

2025-26 SESSION

Supplemental #1

**SENATE
THIRD READING PACKET**

THURSDAY, JUNE 25, 2026



OFFICE OF SENATE FLOOR ANALYSES
651-4171

SENATE THIRD READING PACKET

Attached are analyses of bills on the Daily File for Thursday, June 25, 2026.

<u>Note</u>	<u>Measure</u>	<u>Author</u>	<u>Location</u>
+	SB 417	Limón	
+	SB 623	Umberg	
+	ACA 20	Gabriel	

+ ADDS

RA Revised Analysis

* Analysis pending

UNFINISHED BUSINESS

Bill No: SB 417
Author: Limón (D) and Rivas (D), et al.
Amended: 6/22/26
Vote: 27 - Urgency

SENATE HOUSING COMMITTEE: 8-1, 1/6/26

AYES: Wahab, Arreguín, Cabaldon, Caballero, Cortese, Durazo, Grayson, Padilla

NOES: Seyarto

NO VOTE RECORDED: Ochoa Bogh, Reyes

SENATE APPROPRIATIONS COMMITTEE: 5-2, 1/22/26

AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab

NOES: Seyarto, Dahle

SENATE FLOOR: 30-9, 1/27/26

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,
Valladares

NO VOTE RECORDED: Ochoa Bogh

ASSEMBLY FLOOR: 6/25/26 – Roll call not available

SUBJECT: The Veterans and Affordable Housing Bond Act of 2026

SOURCE: Author

DIGEST: This urgency bill would enact the Veterans and Affordable Housing Bond Act of 2026, which, if adopted by the voters in the statewide election November 2, 2026, would authorize \$11.25 billion in general obligation bonds to fund specified housing programs.

Assembly Amendments of 6/22/26:

- 1) Increase the bond authorization by \$1.25 billion for the Department of Veteran Affairs (CalVet) Home Loan Program, for a total bond authorization of \$11.25 billion.
- 2) Add funds for youth housing, student housing, the Local Housing Trust Fund Matching Grant Program, and funds for the acquisition, conversion, or rehabilitation of interim housing to permanent housing, including scattered site projects for persons who are homeless, chronically homeless, or are at risk of homelessness, as specified.
- 3) Revise funding allocations to the following programs: Multifamily Housing Program (MHP), MHP-Supportive Housing, Portfolio Reinvestment Program (PRP), CalHome, Joe Serna Jr. Farmworker Housing Program (Serna), Tribal Housing Grant Program, Infill Infrastructure Grant (IIG) Program of 2019, and California Housing Finance Agency (CalHFA) downpayment assistance program.

ANALYSIS:

Existing law:

- 1) Authorized the Veterans and Affordable Housing Bond Act of 2018, which provided \$4 billion in funding, including \$1 billion for the Department of Veterans Affairs (CalVet) program and \$3 billion for various affordable housing programs.
- 2) Establishes MHP at the California Department of Housing and Community Development (HCD) to assist the new construction, rehabilitation, and preservation of permanent and transitional rental housing for lower income households through loans to local governments and non- and for-profit developers.
- 3) Establishes the PRP to provide loans or grants to rehabilitate, capitalize operating subsidy or replacement reserves for, and extend the long-term affordability of HCD-funded housing projects that have an affordability restriction that has either expired, that has a remaining term of less than 10 years, or are otherwise at-risk for conversion to market-rate housing.

- 4) Establishes the Serna Program at HCD to finance the new construction, rehabilitation, and acquisition of owner-occupied and rental units for agricultural workers, with a priority for lower income households.
- 5) Establishes CalHome at HCD to provide grants to local public agencies and non-profit developers to assist individuals and households through deferred-payment loans. The funds provide direct, forgivable loans to assist development projects involving multiple ownership units, including single-family subdivisions.
- 6) Authorizes CalHFA to provide first time homebuyer assistance, including but not limited to a deferred-payment, low-interest, subordinate mortgage loan, including down payment assistance, closing cost assistance, or both, to make financing affordable to low- and moderate-income households.

