dioxide already in the atmosphere (to bring the concentration back in line with historic levels). There are several ways to proceed when it comes to restoring a safe atmospheric carbon dioxide concentration: emissions from a given source can be mitigated or captured, and atmospheric emissions can be removed by some form of CDR.

Mitigating GHG emissions is generally the least expensive, lowest regrets option. This could look like using a zero-emission technology to replace a polluting legacy source, such as shifting a natural gas boiler in a factory to an electric-powered one (and using zero-carbon electricity to power that). The vast majority of GHG emission reductions that need to be achieved to meet our climate goals are most likely to be achieved through moving to zero-emission

[1] NOAA Global Monitoring Laboratory trends. **https://gml.noaa.gov/ccgg/trends/monthly.html** Accessed 3/7/2025
[2] How the World Passed a Carbon Threshold and Why It Matters, Nicola Jones. January 26, 2017, Yale Environment 360. **https://e360.yale.edu/features/how-the-world-passed-a-carbon-threshold-400ppm-and-why-it-matters**

processes. However, that is not an option in all circumstances.

Capturing carbon from a point source and preventing it from entering the atmosphere (often referred to as "carbon capture and sequestration" or CCS) is another way to reduce emissions from a source. In the ideal situation where CCS works perfectly, an otherwise polluting source could be effectively zero-emission and not contribute to rising atmospheric GHG levels. This is generally much more costly than replacing the polluting source, relies on technology that in many cases is still under development and testing, and generally does not operate with 100% efficiency. However, in some situations, this may be the only option for reducing stubborn, hard-to-decarbonize sources' contributions to atmospheric GHG levels.

CDR refers to reducing the carbon dioxide in the atmosphere from the ambient air itself. Since the concentration of carbon dioxide is much lower than at single-point sources (such as a smokestack), it can be challenging to remove carbon dioxide at a level that is both effective and cost-efficient. However, this is the only approach that results in actually *lowering* atmospheric CO2 levels, rather than just preventing their increase.

Without mitigating emissions extensively and rapidly, Earth will face rampant and worsening climate catastrophes, regardless of how much CDR is deployed. Without CDR, only natural biologic and geologic processes will reduce the atmospheric carbon dioxide concentration, and they will likely do so on too slow a timescale to stave off the worst impacts of climate change. Thus, we must both reduce and remove GHG emissions simultaneously, and prompt mitigation is of paramount importance.

Comments

1) *Purpose of this bill.* According to the author, "Carbon Dioxide Removal (CDR) refers to removing Carbon Dioxide (CO2) from the atmosphere and permanently storing it in places like cement, or deep underground in geologically secure locations or in the ocean. It does not refer to capturing CO2 from industrial smokestacks. The California Air Resources Board (CARB)'s 2022 Scoping Plan for Achieving Carbon Neutrality stated that "there is no path to carbon neutrality without carbon removal and sequestration" and established State CDR targets of 7 million metric tons (MMT) annually by 2030 and 75 MMT annually by 2045.

   "Over the last several years, a small number of companies have voluntarily

purchased CDR removals as part of their own carbon neutrality goals, but none of the CDR removals have occurred in California. To meet the urgent need to reach carbon neutrality by 2045, this bill directs the California Energy Commission (CEC) to purchase and permanently retire $80 million in CDR credits generated by carbon removal projects. By accelerating CDR development and deployment, the bill is an integral step to remove carbon dioxide from the atmosphere and meet the state's climate goals."

2) *Carbon neutrality won't come cheap.* Increasing CDR capacity to the scale projected to meet climate goals will take a massive amount of money. Current CDR prices with durable storage are typically around $200-$700 per ton of carbon, though many available solutions cost upwards of $2,000 per ton. Lawrence Livermore National Laboratory's 2020 "Getting to Neutral" report projects prices for DAC projects to fall to approximately $200 per ton by 2045, gasification or pyrolysis of biomass to between $30 and $150 per ton, and natural solutions to $10-20 per ton (natural solutions likely do not store carbon as long). Using the $200 per ton projection and CARB's 2022 Scoping Plan scenario of 75 million metric tons (MMT) of CDR, $15 billion worth of CDR would be needed a year in California by 2045. For a 7 MMT intermediate goal in 2030 laid out in the Scoping Plan, $1.4 billion will be needed by seven years from now, but this number could feasibly be three times higher or more as prices per ton of carbon are likely to still be high.

   It is important to note that the markets that will ultimately drive these prices lower are unlikely to mature on their own without policy intervention. Carbon dioxide removal is akin to waste management in that it is not *producing* anything of material value, but there is societal value in preventing its accumulation. Understandably, entities who (either voluntarily or mandatorily) purchase CDR to manage their carbon waste are likely to choose the lowest-cost option. If you had the option to have your trash cans picked up for $10 a week or $1,000 a week, no one would fault you for picking the $10 option; the trash is getting taken care of either way.

   At a time when atmospheric carbon dioxide levels are continuing to accelerate upwards, it may seem early to be considering which CDR technologies should be prioritized for achieving carbon neutrality. But without focusing on market development and investment through early interventions, the technology will not be mature when we need it.

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

According to the Assembly Appropriations Committee:

- One-time cost of $50 million (General Fund, Greenhouse Gas Reduction Fund (GGRF), or other fund source) for CARB to fund CDR projects. The fiscal year 2025-26 budget does not include funding for this purpose.

- CARB will incur significant costs to implement the various requirements of this bill. CARB estimates ongoing costs of about $2.8 million annually (GGRF) to hire 13 staff. Examples of anticipated tasks include, among other things, establishing and updating program guidelines pursuant to the Administrative Procedure Act, including definitions, eligible project and feedstock types, selection criteria, community benefit requirements, and verification criteria; coordinating with various state entities and stakeholders; conducting public workshops; developing and executing contracts for the purchase of CDR credits; monitoring and auditing projects; and conducting annual reporting. The bill allows CARB to use up to 10% of the $50 million allocation to "supplement necessary administrative costs in establishing the program."

SUPPORT: (Verified 10/15/25)

4 Corners Carbon Coalition
Airmyne, INC.
Altasea At the Port of Los Angeles
Anvil
California State Pipe Trades Council
Capture6
Carbon Blade Corporation
Carbon Removal Alliance
Carbonfuture
Charm Industrial
Corigin Solutions, INC.
East Bay Leadership Council
Heirloom Carbon
Indigenous Greenhouse Gas Removal Commission
Lithos Carbon
Neocarbon Gmbh
Pacific Coast Legacy Emissions Action Network
Palmdale Water District
Partnerships for Tribal Carbon Solutions
Project 2030
Restore the Delta

Sitos Group, LLC
Stripe, INC.
US Biochar Coalition
Wakefield
World Resources Institute
Yosemite Clean Energy, LLC

OPPOSITION: (Verified 10/15/25)

Biofuelwatch

GOVERNOR'S VETO MESSAGE:

This bill would require, among other things, the California Air Resources Board to establish and administer the Carbon Dioxide Removal (CDR) Purchase Program as a competitive grant process for eligible carbon dioxide removal projects within the state and, between July 1, 2026, and December 31, 2035, to fund CDR projects in an amount totaling $50 million.

Deploying CDR technologies and projects is an increasingly necessary strategy to achieve our 2045 carbon neutrality goal, and it is why I signed Senate Bill 905 (Caballero) in 2022 as part of that year's Climate Action Package, to support the development and growth of these technologies. Additionally, I recently signed Senate Bill 840 (Limón), which provides for a continuous appropriation from the Greenhouse Gas Reduction Fund of $85 million per year for climate-focused innovation that may include CDR technologies. I also recently signed Senate Bill 614 (Stern), which allows for the construction of safe carbon dioxide pipelines throughout the state to transport this greenhouse gas from where it is captured and removed to areas where it can be permanently sequestered.

While I applaud the author for her continued leadership in this area, given recent efforts to advance CDR technologies and projects, the program created by this bill is duplicative and not accounted for in this year's budget. In partnership with the Legislature this year, my Administration has enacted a balanced budget that recognizes the challenging fiscal landscape our state faces while maintaining our commitment to working families and our most vulnerable communities. With significant fiscal pressures and the federal government's hostile economic policies, it is vital that we remain disciplined

when considering bills with significant fiscal implications that are not included in the budget, such as this measure.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 78-1, 9/11/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NOES: DeMaio
NO VOTE RECORDED: Lee

Prepared by: Heather Walters / E.Q. / (916) 651-4108
10/15/25 16:49:11

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

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VETO

Bill No: SB 647
Author: Hurtado (D)
Enrolled: 9/18/25
Vote: 27

SENATE ENERGY, U. & C. COMMITTEE: 13-1, 4/29/25
AYES: Becker, Allen, Archuleta, Arreguín, Ashby, Caballero, Gonzalez, Hurtado, Limón, McNerney, Rubio, Stern, Wahab
NOES: Strickland
NO VOTE RECORDED: Ochoa Bogh, Dahle, Grove

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

SENATE FLOOR: 29-7, 9/13/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener
NOES: Alvarado-Gil, Dahle, Grove, Jones, Niello, Seyarto, Strickland
NO VOTE RECORDED: Choi, Gonzalez, Ochoa Bogh, Valladares

ASSEMBLY FLOOR: 61-18, 9/12/25 - See last page for vote

SUBJECT: Energy: Equitable Building Decarbonization Program: Low-Income Oversight Board: membership

SOURCE: Energy Transition Collective

DIGEST: This bill adds a representative to the Low-Income Oversight Board (LIOB) from the California Energy Commission (CEC) and requires the CEC to provide applicants to the Equitable Building Decarbonization (EBD) program with

information about other energy efficiency and building decarbonization incentives overseen by the California Public Utilities Commission (CPUC).

ANALYSIS:

Existing law:

1) Establishes the LIOB to advise the CPUC regarding low-income electric, gas and water customer issues. Existing law specifies the LIOB's duties, including, but not limited to encouraging collaboration between state and utility programs for low-income electricity and gas customers. Existing law specifies the membership of the LIOB, which includes 11 members. (Public Utilities Code §382.1)

2) Establishes Energy Savings Assistance Program (ESAP), which is overseen by the CPUC, to provide ratepayer-funded upgrades to low-income households, including low-income residents in multi-family housing. Under existing law, these upgrades may include improved insulation, weatherization services, low-flow shower heads, building envelope repairs and caulking, and installation of energy-efficient refrigerators and furnaces. Existing law specifies that low-income households eligible for ESAP are those households whose incomes are at or below 250% of the federal poverty level (FPL). Existing law prohibits the CPUC from increasing the authorized budgets of ESAP based on increased income thresholds. (Public Utilities Code §§382 and 2790)

3) Establishes the EBD program, which is overseen by the CEC, to provide incentives for specified energy efficiency, demand response, and building decarbonization measures. Existing law authorizes the CEC to establish regional third-party administrators for the EBD program. Under existing law, the EBD program includes the following three main subprograms:

    a) Statewide Direct Install program: provides no-cost energy efficiency and electrification retrofits for low-income households in California.
    b) Statewide Incentive program: provides financing mechanisms to reduce the cost of loans for home energy retrofits that improve energy efficiency and reduce greenhouse gas (GHG) emissions.
    c) Tribal Direct Install program: provides direct install incentives specifically for residential buildings owned or management by a California Native American tribe, tribal organization, or tribal member. (Public Resources Code §25665 et. seq.)

4) Existing law restricts eligibility for EBD direct install incentives to "low-to-moderate income" households and defines "low-to-moderate income" households whose income does not exceed 120% of area median income (AMI), adjusted for family size as specified by the United States Department of Housing and Urban Development (HUD). (Health and Safety Code §50093 and Public Resources Code §§25665 and 25665.3)

This bill:

1) Expands the membership of the LIOB from 11 to 12 members by adding a representative from the CEC.

2) The CEC shall establish a mechanism to notify applicants for the EBD program that they may also be eligible for building energy efficiency and decarbonization incentives authorized by the CPUC.

Background

Multiple agencies oversee energy efficiency and building decarbonization incentives aimed at low and moderate income households. The Legislature has established multiple programs aimed at providing incentives to low and moderate income households for the purposes of limiting energy consumption, increasing behind-the-meter generation, and helping these households fuel switch from gas to electric appliances. ESAP is one of the oldest low-income energy assistance programs, and it is administered by the CPUC to provide weatherization and other energy efficiency incentives. The CPUC has long overseen the majority of these low-income ratepayer assistance programs. However, recent legislation established the EBD program, which provides incentives to low and moderate income households for certain building decarbonization upgrades through the CEC. Below is a description of these two programs and their respective administration requirements:

- ESAP is overseen by the CPUC and funded by ratepayer monies. The large investor-owned utilities (IOUs) and small multi-jurisdictional utilities administer the program. ESAP incentives are only available within each utility's service territory, which reflects the need to effectively manage ratepayer costs for each utility.

- The EBD Program is overseen by the CEC and is funded through several different non-ratepayer sources, including General Fund moneys and Greenhouse Gas Reduction Fund (GGRF dollars). Since the program does not use ratepayer funds, EBD program incentives are available statewide. Existing law also allowed the CEC to select regional third-party administrators for the program.

Bill aims to increase households' awareness about opportunities to stack decarbonization incentives across departments. A substantial challenge for stacking incentives is the lack of alignment in income eligibility across programs. While the CPUC's ESAP program provides incentives to households whose incomes are at or below 250% of the FPL, the CPUC's EBD program provides incentives to low and moderate-income households based on AMI. These differing income restriction definitions result in significant variability in eligibility. For example, the annual FPL income limit for a family of four is $78,000. However, under AMI in Sacramento County, the annual low-to-moderate income threshold for a family of four is between $94,300 and $136,700. While this variability can make it challenging for households to align incentives across programs, ESAP's focus on households meeting certain FPL thresholds helps ensure that ratepayer funds are provided to those households least able to access other incentives. Additionally, it limits the extent to which lower income ratepayers are forced to compete against higher income households for limited funds. Many California households have incomes that are impacted by disparities between local wages and the cost-of-living. These households' incomes may exceed FPL but remain relatively lower for their geographic locations. For example, Fresno County's low-to-moderate AMI income threshold for a family of four is between $70,300 and $105,500 while the same AMI threshold in San Francisco County is between $156,650 and $223,900. The use of AMI income thresholds in the EBD program enables the CEC to use non-ratepayer funds to reach these households. This bill requires the CEC to establish a mechanism to notify EBD applicants about the availability of decarbonization incentives at CPUC that applicants may stack with EBD incentives to make deeper decarbonization upgrades.

Related/Prior Legislation

AB 209 (Committee on Budget, Chapter 251, Statutes of 2022) allocated various funds to implement the 2022 Budget Act. The bill established various energy programs, including the EBD program at the CEC.

SB 756 (Hueso, Chapter 248, Statutes of 2021) increased the income eligibility threshold for ESAP from 200% of the FPL to 250% of the FPL and prohibited the

CPUC from increasing the authorized budget for ESAP based on the expansion of income eligibility.

SB 1403 (Hueso) of 2020, would have expanded ESAP income eligibility. The bill died in the Assembly.

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

According to the Assembly Appropriations Committee:

1) This bill requires new analytical and administrative work of the CPUC to evaluate existing metrics, develop new metrics and incorporate them into evaluations, and to regulate the actions of program administrators. Doing so will likely require new resources in the hundreds of thousands of dollars annually, mainly for new staff, with costs diminishing somewhat in the out years, following development and incorporation of the new metrics (Public Utilities Commission Utilities Reimbursement Account).

   The CPUC estimates it will need $437,000 annually ongoing. Those cost are comprised of $363,000 in personnel costs for one regulatory analyst ($218,000 annually) and one administrative analyst ($145,000), as well as $110,000 annually for travel, materials, equipment and other miscellaneous costs.

2) Costs to CEC should be minor and absorbable.

SUPPORT: (Verified 10/6/25)

Energy Transition Collective (Source)
Access Plus Capital
Asian Business Association of Silicon Valley
Association of California Community and Energy Services
Bay Counties Construction & Maintenance
California Community Action Partnership Association
California Community Builders
California Solar & Storage Association
Chicana Latina Foundation
City of Dinuba
Climate Resilient Communities
Community Consumer Defense League
Community Development Inc.
Community Housing Opportunities Corporation
Community Outreach Services

Community Resource Project
CR Energy Solutions
DNA Contracting, LLC
El Concilio of San Mateo
Fresno Hmong Newyear
Highlands Diversified
Inland Empire Latino Coalition
Latinxs and the Environment
N'de Apache Nation Tribe
Proteus, Inc.
Quantum Energy Services & Technologies
Regenerate California Innovation, Inc.
San Diego Gas & Electric Company
Self-Help Enterprises
Solar-Oversight
Southern California Gas Company
Suscol Intertribal Council
TELACU
The Ortiz Group
The Two Hundred for Homeownership
Viridis Consulting
West Coast Green Builders, LLC

OPPOSITION: (Verified 10/6/25)

None received

ARGUMENTS IN SUPPORT: According to the author:

> The energy affordability crisis disproportionately impacts low and moderate-income households, particularly in the Central Valley, where extreme summer heat, aging housing stock, and rising utility costs create serious financial and public health challenges. Many families in the Central Valley and across the state live in homes with inadequate insulation, inefficient cooling systems, and outdated appliances that only increase their energy costs. SB 647 strengthens and modernizes California's low-income energy assistance programs by prioritizing health, safety, affordability, and equitable access so that more individuals can benefit from these programs and reduce their monthly bills. With this measure we are addressing structural barriers that prevent vulnerable households from accessing critical energy efficiency upgrades needed to lower utility costs, enhance indoor air quality, and create safer, more sustainable

living conditions. SB 647 alleviates some of the financial burden on households most affected by California's energy affordability crisis.

GOVERNOR'S VETO MESSAGE:

I am returning Senate Bill 647 without my signature.

This bill would make several changes related to the State's energy efficiency programs and the Low-Income Oversight Board (LIOB), including expanding the Board's membership. The bill also requires the California Energy Commission (CEC) Equitable Decarbonization program to notify applicants of other available incentive programs overseen by the California Public Utilities Commission (CPUC).

I support providing Californians greater access to the state's customer energy programs. However, this bill proposes changes that expand the scope of the LIOB beyond its intended purpose and increase the CPUC and CEC's administrative costs. Additionally, the Disadvantaged Communities Advisory Group (DACAG), already coordinates with the LIOB and advises the CEC and CPUC on customer energy programs available to disadvantaged communities throughout the state. I encourage the DACAG and LIOB to continue their coordination and identify additional methods and strategies to enhance customer access to various energy programs.

At a time when electric bill affordability continues to be a pervasive challenge, it is important that we maximize existing coordination groups and consider the new workload and costs impacts to the CEC and CPUC, some of which are ultimately borne by electric customers, to avoid further compounding the costs embedded in customer electric bills.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 61-18, 9/12/25
AYES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Davies, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wicks, Wilson, Zbur, Rivas

NOES: Alanis, Castillo, Chen, DeMaio, Dixon, Ellis, Flora, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Johnson, Lackey, Macedo, Patterson, Sanchez, Tangipa, Wallis
NO VOTE RECORDED: Ta

Prepared by: Sarah Smith / E., U. & C. / (916) 651-4107
10/8/25 14:36:56

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

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VETO

Bill No: SB 682
Author: Allen (D)
Enrolled: 9/18/25
Vote: 27

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 5-3, 4/2/25
AYES: Blakespear, Gonzalez, Menjivar, Padilla, Pérez
NOES: Valladares, Dahle, Hurtado

SENATE HEALTH COMMITTEE: 7-2, 4/30/25
AYES: Menjivar, Durazo, Gonzalez, Limón, Padilla, Weber Pierson, Wiener
NOES: Valladares, Grove
NO VOTE RECORDED: Richardson, Rubio

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

SENATE FLOOR: 28-7, 6/3/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Smallwood-Cuevas, Stern, Strickland, Umberg, Wahab, Weber Pierson, Wiener
NOES: Choi, Dahle, Jones, Niello, Ochoa Bogh, Seyarto, Valladares
NO VOTE RECORDED: Alvarado-Gil, Grove, Reyes, Richardson, Rubio

SENATE FLOOR: 30-5, 9/13/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Grayson, Grove, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Rubio, Smallwood-Cuevas, Stern, Strickland, Umberg, Wahab, Weber Pierson, Wiener
NOES: Dahle, Jones, Niello, Ochoa Bogh, Seyarto
NO VOTE RECORDED: Alvarado-Gil, Choi, Gonzalez, Richardson, Valladares

ASSEMBLY FLOOR: 45-21, 9/12/25 - See last page for vote

SUBJECT: Environmental health: product safety: perfluoroalkyl and polyfluoroalkyl substances

SOURCE: Breast Cancer Prevention Partners; California Association of Sanitation Agencies; Clean Water Action; Environmental Working Group; Natural Resources Defense Council

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DIGEST: This bill prohibits a person from distributing, selling, or offering for sale five covered products that contain intentionally-added PFAS beginning January 1, 2028, and cookware containing intentionally-added PFAS beginning January 1, 2030.

ANALYSIS:

Existing law:

1) Prohibits, on and after July 1, 2023, a person, including, but not limited to, a manufacturer, from selling or distributing in commerce in this state any new, not previously owned, juvenile product, as defined, that contains intentionally added PFAS or PFAS at or above 100 parts per million (ppm), as measured in total organic fluorine. (Health and Safety Code (HSC) § 108946)

2) Prohibits, on and after January 1, 2025, a person from manufacturing, distributing, selling, or offering for sale in the state any new, not previously used, textile articles that contain intentionally added PFAS, or PFAS at or above 100 ppm, and on or after January 1, 2027, 50 ppm, as measured in total organic fluorine. (HSC § 108971)

3) Prohibits, commencing January 1, 2025, a person or entity from manufacturing, selling, delivering, holding, or offering for sale, in commerce any cosmetic product that contains any specified intentionally added ingredients, including some PFAS chemicals. (HSC § 108980 (a))

4) Prohibits, commencing on January 1, 2023, a person from distributing, selling, or offering for sale in the state any food packaging that contains intentionally added PFAS or PFAS at or above 100 ppm, as measured in total organic fluorine. (HSC § 109000)

5) Prohibits a manufacturer of class B firefighting foam from manufacturing, or knowingly selling, offering for sale, distributing for sale, or distributing for use in this state, and prohibits a person from using in this state, class B firefighting foam containing intentionally added PFAS chemicals. (HSC § 13061 et seq.)

6) Requires DTSC to adopt regulations for the enforcement of those prohibitions on the use of PFAS and enforce and ensure compliance with those provisions. (HSC § 108075)

7) Under the Safer Consumer Products (Green Chemistry) statutes (HSC § 25252 et seq.):

   a) Requires the DTSC to adopt regulations to establish a process to identify and prioritize chemicals or chemical ingredients in consumer products that may be considered chemicals of concern, as specified.
   b) Requires DTSC to adopt regulations to establish a process to evaluate chemicals of concern in consumer products, and their potential alternatives, to determine how to best limit exposure or to reduce the level of hazard posed by a chemical of concern.
   c) Specifies, but does not limit, regulatory responses that DTSC can take following the completion of an alternatives analysis, ranging from no action to a prohibition of the chemical in the product.

This bill:

1) Defines terms including, but not limited to: “2028 product”, “Cleaning product”, “Component”, “Cookware”, “Food packaging”, “Intentionally added PFAS”, “Juvenile product”, “PFAS”, “Product”, and “Ski wax”.

2) Prohibits a person from distributing, selling, or offering for sale a 2028 product that contains intentionally added PFAS commencing January 1, 2028.

3) Requires a cleaning product sold in the state on and after January 1, 2028, to comply with existing regulations regarding consumer products impacting air quality without the use of a regulatory variance.

4) Prohibits a person from distributing, selling, or offering for sale cookware that contains intentionally added PFAS commencing January 1, 2030.

5) Precludes cleaning products with inaccessible electronic or internal mechanical components containing intentionally added PFAS from violation of the

prohibition if the cleaning product does not otherwise contain intentionally added PFAS.

6) Defines "Inaccessible electronic component" and "Internal mechanical component".

7) Authorizes DTSC to request a statement of compliance and technical documentation from a manufacturer certifying that each covered product is in compliance with the applicable PFAS restriction.

8) Authorizes DTSC to use any analytical test or certification determined by DTSC for manufacturer compliance to these provisions.

9) Authorizes DTSC to adopt regulations to administer these provisions on or before January 1, 2029.

10) Makes related findings and declarations.

Background

1) *A PFAS zoo*. Per- and polyfluoroalkyl substances (PFAS) are a broad class of man-made chemicals consisting of chains with bonded carbon and fluorine atoms. Because of their physical and chemical nature, PFAS are very durable and resistant to heat, water and oil, making them extremely useful in many industrial, commercial, and medical applications. As a consequence of their durability, they are persistent, meaning that they do not degrade easily in the environment and can bioaccumulate in living things.[1,2,3] According to the U.S. Environmental Protection Agency (U.S. EPA), there are nearly 15,000 PFAS compounds and they can be categorized into non-polymeric PFAS and polymeric PFAS.

   Non-polymeric PFAS are smaller and lighter, which allows them to disperse and exist in air, water and soils.[3] This type of PFAS is water soluble and used for surface protection, as an additive in various products, and as a processing aid for polymeric PFAS.[3] Since non-polymeric PFAS is used in various products, including common household products, it can contaminate the environment through domestic wastewater or disposal into landfills.[4] When

[1] National Institute of Environmental Health Sciences. (2025). Perfluoroalkyl and Polyfluoroalkly Substances.
[2] Henry, B. J., et. al. (2018). A critical review of the application of polymer of low concern.
[3] Jacobs, S. A., et. al. (2024). Assessment of Fluoropolymer Production and Use With Analysis of Alternative Replacement Materials.
[4] Kibuye, F. (2023). Understanding PFAS – What they are, their impact, and what we can do.

used as an industrial processing aid or in the manufacturing process, non-polymeric PFAS is emitted or disposed of in effluent wastewater or waste or is leached from products.[3]

Polymeric PFAS, on the other hand, is heavier and consists of longer chains of fluorine and carbon. These chemicals are not soluble in water and it has been claimed that PFAS in this category are too large to penetrate cell membranes, which would prevent bioaccumulation.[2,5,6] Some subsets of polymeric PFAS can degrade into non-polymeric PFAS, but others, namely fluoropolymers are more stable. Fluoropolymers are plastics that are used in a wide range of sectors, including but not limited to aerospace, automotive, building construction, chemical processing, electronics, and green energy technology.[3] Fluoropolymers have been shown to satisfy the criteria for polymers of low concern (PLC) developed by the Organization for Economic Cooperation and Development, in which PLC are considered to have insignificant environmental and health impacts.[2,7] However, these evaluations do not consider life-cycle assessments of these products, as fluoropolymers may involve the release of non-polymeric PFAS during their production or manufacturing, leach non-polymeric PFAS if insufficiently treated, and degrade into microplastics during disposal.[3,5,8]

2) *Everything everywhere all at once: Exposure pathways & public health*. The PFAS on or in products find many different ways into the environment throughout a product's life cycle. PFAS compounds have been detected globally in soil, groundwater, and surface water. Plants can uptake PFAS and bioaccumulation can occur within their tissues and the animals that eat them. Primarily, human exposure occurs through consuming food and drinking water.[4] The drinking water of at least 70 million Americans contains PFAS at levels high enough to require reporting under federal law. California has multiple water systems with PFAS levels that are at least double the reporting concentration level.[9] Exposure to certain PFAS may lead to adverse health

[5] Lohmann, R., et. al. (2020). Are fluoropolymers really of low concern for human and environmental health and separate from other PFAS?
[6] Améduri, B. (2023). Fluoropolymers as unique and irreplaceable materials: challenges and future trends in these specific per or poly-fluoroalkyl substances.
[7] OECD Task Force on New Chemicals Notification and Assessment. (2007). Data Analysis of the Identification of Correlations between Polymer Characteristics and Potential for Health or Ecotoxicological Concern.
[8] Lohmann, R., & Letcher, R. J. (2023). The universe of fluorinated polymers and polymeric substances and potential environmental impacts and concerns.
[9] Fast, A. et. al. (2024). 70 million Americans drink water from systems reporting PFAS to EPA.

outcomes, including reproductive and developmental effects, increased risk of cancer, suppressed immune systems, and endocrine disruption.[10]

3) *From a piecemeal approach to an umbrella ban.* When it comes to products containing PFAS, California has taken a piecemeal approach through bans. The Legislature has enacted several PFAS prohibitions in the last several years. These include PFAS prohibitions at different levels across many product categories: a ban on PFAS in textiles (AB 1817, Ting, Chapter 762, Statutes of 2022); cosmetic products (AB 2771, Friedman, Chapter 804, Statutes of 2022); food packaging (AB 1200, Ting, Chapter 503, Statutes of 2021); new juvenile products (AB 652, Friedman, Chapter 500, Statutes of 2021); and, firefighting foam (SB 1044, Allen, Chapter 308, Statutes of 2020). Perhaps the intentions of these piecemeal approaches were to take an immediate focus on products that come into physical contact with our bodies, rid of the PFAS unnecessary for the function of the product, or address prohibitions in a less cumbersome way. SB 903 (Skinner, 2024) was bold to broaden the prohibition to all products, but it died in Senate Appropriations Committee. SB 903 lacked flexibility that would allow time for administrative procedures and industry innovation, especially for products in which PFAS is considered to be an essential use.

   Prior to the Assembly amendments, this bill addressed these constraints with a tiered timeline and categorical approach for a more efficient review of petitions and an opportunity for industries to adjust. The Assembly amendments remove the petition process for exemptions and limit the prohibition on intentionally-added PFAS to six products, mirroring a piecemeal approach.

   Whether the approach to prohibition is piecemeal or an umbrella, outright bans can be risky. There may not be enough time to find alternatives that are suitable for the product or public health, and in many cases, bans can result in the use of regrettable substitutions. Finding alternatives that fit the bill for the product function and public health takes time for in-depth, comprehensive research and thorough collaborative evaluations.

4) *DTSC Safer Consumer Products Program*. DTSC administers the Safer Consumer Products (SCP, previously known as Green Chemistry) Program, which aims to advance the design, development, and use of products that are chemically safer for people and the environment. DTSC's approach provides

[10] U.S. Environmental Protection Agency. (2024). Our Current Understanding of the Human Health and Environmental Risks of PFAS.

science-based criteria and procedures for identifying and evaluating alternatives with the objective of replacing chemicals of concern with safer chemicals and avoiding the use of substitute chemicals that pose equal or greater harm. Under the SCP Program, all PFAS compounds are "Candidate Chemicals" because they exhibit specified hazardous traits.

DTSC has designated two product categories that contain PFAS as "Priority Products": carpets/rugs and treatments for textiles or leathers. A Priority Product is a consumer product identified by DTSC that contains one or more Candidate Chemicals and that has the potential to contribute to significant or widespread adverse impacts on humans or the environment. Manufacturers of a Priority Product must submit an alternatives analysis which determines whether there are any safer alternatives to the Candidate Chemical in the product. The outcomes of the alternatives analysis could lead to alternative ingredients or product design or regulatory responses.

While SCP has been a helpful framework to eliminate PFAS in carpets, rugs, textiles, and leathers, critics have expressed concern that the program is too slow and not suitable to address the universe of products currently containing intentionally-added PFAS. The Legislature has been encouraged to take action through legislation on product-chemical combinations where the chemical of concern is considered unnecessary for the product's function or where a safer alternative is known. This bill prohibits the use of intentionally-added PFAS from six products in which the use of PFAS is considered unnecessary or safer alternative chemicals or products are available.

Comments

1) *Purpose of this bill.* According to the author, "SB 682 aims to comprehensively ban unnecessary uses of per- and polyfluoroalkyl substances (PFAS), commonly known as "forever chemicals," in products. SB 682 will pragmatically shift California's approach to PFAS to an essential use model, eliminating unnecessary uses of PFAS while creating a pathway for necessary uses to continue. This will focus on reducing the public health impacts and financial burden of managing these toxic chemicals, while still allowing for critical uses of PFAS to continue. California has long been a national leader in regulating harmful chemicals, so this bill is the natural next step in this fight. PFAS is impacting our communities, our environment, and utility ratepayers. This issue is quickly becoming a significant and costly management concern for drinking water and wastewater utilities tasked with protecting public health and the environment. SB 682 will protect people from PFAS-associated health

harms, prevent further contamination, and will hold manufacturers accountable to produce more sustainable products without these harmful chemicals."

2) *How the costs of contamination trickles down*. Part of the burden and responsibility to address PFAS contamination often falls on municipal drinking water and wastewater systems. The U.S. EPA requires these public systems to monitor their water and take action if the contamination exceeds the maximum contaminant levels (MCLs). With new developments in the research of exposure and health impacts of PFAS, the U.S. EPA can establish more stringent MCLs. By lowering this threshold, more public drinking water systems may exceed the MCL and would be considered in a health-based violation under the Safe Drinking Water Act. If a public water system does not comply with the required standards within a period of time, then state agencies can take enforcement actions, including administrative orders, legal actions, or issue fines.[11,12] The costs of enforcement could then further inhibit the ability to comply. The financial burden of treatment can be shifted to the public, through increases in utility rates where possible or with state and federal funds. But in some cases, if water systems lack the ability to treat PFAS contamination, they may shut down, eliminating access to water supplies.

   This bill proposes to prohibit the use of PFAS in products that are likely to contribute to contamination in wastewater. This bill promotes source reduction of toxic chemicals by mitigating contamination and the burdens that fall on municipal drinking water and wastewater systems.

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

According to the Assembly Appropriations Committee, "DTSC will incur costs of an unknown, but potentially significant amount, to enforce the prohibitions established by this bill under the AB 347 framework (see background). DTSC has not yet received funding to implement AB 347; therefore, it is challenging to determine the incremental cost of implementing this bill. In later years, a portion of the department's implementation costs may be offset by any administrative penalty revenue collected and deposited into the PFAS Enforcement Fund. The exact magnitude of DTSC's costs is unknown and will depend on the scope and frequency of DTSC's testing and enforcement in any given year."

"For its part, if it is not allocated funding to implement AB 347, DTSC estimates costs of up to $3.8 million annually, including up to 12 staff, to implement this bill

[11] U.S. Environmental Protection Agency (2024). Safe Drinking Water Act (SDWA) Resources and FAQs.
[12] U.S. Environmental Protection Agency (2004). Understanding the Safe Drinking Water Act.

(Toxic Substances Control Account (TSCA), PFAS Enforcement Fund). The department notes that while this bill embeds additional products or product categories under the enforcement framework of AB 347, it exempts manufacturers of these products from AB 347's registration requirements (including the payment of registration fees). DTSC notes its startup costs would require a loan from TSCA, which is supported by the Environmental Fee and annually adjusted by the Board of Environmental Safety (BES) at a rate sufficient to cover DTSC's operations. DTSC anticipates BES would need to increase the fee by approximately 3% to generate sufficient revenues to fund the increased expenditures required to implement this bill and AB 347."

"The Department of Justice anticipates costs of an unknown, but potentially significant amount, due to the potential for increased referrals from DTSC, its client agency (Legal Services Revolving Fund)."

SUPPORT: (Verified 10/15/25)

A Voice for Choice Advocacy
Alliance of Nurses for Healthy Environments
American College of Ob-gyn's District Ix
American Sustainable Business Network
Association of California Water Agencies
Azul
Bay Area Clean Water Agencies
Breast Cancer Prevention Partners
California Association of Sanitation Agencies
California Casa
California Democratic Party
California Health Coalition Advocacy
California Product Stewardship Council
California Professional Firefighters
California Safe Schools
California Safe Schools Coalition
California Stormwater Quality Association
Californians Against Waste
Calpirg
Center for Community Action and Environmental Justice
Center for Community Action and Environmental Justice
Center for Environmental Health
Center for Public Environmental Oversight
Central Contra Costa Sanitary District

City of Lomita
City of Roseville
City of Santa Rosa
City of Thousand Oaks
Clean Water Action
Climate Reality Project San Diego
Climate Reality Project San Fernando Valley Chapter
Climate Reality Project, Los Angeles Chapter
Climate Reality Project, Orange County
Coalition for Clean Air
Communitiy Water Center
Community Water Center
Dublin San Ramon Services District
East Bay Dischargers Authority
East Valley Water District
Eastern Municipal Water District
Educate. Advocate.
El Granada Advocates
Elsinore Valley Municipal Water District
Environmental Defense Fund
Environmental Working Group
Erin Brockovich Foundation
Facts Families Advocating for Chemical and Toxics Safety
Fairfield-suisun Sewer District
Go Green Initiative
Green Science Policy Institute
Inland Empire Utilities Agency
Integrated Resource Management
Jurupa Community Services District
Las Virgenes Municipal Water District
Leadership Counsel Action
League of California Cities
Los Angeles County Sanitation Districts
Los Angeles Waterkeeper
Monterey One Water
National Stewardship Action Council
Natural Resources Defense Council
Natural Resources Defense Council
Non-toxic Neighborhoods
Nrdc

Orange County Sanitation District
Physicians for Social Responsibility - Los Angeles
Physicians for Social Responsibility - San Francisco Bay
Physicians for Social Responsibility-los Angeles
Rancho California Water District
Recolte Energy
Resource Renewal Institute
Responsible Purchasing Network
Rethink Disposable
San Francisco Bay Area Physicians for Social Responsibility
San Francisco Baykeeper
Save the Bay
Sierra Club
Sierra Club California
Silicon Valley Clean Water
Socal 350 Climate Action
Stopwaste
Story of Stuff
Vallejo Flood and Wastewater District
Valley Sanitary District
Water Replenishment District of Southern California
Watereuse California
Western Municipal Water District

OPPOSITION: (Verified 10/15/25)

Advanced Medical Technology Association
African American Farmers of California
Agc
Agc America INC. And Subsidiaries
Agricultural Council of California
Air Conditioning, Heating and Refrigeration Institute
Alliance for Automotive Innovation
American Apparel & Footwear Association
American Chemistry Council
American Coatings Association
American Forest & Paper Association
American Fuel & Petrochemical Manufacturers
American Petroleum Institute
Animal Health Institute
Association of Equipment Manufacturers

Association of Home Appliance Manufacturers
Bio-process Systems Alliance
Biocom California
Building Owners and Managers Association of California
California Association of Pest Control Advisers
California Automotive Wholesalers' Association
California Building Industry Association
California Building Industry Association
California Business Properties Association
California Chamber of Commerce
California Cotton Ginners & Growers Association
California Grocers Association
California Hispanic Chamber of Commerce
California Hydrogen Business Council
California League of Food Producers
California Life Sciences
California Manufacturers & Technology Association
California Metals Coalition
California New Car Dealers Association
California Restaurant Association
California Retailers Associaiton
California Retailers Association
California Tomato Growers Association
Can Manufacturers Institute
Center for Baby and Adult Hygiene Products
Chemical Industry Council of California
City of Fairfield
Coalition of Manufacturers of Complex Products
Communication Cable and Connectivity Association
Consumer Brands Association
Consumer Healthcare Products Association
Cookware Sustainability Alliance
Croplife America
Dairy Institute of California
European Federation of The Cookware, Cutlery and Houseware Industry
Flexible Packaging Association
Fluid Sealing Association
Fuel Cell and Hydrogen Energy Association
International Sleep Products Association
Juvenile Products Manufacturers Association

Lkq Corporation
Mema the Vehicle Supply Association
Naiop California
National Council of Textile Organizations
National Marine Manufacturers Association
Nisei Farmers League
North American Association of Food Equipment Manufacturers
Outdoor Power Equipment Institute
Personal Care Products Council
Plumbing Manufacturers International
Printing United Alliance
Recreational Off-highway Vehicle Association
Recreational Vehicle Institue of America
Responsible Industry for A Sound Environment - Rise
Rise
Rv Industry Association
Solar Energy Industry Association
Specialty Equipment Manufacturers Association
Specialty Equipment Market Association
Specialty Vehicle Institute of America
Spray Polyurethane Foam Alliance
Sustainable Pfas Action Network
The Cookware and Bakeware Alliance
The Toy Association
Truck and Engine Manufacturers Association
Valve Manufacturers Association
Western Growers Association
Western Plant Health Association
Western Plastics Association
Western Tree Nut Association

GOVERNOR'S VETO MESSAGE:

The bill, beginning January 1, 2028, prohibits a person from distributing, selling, or offering for sale a cleaning product, dental floss, juvenile product, food packaging, or ski wax, as specified, that contains intentionally added PFAS. Additionally, this bill, beginning January 1, 2030, prohibits a person from distributing, selling, or offering for sale cookware that contains intentionally added PFAS.