This urgency bill:

- 1) Enacts the Veterans and Affordable Housing Bond Act of 2026, which, if adopted by the voters in the statewide election on November 2, 2026 statewide election, would authorize \$11.25 billion in general obligation bonds to fund the following programs:
 - a) \$5.1 billion to MHP. At least 10% of units in a MHP development must be available for extremely low-income households;
 - b) \$1.25 billion to the CalVet Home Loan Program to assist veterans in purchasing homes;
 - c) \$1.15 billion to supportive housing administered through the MHP program. Requires the administering agency to offer capitalized operating subsidy reserves for supportive housing developments receiving funding;
 - i) Up to 15% shall be made available as grants to acquire capital assets for the acquisition, conversion, or rehabilitation of interim housing to permanent housing, including scattered site projects for persons who are homeless, chronically homeless, or are at risk of homelessness, the purchase of affordability covenants and restrictions for units, relocation costs for individuals who are being displaced as a result of rehabilitation of existing units, and capitalized operating subsidies for units purchased, converted, or altered with funds made available by this measure.
 - ii) \$150 million shall be used for youth housing, as specified.
 - d) \$750 million to PRP. Funds not encumbered by November 3, 2036, shall revert to MHP.

- e) \$200 million to a program to fund the acquisition and rehabilitation of unrestricted housing units and attach long-term affordability restrictions on the housing units, while safeguarding against the displacement of current residents. Any funds not allocated within the first three years shall be made available for MHP.
 - f) \$600 million to CalHome to provide direct, forgivable loans to assist development projects involving multiple home ownership units, including single-family subdivisions, for self-help mortgage assistance programs, and for manufactured homes. Funds not encumbered by November 3, 2036, shall revert to MHP.
 - g) \$500 million to CalHFA for purposes of the home purchase assistance program.
 - h) \$450 million to the Serna Program to fund grants or loans, or both, for the construction or rehabilitation of housing for agricultural employees and their families or for the acquisition of manufactured housing as part of a program to address and remedy the impact of current and potential displacement of farmworker families from existing labor camps, mobilehome parks, or other housing. Funds not encumbered by November 3, 2036, shall revert to MHP.
 - i) \$200 million to the Tribal Housing Grant Program to finance housing and housing-related activities that will enable tribes to rebuild and reconstitute their communities. Funds not encumbered by November 3, 2036, shall revert to MHP.
 - j) \$500 million to the Infill Infrastructure Grant Program of 2019 for infill incentive grants to assist in the new construction and rehabilitation of infrastructure that supports high-density affordable and mixed-income housing in locations designated as infill. Funds not encumbered by November 3, 2036, shall revert to MHP.
 - k) \$350 million for new affordable student housing projects. This funding shall be split evenly among the University of California and the California State University.
 - l) \$200 million for the Local Housing Trust Fund Matching Grant Program to fund competitive grants or loans to local housing trust funds that develop, own, lend, or invest in affordable housing and to create pilot programs to demonstrate innovative, cost-saving approaches to creating or preserve affordable housing. Any funds not encumbered within the first three years shall be made available for MHP.
- 2) Authorizes the Business, Consumer Services, and Housing Agency, or its successor, to align or streamline the programs funded by the bond to improve efficiency and accelerate the deployment of funds, provided the expenditures

remain consistent with the purposes and eligible uses approved by the voters and the Legislature.

- 3) Authorizes the Legislature to reallocate the proceeds of bonds issued and sold pursuant to this bill among the programs to which funds are to be allocated to effectively promote the development of affordable housing in this state.

Background

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

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

Comments

Publicly available funds for affordable housing. Prior to 1974, the federal government invested heavily in affordable housing construction. When those units began to deteriorate, the Housing and Community Development Act ended most new construction of public housing and the Housing Choice Voucher Program (Section 8) was created in its place. This new program allowed eligible tenants to pay only a portion of their rent (based on their income) and shifted funds from public housing authorities to the private sector. The goal was to eliminate concentrations of low-income people in housing developments. In 1981, the Reagan administration dismantled federal affordable housing funding. From 1978 to 1983, the funding for low- to moderate-income housing decreased by 77%. In 1970, there were 300,000 more low-cost rental units (6.5 million) than low-income

renter households (6.2 million). By 1985, however, the number of low-cost units had fallen to 5.6 million, and the number of low-income renter households had grown to 8.9 million, a disparity of 3.3 million units. Federal investments have not gone back up to pre-1978 levels, and measures like the Faircloth amendment have hamstrung federal investments in new publicly-funded affordable units.