I share the author's goal to protect human health and the environment by phasing out the use of PFAS in consumer products. However, the broad range of products that would be impacted by this bill would result in a sizable and rapid shift in cooking products available to Californians. I appreciate efforts to protect the health and safety of consumers, and while this bill is well-intentioned, I am deeply concerned about the impact this bill would have on the availability of affordable options in cooking products. I believe we must carefully consider the consequences that may result from a dramatic shift of products on our shelves.

I encourage the author and stakeholders to continue discussions in this space, while ensuring that we are not sacrificing the ability of Californians to afford household products like cookware with efforts to address the prevalence of PFAS.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 45-21, 9/12/25
AYES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Ortega, Papan, Patel, Pellerin, Ransom, Celeste Rodriguez, Rogers, Schiavo, Schultz, Solache, Stefani, Ward, Wicks, Zbur, Rivas
NOES: Alanis, Ávila Farías, Castillo, Chen, Davies, DeMaio, Dixon, Ellis, Flora, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Johnson, Lackey, Macedo, Patterson, Petrie-Norris, Ta, Tangipa, Wallis
NO VOTE RECORDED: Bains, Gipson, Mark González, Nguyen, Pacheco, Quirk-Silva, Ramos, Michelle Rodriguez, Blanca Rubio, Sanchez, Sharp-Collins, Soria, Valencia, Wilson

Prepared by: Taylor McKie / E.Q. / (916) 651-4108
10/16/25 10:10:47

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

Office of Senate Floor Analyses
(916) 651-1520 Fax: (916) 327-4478

VETO

Bill No: SB 703
Author: Richardson (D)
Enrolled: 9/18/25
Vote: 27

SENATE TRANSPORTATION COMMITTEE: 11-3, 4/8/25
AYES: Cortese, Archuleta, Arreguín, Blakespear, Cervantes, Gonzalez, Grayson, Limón, Menjivar, Richardson, Umberg
NOES: Strickland, Dahle, Valladares
NO VOTE RECORDED: Seyarto

SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 4-1, 4/30/25
AYES: Smallwood-Cuevas, Cortese, Durazo, Laird
NOES: Strickland

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

SENATE FLOOR: 29-8, 9/13/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener
NOES: Alvarado-Gil, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland
NO VOTE RECORDED: Choi, Gonzalez, Valladares

ASSEMBLY FLOOR: 66-10, 9/12/25 - See last page for vote

SUBJECT: Ports: truck drivers

SOURCE: Author

DIGEST: This bill requires a trucking company and certain truck drivers to provide the Port of Long Beach or the Port of Los Angeles (Ports) specific driver information, as specified and requires the Ports to publically publish driver information on trucks entering the Ports a quarterly basis.

ANALYSIS:

Existing Law:

1) Regulates the operation of ports and harbors, as specified.

2) Defines "Port drayage motor carrier" to mean an individual or entity that hires or engages commercial drivers in the port drayage industry. "Port drayage motor carrier" also means a registered owner, lessee, licensee, or bailee of a commercial motor vehicle that operates or directs the operation of a commercial motor vehicle by a commercial driver on a for-hire or not-for-hire basis to perform port drayage services in the port drayage industry.

3) Defines "Port drayage services" to mean the movement within California of cargo or intermodal equipment by a commercial motor vehicle whose point-to point movement has either its origin or destination at a port. It does not include employees performing the intra-port or inter-port movement of cargo or cargo handling equipment under the control of their employers.

4) Requires a person providing labor or services for remuneration to be considered an employee rather than an independent contractor unless the hiring entity demonstrates that certain conditions are satisfied, including that the person is free from the control and direction of the hiring entity in connection with the performance of the work, both under the contract for the performance of the work and in fact.

5) At the federal level, the Federal Aviation Administration Authorization Act of 1994 regulates various aspects of the transportation sector, including, but not limited to, motor carriers and further specifies this Act preempts State's authority over the price, route, and service of motor carriers.

This bill:

1) Requires a trucking company to provide the ports certain information relating to the company's employee truck drivers, such as a sworn affirmation that the company is withholding all required taxes from wages, prior to the company's employee drivers entering the ports for the first time and annually thereafter. Similarly, a truck driver not classified as an employee by a trucking company

must provide the ports certain identifying information prior to entering the ports for the first time and annually thereafter.

2) Requires a trucking company to update the ports within 30 days of a change to the company's operation that results in more than 50% of employees being replaced by independent contractors. A person who fails to comply with this notice requirement is liable for a civil penalty of $5,000.

3) Provides that a person who gives false or misleading compliance information to the ports is liable for a civil penalty of $20,000. The ports are not required to verify the accuracy of third-party information they receive, but must make all collected information publicly available.

4) Beginning January 1, 2027 requires the ports to publish online certain information regarding each truck that entered the ports during the prior quarter, such as the named insured on the truck's insurance policy.

5) Requires the ports to provide additional information regarding a truck that entered the ports upon request by the Labor Commissioner (LC), if the ports possess the information.

6) Specifies that to facilitate efficient and cost-effective information collection, a port may develop a simplified form that can be completed online.

Comments

1) *Purpose of this bill.* According to the author, "For too long, unscrupulous employers have misclassified truck drivers at ports as independent contractors, denying them fair wages, essential benefits, and workplace protections. While 82% of port truck drivers are labeled as independent contractors, studies indicate that over 80% of them are, in reality, misclassified employees.[1] This practice not only harms workers, but also undermines law-abiding businesses, weakens supply chain efficiency, and slows progress toward our environmental goals. California has taken significant action in recent years to combat this, yet enforcement challenges remain due to a critical lack of data. Without clear information on trucking companies' business structures—whether they employ drivers or rely on independent contractors—state agencies and cargo owners cannot fully ensure compliance with labor laws. This information will allow enforcement agencies to better identify violations and ensure that cargo owners

[1] REBECCA SMITH ET AL., THE BIG RIG OVERHAUL 32 (2014), https://www.laane.org/wp-content/uploads/2014/02/BigRigOverhaul2014.Pdf (citing GAO, GAO-09-717, Employee Misclassification 10 (2009)

do not unknowingly contract with bad actors. By closing this gap in data collection, we can strengthen enforcement mechanisms, promote fair competition, and protect hardworking truck drivers from exploitation."

2) *Seaports in California.* California has 12 seaports (11 public, 1 private), through which large volumes of goods are both imported and exported internationally. The 12 seaports vary in size, operations, and finances. For example, California contains the nation's two largest seaports, the Port of Los Angeles (POLA) and the Port of Long Beach—both operated by public entities—as well as a smaller ports, such as the Port of Benicia (private).

   With respects to International Commerce and volume, according to a 2022 report by the Legislative Analyst Office, "ports are facilities where goods are loaded and unloaded from ships, as well as where goods are processed and prepared for further distribution to retailers and consumers. Ports handle a significant portion of international commerce. For example, waterborne vessels were the leading transportation mode for international freight in 2020, moving 40 percent of U.S. international freight value (worth more than $1.5 trillion) and 70 percent of freight by weight (almost 1.5 trillion tons). Specifically, for 2023, the POLA alone processed 8.6 million twenty-foot equivalent (TEU) containers with its top five trading partners including China (#1), Japan, Vietnam, and Taiwan.

3) *Port Drayage.* Port drayage services refer to the movement of cargo or intermodal equipment by a commercial motor vehicle between ports and warehouses for conveyance onto ships, trucks, or retail cars. Simply put, drayage is an essential logistical function that ensures freight moves from its origin point to its destination. As mentioned, California has 12 ports through which large volumes of goods are both imported and exported internationally. These ports vary in size, operations, and finances, but combined, they process about 40% of all containerized imports and 30% of all exports in the United States. Port truckers make this movement of goods possible, with approximately 33,500 drayage trucks servicing California's seaports and railyards annually. The port trucking industry is worth upwards of $12 billion per year.

4) *Worker Misclassification.* Although California's port truckers are an integral part of the nation's supply chains, many of them are victims of exploitative labor practices and misclassification. Decades-long efforts to undercut port trucker wages, rights, and livelihoods have had serious consequences.

Misclassification is particularly harmful because independent contractors do not enjoy the same protections employees do. For example, employees must be paid at least the minimum wage, are due overtime, generally cannot be forced to pay for equipment needed to do the job, must be covered by workers' compensation, and are entitled to unemployment and disability insurance. A 2014 National Employment Law Project (NELP) report found that approximately 49,000 of the 75,000 port truck drivers in the US are misclassified as independent contractors. In driver surveys, independent contractors reported an average net income 18% lower than that of employee drivers. Independent contractors were also two-and-a-half times less likely than employee drivers to have health insurance and almost three times less likely to have retirement benefits. A 2017 investigative report by USA Today found that port trucking companies in Southern California spent decades forcing drivers to finance their own trucks by taking on debt they could not afford. Companies then used that debt to extract forced labor, even taking steps to physically bar workers from leaving. Port congestion during the Covid-19 pandemic only worsened the conditions described above.

In recent years, the Labor Commissioner's office has awarded more than $50 million to some 500 truckers who claimed they were deprived of wages through misclassification. One of the world's largest trucking companies, XPO Logistics agreed to pay $30 million in 2021 to settle class-action lawsuits filed by drivers who said they earned less than the minimum wage delivering goods for major retailers from the ports of Los Angeles and Long Beach.

The impact of misclassification has ramifications outside of the workers and their families. When employers misclassify employees, they deprive the state of revenue all while expanding participation in public safety net programs. Additionally, it makes it difficult for the state to meet its green economy goals and to cut down on air pollution related to port activities. Lastly, misclassification hurts law-abiding employers who have to compete with bad actors that avoid obligations to contribute to California safety net programs and comply with labor law.

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

According to the Assembly Appropriations Committee:

1) One-time costs of approximately $1.8 million each to the Port of Long Beach and Port of Los Angeles to modify existing truck registration systems, develop a new truck driver registration system, and link all systems to meet quarterly

reporting requirements. Additionally, each port would incur annual costs of approximately $700,000 for the Port of Long Beach and $500,000 for the Port of Los Angeles for ongoing maintenance and related staff workload. If the Commission on State Mandates determines this bill's requirements to be a reimbursable state mandate, the state would need to reimburse these costs to the ports (General Fund).

2) Minor and absorbable costs to the Labor Commissioner to provide enforcement if a company or driver fails to provide the required information and notice, potentially offset by penalty revenue.

SUPPORT: (Verified 10/16/25)

California Federation of Labor Unions, Afl-cio
California Teamsters Public Affairs Council
Heavy Load Transfer
Pac9
Sea Logix
Shippers Transport Express
Taylored
Teamsters California

OPPOSITION: (Verified 10/16/25)

Western States Trucking Association
California Association of Port Authorities (Unless Amended)
Port of Long Beach (Unless Amended)
Port of Los Angeles (Unless Amended)

GOVERNOR'S VETO MESSAGE:

This bill would require trucking companies and independent contractor truckers to annually provide the Ports of Long Beach and Los Angeles with information about their business structure and employees. It would also require each port to collect truck-related data, including the name listed on the truck's insurance policy. The ports would then publish both sets of information.

I appreciate the author's concern about the misclassification of truckers operating at the Port of Los Angeles and the Port of Long Beach. However, this bill would significantly disrupt port operations by requiring these ports

to collect and retain information on thousands of trucks each day. Given the variety of information required to be collected, this process will be challenging to automate or streamline.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 66-10, 9/12/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Chen, Connolly, Davies, Elhawary, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NOES: Ávila Farías, DeMaio, Dixon, Ellis, Gallagher, Hadwick, Johnson, Macedo, Sanchez, Tangipa
NO VOTE RECORDED: Castillo, Lackey, Patterson, Ta

Prepared by: Manny Leon / TRANS. / (916) 651-4121
10/17/25 9:44:22

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

Office of Senate Floor Analyses
(916) 651-1520 Fax: (916) 327-4478

VETO

Bill No: SB 717
Author: Richardson (D)
Enrolled: 9/16/25
Vote: 27

SENATE HEALTH COMMITTEE: 10-0, 3/26/25
AYES: Menjivar, Valladares, Durazo, Gonzalez, Limón, Padilla, Richardson, Rubio, Weber Pierson, Wiener
NO VOTE RECORDED: Grove

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

SENATE FLOOR: 38-0, 5/29/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Limón, Reyes

SENATE FLOOR: 39-0, 9/11/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Limón

ASSEMBLY FLOOR: 80-0, 9/9/25 - See last page for vote

SUBJECT: Ken Maddy California Cancer Registry

SOURCE: Keck School of Medicine - USC

The University of Southern California

DIGEST: This bill (1) requires the California Department of Public Health (CDPH) to maintain statewide and regional infrastructures and systems for collecting information on and reporting cancer incidence through regional cancer registries, and (2) deletes past dates regarding the establishment of these provisions.

Assembly Amendments revert the provision in this bill *requiring* the establishment of regional cancer registries to existing law, which *permits* CDPH to establish such registries. The Assembly amendments also make technical, nonsubstantive changes.

ANALYSIS:

Existing law:

1) Requires CDPH to establish a statewide system for the collection of information determining the incidence of cancer, using population-based cancer registries (known as the Ken Maddy California Cancer Registry, or CCR). Requires all county or regional registries to be implemented or initiated by July 1, 1988, and the statewide cancer reporting system to be fully operational By July 1, 1990. [Health & Safety Code (HSC) §103885(a)]

2) Permits CDPH to establish regional cancer registries and to designate any demographic parts of the state as regional cancer incidence reporting areas. [HSC §103885(b)]

3) Requires CDPH, in establishing the system, to maximize the use of available federal funds. [HSC §103885(j)]

This bill:

1) Requires CDPH to maintain the existing statewide and regional infrastructures and systems of registries, and to maintain statewide cancer reporting systems.

2) Deletes past dates by which the registries and reporting system were required to be implemented and operational.

3) Requires CDPH to submit an implementation and funding schedule, in partnership with the state's existing registries, to the Legislature on or before January 1, 2027.

Comments

According to the author of this bill:

> The CCR has relied on the regional registries as the state designated agents to perform data collection for the statewide cancer surveillance system. The current three regional registries have been in operation since 2000 and are also the core registries of the Surveillance, Epidemiology, and End Results (SEER) Program of the National Cancer Institute (NCI). They have been federally funded by NCI for over 50 years and have always served as the foundation of California's cancer surveillance, preceding the state level operations of the CCR by more than a decade. The federal government, through contract awards to the three registries in California (i.e., LA Cancer Surveillance Program, Greater Bay Area Cancer Registry, and Cancer Registry of Greater California), has invested over $15 million annually to cover 80% of their operational costs, with the state covering 20%. As current law does not formally recognize the three regional registries, their eligibility is at risk for the competitive renewal of their next contracts, which could result in severe financial strain for the state to maintain the legally mandated CCR.

Background

CCR. AB 136 (Connelly, Chapter 841, Statutes of 1985) established the CCR. Today there are three regional registries: the Greater Bay Area Cancer Registry (administered by the University of California, San Francisco); the Los Angeles County Cancer Surveillance Program (administered by the University of Southern California); and, the Cancer Registry of Greater California (administered by the Public Health Institute, which covers all other counties). The CCR is California's statewide cancer surveillance system, which collects all the data from the regional registries into a statewide database. The CCR and regional registries use the data to write summary reports that inform the public, local health workers, educators, and legislators about the status of cancer. Researchers may examine the data to identify areas that have high cancer rates and areas where people might benefit from cancer screening and education programs, or to look at trends in cancer diagnosis. Other uses include measuring the success of cancer screening programs; examining disparities in cancer risk, treatment, and survival; examining treatment choices and other predictors of survival; responding to public concerns and questions about cancer; and, conducting research to find the causes and cures of cancer.

Background on SEER program and the National Program of Cancer Registries (NPCR). According to the NCI website, the SEER program is an authoritative source of information on cancer incidence and survival for the nation. SEER collects and publishes cancer incidence and survival data from population-based registries covering approximately 48% of the U.S. population. NCI staff work with the North American Association of Central Cancer Registries to guide all state registries to achieve data content and compatibility acceptable for pooling data and improving national estimates. Use of surveillance data for research is being improved through web-based access to the data and analytic tools, and linking with other national data sources. The NPCR was established by the Centers for Disease Control and Prevention to provide funding and technical assistance to statewide, population-based cancer registries. NPCR supports states and territories to improve existing cancer registries; plan and implement registries where none existed; develop model legislation and regulations for states to enhance the viability of registry operations; set standards for data completeness, timeliness, and quality; provide training for registry personnel; and, help establish a computerized reporting and data processing system. In 2006, NPCR launched the Electronic Pathology (ePath) Implementation Project to test a model for automated electronic capture and reporting of cancer registry data to central cancer registries. Following initial pilot programs, ePath has expanded to all 50 states and includes many more national and regional laboratories. In California, AB 2325 (Bonilla, Chapter 354, Statutes of 2016) required pathologists to use ePath to report cancer diagnoses beginning on January 1, 2019.

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

According to the Assembly Appropriations Committee, CDPH estimates annual General Fund costs of approximately $91,000 in fiscal year (FY) 2026-27 through FY 2028-29 to update the regulations governing CCR.

SUPPORT: (Verified 10/8/25)

Keck School of Medicine - USC (co-source)
The University of Southern California (co-source)
American Cancer Society Cancer Action Network
California Medical Association
California Professional Firefighters
City of Hope
Public Health Institute
Susan G. Komen
University of California

OPPOSITION: (Verified 10/8/25)

None received

ARGUMENTS IN SUPPORT: The sponsors and supporters state that this bill will ensure the continuation of a robust and efficient statewide cancer surveillance system while protecting vital federal funding and minimizing the state's financial burden. The sponsors state that a benefit of the CCR is that, in April 2024, cancer prevention procedures in real time were impacted when the U.S. Preventive Services Task Force issued a statement changing its guidelines for breast cancer screening to recommend that all women in the U.S. aged 40 to 74 should have a mammogram every other year, lowering the recommended age of screening by a decade. This significant change in guidelines was informed using data from the national SEER cancer registry—of which the CCR is a vital component—that found rates of breast cancer diagnosis have been on the rise in women under 50 for the past 20 years. The Public Health Institute states this bill is critical to protecting the state's ability to collect and analyze high-quality cancer surveillance data, which is essential for advancing public health research, informing policy, and improving cancer prevention and treatment strategies.

GOVERNOR'S VETO MESSAGE:

> Governor Newsom stated "while I appreciate the author's intent to maintain the integrity and effectiveness of California's cancer surveillance system […] locking a regional cancer surveillance model in statute […] constrains CDPH's ability to update its infrastructure, respond to evolving public health needs, and implement cost-saving strategies to sustain the program. The state needs flexibility to adapt to reduced federal funding, which is not provided for by this measure."

ASSEMBLY FLOOR: 80-0, 9/9/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca

Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

Prepared by: Reyes Diaz / HEALTH / (916) 651-4111
10/8/25 13:51:35

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

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VETO

Bill No: SB 756
Author: Smallwood-Cuevas (D)
Enrolled: 9/18/25
Vote: 27

SENATE BUS., PROF. & ECON. DEV. COMMITTEE: 10-0, 4/28/25
AYES: Ashby, Archuleta, Arreguín, Grayson, Menjivar, Niello, Smallwood-Cuevas, Strickland, Umberg, Weber Pierson
NO VOTE RECORDED: Choi

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

SENATE FLOOR: 37-0, 9/13/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Choi, Gonzalez, Valladares

ASSEMBLY FLOOR: 78-1, 9/12/25 - See last page for vote

SUBJECT: California Film Commission: motion picture tax credits: tracking and compliance program

SOURCE: Author

DIGEST: This bill requires the California Film Commission (CFC) to collect additional data from productions receiving motion picture tax credits; to address noncompliance with data collection requirements and; to publish an annual compliance report summarizing the collected data, trends in diversity and economic impact, and recommendations for program improvements.