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

Only in the last few years have the Legislature and Governor allocated General Fund dollars to affordable housing programs. Beginning in 2019, an unprecedented \$8 billion from the General Fund has gone to a variety of affordable housing programs. The Veterans and Affordable Housing Bond Act of 2018 (Proposition 1), authorized \$3 billion to fund state affordable housing programs and \$1 billion for the CalVet program, which provides advantageous mortgages to veterans. All of the funding from the bond was fully allocated by the end of 2023. Proposition 2 of 2018 authorized the state to issue \$2 billion in General Obligations bonds against revenues from the Mental Health Services Act for purposes of funding the No Place Like Home Program (NPLH). Those funds supported the construction of over 7,000 supportive housing units and the funds are now exhausted.

It should be noted that of these investments, only funds from the Affordable Housing and Sustainable Communities program (AHSC) – funded by the state’s Cap and Invest Program, federal and state low income housing tax credits, and funds from SB 2 (Atkins, Chapter 364, Statutes of 2017), are ongoing sources of funding for the development of affordable housing in the state.

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

Who benefits from affordable housing? Most subsidized affordable housing developments are built for families and individuals with household incomes at or below 60% of the Area Median Income (AMI); as noted above, AMI is set regionally and means different things in different areas of the state. While these income limits may seem low, many middle- and working-class families fall into

these income categories due to the high cost of housing in their region. For example, a renter earning minimum wage (*e.g.*, pre-school teacher, janitor, or retail employee) needs to earn 2.8 times the state minimum wage to afford the average asking rent in California. The average beginning elementary school teacher in California makes between \$55,000 - \$62,000 per year and a beginning high school teacher makes between \$55,000 and \$67,000 per year¹, which in some areas of the state falls into the low- or even very low-income categories.

A renewed GO Bond for Housing. According to the sponsors, this new bond could produce more than 40,000 new affordable homes for lower-income households, preserve more than 5,500 existing units, create more than 53,000 construction jobs, and generate \$1.3 billion in state and local tax revenue. This bond, if approved by the voters, will fund a number of existing programs that serve lower-income and homeless individuals: MHP, MHP-Supportive Housing, Homekey, PRP, and Local Housing Trust Fund Matching Grant Program. This bond would assist with meeting multifamily infrastructure needs through investments in IIG of 2019, as well as strengthening the state's affordable housing stock through a new acquisition and rehabilitation program that attaches long-term affordability restrictions on subsidies and unrestricted units that are "naturally affordable." This bond would also serve populations with unique economic challenges, including homeless youth, farmworkers, tribes, and students at UCs and CSUs. Lastly, these funds would help families achieve homeownership by investing in CalHome, the CalHFA home purchase program, and the CalVet's Home Loan Program.

CalVet Home Loan Program. This program is funded primarily by veterans' bonds, a type of tax-exempt GO bond. However, the program is fully self-supporting and does not impose any cost to the General Fund. Further, the bonds backing the program are more like revenue bonds in that they are repaid by CalVet loan holders through the payment of principal and interest on their mortgage loans.

Since 1921, California voters have approved 23 bonds for the program, and more than 423,000 veterans have been provided loans since the program's inception. CalVet offers at or below market interest rate loans, with low- or no-down payment requirements. There are also no lender fees other than a one-percent origination fee. Loans are reviewed by underwriters who approve loans that make sense for applicants. CalVet loans carry unparalleled fire, flood, earthquake and hazard insurance, for low deductibles. CalVet loans are serviced by the department, not by bank loan officers. The voters last approved \$1 billion for the

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

CalVet program in 2008 with the passage of Proposition 1. Should this bond measure be approved by the voters, it would add an additional \$1.25 billion to the program.