ANALYSIS:

Existing law:

1) Establishes the Governor's Office of Business and Economic Development (GO-Biz) for the purpose of serving as the lead state entity for economic strategy and marketing of California on issues relating to business development, private sector investment and economic growth. (Government Code (GC) §§ 12096 – 12098.7)

2) Authorizes GO-Biz as the lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth. Authorizes GO-Biz, in this capacity, to coordinate the development of policies and criteria to ensure that federal grants administered or directly expended by state government advance statewide economic goals and objectives. Authorizes GO-Biz to market the business and investment opportunities available in California by working in partnership with local, regional, federal, and other state public and private institutions to encourage business development and investment in the state. Authorizes GO-Biz to support small businesses by providing information about accessing capital, complying with regulations, and supporting state initiatives that support small business. (GC § 12096.3)

3) Establishes the Commission, with a board consisting of 27 members, to encourage motion picture and television filming in California and make recommendations to the Legislature, the Governor, and GO-Biz to improve the position of the state's motion picture industry in the national and world markets. (GC §§ 14998 - 14998.13)

4) Requires the Commission Director to prepare and implement a program to promote media production for the benefit of the state's economy by administering a one-stop permit office, among other responsibilities. Requires the Commission to develop and oversee the implementation of a Cooperative Motion Picture Marketing Plan which shall increase Commission marketing efforts and offer state resources to local film commissions and local government liaisons to the film industry for the purpose of marketing their locales to the motion picture industry. (GC §§ 14998.and 14998.12).

5) Authorizes the Commission to allocate, and for qualified taxpayers to claim, the California Motion Picture and Television Production Credit (film tax credit) for an additional five years, starting in 2025-26 with an authorization amount of $330 million per year. Provides recipients with 96% of the credit amount and includes an additional 4% if the applicant chooses to submit a diversity workplan that includes specified diversity goals for the project. Requires applicants to submit a diversity workplan checklist, developed by the Commission upon submission of their application for the credit. Upon receipt of a tax credit, applicants who choose to submit a diversity workplan to address diversity and be broadly reflective of California's population in terms of race, ethnicity, gender, and disability status, including required components in statute and regulation. Applicants may submit an interim assessment on progress towards meeting the goals of the workplan to the Commission. Applicants who submit a diversity workplan must submit a final diversity assessment including information about how the project met or made a good-faith effort to meet the diversity workplan. Requires the Commission to submit to the Legislature on an annual basis, commencing June 30, 2027, a report containing diversity data provided by the applicants. The report shall contain, in the aggregate and per project, an assessment of whether the diversity workplan goals required by this section were met for qualified motion pictures that submitted the final assessment to the Commission in the prior fiscal year and specified details. This reporting is in addition to tax credit specific reporting to the Legislative Analyst's Office, and other aggregate data reported to the Legislature and on the Commission website.

6) Requires the Legislative Analyst Office (LAO) to provide the Assembly Committee on Revenue and Taxation, the Senate Committee on Governance and Finance, and the public a report evaluating the economic effects and administration of the film tax credit. Authorizes LAO to receive all information reported to the Commission by recipients. Requires the LAO, on or before May 1, 2025, to provide the Assembly Committee on Revenue and Taxation, the Senate Committee on Governance and Finance, and the public a report that summarizes the workforce diversity information collected by the Commission and that evaluates the effectiveness of the film tax credit in increasing the diversity of the film production workforce. (Revenue and Taxation Code (RTC) § 38.9)

7) Establishes the Civil Rights Department (CRD) and outlines various prohibited practices, including but not limited to practices by employers related to discrimination. Requires employers with 100 or more employees to submit a

pay data report to the CRD that includes specified information, including but not limited to the number of employees by race, ethnicity, and sex in specified job categories and authorizes CRD to annually publish and publicize aggregate reports based on this data. (GC §§ 12900-12907)

8) Prohibits a private or public employer with five or more employees from including on a job application any questions about conviction history before a conditional job offer has been made. (GC § 13952)

9) Prohibits an employer from asking applicants to disclose information concerning an arrest or detention that did not result in conviction, or information concerning a referral to, and participation in, any pretrial or posttrial diversion program, or concerning a conviction that has been dismissed or ordered sealed, and precludes any employer from seeking or utilizing such information as a factor in determining any condition of employment, any record of arrest or detention that did not result in conviction, or any record regarding a referral to, and participation in, any pretrial or posttrial diversion program, or concerning a conviction that has been judicially dismissed or ordered sealed pursuant to law. (Labor Code § 432.7)

This bill:

1) Requires CFC to integrate additional data collection requirements for productions receiving motion picture tax credits, including:

   a) Demographic data currently not required for all hired employees, including veteran status, and where voluntarily provided, LGBTQ+ status.

   b) Aggregate ZIP Code hiring data voluntarily reported by motion picture tax credit recipients for the purpose of assessing local workforce impacts.

   c) Apprenticeship and trainee utilization reports demonstrating the inclusion of underrepresented groups in film production trades and related industries.

2) Requires CFC, in consultation with industry stakeholders, payroll companies, and subject matter experts, to ensure clarity, feasibility, and practical implementation, to adopt definitions, reporting templates, and narrowly tailored metrics for collecting the additional data outlined in 1) above. Requires CDC to develop data collection protocols to reduce nonresponse rates.

3) Specifies that where feasible, workforce demographic and wage and hours data may be reported in aggregate using certified payroll data or verified third-party payroll reports and requires CFC to work with industry stakeholders and payroll companies to develop standardized templates to ensure data accuracy and to protect employee privacy. Requires CFC, in developing reporting templates and evaluation metrics, to consider proportional representation relative to the California general population and historic national-level underrepresentation in the film and entertainment industries.

4) Requires CFC to address noncompliance with data collection requirements through existing enforcement conditions and motion picture tax credit procedures.

5) Requires CFC to publish an annual compliance report on its website summarizing the collected data, trends in diversity and economic impact, and recommendations for improvements in the motion picture tax credit framework. The report shall be made publicly available on the commission's website.

6) Makes these requirements operative upon an appropriation by the Legislature.

Background

CFC. The Commission was created in 1984 to "enhance California's position as the premier location for motion picture production." The Commission is the state's resource for film, TV, and commercial production, providing information on production issues such as work permits and on-set safety regulations for those working in the entertainment industry. The Commission supports film, television, and commercial production of all sizes and budgets by providing one-stop support services including location and troubleshooting assistance, permits for filming at state-owned facilities, and access to resources including an extensive digital location library. The Commission also administers the state's Film and Television Tax Credit Program and serves as the primary liaison between the production community and all levels of government (including local, state, and federal jurisdictions) to eliminate barriers to filming in-state. The Commission works in conjunction with multiple local film offices/commissions across California to resolve film-related issues and handle specific filming requests.

Film and Television Tax Credits. According to the LAO, in response to the proliferation of state-level tax credits and other incentives for film and TV production in the early 2000s, the Legislature approved the creation of its own

$100 million credit in 2009 (commonly referred to as the "Film and Tax Credit 1.0"). In 2011, the Legislature extended the program for one year to 2014-15 and then extended the program for two additional years until 2016-17. CFC allocated the final $100 million authorized under the Film and TV Credit 1.0 on July 1, 2015. Applications for the credit are evaluated by the Commission, who then allocate and issue credits to successful applicants based on the amount of qualified expenditures the proposed production would make in California.

In 2014, the Legislature enacted the "Film and TV Tax Credit 2.0," which directed the Commission to allocate $230 million in credits in the 2015-16 FY, and $330 million in credits each FY through 2019-20. In 2018, the Legislature enacted the "Film and TV Tax Credit 3.0", authorizing the Commission to allocate $330 million in credits each FY through 2024-25. The enabling legislation allowed a credit equal to 20% or 25% of qualified expenditures for production of a qualified motion picture in California, with additional credits for qualified expenditures related to original photography, as defined. Additionally, the bill required applicants to submit a summary of their voluntary programs designed to increase the representation of minorities and women in certain job classifications and directed the Commission to establish the Career Pathways Training program, among other provisions.

The 2023-24 budget included changes to the film tax credit to take effect starting with tax credits awarded in 2025-26 that include, according to LAO, the following notable changes:

- Refundable Credits. Production companies allocated a tax credit may make a one-time election to make the credit refundable. This option allows taxpayers who do not have a significant California tax liability to more effectively utilize the credit. Taxpayers must apply as much of their credit to their current tax liability as possible before the excess is refundable for that year. Taxpayers may only elect to make 90% of their total credit allocation refundable, and the use of such credits must be spread across the five taxable years beginning with the year of election.

- Diversity Plans. Currently, credit recipients must submit a work plan that includes explicit diversity goals and is approved by the Commission. Starting with awards made in 2025-26, a production can receive an additional 4% credit if they submit a work plan to the Commission and the Commission determines that the recipient has made a "good-faith effort" to achieve the goals in the work plan.

The Commission has issued over $3 billion in credits to around 700 projects since its inception in 2009.

The Governor's 2025-26 budget proposes to raise the amount of tax credits available for the Commission to allocate to $750 million starting in 2025-26.

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

According to the Assembly Committee on Appropriations, this bill will result in ongoing General Fund cost pressures of an unknown amount, but likely at least $1 million, for the Legislature to appropriate funding to support GO-Biz implementation of the data collection, compliance oversight, and reporting requirements of the bill placed on the CFC.

SUPPORT: (Verified 10/17/25)

California Arts Advocates

OPPOSITION: (Verified 10/17/25)

None received

ARGUMENTS IN SUPPORT: California Arts Advocates writes that "California's Film and Television Tax Credit Program has played a key role in retaining in-state film production. Still, it lacks mechanisms to assess whether public dollars benefit diverse communities, advance union access, or contribute to local economies…Notably, the bill ensures…information will be made public and used to shape policy improvements through an annual report from the Film Commission. This builds upon best practices already in place at other public agencies, such as Los Angeles World Airports (LAWA), which require robust labor tracking." The organization states that the bill "brings transparency to a high-dollar tax incentive program, ensures public investments support inclusive job creation, and provides data to evaluate whether the fi lm credit meets its intended goals. This oversight is especially critical given the Governor's recent proposal to expand the credit program significantly despite budget deficits and weak evidence of broader economic benefit."

GOVERNOR'S VETO MESSAGE:

This bill would require the California Film Commission (CFC) to establish new data collection and compliance protocols for the California Film & TV Tax Credit Program.

I share the author's goal of ensuring that California's tax credit program lifts up underrepresented workers and communities. Recent legislation expanded support for productions that hire trainees from the Career Pathways Program, the CFC's workforce development initiative to expand access to film and television careers.

This measure, though well-intentioned, is premature and would impose significant and costly new obligations on the CFC. It proposes a process that requires the CFC to work with outside stakeholders and payroll companies to develop new definitions and standardized reporting templates. In addition, the CFC would need to create protocols to reduce nonresponse rates and collect more detailed demographic data. These requirements would necessitate a major overhaul of the CFC's data collection procedures, which were only recently refined during the rollout of Film Tax Credit 4.0, the current iteration of the program that began in July 2025.

While I am supportive of the author's effort to understand the full economic and community impact of the Film & TV Tax Credit Program, we should allow more time for the recent reforms to be implemented.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 78-1, 9/12/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Rivas

NOES: DeMaio
NO VOTE RECORDED: Zbur

Prepared by: Sarah Mason / B., P. & E.D. /
10/17/25 16:35:20

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

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VETO

Bill No: SB 757
Author: Richardson (D)
Enrolled: 9/5/25
Vote: 27

SENATE LOCAL GOVERNMENT COMMITTEE: 7-0, 4/2/25
AYES: Durazo, Choi, Arreguín, Cabaldon, Laird, Seyarto, Wiener

SENATE JUDICIARY COMMITTEE: 12-0, 5/6/25
AYES: Umberg, Niello, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Valladares

SENATE FLOOR: 40-0, 9/3/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ASSEMBLY FLOOR: 71-0, 7/14/25 - See last page for vote

SUBJECT: Local government: nuisance abatement

SOURCE: Author

DIGEST: This bill allows, until January 1, 2035, a city or county to collect fines for specified violations related to the nuisance abatement using a nuisance abatement lien or a special assessment.

ANALYSIS:

Existing law:

1) Prohibits, under the United States and California Constitutions, governments from impairing property rights without due process of law.

2) Allows counties and cities to adopt and enforce ordinances that regulate local health, safety, peace, and welfare.

3) Defines a nuisance as anything that is injurious to health, indecent or offensive to the senses, obstructs the free use of property, or unlawfully obstructs free passage.

4) Allows counties and cities to adopt ordinances that establish local procedures for abating nuisances (AB 2593, Veysey, 1965) and to recover abatement costs, including administrative costs, by using a special assessment, abatement lien, or both.

5) Allows, as an alternative to civil and criminal enforcement mechanisms, a local agency's legislative body to make any violation of any of its ordinances subject to an administrative fine or penalty (SB 814, Alquist, 1995).

6) Provides that a violation of a local ordinance is a misdemeanor, unless by ordinance it is made an infraction. In general, an ordinance violation that a local agency makes an infraction is punishable by:

   a) A fine not more than $100 for a first violation;

   b) A fine not more than $200 for a second violation of the same ordinance within one year; and

   c) A fine not more than $500 for each additional violation of the same ordinance within one year.

7) Allows higher fines for violations of building and safety codes:

   a) A fine not more than $130 for a first violation;

   b) A fine not more than $700 for a second violation of the same ordinance within one year;

   c) A fine not more than $1,300 for each additional violation of the same ordinance within one year; and

   d) A fine not exceeding $2,500 for each additional violation of the same ordinance within two years of the first violation if the property is a commercial property that has an existing building at the time of the

violation, and the violation is due to failure by the owner to remove visible refuse or failure to prohibit unauthorized use of the property.

8) Allows cities and counties to also impose fines and penalties through civil or criminal proceedings. These fines and penalties are limited to $1,000 per violation and six months in prison.

9) Requires a local agency that imposes administrative fines or penalties to adopt an ordinance specifying the administrative procedures that govern the imposition, enforcement, collection, and administrative review of those fines or penalties. The administrative procedures must grant a reasonable time to remedy a continuing violation before the imposition of administrative fines or penalties when the violation pertains to building, plumbing, electrical, or other similar structural and zoning issues that do not create an immediate danger to health or safety. State law allows a person responsible for the violation to appeal the fine or penalty in court.

This bill:

1) Authorizes, until January 1, 2035, a city or county collect fines for violations that apply to electrical, plumbing, or other similar zoning or structural issues that create a danger to health and safety through a nuisance abatement lien or a special assessment.

2) Prohibits specially assessing fines or penalties or using a nuisance abatement lien for fine collection for a violation that creates a danger to health or safety against a parcel, unless the city or county has provided 30 days for a person responsible for a continuing violation to correct or otherwise remedy the violation prior to the imposition of administrative fines or penalties, except where the violation creates an immediate danger to health or safety.

3) Requires a city or county that imposes fines through this mechanism to establish a process for granting a hardship waiver to reduce the amount of the fine upon a showing by the responsible party that the responsible party has made a bona fide effort to comply after the first violation and that payment of the full amount of the fine would impose an undue financial burden on the responsible party.

4) Requires a city or county to grant total waivers of all fines and penalties for persons with income that is equal to or less than 200 percent of the federal poverty line, as defined.

5) Restricts any fines and penalties that are recovered using SB 757's new authority to be used only to fund efforts within city or county government to streamline the issuance of permits for housing development or establish of a revolving loan fund at the municipal level for rehabilitating substandard housing.

Comments

Purpose of this bill. According to the author, "Local governments use various enforcement strategies to make buildings safer. One important strategy is to fine slumlords for having nuisances on their properties. Fines hit bad actors where it hurts: their pocketbook. If they don't fix it, the city or county can abate the nuisance for them. Local agencies can only recover the costs of abating the nuisance through a special assessment against the property; they can't make the landlord pay the fines in the same way – they have to go to court. These fines accumulate into large debts, which hinder cities' and counties' efforts to protect their residents from unsafe buildings."

Lien on me. Special assessments and abatement liens are powerful debt collection mechanisms, which local officials can use to foreclose and sell real property. Specifically, the county tax collector can sell the property after three years to recover unpaid delinquent assessments. When local governments use such powerful tools, property owners need substantial due process safeguards. Local administrative proceedings must meet minimum due process standards established by the courts, including adequate notice to the proper parties, a reasonable opportunity to be heard, and a chance to challenge the evidence. Additionally, state law specifically allows property owners to appeal local administrative fines and penalties in Superior Court. However, allowing local officials to collect unpaid administrative fines with special assessments and abatement liens puts the burden on the property owner to dispute the fines after they have already been collected, instead of requiring a local government to go to court when a property owner doesn't pay. This makes it easier for local governments to collect the money, but harder for a property owner to dispute improperly imposed fines. Before allowing local officials to collect unpaid administrative fines with special assessments and abatement liens, the Legislature may wish to consider whether existing administrative protections and appeals opportunities adequately protect property owners' due process rights.

Related/Prior legislation

The Legislature has considered five other measures that would grant similar authority, specifically:

AB 2317 (Saldana, 2010), which would have allowed local governments to use nuisance abatement liens and special assessments to collect administrative penalties, with a sunset date of January 1, 2014. Governor Schwarzenegger vetoed AB 2317.

AB 129 (Beall, 2011), which would have allowed local governments to use special assessments for unpaid fines or penalties after following specified procedures. Governor Brown vetoed AB 129.

AB 345 (Ridley-Thomas, 2017) expanded nuisance abatement liens and special assessments to include administrative penalties, with a sunset date of January 1, 2023, and would have also increased the maximum administrative fines for violations of city building codes and safety standards. AB 345 was subsequently amended for an unrelated purpose.

SB 1416 (McGuire, 2018), which was substantially identical to SB 757. Governor Brown vetoed SB 1416.

Finally, last year the Legislature considered AB 491 (Wallis), which would have codified local governments' "ordinary" (not super priority) lien authority for fines and penalties and streamlined the process of getting a judgment for unpaid fines and penalties. AB 491 was held in the Senate Judiciary Committee. This year, AB 632 (Hart) was a reintroduction of that bill, which was vetoed by the Governor.

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

SUPPORT: (Verified 10/17/25)

California Association of Code Enforcement Officers
City of Compton
City of Oakland
Rural County Representatives of California

OPPOSITION: (Verified 10/17/25)

ACLU California Action
Debt Free Justice California
Western Center on Law & Poverty, INC.

GOVERNOR'S VETO MESSAGE:

This bill would permit a city or county to collect fines for specified violations related to nuisance abatements using a nuisance abatement lien or a special assessment.

I appreciate the author's intent to provide local agencies with additional tools to efficiently enforce health and safety violations. However, I am concerned about this bill's expansion of local authority. Balancing the due process rights of homeowners with a local government's authority to levy nuisance abatement fines is crucial. I believe existing law, which mandates judicial approval for imposing a lien for unpaid fines, effectively achieves this balance.

For this reason, I cannot sign this bill.

ASSEMBLY FLOOR: 71-0, 7/14/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lowenthal, Macedo, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Sharp-Collins, Solache, Soria, Stefani, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO VOTE RECORDED: Bonta, Bryan, Lee, McKinnor, Celeste Rodriguez, Schiavo, Schultz, Ta

Prepared by: Anton Favorini-Csorba / L. GOV. / (916) 651-4119
10/17/25 12:21:33

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

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VETO

Bill No: SB 761
Author: Ashby (D), et al.
Enrolled: 9/18/25
Vote: 27

SENATE EDUCATION COMMITTEE: 7-0, 4/9/25
AYES: Pérez, Ochoa Bogh, Cabaldon, Choi, Cortese, Gonzalez, Laird

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

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

SENATE FLOOR: 39-0, 6/4/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Reyes

SENATE FLOOR: 38-0, 9/12/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Choi, Gonzalez

ASSEMBLY FLOOR: 80-0, 9/11/25 - See last page for vote

SUBJECT: CalFresh: student eligibility

SOURCE: Alliance for a Better Community
California Competes: Higher Education for a Strong Economy
Junior Leagues of California State Public Affairs Committee
Southern California College Attainment Network

DIGEST: This bill (1) requires the California Student Aid Commission (CSAC) to amend its Grant Delivery System to ensure students who may be eligible for CalFresh are identified; (2) deems campus-based programs of study at a public institution of higher education, as specified, as a state-approved local education program that increases employability, as having an "employment and training component" and therefore qualify for the student exemption for CalFresh eligibility.

ANALYSIS:

Existing federal law:

1) Prohibits an individual who is enrolled at least half-time in an institution of higher education from eligibility for Supplemental Nutrition Assistance Program (SNAP) benefits, unless the student qualifies for an exemption. To be eligible for an exemption, a student must meet at least one of the following criteria:

a) Be age 17 or younger, or age 50 or older.

b) Be physically or mentally "unfit."

c) Be receiving Temporary Assistance for Needy Families (TANF) under Title IV of the federal Social Security Act (known as CalWORKs in California).

d) Be employed for a minimum of 20 hours per week.

e) Be participating in a state or federally financed work-study program during the regular school year, as specified.

f) Be participating in an on-the-job training program, as specified.

g) Be responsible for a child under 6.

h) Be responsible for the care of a child 6-11 years old when the State agency has determined that adequate child care is not available to enable the student to attend class and comply with the work requirements.

i) Be a single parent enrolled in an institution of higher education on a full-time basis (as determined by the institution) and be responsible for the care of a dependent child under age 12.

j) Be enrolled in an employment and training or another job-training program, as specified. (Title 7 Code of Federal Regulations (CFR) § 273.5)

Existing state law:

1) Requires CSAC to notify, in writing, a recipient of a Cal Grant award if that student's grant includes any amount of funding that has been derived from the TANF block grant or state match, in order for the student to verify that the student qualifies for the exemption from the CalFresh program student eligibility rules. (Education Code (EC) § 69519.3)

2) Requires CSAC to notify students of their exemption from the CalFresh program student eligibility rules and their potential eligibility for CalFresh benefits, to the extent CSAC possesses the pertinent information and is permitted by federal law to use information to determine a student's CalFresh eligibility. (EC § 69519.3)

3) Requires each campus of the California State University (CSU) and each community college district, and requests and each campus of the University of California (UC), each independent institution of higher education, and each private postsecondary educational institution, to use the Free Application for Federal Student Aid (FAFSA) data to identify students who meet the income qualifications for CalFresh. (EC § 66023.6)

4) Requires each CSU campus and each community college district to send an email to the campus-based email account associated with a student informing the student that they may qualify for CalFresh if the student can also meet one of the exemptions. The email must encourage the student to contact the local county welfare agency to apply for CalFresh and include the contact information for the local county welfare agency and the designated campus staff who can assist the student in applying for CalFresh. (EC § 66023.6)

This bill:

1) Requires CSAC to amend its Grant Delivery System, by January 1, 2027, to ensure both of the following:

a) Students who might be eligible for CalFresh through its Grant Delivery System are identified.

b) Students identified as potentially eligible for CalFresh have the ability to provide separate and distinct consent to have the student's contact information shared with the Department of Social Services (DSS) for the sole purpose of identifying, supporting, and linking students to on- and off-campus basic needs services and resources, including conducting direct outreach.

2) Requires CSAC to provide DSS with information for students who have provided separate and distinct consent to have their contact information shared pursuant to # 3 and # 5 below.

3) Requires DSS and CSAC to develop a data-sharing agreement meeting the requirements of applicable state and federal law and regulations, under which CSAC shall share the student information described in # 1 and # 2 above.

4) Prohibits data shared pursuant to this bill from being shared with any other entity or used for any purpose other than for identifying, supporting, and linking students to on- and off-campus basic needs services and resources, including conducting direct outreach to students about the CalFresh program.

5) Requires DSS and CSAC to develop a data-sharing agreement meeting the requirements of applicable state and federal law and regulations, under which CSAC shall share the student information with DSS. Authorizes DSS to share the student information with the appropriate county human services agency and the appropriate public postsecondary education systemwide office of the campus in which the student is enrolled for the sole purpose of identifying, supporting, and linking students to on- and off-campus basic needs services and resources, including conducting direct outreach to students about the CalFresh program.

6) Requires counties, California Community Colleges (CCCs), and CSU, and requests the University of California (UC), (if a data-sharing agreement has been entered into) beginning with the 2027-28 academic year, to contact all students who opted in to have their contact information shared with DSS for the purposes of informing students about on- and off-campus basic needs services and resources, including the CalFresh program.

7) Requires, beginning on or before July 1, 2026, any campus-based program of study at a public institution of higher education, to the extent permitted by federal law, to be considered as a state-approved local educational program that increases employability that has a component that is equivalent to a required federal component, as specified.

8) Requires the office of the Chancellor of the CCC and the office of the Chancellor of the CSU, and requests the office of the President of UC, to submit to DSS a list of their offered campus-based programs of study. Requires DSS to approve those programs.

9) Authorizes a campus-based program at a campus of the CCCs, CSU, or UC that is not included in the list, or that is rejected by DSS, to submit a certification application to DSS. Authorizes DSS to approve the certification application for campus-based programs that meet specified requirements. Prohibits these segments of postsecondary education from being required to resubmit to DSS a list of their offered campus-based programs of study if those programs have been approved as a local educational program that increases employability.

10) Requires DSS, by September 1, 2026, and annually thereafter until 2030, to report to the legislative committees on Higher Education, Education, and Human Services in both houses (and post on its website) on all of the following information:

    a) The number of state-approved campus-based local educational programs that increase employability that are approved, disaggregated by name and campus.

    b) The number of pending applications, disaggregated by name and campus.

    c) The number of applications denied, disaggregated by name and campus, and the reason for the denials.

11) Requires DSS to implement and administer these provisions through all-county letters or similar instructions that shall have the same force and effect as regulations.

12) Requires DSS, by May 31, 2026, to issue a guidance letter to the CCC Chancellor's Office, the CSU Chancellor's Office, and the Office of the President of UC that notifies them of the changes made pursuant to this bill.

13) Strikes existing provisions requiring DSS to issue a guidance letter to counties, the CCC Chancellor's Office, the CSU Chancellor's Office, and the Office of the President of UC relating to submission of a certification application for programs that increase employability.

Comments

Sharing of student data. This bill requires CSAC to provide a way for students who may be eligible for CalFresh to give permission to have their contact information shared with DSS. This approach appears to be generally modeled on a data-sharing agreement between Compton Community College and the Los Angeles County Department of Public Social Services. Students enrolled in Compton College who have submitted a FAFSA are asked if they are interested in being evaluated for county services. Consent forms are provided to students who answer in the affirmative. Compton College then provides the county with student data to be matched with county caseload records to identify CalFresh participation among those students. Compton College uses the results to initiate targeted CalFresh outreach to students. According to the LA County Department of Public Social Services, of the 1,136 students who signed the consent form from the inception of this project, only 156 students were already receiving CalFresh (980 students were not). Of the 980 students who were not already receiving CalFresh, 470 students have since been connected to CalFresh through this partnership.

Programs to increase employability. One of the criteria for students to be eligible for CalFresh is enrollment in an employment and training or another job-training program. Federal regulations require an employment and training program to include specified components, including educational programs or activities to improve basic skills, build work readiness, or otherwise improve employability including educational programs determined by the State agency (DSS) to expand the job search abilities or employability of those subject to the program.

In accordance with federal regulation, programs that qualify as a program that increases employability must meet two criteria:

- Be government-run; and,
- Contain the equivalent of a CalFresh employment and training component listed in federal regulations.

According to the federal regulations, allowable educational programs or activities may include, but are not limited to, courses or programs of study that are part of a program of career and technical education, adult basic skills, work readiness training, and instructional programs in English as a second language. The regulations further prescribe that only educational components that directly enhance the employability of the participants are allowable. A direct link between the education and job-readiness must be established for a component to be approved.

Campus based programs that meet these requirements must submit an application to DSS, which maintains a list of approved programs on its website. Any newly qualifying programs that meet the eligibility requirements after September 1, 2022, must be identified within six months of the formation of the program. After September 1, 2022, the list will be updated monthly to identify new programs, newly qualifying programs and previously approved programs that no longer meet the criteria. As of May 1, 2023, there were over 8,300 programs in California institutions of higher education that have been approved by DSS as containing at least one employment and training component, making students who participate in these programs exempt from the CalFresh student eligibility rule. **https://www.cdss.ca.gov/inforesources/calfresh-resource-center/policy**

This bill requires any campus-based program of study that has a component equivalent to an employment and training component (pursuant to federal regulations) to be considered as a state-approved local education program that increases employability (to the extent permitted by federal law). This change eliminates DSS' role in reviewing individual programs, leaving it up to the institutions of higher education to determine which programs have a component equivalent to an employment and training component.

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

According to the Assembly Appropriations Committee, this bill would impose the following costs:

- Ongoing General Fund costs of approximately $440,000 for the DSS to hire two full-time permanent staff to implement the data sharing requirements of

the bill.

- Minor and absorbable costs to the UC and CSU.

- According to CSAC, by facilitating increased access to federal benefits for college students the bill may result in millions of dollars in additional federal funds to help higher education students pay for food costs.

SUPPORT: (Verified 10/19/25)

Alliance for a Better Community (co-source)
California Competes: Higher Education for a Strong Economy (co-source)
Junior Leagues of California State Public Affairs Committee (co-source)
Southern California College Attainment Network (co-source)
Asian Americans Advancing Justice Southern California
Association of Pupil Services and Attendance Counselors
C5LA
California Association of Food Banks
California Community Colleges, Chancellor's Office
California Community Foundation
California Opportunity Youth Network
California State Student Association
California Student Aid Commission
Citrus College
Coalition of California Welfare Rights Organizations
College Access Plan
Fulfillment Fund
Go Public Schools
Grace Institute - End Child Poverty in CA
Junior League of Palo Alto-Mid Peninsula
Junior League of San Jose
Kid City Hope Place
Legal Aid Foundation of Los Angeles
Los Angeles Regional Food Bank
Los Angeles Urban Foundation
Los Angeles Urban League
MOSTe
North Orange County Community College District
San Bernardino Community College District
San Diego Hunger Coalition
San Francisco Rising

Second Harvest Food Bank of Orange County
Student Senate for California Community Colleges
Swipe Out Hunger
UCLA Undergraduate Student Association Council
University of California
University of California Student Association
Western Center on Law & Poverty
Young Invincibles

OPPOSITION: (Verified 10/19/25)

None received

GOVERNOR'S VETO MESSAGE:

This bill requires the California Student Aid Commission (CSAC) to amend its Grant Delivery System to ensure students who may be eligible for CalFresh are identified. The bill also requires data-sharing agreements between CSAC and the California Department of Social Services (CDSS), as well as between county welfare departments and the systemwide offices of the public postsecondary education systems, for the purpose of conducting direct outreach to students about CalFresh eligibility.

I strongly support the author's goal of expanding eligible college student participation in the CalFresh program and applaud the author for her commitment to this issue. However, as drafted, this bill contains significant policy and implementation challenges with respect to the required data-sharing agreements. I encourage the author to work with CDSS on a more implementable solution that reduces both privacy risks and the complexity of creating new data-sharing systems across multiple agencies.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 80-0, 9/11/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson,

Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

Prepared by: Lynn Lorber / ED. / (916) 651-4105
10/20/25 9:54:45

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

Office of Senate Floor Analyses
(916) 651-1520 Fax: (916) 327-4478

VETO

Bill No: SB 764
Author: Weber Pierson (D), et al.
Enrolled: 9/5/25
Vote: 27

SENATE HEALTH COMMITTEE: 11-0, 4/9/25
AYES: Menjivar, Valladares, Durazo, Gonzalez, Grove, Limón, Padilla, Richardson, Rubio, Weber Pierson, Wiener

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

SENATE FLOOR: 40-0, 9/3/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ASSEMBLY FLOOR: 74-0, 8/28/25 (Consent) - See last page for vote

SUBJECT: Chain restaurants: children's meals

SOURCE: American Diabetes Association (co-source)
American Heart Association (co-source)

DIGEST: This bill requires a chain restaurant that sells a children's meal, to offer at least one children's meal that meets specified nutritional requirements.

ANALYSIS:

Existing law:

1) Establishes the California Retail Food Code (CalCode) to provide for the regulation of retail food facilities. Health and sanitation standards are established at the state level through the CalCode, while enforcement is charged to local agencies, carried out by the 58 county environmental health departments, and four city environmental health departments (Berkeley, Long Beach, Pasadena, and Vernon). [Health and Safety Code (HSC) §113700, et seq.]

2) Defines a "food facility" as an operation that stores, prepares, packages, serves, vends, or otherwise provides food for human consumption at the retail level. Excludes various entities from the definition of a "food facility," including a cottage food operation, and a church, private club, or other nonprofit association that gives or sells food to its members and guests, and not to the general public, at an event that occurs no more than three days in any 90-day period. [HSC §113789]

3) Requires a restaurant that sells a children's meal to make the default beverage offered with the children's meal one of the following:

   a) Water, sparkling, or flavored water, with no added natural or artificial sweeteners;
   b) Unflavored milk; or,
   c) A nondairy milk alternative that contains no more than 130 calories per container or serving that meats the standards for the National School Lunch Program. [HSC §114379.20]

4) Defines "children's meal," for purposes of the requirement in 3) above, to mean a combination of food items and a beverage, or a single food item and a beverage, sold together at a single price, intended primarily for consumption by a child. [HSC §114379.10]

5) Specifies that the requirement in 3) above, does not prohibit a restaurant's ability to sell an alternative beverage instead of the default beverage offered with the children's meal, if requested by the purchaser of the children's meal. [HSC §114379.30]

6) Specifies that a violation of the Children's Meal requirements described in 3) above, notwithstanding existing misdemeanor penalties with fines of up to $1,000 for other violations of the CalCode, is an infraction, with a first violation only resulting in a notice of violation, a second violation within a five-year period from the initial notice of violation subject to a $250 fine, and a third or

subsequent violation within a five-year period subject to a fine of up to $500. [HSC §114379.50]

7) Requires a food facility, as defined in federal law, as a chain restaurant with 20 or more locations, to comply with federal menu labeling requirements that provide calorie and other nutritional information. Provides for local enforcement of the menu labeling requirement, and provides for a fine of between $50 and $500 for a first violation, between $100 and $1,000 for a second violation in a five-year period, and a fine of between $250 and $2,500 for subsequent violations. [HSC §114094]

This bill:

1) Requires a chain restaurant, as defined, that sells a children's meal, to offer at least one children's meal that meets specified nutrition standards.

2) Prohibits the children's meal required to be offered under this bill from containing more than any of the following:

   a) 550 calories;
   b) 700 milligrams of sodium;
   c) 10% of calories from saturated fat;
   d) 15 grams of added sugar; or,
   e) Zero grams of trans fat.

3) Requires a children's meal required to be offered under this bill to include at least two of the following servings:

   a) A serving of one-half cup or more of fruit, and specifies that 100% fruit juice is considered a serving of fruit;
   b) A serving of one-half cup or more of vegetables;
   c) A serving of one-half cup or more nonfat or low-fat dairy;
   d) A serving of eight or more grams of whole grains in which the serving contains 50% or more of whole grain ingredients, or the first ingredient in the serving's ingredient list is whole grains; or,
   e) A serving of meat or a meat alternative equal to at least one of the following:

      i) One ounce of meat, poultry, or seafood;
      ii) One egg;
      iii) One-fourth of a cup of soy products or pulses, including beans, peas, or lentils;
      iv) Two tablespoons of nut butter; or,

v) One ounce of nuts and seeds.

4) Requires a chain restaurant that sells children's meals to include an icon or symbol on the menu to identify the children's meal that meets the requirements of this bill. Requires the icon or symbol and accompanying text to be displayed prominently, clearly, and conspicuously next to or directly under the name of the health children's meal, and at a height no smaller than the largest letter in the name of the item.

5) Requires a chain restaurant that sells a children's meal, by July 1, 2026, to include information on how to comply with this bill's requirements during an employee's ongoing training program and a new employee's training process.

6) Defines "chain restaurant," as a restaurant or similar retail food establishment that is part of a chain with 20 or more locations doing business under the same name and offering for sale substantially the same menu items, regardless of the type of ownership of the locations.

7) States that the Legislature finds and declares that the nutrition standards in this bill are informed by the Dietary Guidelines for Americans and the National Restaurant Association's 2021 Kids LiveWell 2.0 nutrition standards for children's meals.

Comments

According to the author of this bill:

> I am deeply committed to ensuring that all children in California have access to healthy meals that support their growth and development. As a physician, I've seen the alarming impact of poor nutrition on children's health, and as a mother, I know how challenging it can be to find healthy options when dining out. Currently, our state faces a childhood obesity crisis, and we must take action now to reverse these trends. This bill is an important step forward. This bill will require chain restaurants to offer healthier meal options for children, helping families make better food choices when dining out. By setting clear nutritional standards and providing training for restaurant employees, we are making it easier for parents to provide healthy meals for their kids, no matter where they eat. As a mother, I know how important it is to set our children up for a healthy future. This bill will help ensure that children's meals not only meet basic nutritional standards but also support their long-term health. It's time to prioritize our children's well-being and take steps toward a healthier California for all.

Background

According to information provided by the author, restaurants are a key source of food for families in California. Families with children consume food away from home four to five times a week on average. Between 2015 and 2018, children ages two to 11 years old consumed an average of 11.4% of their daily calories from fast food alone. While some chain restaurants such as McDonald's have made their kids' meals healthier, much of the food offered on restaurant children's menus does not meet minimum nutrition standards for healthy meals. A 2018 analysis of kids' meal combinations at the top 50 U.S. restaurant chains (as ranked by revenue) found that, among the chains with kids' menus, 71.9% of kids' meals did not meet expert nutrition standards for calories, total fat, saturated fat and trans fat combined, and sodium. California is facing a childhood nutrition and weight crisis. In 2017, 40% of 5th graders, 38% of 7th graders, and 36% of 9th graders were overweight or obese for their age. Native Hawaiian, Pacific Islander, Latino and Black children had disproportionately higher rates of obesity than other racial and ethnic groups. Compared with children at a healthy weight, children with obesity are at higher risk for a range of health problems, including asthma, high blood pressure, high cholesterol, and type 2 diabetes; they also are more likely to become obese as adults.

Based on the National Restaurant Association's voluntary Kids LiveWell program. According to its website, the National Restaurant Association launched Kids LiveWell (KLW) in 2011 to help parents and children select better for you menu options when dining out. Restaurants that participate in this voluntary program commit to offering healthful meal items for children with a particular focus on increasing consumption of fruits and vegetables, lean protein, whole grains, and low-fat dairy while limiting unhealthy fats, sugars, and sodium. The National Restaurant Association "relaunched" this effort in 2021, which they refer to as KLW 2.0, to better align with the current nutrition science. The key changes reflected in KLW 2.0 include omitting the total fat criterion to instead focus on limiting saturated fat and eliminating trans fat, and replacing the total sugars criterion to focus on added sugars, among other updates. Restaurants participating in KLW agree to offer at least two children's meals (compared to just one under this bill) that meet the specified criteria. The limits on calories, calories from saturated fat, added sugars, and sodium, as well as the exclusion of trans fat, are the same in both this bill and KLW. Likewise, both KLW and this bill require the meals to include servings from at least two of five specified food groups, and that at least one of the servings must be a fruit or vegetable. According to its website, 21 brands of restaurants have agreed to participate in the KLW program, including

Applebee's Buffalo Wild Wings, Burger King, Chipotle, Denny's, IHOP, Panda Express, and Subway.

Builds on existing requirements on children's meals. SB 1192 (Monning, Chapter 608, Statutes of 2018) established a requirement for restaurants that sell children's meals to make either water, milk, or a nondairy milk alternative the default beverage that is offered with the children's meal. As part of this bill, "children's meals" were defined, and a softer enforcement structure was established with an initial warning letter, followed by fines that are capped at $500 for repeated violations. This bill builds on SB 1192, amending the same chapter of law and utilizing the existing definition of "children's meals." Any violations of this bill therefore will be subject to the enforcement provisions established under SB 1192.

Nutrition information on menus of chain restaurants. SB 1420 (Padilla, Chapter 600, Statutes of 2008) required every food facility that is part of a chain of at least 20 food facilities with the same name that sell substantially the same menu items, to disclose to consumers specified nutritional information, including the calorie content, for all standard menu items. Subsequently, as part of the Patient Protection and Affordable Care Act of 2010 (ACA), the federal government enacted a similar requirement. Following the enactment of the ACA, the state menu labeling law was repealed (contingent on enactment of the federal implementing regulations) in order to have California conform to the very similar federal requirements. Under the federal regulations, chain restaurants must disclose the number of calories contained in standard items on menus and menu boards. For self-service foods and foods on display, the calories must be listed in close proximity and clearly associated with the standard menu item. The restaurants must also provide, upon request, the following written information for standard menu items: total calories; total fat; saturated fat; trans fat; cholesterol; sodium; total carbohydrates; sugars; fiber; and, protein. In addition, two statements must be displayed – one indicating this written information is available upon request, and the other about daily calorie intake, indicating that 2,000 calories a day is used for general nutrition advice, but calorie needs may vary.

Related/Prior legislation

SB 348 (Skinner, Chapter 600, Statutes of 2023) requires schools to provide students with adequate time to eat following guidelines established by the California Department of Education (CDE); makes various conforming changes to the school meal program to implement the free universal school breakfast and lunch program; and, requires the CDE, in partnership with the California School Nutrition Association to develop guidelines to reduce the sugar and sodium content

in school meals if the National School Lunch Program allows more added sugar or sodium than is recommended by the most recent Dietary Guidelines for Americans at any time in the future.

SB 347 (Monning of 2019) would have established the Sugar-Sweetened Beverages Health Warning Act, to be administered by the California Department of Public Health, and required a safety warning on all sealed sugar-sweetened beverage containers, as specified. Would have required the warning label to be posted in a place that is easily visible at the point-of-purchase of an establishment where a beverage container is not filled by the consumer. SB 347 was not heard in Assembly Health Committee.

SB 1192 (Monning, Chapter 608, Statutes of 2018) requires restaurants that sell children's meals to make either water, milk, or a nondairy milk alternative the default beverage that is offered with the children's meal.

SB 300 (Monning of 2017), SB 203 (Monning of 2015), and SB 1000 (Monning of 2014) were all substantially similar to SB 347 of 2019. SB 300 was not heard in Senate Health Committee, SB 203 failed passage in the Senate Health Committee, and SB 1000 failed passage in the Assembly Health Committee.

SB 1420 (Padilla, Chapter 600, Statutes of 2008) requires every food facility in the state that operates under common ownership or control or operates as a franchised outlet of a parent company, with at least 19 other food facilities or franchises with the same name that sell substantially the same menu items, to disclose to consumers specified nutritional information for all standard menu items. SB 1420 excluded specified facilities, such as grocery stores, convenience stores, public and private school cafeterias, and vending machines from these requirements. SB 1420 also provided definitions for calorie content information, drive-through, menu board, and others, and describes nutritional information to include total number of calories, grams of carbohydrates, grams of saturated fat; and milligrams of sodium.

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

According to the Assembly Appropriations Committee, there are no state costs.

SUPPORT: (Verified 10/20/25)

American Diabetes Association (co-source)
American Heart Association (co-source)
American Academy of Pediatrics, California
California Medical Association

California State Alliance of YMCAs
California State PTA
Center for Science in the Public Interest

OPPOSITION: (Verified 10/20/25)

None received

ARGUMENTS IN SUPPORT: This bill is co-sponsored by the American Heart Association (AHA) and the American Diabetes Association (ADA).

According to AHA and ADA, research consistently shows that children who consume diets high in sodium, added sugars, and saturated fats face a significantly heightened risk of developing high blood pressure, type 2 diabetes, and other chronic conditions later in life. Restaurants are a frequent source of food for American families, and when families dine out, children tend to consume more calories, sugars, sugary drinks, saturated fat, and sodium than they would if they ate at home. By requiring chain restaurants to offer at least one children's meal that meets expert nutrition standards, this bill takes an important step toward improving the dietary environment for California's children and protecting them from early risk factors tied to obesity and cardiovascular disease. The Center for Science in the Public Interest (CSPI) states that when at restaurants, 64% of caregivers of children under the age of six reported ordering a kids' meal for their child. Children's menu items commonly include fried chicken, burgers, and fried potatoes, and as a result, children and parents are accustomed to seeing unhealthy foods on the kids menu. CSPI is supportive of the approach to require chain restaurants to serve at least one kids' meal to meet nutrition standards, and also encourages lawmakers to consider requiring chain restaurants to serve at least two kids' meals or 25% of the kids' menu, whichever is greater, that meet the nutrition standard, so that healthy kids meal options are not lost amongst the many other options available.

GOVERNOR'S VETO MESSAGE:

> This bill requires all chain restaurants that sell children's meals to offer at least one healthy option for children and provide training to their employees on nutritional standards.
>
> My administration has championed multiple efforts to ensure that children in California are not only fed, but also receive more nutritious meals. From the

California Universal Meal Program, to the Summer Electronic Benefits Transfer (SUN Bucks) program, to the Farm to School Program, we are at the forefront of increasing nutritious, local foods in meals for children.

However, this bill regulates restaurants in a way that is unnecessary and overly burdensome. Parents understand their children's needs and how to determine appropriate meals for them when eating at restaurants.

For this reason, I cannot sign this bill.

ASSEMBLY FLOOR: 74-0, 8/28/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Ellis, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO VOTE RECORDED: Alvarez, Berman, Elhawary, Gallagher, Valencia

Prepared by: Vincent D. Marchand / HEALTH / (916) 651-4111
10/20/25 11:42:46

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

Office of Senate Floor Analyses
(916) 651-1520 Fax: (916) 327-4478

VETO

Bill No: SB 771
Author: Stern (D), et al.
Enrolled: 9/16/25
Vote: 27

SENATE JUDICIARY COMMITTEE: 10-0, 4/29/25
AYES: Umberg, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Weber Pierson, Wiener
NO VOTE RECORDED: Niello, Valladares, Wahab

SENATE APPROPRIATIONS COMMITTEE: 4-0, 5/23/25
AYES: Caballero, Cabaldon, Grayson, Richardson
NO VOTE RECORDED: Seyarto, Dahle, Wahab

SENATE FLOOR: 30-8, 9/11/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener
NOES: Alvarado-Gil, Choi, Dahle, Grove, Jones, Ochoa Bogh, Seyarto, Strickland
NO VOTE RECORDED: Niello, Valladares

ASSEMBLY FLOOR: 51-2, 9/10/25 - See last page for vote

SUBJECT: Personal rights: liability: social media platforms

SOURCE: AAUW of California
Children's Advocacy Institute, University of San Diego School of Law
Consumer Federation of California
Jewish Family and Children's Services of San Francisco
Loma LGBTQA+ Alumni and Allies
Rainbow Spaces
San Diego Democrats for Equality, Executive Board

Stop the Cycle

DIGEST: This bill creates, effective January 1, 2027, a civil action against a social media platform, as defined, with over $100 million in gross annual revenues that aids and abets the commission of, conspires with a person to violate, or is a joint tortfeasor for a violation of, specified civil rights and hate crime laws.

ANALYSIS:

Existing federal law:

1) Provides that a provider or user of an interactive computer service shall not be treated as the publisher or speaker of any information provided by another information content provider. (47 United States Code (U.S.C.) § 230(c)(1).)

2) Provides that a provider or user of an interactive computer service shall not be held liable on account of:

   a) any action voluntarily taken in good faith to restrict access to, or availability of, material that the provider or user considers to be obscene, lewd, lascivious, filthy, excessively violent, harassing, or otherwise objectionable, whether or not such material is constitutionally protected; or

   b) any action taken to enable or make available to information content providers or others the technical means to restrict access to such material. (47 U.S.C. § 230(c)(2).)

Existing state law:

1) Defines "social media platform" as a public or semipublic internet-based service or application that has users in California and that meets both of the following criteria:

   a) A substantial function of the service or application is to connect users in order to allow users to interact socially with each other within the service or application; a service or application that provides email or direct messaging services, without more, does not meet this criterion.

   b) The service or application allows users to do all of the following: (1) construct a public or semipublic profile for purposes of signing into and using the service or application; (2) populate a list of other users with whom an individual shares a connection within the system; (3) create or post content viewable by other users, including, but not limited to, on message

boards, in chat rooms, or through a landing page or main feed that presents the user with content generated by other users. (Business (Bus.) & Professions (Prof.) Code, § 22675(f).)

2) Defines the following additional relevant terms:

   a) "Content" means statements or comments made by users and media that are created, posted, shared, or otherwise interacted with by users on an internet-based service or application; "content" does not include media put on a service or application exclusively for the purpose of cloud storage, transmitting files, or file collaboration.

   b) "Public or semipublic internet-based service or application" excludes a service or application used to facilitate communication within a business or enterprise among employees or affiliates of the business or enterprise, provided that access to the service or application is restricted to employees or affiliates of the business or enterprise using the service or application. (Bus. & Prof. Code, § 22675(c), (d).)

3) Establishes the Ralph Civil Rights Act of 1976 (Ralph Act), the Tom Bane Civil Rights Act (Tom Bane Act), and prohibitions against sexual harassment in the workplace, which generally protect persons from violence or threats of violence on the basis of specified characteristics or their political affiliation;, interference with the exercise of constitutional rights or rights protected by law; and sexual harassment. (Civ. Code, §§ 51, 51.7, 51.9, 52.)

This bill:

1) Makes uncodified statements relating to the prevalence of threats, coercive harassment, and intimidation on social media platforms, and the need for legislative action to protect Californians from these harms.

2) Establishes Title 23 within Part 4 of Division 3 of the Civil Code (Title 23).

3) Defines, for purposes of Title 23, a "social media platform" as a social media platform as defined in Section 22675 of the Business and Professions Code that generates more than $100,000,000 per year in gross revenues.

4) Provides that a social media platform that violates the Ralph Act, the Tom Bane Act, or Section 51.9 or 52 of the Civil Code, including through its algorithms that relay content to users, or aids, abets, acts in concert, or conspires in a violation of any of those sections, or is a joint tortfeasor in an action alleging a violation of any of those sections, shall, in addition to any other remedy, in an

action brought pursuant to this provision, be liable for a civil penalty for each violation sufficient to deter future violations, but not to exceed the following:

a) For an intentional, knowing, or willful violation, a civil penalty of up to $1 million.

b) For a reckless violation, a civil penalty of up to $500,000.

c) If the evidence demonstrates that the platform knew, or should have known, that the plaintiff was a minor, the court may award up to twice the penalties described in 4)(a)-(b).

5) Provides that, for purposes of 4), deploying an algorithm that relays content to users may be considered an act of the platform independent from the message of the content relayed.

6) Provides that a platform shall be deemed to have actual knowledge of the operations of its own algorithms, including how and under what circumstances its artificial intelligence and algorithms deliver content to some users but not to others.

7) Includes a severability clause.

8) Provides that any waiver of 1)-7) shall be void and unenforceable as contrary to public policy.

9) Provides that 1)-8) will take effect on January 1, 2027.

Author's comment

Violence, threats, and intimidation targeting certain historically vulnerable populations – Jews, LGBTQ+ community members, women, immigrants, and people of color especially – are at historic highs and rising at record-shattering rates. A recent Harvard study found a causal relationship between widespread violence against historically target groups and the practices of social media platforms.

Notwithstanding the escalating danger, social media platforms have announced dramatic retreats in screening and moderation practices to protect targeted populations. This change could not have come at a more dangerous time for groups that are historically targeted. L.A. County's most recent hate crime report reflected double or triple digit increases in hate crimes resulting in "the largest number[s]

ever recorded" against the LGBTQ+ community, Jews, Asians, Blacks, Latinos, and immigrants. This is a national trend that is accelerating.

California must respond to protect its most vulnerable residents. The least California can do is ensure that our existing laws against hate crimes, intimidation, and harassment, including conduct aimed at preventing our neighbors from exercising their constitutional rights, unambiguously apply to platform practices and offer penalties sufficient to prompt compliance with our laws without the necessity of a lawsuit.

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

According to the Assembly Appropriations Committee, the bill presented the following fiscal effect:

1) Cost pressures (Trial Court Trust Fund, General Fund) of an unknown but potentially significant amount to the courts to adjudicate cases filed against large social media platforms. The significant new civil penalties authorized by the bill may prompt additional lawsuits that would not otherwise have been filed. Actual costs will depend on the number of cases filed and the amount of court time needed to resolve each case. It generally costs approximately $1,000 to operate a courtroom for one hour. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The fiscal year 2025-26 state budget provides $82 million ongoing General Fund to the Trial Court Trust Fund for court operations.

2) Possible costs (General Fund) to the Department of Justice (DOJ) to defend legal challenges to the bill. If DOJ hires legal staff to handle this workload, the department will incur significant costs, likely in the low hundreds of thousands of dollars annually at a minimum.

SUPPORT: (Verified 10/13/25)

AAUW of California (co-source)
Children's Advocacy Institute, University of San Diego School of Law (co-source)
Consumer Federation of California (co-source)
Jewish Family and Children's Services of San Francisco (co-source)
Loma LGBTQA+ Alumni and Allies (co-source)
Rainbow Spaces (co-source)
San Diego Democrats for Equality, Executive Board (co-source)
Stop the Cycle (co-source)

California Initiative for Technology & Democracy
Courage California
Center for Countering Digital Hate
Hassadah
JCC/Federation of San Luis Obispo
JCRC Bay Area
JCRC of Greater Santa Barbara
Jewish Community Federation and Endowment Fund
Jewish Democratic Club of Marin
Jewish Family Service LA
Jewish Family Service of San Diego
Jewish Family Services of Silicon Valley
Jewish Family & Community Services East Bay
Jewish Family & Children's Services of San Francisco, the Peninsula, Marin & Sonoma Counties
Jewish Federation of San Diego
Jewish Federation of the Greater San Gabriel and Pomona Valleys
Jewish Free Loan Association
Jewish Long Beach
JFCS Long Beach and Orange County
JPAC

OPPOSITION: (Verified 10/13/25)

7amleh – The Arab Center for Advancement of Social Media
18 Million Rising
Alameda County Green Party
American-Arab Anti-Discrimination Committee
Anti Police-Terror Project
Arab American Caucus CA Dems
Arab American Civic Council
Arab American Cultural Center of Silicon Valley
Arab Resource & Organizing Center Action
Asian Pacific Environmental Network
Berkeley Families for Collective Liberation
CA Muslims & Friends Phone Bank
California Chamber of Commerce
California Latino School Boards Association
Code Pink Central Coast
Code Pink San Fernando Valley
Code Pink Sela

Computer and Communications Industry Association
Council on American-Islamic Relations, California
Democratic Socialists of America, East Bay Chapter
Democratic Socialists of America, San Francisco Chapter
Democrats for Palestinian Rights – Bay Area
Earth Loves Gaza
Fight for the Future
Ground Game LA
Hindus for Human Rights
Human Agenda
IfNotNow California
IMEU Policy Project
JVP Bay Area
JVP LA
JVP Sacramento
JVP San Diego
JVP South Bay
Justice Teams Network
La Raza Community Resource Center
Labor for Palestine National Network
Majdal Arab Community Center of San Diego
MPower Action
Muslim Civic Coalition
Muslim Public Affairs Council
National Iranian American Council Action
National Organization of Legal Services Workers, UAW Local 2320
Orange County Justice Initiative
Pacific Coast Psychology
Peace and Freedom Party
Queers Undermining Israeli Terrorism
Ramallah Club of San Jose
San José Against War
San José Peace and Justice Center
Showing Up for Racial Justice Bay Area
Showing Up for Racial Justice San Francisco
Speak Write Out Collective
Story Sunbirds
Tech Workers Coalition
TechNet
The Truth Project

UCLA Undergraduate Student Council, Office of the External Vice President
US Palestinian Community Network
Voices for Justice in Palestine
Approximately 2,900 individuals

ARGUMENTS IN SUPPORT: According to the Center for Countering Digital Hate:

> Violence, threats, and intimidation targeting certain historically vulnerable populations – Jews, LGBTQ+ community members, women, immigrants, and people of color, especially – are at new highs and rising at record-shattering rates. For example, in L.A. County's most recent hate crime report, the County documented both double or triple-digit increases in hate crimes resulting in "the largest number[s] ever recorded" against the LGBTQ+ community, Jews, Asians, Blacks, Latinos, and immigrants.
>
> Notwithstanding the escalating danger, the market-dominant social media platform, Meta, has announced a dramatic retreat in screening and moderation practices to protect targeted populations. CCDH's in-depth analysis of Meta's policy changes shows that the company could stop as much as 97% of its content enforcement in key policy areas, including hate speech, bullying and harassment, and violence or incitement of violence…
>
> California law already prohibits every person and every corporation from engaging in hate crimes, harassment, and intimidation aimed at frightening people out of exercising their legal rights. It is urgent to update and clarify the application of these pre-Internet laws to ensure they meet the challenges of the modern era.
>
> SB 771 will do just that while offering financial consequences minimally proportional to the vast wealth of the corporations and the need to ensure they are motivated to comply.

ARGUMENTS IN OPPOSITION: According to the California Chamber of Commerce, the Computer and Communications Industry Association, and TechNet:

> It is well established that the companies covered by this legislation have constitutional rights related to content moderation, including the right to curate, prioritize, and remove content in accordance with their terms of service. By exposing these companies to civil liability for content they do not remove, SB 771 creates a chilling effect on their editorial discretion. The significant,

prescribed civil penalties - potentially amounting into the billions for each violation - would lead platforms to over-remove lawful content to mitigate legal exposure. Therefore, if this law passes, it will almost certainly be struck down in court (see *NetChoice v Paxton*) because it imposes liability on social media platforms for whether certain types of third-party content are shown to users, as well as the expressive choices social media platforms make in designing the user experience. This violates the First Amendment rights of users and social media platforms.

Moreover, the proposed liability framework likely conflicts with Section 230 of the Communications Decency Act, which provides strong federal protections for platforms against civil liability for third-party content and for good-faith content moderation. Courts (see *Twitter,inc v. Taamneh*, 598 U.S.__ (2023)) have consistently upheld Section 230 as preempting state-level attempts to impose liability for content hosting or moderation decisions.

GOVERNOR'S VETO MESSAGE:

"I am returning Senate Bill 771 without my signature.

This bill seeks to hold social media platforms liable for algorithms that relay content violating specified California civil rights laws to their users.

I support the author's goal of ensuring that our nation-leading civil rights laws apply equally both online and offline. I likewise share the author's concern about the growth of discriminatory threats, violence, and coercive harassment online. I am concerned, however, that this bill is premature. Our first step should be to determine if, and to what extent, existing civil rights laws are sufficient to address violations perpetrated through algorithms. To the extent our laws prove inadequate, they should be bolstered at that time.

For this reason, I cannot sign this bill."

ASSEMBLY FLOOR: 51-2, 9/10/25
AYES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Carrillo, Connolly, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Ransom, Celeste Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Stefani, Ward, Wicks, Wilson, Zbur, Rivas

NOES: DeMaio, Ellis
NO VOTE RECORDED: Alanis, Caloza, Castillo, Chen, Davies, Dixon, Elhawary, Flora, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Johnson, Lackey, Lee, Macedo, Patterson, Petrie-Norris, Quirk-Silva, Ramos, Michelle Rodriguez, Sanchez, Soria, Ta, Tangipa, Valencia, Wallis

Prepared by: Allison Whitt Meredith / JUD. / (916) 651-4113
10/14/25 10:44:36

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

SENATE RULES COMMITTEE SB 783
Office of Senate Floor Analyses
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VETO

Bill No: SB 783
Author: Rubio (D), et al.
Enrolled: 9/10/25
Vote: 27

SENATE TRANSPORTATION COMMITTEE: 14-0, 4/8/25
AYES: Cortese, Strickland, Archuleta, Arreguín, Blakespear, Cervantes, Dahle, Gonzalez, Grayson, Limón, Menjivar, Richardson, Umberg, Valladares
NO VOTE RECORDED: Seyarto

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SENATE FLOOR: 39-0, 6/3/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Reyes

SENATE FLOOR: 38-1, 9/8/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NOES: Blakespear
NO VOTE RECORDED: Stern

ASSEMBLY FLOOR: 75-0, 9/4/25 - See last page for vote

SUBJECT: Outdoor advertising displays: redevelopment agency project areas

SOURCE: Author

DIGEST: This bill extends the date at which advertising displays located in former redevelopment areas may continue to operate until January 1, 2029.

ANALYSIS:

Existing law:

1) Provides, under the Outdoor Advertising Act (OAA), for the regulation by the California Department of Transportation (Caltrans) of an advertising display, as defined, within view of public highways. The OAA regulates the placement of an off-premises advertising display along highways that generally advertises business conducted, or services rendered, or goods produced or sold at a location other than the property where the display is located.

2) Provides that the OAA does not apply to an on-premises advertising display.

3) Provides that "on-premises advertising displays" means any structure, housing, sign, device, figure, statuary, painting, display, message placard, or other contrivance, or any part thereof, that has been designed, constructed, created, intended, or engineered to have a useful life of 15 years or more, and intended or used to advertise, or to provide data or information in the nature of advertising, for any of the following purposes:

   a) To designate, identify, or indicate the name or business of the owner or occupant of the premises upon which the advertising display is located.

   b) To advertise the business conducted, services available or rendered, or the goods produced, sold, or available for sale, upon the property where the advertising display has been lawfully erected.

4) Permits, notwithstanding the dissolution of a redevelopment agency (RDA), an advertising display developed as part of and within the boundary limits of a redevelopment agency project, as those boundaries existed on December 29, 2011, to be considered an on-premises advertising display if it meets certain criteria for good cause, and allows those advertising displays to remain until January 1, 2026.

5) Dissolves RDAs and institutes a process for winding down their activities.

6) Requires Caltrans to administer the federal Outdoor Advertising Control program under the Highway Beautification Act of 1965 (HBA), which has

restrictions similar to California's OAA program, including maximum sign size, sign spacing, location, illumination, and content. If the state fails to properly administer the federal program, the state is subject to potentially lose 10% of its federal highway funding.

This bill extends the current sunset which allows advertising displays located in former redevelopment areas to continue by three years to January 1, 2029.

Comments

1) *Purpose of this bill.* According to the author, "As a former local elected official, I understand the importance of outdoor advertisements when it comes to encouraging customers to support local businesses. This bill will help support local businesses by addressing an issue that was inadvertently created when the Legislature eliminated redevelopment agencies. Existing law allows Caltrans to permit advertising displays as on-premises displays within redevelopment project areas until January 1, 2026. This bill would extend the continued operations of those advertising displays for an additional four years until January 1, 2030. As local governments prepare for an uncertain fiscal outlook over the next few years, this bill is a reasonable policy to support local businesses and allow revenue generated from local business activities to help local governments keep their programs and services in operation."

2) *The response & continued extensions.* In 2013, the Legislature passed and Governor Brown signed SB 684 (Hill, Chapter 544, Statutes of 2013). The bill provided that an advertising display advertising businesses and activities within the boundary limits of, and as a part of, an individual RDA project, as the project boundaries existed on December 29, 2011, may remain and be considered an on-premises display, until January 1, 2023, if the advertising display met specified criteria. The bill authorized, on and after January 1, 2022, the applicable city, county, or city and county to request from Caltrans an extension for good cause, as specified, beyond January 1, 2023, not to exceed the expiration of the redevelopment project area. The measure required a specific certification from a local agency authorizing the advertising displays, as defined.

   At the time, the bill did not authorize any new signage, but instead sought to retain the investment-backed expectations of public and private entities that either own or operate existing signs in former redevelopment areas. Due to the elimination of RDAs, one of the unintended consequences is that the sign

agreements, formerly authorized by RDAs, can no longer be extended because there is no RDA to authorize the extension.

In 2023, AB 1175 (Quirk-Silva, Chapter 361, Statutes of 2023), extended the original SB 684 allowance of existing advertising signs (billboards) in RDAs to January 1, 2026.

3) *HBA.* Approximately every four years the Federal Highway Administration (FHWA) audits Caltrans to ensure that it is fulfilling its duties as administrator of the federal laws and regulations regarding billboards. In its latest report,[1] the FHWA was critical of many California advertising displays, specifically calling out displays erected pursuant to the redevelopment agency display exemption as out of compliance. Ultimately, under HBA, a portion of federal highway funds (up to 10%) could be jeopardized through non-compliance of HBA with FHWA potentially "clawing back" a portion of the state's federal highway funds.

Presently, according to Caltrans, approximately 47 signs (billboards) remain in operation under the existing extension and has no data on the revenue generated by these signs. In an era where the existing federal administration is actively seeking areas to reduce expenditures / funding, it may be prudent for stakeholders to engage amongst each other and with the Legislature to identify a remedy that will ultimately bring the state into full compliance with federal requirements.

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

According to the Assembly Appropriations Committee:

> Minor and absorbable costs to Caltrans to monitor a display's compliance with existing OAA exemption rules and respond to federal oversight and enforcement inquiries in cases of noncompliance.
>
> However, Caltrans notes that this bill may put federal funding at risk. Previous reviews by FHWA have expressed concerns with outdoor advertising displays utilizing this RDA project exemption. If this bill is determined to be contrary to federal law, the state may be subject to a sanction that would reduce federal highway funding allocations by 10%, or approximately $580 million, and Caltrans may incur significant legal costs

[1] U.S. Department of Transportation, Federal Highway Administration – Outdoor Advertising Review, Final Report; June 16, 2022.

to respond to federal notices, coordinate with local jurisdictions and display operators, and enforce applicable penalties (State Highway Account).

SUPPORT: (Verified 10/16/25)

California Cities for Self-reliance Joint Powers Authority
City of Hawaiian Gardens
City of Inglewood
Hawaiian Gardens Casino
In-n-out Burgers

OPPOSITION: (Verified 10/16/25)

California State Outdoor Advertising Association
Scenic Los Angeles, a Chapter of Scenic America
Stop Casino Billboards

GOVERNOR'S VETO MESSAGE:

This bill would re-extend the sunset for the redevelopment agency project area exemption to the Outdoor Advertising Act until January 1, 2029.

As a former mayor, I have seen firsthand how outdoor advertising displays generate revenue and visibility for local economies and businesses. Yet extending the redevelopment agency exemption under the Outdoor Advertising Act simply continues a pattern of short-term fixes that avoid addressing the underlying issue. For more than a decade, this area of law has been managed through temporary extensions rather than a comprehensive solution.

There are over 40 former redevelopment agency legacy displays throughout California. A lasting resolution should address them directly - whether through targeted statutory changes to the Act, administrative adjustments, or simply bringing the displays into compliance with existing law. That approach is far more durable and legally sound than repeated exemptions, which only create uncertainty, increase risk, and jeopardize critical funding that supports thousands of jobs at the state and local level.

I encourage the Legislature and stakeholders to work with my Administration on a durable solution that provides stability while balancing economic benefits with the state's fiscal and regulatory responsibilities.

For this reason, I cannot sign this bill.

ASSEMBLY FLOOR: 75-0, 9/4/25
AYES: Addis, Aguiar-Curry, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hoover, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO VOTE RECORDED: Ahrens, DeMaio, Hart, Irwin

Prepared by: Manny Leon / TRANS. / (916) 651-4121
10/17/25 9:52:50

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

Office of Senate Floor Analyses
(916) 651-1520 Fax: (916) 327-4478

VETO

Bill No: SB 785
Author: Caballero (D)
Enrolled: 9/10/25
Vote: 27

SENATE REVENUE AND TAXATION COMMITTEE: 5-0, 5/14/25
AYES: McNerney, Valladares, Ashby, Grayson, Umberg

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

SENATE FLOOR: 39-0, 9/8/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Stern

ASSEMBLY FLOOR: 78-0, 9/4/25 - See last page for vote

SUBJECT: Personal income tax: credit: durable medical equipment

SOURCE: Author

DIGEST: This bill authorizes a personal income tax credit in an amount equal to 50% of unreimbursed expenses paid or incurred by a taxpayer, up to $5,000, for the purchase of durable medical equipment for each qualifying dependent under the age of 18 with a complex medical condition.

ANALYSIS:

Existing federal law authorizes a personal income tax "above-the-line" deduction for contributions to Health Savings Accounts and an exclusion for qualified distributions.

Existing state law:

1) Allows various income tax credits, deductions, exemptions, and exclusions.

2) Authorizes personal income tax benefits to help absorb the cost of medical equipment that also apply to federal income taxes, such as:

   a) Itemized deduction for unreimbursed medical expenses;

   b) Exclusions for qualified distributions from an Achieving a Better Life Experience (529A) account;

   c) Exclusions for contributions to Flexible Spending Arrangements and qualified distributions;

3) Provides for a sales and use-tax exemption for medical devices.

This bill:

1) Authorizes a personal income tax credit in an amount equal to 50% of unreimbursed expenses paid or incurred by a taxpayer, up to $5,000, for the purchase of durable medical equipment for each qualifying dependent under the age of 18 with a complex medical condition.

2) Authorizes the credit for the 2026 through 2030 tax years.

3) Allows the credit to be carried forward to the following taxable year, and the succeeding seven years if necessary.

4) Defines a "complex medical condition" to mean "where an individual would be eligible for early and periodic screening, diagnosis, and treatment services, as described in subdivision (v) of Section 14132 of the Welfare and Institutions Code."

5) Defines "durable medical equipment" as having the same meaning as that term is defined in Section 1395x(n) of Title 42 of the United States Code.

6) Reduces any deduction taken, for the same qualifying expense, by twice the amount of the credit claimed under this bill.

7) Contains legislative findings and declarations to comply with Section 41 of the Revenue and Taxation Code, specifically to direct the Franchise Tax Board (FTB) to submit a report to the Legislature by July 1, 2028, and annually thereafter, regarding the number of taxpayers allowed a credit and the total dollar amount of credits allowed pursuant to this measure.

Background

Complex medical condition. Subdivision (v) of Section 14132 of the Welfare and Institutions Code refers to the Medi-Cal Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit. Medi-Cal's EPSDT benefit is intended to cover all medically necessary services for individuals under the age of 21; however, out of pocket expenses may be incurred due to a delay in coverage or when families are unaware of appeal rights.

Durable medical equipment. The term "durable medical equipment", as defined under Section 113395x(n) of Title 42 of the United States Code, includes iron lungs, oxygen tents, hospital beds, and wheelchairs used in the patient's home (including an institution used as their home), blood-testing strips and blood glucose monitors for individuals with diabetes, and eye tracking and gaze interaction accessories for speech generating devices.

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

According to the Assembly Appropriations Committee:

- General Fund (GF) revenue loss of approximately $3.2 million in fiscal year (FY) 2025-26, $5.7 million in FY 2026-27, and $6.1 million in FY 2027-28. By decreasing PIT revenue, this bill also likely decreases Proposition 98 GF spending by approximately 40% of the GF revenue loss (the exact amount depends on the specific amount of the annual Proposition 98 guarantee).

- Costs of an unknown, but likely absorbable amount, to FTB to administer the new credit and prepare the annual report.

SUPPORT: (Verified 10/14/25)

Aveanna Healthcare
California Association for Health Services at Home
Maxim Healthcare Services
Pediatric Day Health Care Coalition
Prime Home Health

OPPOSITION: (Verified 10/14/25)

None received

ARGUMENTS IN SUPPORT:

According to the author, "Families with children who have complex medical conditions are faced with many burdens, barriers, and anxieties in their day to day lives. Many struggle financially because of the diagnosis and the treatment. One of these burdens is the cost of durable medical equipment (DME), equipment that has been prescribed by a physician and is medically necessary for the care of the child, such as wheelchairs and ventilators. California offers various forms of financial relief for residents who are faced with the high costs of healthcare. The Medical Expense Deduction allows taxpayers to deduct unreimbursed medical expenses that exceed 7.5% of adjusted gross income. And while prescribed DME can qualify for this itemized deduction, the fact is that most middle-income Californians don't meet the high thresholds needed to itemize their deductions and claim the deduction. Other states have taken different approaches to relieving the financial burdens associated with DME. New York provides a sales tax exemption for all DME costs. States like Maryland and Minnesota provide broad deductions and insurance mandates for DME coverage. Families face enormous out-of-pocket costs even when they have private insurance or Medi-Cal. Without access to essential DME, children with complex medical conditions experience delays in care, hospitalization, and, in extreme cases, institutionalization. Data shows that children with complex health needs do best at home, but only if they have timely access to the equipment that keeps them safe and healthy. A tax credit eases the stress for families who have to make out-of-pocket DME purchases and reduces the financial burden of unreimbursed costs. Beginning January 1, 2026, the tax credit created by SB 785 will allow a taxpayer to claim up to 50% of costs paid or incurred for the purchase of durable medical equipment that is prescribed by a licensed health care provider to a child with a complex medical condition. The tax credit would be capped at $5,000 a year per child, and anything in excess of that amount would be carried over to the following taxable year. SB 785 is the first of its kind in California. It will relieve the financial stress of parents managing the costs of medical services, drugs, therapy, and medical equipment necessary for their children with complex medical conditions, and will improve the quality of life for children living in our state."

GOVERNOR'S VETO MESSAGE:

> This bill would establish a personal income tax credit for durable medical equipment purchased for a dependent with a complex medical condition.

I share the author's goal of easing the financial burden on families who must bear the high costs of medical equipment. That is why, in May 2025, my Administration submitted to the federal government an updated benchmark plan that proposes expanded insurance coverage for durable medical equipment, a vital step to reducing costs for California families. However, new tax expenditures, such as what this bill proposes, should be included as part of the annual budget process, given their General Fund implications.

In partnership with the Legislature this year, my Administration has enacted a balanced budget that recognizes the challenging fiscal landscape our state faces while maintaining our commitment to working families and our most vulnerable communities. With significant fiscal pressures and the federal government's hostile economic policies, it is vital that we remain disciplined when considering bills with significant fiscal implications that are not included in the budget, such as this measure.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 78-0, 9/4/25
AYES: Addis, Aguiar-Curry, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO VOTE RECORDED: Ahrens

Prepared by: Haley Summers / REV. & TAX. / (916) 651-4117
10/14/25 12:03:56

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

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VETO

Bill No: SB 787
Author: McNerney (D), et al.
Enrolled: 9/18/25
Vote: 27

SENATE ENERGY, U. & C. COMMITTEE: 14-2, 4/21/25
AYES: Becker, Allen, Archuleta, Arreguín, Ashby, Caballero, Gonzalez, Grayson, Limón, McNerney, Rubio, Stern, Strickland, Wahab
NOES: Ochoa Bogh, Dahle
NO VOTE RECORDED: Grove

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

SENATE FLOOR: 28-10, 6/2/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener
NOES: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares
NO VOTE RECORDED: Hurtado, Reyes

SENATE FLOOR: 29-8, 9/13/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener
NOES: Alvarado-Gil, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland
NO VOTE RECORDED: Choi, Gonzalez, Valladares

ASSEMBLY FLOOR: 64-10, 9/12/25 - See last page for vote

SUBJECT: Energy: equitable clean energy supply chains and industrial policy in California

SOURCE: International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America, Region 6

DIGEST: This bill (1) requires specified state agencies, including, but not limited to, the California Energy Commission (CEC), California Public Utilities Commission (CPUC), and the Governor's Office of Business and Economic Development (GO-Biz) to enter into a memorandum of understanding (MOU) to carry out certain duties to develop equitable clean energy supply chains in California. This bill (2) establishes the Equitable Clean Energy Supply Chain and Industrial Policy Fund in the State Treasury and requires the CEC to designate a person within the CEC or an external candidate to serve as the Senior Counselor on Industrial Policy and Clean Energy Development.

ANALYSIS:

Existing law:

1) Establishes the CEC, consisting of five members appointed by the Governor, and specifies the duties of the CEC. Every two years, the Governor must designate a chair and vice chair from the CEC's membership. The CEC must appoint a public adviser every three years to carry out certain public engagement duties. (Public Resources Code §25200 et. seq.)

2) Requires the CEC to assess trends in energy consumption and analyze the social, economic, and environmental consequences of these trends. The CEC must establish energy conservation measures, including building and appliance energy efficiency standards, and recommend additional conservation measures to the Governor and the Legislature. (Public Resources Code §25216)

3) Establishes the Strategic Reliability Reserve to fund the development of new energy resources that ensure electrical grid reliability and support the state's transition to cleaner energy resources. Existing law requires the CEC to administer the following two programs under the Strategic Reliability Reserve:

a) The Demand Side Grid Support (DSGS) program, which provides incentives to support customer load reduction and backup generation to support the grid during extreme events.
b) Distributed Electricity Backup Assets (DEBA) programs, which incentivizes the deployment of distributed energy resources that can help provide emergency supply or load reduction in response to grid events. (Public Resources Code §25790 et. seq.)

4) Requires the CEC to create a strategic plan for developing offshore wind (OSW) resources, as specified. Existing law also requires the CEC to provide an estimate, by June 1, 2022, on the maximum feasible capacity of OSW to achieve reliability, ratepayer, employment, and decarbonization benefits. This estimate must include megawatt OSW planning goals for 2030 and 2045. Existing law establishes criteria the CEC must consider when creating these megawatt goals, including, but not limited to the potential to attract supply-chain manufacturing for OSW components in the Pacific region. (Public Resources Code §25991)

This bill:

1) Requires the CEC to designate a person within the CEC or an external candidate to serve as the Senior Counselor on Industrial Policy and Clean Energy Development by March 1, 2027. This bill specifies the duties of this Senior Counselor, including, but not limited to, collecting data on workforce and clean energy supply chains, coordinating with stakeholders, serving as a single point of contact for companies siting certain production facilities in California, and convening working groups to consider various policies aimed at encouraging the development of in-state clean energy supply chains.

2) Requires the following agencies to enter into a MOU by March 1, 2027, to carry out certain duties to support the development of equitable clean energy supply chains and industrial policy:

a) CEC.
b) GO-Biz.
c) Labor and Workforce Development Agency.
d) CPUC.
e) Department of General Services (DGS).
f) Office of the Treasurer.

3) Requires the MOU to do the following:

   a) Develop strategies for establishing specific facilities in California to support zero-emission vehicle (ZEV) and battery supply chains, OSW industry, building decarbonization and heat pump industries, as specified.
   b) Provide recommendations on how to maximize the impact of state funds to develop in-state supply chains for segments of the ZEV, battery manufacturing, OSW, building decarbonization and heat pump industries.
   c) Identify best practices for coordinating activities related to supply chain development and integration of workforce standards, community benefits agreement models, and training and hiring programs into the state awarding processes.
   d) Identify certain research needs, which may include supply chain reviews, workforce needs assessments, and economic and environmental impact modeling.

4) Requires the Senior Counselor on Industrial Policy and Clean Energy Development to report annually on activities undertaken pursuant to the MOU required by this bill. This bill requires the CEC to publish the Senior Counselor's annual report on the CEC's website.

5) Establishes the Equitable Clean Energy Supply Chain and Industrial Policy Fund in the State Treasury for the purposes of collecting moneys, including private and nonprofit donations, which may be used to fund this bill. This bill specifies that use of any moneys deposited in this fund shall be contingent upon receipt of a legislative appropriation.

Background

Bill is one of several recent measures aimed at growing high-road jobs in the clean energy sector. In 2017 the Legislature passed AB 398 (E. Garcia, Chapter 135, Statutes of 2017), which extended California's Cap and Trade program; however, the bill also required the California Workforce Development Board (CWDB) to submit a report to the Legislature on strategies to help better address labor challenges associated with the transition to cleaner technologies, fuels, and energy resources. The CWDB commissioned the Center for Labor Research and Education at the University of California, Berkeley, to help prepare this report pursuant to the bill. The report made a number of recommendations supporting high-quality job development in the clean energy, technology, and transportation sectors; however, the report acknowledged that it lacked the scope to assess needs

for workforce development in the manufacturing supply chain for low-carbon energy. It also recommended that the state should identify opportunities to support training and development needed to encourage adoption of emerging technologies that facilitate higher levels of renewable energy integration. The report specifically addressed the potential to plan for workforce needs associated with OSW. The report stated: "California already has a number of programs—ranging from ratepayer-funded research and demonstration projects to pilot incentive programs and small-scale procurement mandates—that could generate information about workforce needs. At various points in this process of OSW development, the state could carry out workforce analysis and planning."

Since the publication of CWDB's report, the Legislature has considered and passed several measures aimed at furthering clean technology supply chains and high-quality jobs associated with those supply chains. The Legislature has also passed several measures aimed at giving the state a larger role in developing emerging clean energy resources. This bill requires various state agencies, including those engaged in developing these new energy resources, to enter into an MOU to develop specified strategies for building clean technology supply chains and associated high-quality jobs. These requirements generally align with recommendations from CWDB's report.

Federal policy changes may impact California's ability to grow clean supply chains and associated jobs. In addition to requiring states to enter into an MOU, this bill also establishes a fund to collect moneys to support the implementation of strategies to create clean energy supply chains and associated jobs. While this bill enables this fund to collect funding from a variety of sources, it specifically authorizes the fund to accept federal funds authorized for the purposes of developing clean technology and energy supply chains. Other funding sources may be available for this bill's purpose; however, federal grants and direct tax benefits are the largest potential source of funding for clean technology supply chain development. Changes to the rules and availability of these grants and tax credits may limit the amount of monies available for this bill's Equitable Clean Energy Supply Chain and Industrial Policy Fund.

California has taken a number of steps aimed at developing more domestic resources to support the development of clean technology supply chains in-state; however, is unlikely that all the resources for these supply chains can be developed entirely within the state or within the United States. The Biden Administration sought to leverage a variety of grants and tax incentives to develop more domestic raw materials and components for clean technology in the United States through

the Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA). These measures also included requirements aimed at leveraging grants and tax benefits to create high-quality jobs in the manufacturing and deployment of clean technology and infrastructure. While states have made progress in drawing down funds from the IIJA and IRA, the status of many of these funds are unclear since the Trump Administration announced rollbacks of many grants and rules supporting the tax credits. In addition to the potential loss of these funds, recently imposed tariffs may increase costs for goods and services that are necessary to develop and deploy clean energy and transportation resources.

Related/Prior Legislation

SB 322 (Becker) of 2023, would have established requirements for the CEC's administration of the ZEV Battery Manufacturing Block Grant program aimed at encouraging high-road jobs. Specifically, the bill would have established eligibility, scoring, labor, and reporting criteria for the program. The bill died in the Assembly Appropriations Committee.

AB 205 (Committee on Budget, Chapter 61, Statutes of 2022) established, among other provisions, the Strategic Reliability Reserve and required the CEC to administer the DSGS and DEBA programs to incentivize certain demand-side resources to support electrical grid reliability.

AB 525 (Chiu, Chapter 231, Statutes of 2021) required the CEC to create a strategic plan for the development of OSW resources and set megawatt planning goals for those resources, as specified.

SB 589 (Hueso, Chapter 732, Statutes of 2021) expanded the types of projects eligible for funding from the CTP to include projects that develop in-state supply chains and the workforce for raw materials and components needed for ZEV manufacturing. The bill also expanded the groups the CEC must consult as part of CTP workforce development efforts.

AB 398 (E. Garcia, Chapter 135, Statutes of 2017) among other provisions extending the Cap and Trade program, required the CWDB submit a report to the Legislature on strategies to help industries, workers, and communities with the transition to cleaner fuels, technologies, and energy resources that support the state's greenhouse gas reduction goals.

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

According to the Assembly Appropriations Committee:

1) This bill will entail significant new administrative work for CEC to establish the senior counselor position and support administration of the senior counselor's efforts to accelerate deployment of clean energy technologies. Costs to CEC will likely be in the low hundreds of thousands of dollars, onetime, to establish the position, and in the mid hundreds of thousands of dollars annually ongoing, which includes the senior counselor's salary and related costs (Energy Resources Programs Account (ERPA)).

   CEC describes the work this bill asks of it as "a very large workload" and "on a very tight timeline." CEC estimates costs to implement all aspects of the bill at approximately $1.1 million: two positions at an annual cost of approximately $212,000 each, and $750,000 for a contract with outside consultants. CEC notes the ongoing structural deficit within ERPA and advises it "may not be an appropriate fund source to support the implementation of this bill."

2) For each of the agencies the bill tasks with entering into an MOU on equitable clean energy supply chains and industrial policy, the bill will create onetime legal and administrative work to develop the MOU. Cost for each agency will likely range from the tens of thousands of dollars to low hundreds of thousands of dollars. For example, the Workforce Development Board estimates costs of at least $256,000.

3) The CPUC provides a cost estimate of $900,000 (Public Utilities Commission Utilities Reimbursement Account) to support the training objectives of the bill by supplementing its student internship opportunities. The other agencies this bill directs to enter into the MOU may face similar cost of a greater or lesser amount, though none provided an estimate of costs to this committee by the time this analysis was prepared.

4) Cost pressure of an unknown but significant amount, likely in the tens of millions to hundreds of millions of dollars, to fund eligible expenses from the Equitable Clean Energy Supply Chain and Industrial Policy Fund (General Fund, special funds and bond funds).

SUPPORT: (Verified 10/13/25)

International Union, United Automobile, Aerospace, and Agricultural Implement

Workers of America, Region 6 (Source)
350 Bay Area Action
Active San Gabriel Valley
Advanced Energy United
Alameda County Democratic Party
American Clean Power-California
BlueGreen Alliance
Brightline Defense
Cal EPIC
California Association of Professional Scientists Local 1115
California Democratic Party
California Electric Transportation Coalition
California Environmental Voters
California Federation of Teachers, AFL-CIO
California Federation of Labor Unions
California Forward
California Green New Deal Coalition
California Labor for Climate Jobs
California State Association of Electrical Workers
California State Pipe Trades Council
CalStart
Central Coast Alliance United for a Sustainable Economy
Central Coast Labor Council
Ceres, Inc.
CleanEarth4Kids.org
Comite Civico Del Valle, Inc.
County of San Mateo
County of Santa Clara
E2-Environmental Entrepreneurs
Earthworks
Environmental Protection Information Center
EOPA Code Blue
Green Policy Initiative
Greenpeace USA
Imperial Valley Equity and Justice Coalition
Industrious Labs
Jobs to Move America
Mighty Earth
Move California
Natural Resources Defense Council

Port of Long Beach
Public Citizen
Rising Sun Center for Opportunity
Ryvid, Inc.
SEIU California
Sierra Club California
SMART, Sheet Metal Workers' Local 104
SPUR
State Building and Construction Trades Council
Sylvatex, Inc.
Union of Concerned Scientists
United Steelworkers District 12
US Green Building Council, California
Western States Council Sheet Metal, Air, Rail and Transportation
Working Partnerships USA

OPPOSITION: (Verified 10/13/25)

None received

ARGUMENTS IN SUPPORT: According to the author:

> California has ambitious goals for building a green economy that accelerates affordable clean energy growth and provides quality jobs for its citizens. The state has made tremendous progress in clean energy innovation and installation. However, the state lacks a comprehensive, all-of-government approach to building out the clean energy supply chain and related workforce, especially in the growing industries of energy storage, building decarbonization technologies, and offshore wind. SB 787 formalizes partnerships between state agencies, labor, environmental organizations, clean energy industries, and other relevant sectors to coordinate CA's supply chain development for these key industries. SB 787 will help the state meet our ambitious clean energy goals while also creating strong family-supporting manufacturing jobs and advancing economic development goals across every region of the state.

GOVERNOR'S VETO MESSAGE:

> This bill would require the California Energy Commission (CEC) to designate a person to serve as the Senior Counselor on Industrial Policy and Clean Energy Development in order to convene working groups focused on specific issues,

including batteries, offshore wind, building decarbonization, workforce development, heat pumps, and affordability. This bill would also require the CEC to enter into a Memorandum of Understanding (MOU) with various agencies on equitable clean energy supply chains and require the Senior Counselor to present an annual report to the CEC, presenting findings and recommendations on strategies and activities undertaken pursuant to the MOU.

Transitioning to a low-carbon, clean energy economy requires active coordination and collaboration among multiple state agencies to effectively implement key policies that shape and influence this transition. This is why there is deliberate and constant engagement among all state agencies involved in this transition, through collaborative decision-making and interagency working groups, among other joint efforts.

While laudable, this bill would create a position whose responsibilities would duplicate, conflict with, and overlap existing positions and coordinating structures throughout my Administration. The role of creating robust supply chains, enabling the deployment of clean energy and low-carbon, advanced technologies, and developing the 21st-century workforce to support these efforts is not reserved for one position alone. It requires the whole of state government and dozens of dedicated public servants to implement. For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 64-10, 9/12/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Chen, Connolly, Davies, Elhawary, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wicks, Wilson, Zbur, Rivas
NOES: DeMaio, Dixon, Ellis, Gallagher, Hadwick, Johnson, Macedo, Sanchez, Tangipa, Wallis
NO VOTE RECORDED: Castillo, Flora, Hoover, Lackey, Patterson, Ta

Prepared by: Sarah Smith / E., U. & C. / (916) 651-4107
10/15/25 14:16:54

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

SENATE RULES COMMITTEE SB 791
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VETO

Bill No: SB 791
Author: Cortese (D), et al.
Enrolled: 9/13/25
Vote: 27

SENATE TRANSPORTATION COMMITTEE: 12-1, 4/22/25
AYES: Cortese, Strickland, Archuleta, Arreguín, Cervantes, Dahle, Gonzalez, Grayson, Limón, Richardson, Umberg, Valladares
NOES: Blakespear
NO VOTE RECORDED: Menjivar, Seyarto

SENATE FLOOR: 29-1, 6/3/25
AYES: Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Jones, Laird, Limón, McGuire, McNerney, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Strickland, Umberg, Wahab, Weber Pierson
NOES: Stern
NO VOTE RECORDED: Allen, Blakespear, Cabaldon, Hurtado, Menjivar, Niello, Ochoa Bogh, Reyes, Valladares, Wiener

SENATE FLOOR: 37-0, 9/10/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Blakespear, Menjivar, Niello

ASSEMBLY FLOOR: 60-3, 9/8/25 - See last page for vote

SUBJECT: Vehicle dealers: document processing charge

SOURCE: Author

DIGEST: This bill increases the document processing fee a car dealer is allowed to charge a customer to 1% of the cost of the vehicle up to $260, and sunsets the provisions of this bill on January 1, 2031.

Assembly Amendments lower the cap on document processing charge from $500 to $260, repeal all of the provisions of the bill on January 1, 2031, exempt local governmental entities from the increased charge, add consumer notification requirements related to the charge, and clarify that dealers may not collect any other charge for the preparation and processing of documents.

ANALYSIS:

Existing law:

1) Authorizes a dealer that has a contractual agreement with the DMV to be a private industry partner to set the document processing charge at up to $85, and authorizes all other dealers to set the document processing charge at up to $70. (Vehicle Code Section (VEH) 4456.5)

2) Makes it a misdemeanor with the possibility of occupational license suspension for a dealer to advertise a specific vehicle for sale without disclosing the total price of the vehicle including all costs to the purchaser at the time of sale, except taxes, vehicle registration fees, the California tire fee, emissions testing and the dealer document processing charge. (VEH 11713.1)

3) Requires the advertisement of the vehicle to include that there will be additional costs to the advertised price of the time of the sale. (VEH 40000.11)

This bill:

1) Increases the document processing fee a car dealer is allowed to charge a customer to 1% of the cost of the vehicle up to $260, and sunsets the provisions of this bill on January 1, 2031.

2) Exempts the State of California or any local governmental entity including cities, counties, cities and counties, and special districts from having to pay the document fee.

3) Requires a dealer to conspicuously display a notice in each sales office and sales cubicle of a dealer's established place of business that states that "the dealer is authorized to collect a document processing charge that varies based on the price of the vehicle, but shall in no event exceed $260. This charge is not a government fee."

4) Requires the car dealer to provide to the customer, prior to the execution of the sales or lease agreement, a disclosure that includes the specific amount of the document processing charge and the statement "The dealer is authorized to collect a document processing charge in the final contract. This charge is not a government fee."

5) Prohibits the a car dealer from collecting any other charge for the preparation and processing of documents, disclosures, and titling, registration, and information security obligations unless expressly authorized by state or federal law.

6) Makes it a misdemeanor if a dealer, in its advertisement with the vehicle, fails to disclose that there is a document processing charge not to exceed $260. Authorizes the Department of Motor Vehicles (DMV) to suspend or revoke a dealer license for failing to make this disclosure.

7) Repeals all of the provisions of this bill on January 1, 2031 and reverts back to existing law.

Comments

1) *Purpose of this bill.* According to the author, “SB 791 modernizes the non-governmental charge that auto dealerships may collect when selling or leasing a vehicle to ensure that dealerships and their employees can recover their costs and continue providing important services for consumers at the time of vehicle purchase.

   “At the time of vehicle purchase, California auto dealerships provide a one-stop-shop of consumer services, including DMV transactions, loan processing, privacy and fraud protection, contract translation, vehicle trade-in services, warranty services, and more. Under existing law, auto dealerships are statutorily authorized to collect a "document processing charge" (DPC) to cover these services. The DPC is not a fee or a tax, but a voluntary, non-governmental charge that helps pay for the substantial staff time and technology required to complete the many sale and document processing services associated with the transaction.

   “To cover the substantial staff time and costs of technology and equipment associated with these obligations, California currently allows auto dealerships to collect a maximum DPC of $85 per transaction. The DPC—like other consumer charges—must be itemized and explicitly disclosed to consumers on both the contract and pre-contract disclosure.

"California's statutory maximum of $85 is by far the lowest DPC in the country and amounts to ¼ of the national average, which is approximately $375."

2) *What is a document processing fee*? When a buyer/lessee purchases a car, dealerships are required to prepare, file, transmit, and store a variety of required forms. DMV's electronic vehicle registration (EVR) program has outsourced some of the vehicle licensing and titling functions to willing motor vehicle dealers. Dealerships are allowed to charge car buyers a documentation processing fee to cover the cost of preparing and filing those documents. Willing dealers can participate in the Business Partner Automation (BPA) program, meaning that the dealer has a contractual agreement with DMV to be a private industry partner and these dealers communicate electronically with DMV to register the vehicles and then mail the license plates, registration cards, and tags to the buyer. Those dealers participating in the BPA program may charge buyers up to $85 per transaction.

   This fee is not a governmental fee and is not required or collected by DMV. Typically this fee is listed as a "Document Processing Charge (not a governmental fee)" on an itemized list of charges included in final price of the vehicle. However, the fee is often not advertised or discussed when the dealer and the potential buyer are negotiating the price of the vehicle, but rather comes at the end of the process.

3) *Cost recovery.* The current $85 fee, which is set in statute, is the lowest in the country. The California New Car Dealers Association, the sponsor of this bill, contends that the $85 fee is insufficient to adequately cover the administrative and technological costs needed to complete the processing. Under this bill, the fee dealers can charge customers would be raised to 1% of the cost of the vehicle up to $260. This bill exempts state and local governmental entities from being charged the increased fee.

4) *Customer disclosure.* In an effort to make the document fee more transparent, this bill requires dealers to disclose that the advertised price does not include a document fee, which may be as high as $260. Failure to do so is a misdemeanor, with the ability for DMV to take actions against the dealer's license. This bill requires the contract to include a statement that the document fee is not a government fee and dealer offices are also required to include disclosures regarding the document fee. Failing to do so authorizes DMV to take action against the dealer's license to operate.

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

According to Assembly Appropriations Committee:

- This bill is likely to result in additional consumer complaints to DMV. Actual costs are difficult to estimate and will depend on the number of complaints DMV receives, but it is reasonable to assume costs may be significant.

  DMV describes the workload this bill is likely to create as resulting from handling increased consumer complaints, enforcing proper fee application and updating public materials and dealer guidance. DMV contends a reasonable estimate of resulting costs to be $180,000 annually (Motor Vehicle Account (MVA)).

  MVA is the primary funding account for DMV and the California Highway Patrol (CHP). DMV notes the MVA is facing insolvency and references a report by the Legislative Analyst's Office (LAO) that recommended, "Until a plan is put in place to address MVA's structural deficit, we recommend the Legislature set a high bar for considering approval of any proposals that create additional MVA cost pressures and accelerate the risk of insolvency."

  DMV further notes that the summary of the May revise to the 2025-26 Governor's Budget observed:

  > Given the ongoing fiscal constraints in the MVA, the Administration will continue to prioritize fiscal discipline. This means limiting new workload or initiatives including those with delayed implementation dates that would create additional cost pressures over time. By focusing on core operational priorities, the DMV can serve Californians while staying within available MVA resources.

- A violation of this bill's provisions is a misdemeanor and, therefore, it may create cost pressures (General Fund (GF) or Trial Court Trust Fund (TCTF)) of an unknown, but potentially significant amount, to the courts in additional resulting from an increased number criminal actions. It is unclear how many additional actions may be filed statewide, but the cost of one hour of court time is approximately $1,000. Although courts are not funded on the basis of workload, increased pressure on staff and the TCTF may create a demand for increased court funding from the GF to perform existing duties. The Budget Act of 2025 provides $82 million ongoing GF to the TCTF for court operations.

SUPPORT: (Verified 10/14/25)

California New Car Dealers Association (Source)
Carmax
Cmda-california Motorcycle Dealers Association
Enterprise Mobility
Greater Los Angeles New Car Dealers Association
Independent Automobile Dealers Association of California
New Car Dealer Association San Diego County
Orange County Automobile Dealers Association

OPPOSITION: (Verified 10/14/25)

California Alliance for Retired Americans
California Low-income Consumer Coalition
Cameo - California Association for Micro Enterprise Opportunity
Community Legal Services in East Palo Alto
Consumer Action
Consumer Attorneys of California
Consumer Federation of America
Consumer Reports
Consumers for Auto Reliability & Safety
Courage California
Dolores Huerta Foundation
Housing & Economic Right Advocates
National Consumer Law Center
National Consumers League
Parkwest Bicycle Casino
Public Counsel
Public Law Center
Small Business Majority
Starting Over INC.

ARGUMENTS IN SUPPORT: Writing in support, the California New Car Dealers Association and a coalition of vehicle dealers state, "[w]hen examined in a historical context, California's DPC of $85 has not kept even close to pace with inflation or the increasing costs that dealers face in complying with ever-increasing state law and regulations. California's DPC is the lowest in the nation—less than 1/5 of the national average ($433)—despite the fact that California's car dealerships are subject to the most stringent document processing and compliance requirements in the country with up to 113 state-mandated obligations they must

perform during the car buying process on behalf of the state and consumer. California's new car dealerships provide a wide range of document processing services that benefit consumers – saving significant time, money, and hassle, while ensuring consumers are protected."

ARGUMENTS IN OPPOSITION: Writing in opposition, the California Alliance for Retired Americans and a coalition of consumer advocacy organizations states, "[c]ar dealer document fees are the epitome of a "junk fee" that fails to reflect what the service actually costs dealers to provide, is not required to be disclosed up front, and is presented at the end of the transaction along with governmental fees, creating the false impression that it is an "official" fee and is non-negotiable. Historically, increases in the document fee have been incremental, and were the subject of negotiations so that they related to improvements in protections for car buyers. However, SB 791 does nothing to improve services or protections for consumers, and is totally one-sided in favor of car dealers at the expense of consumers."

GOVERNOR'S VETO MESSAGE:

> This bill authorizes car dealers to increase the document processing fee they can charge a customer from $85 to 1 percent of the total price of the vehicle, up to $260, until January 1, 2031.
>
> At a time when Californians are already struggling with the high cost of living, this bill would raise the document processing fee to three times the current $85 cap - far beyond what an inflation adjustment would justify. With no new state requirements and increasingly streamlined DMV processes, consumers could be charged hundreds more for only minutes of data entry.
>
> For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 60-3, 9/8/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bennett, Berman, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Davies, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Gipson, Jeff Gonzalez, Mark González, Hadwick, Hart, Hoover, Jackson, Johnson, Kalra, Krell, Lowenthal, Macedo, Pacheco, Papan, Patterson, Pellerin, Petrie-Norris, Quirk-

Silva, Ramos, Ransom, Michelle Rodriguez, Blanca Rubio, Sanchez, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NOES: Boerner, Irwin, Lee
NO VOTE RECORDED: Arambula, Bains, Bauer-Kahan, Connolly, DeMaio, Garcia, Haney, Harabedian, Lackey, McKinnor, Muratsuchi, Nguyen, Ortega, Patel, Celeste Rodriguez, Rogers, Schiavo

Prepared by: Isabelle LaSalle / TRANS. / (916) 651-4121
10/15/25 13:50:43

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