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

According to the Assembly Appropriations Committee:

- 1) **Bond Costs.** Estimated total principal and interest costs to pay off the bonds of approximately \$17.39 billion (\$10 billion in principal and \$7.39 billion in interest), with General Fund (GF) debt service payments of approximately \$580 million annually when all bonds are sold. This assumes an interest rate of 4.02% (the rate secured by the State Treasurer over several general obligation bond sales in 2025) and a 30-year maturity. Actual costs would depend on the interest rate and the timing of the sales.
- 2) **Administrative Costs.** HCD estimates it would incur significant increased staffing and operating costs to administer the various housing programs funded by the bond act. Consistent with previous housing bond measures, HCD expects to utilize up to 5% of bond proceeds for administrative purposes. HCD indicates final staffing estimates would fall within these parameters and it does not anticipate a GF impact.

CalHFA which administers the downpayment assistance program, does not anticipate significant additional administrative costs.

- 3) **Ballot Costs.** Estimated one-time GF costs to the Secretary of State (SOS) in the range of \$984,000 to \$1.23 million for printing and mailing costs to place the measure on the ballot in the November 3, 2026, statewide election. This estimate assumes an average per-page cost of \$123,000 and the addition of eight to ten pages in the Voter Information Guide.

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

SUPPORT: (Verified 6/23/26)

A Community of Friends

Abode Housing Development

ACLU California Action

Affordable Housing Management Association-northern CA Hawaii

Alliance for Children's Rights

Alliance for Housing and Healing

Alliance of Californians for Community Empowerment (ACCE)

Alta Housing
Amazon.com
American Planning Association, California Chapter
Architects Fora
Audubon California
Azul
Berkeley City Councilmember Igor Tregub
Better Opportunities Builder, INC.
Board of Supervisors for the City and County of San Francisco
Brilliant Corners
Buen Vecino
Burbank Housing
CA Assn of Winegrape Growers
CAA Consultants
Cabrillo Economic Development Corporation
California Apartment Association
California Association of Housing Authorities
California Center for Cooperative Development
California Coalition for Community Investment
California Coalition for Rural Housing
California Coalition for Youth
California Coastal Protection Network
California Conference of Carpenters
California Housing Consortium
California Housing Partnership
California National Organization for Women
California Rural Legal Assistance Foundation
California State University, Office of the Chancellor
California-hawaii State Conference of the NAACP
Care Clt (a Division of Care Assn, Inc)
Champions for Progress INC.
Chelro Care Institute
Children Now
Chinatown Community Development Center
Christian Church Homes (CCH)
City of Anaheim
City of Eureka
City of Fairfield
City of Oakland
City of Santa Ana Councilwoman Jessie Lopez

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

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

Midpen Housing
Midpen Housing Corporation
Mission Economic Development Agency
Mithun
Monterey Bay Economic Partnership
Monterey Peninsula Yimby
Mountain View Yimby
Move California
Napa-solano for Everyone
National Alliance to End Homelessness
National Housing Law Project
Neighborhood Partnership Housing Services INC
Nonprofit Housing Association of Northern California
Northern Circle Indian Housing Authority
Northern Dreamcatcher
Northern Neighbors
Orange County Coastkeeper
Our Future Los Angeles
Oxnard Union High School District
Partnership for the Bay's Future
Peninsula for Everyone
People for Housing - Orange County
People's Self-help Housing
Pep Housing
Pico California
Planning and Conservation League
Policylink
Prosperity California
Public Advocates
Public Counsel
Public Interest Law Project
Queer Surf
Redwood Community Services
Renewal Enterprise District
Resource Renewal Institute
Resources for Community Development
Riverside; City of
Sacramento Area Congregation Together
Sacramento Community Land Trust
Sacramento Housing Alliance

Sacramento Transit Advocates and Riders STAR
Sacred Heart Community Service
Salted Roots
San Francisco Board of Supervisors
San Francisco Community Land Trust
San Francisco Department of Homelessness and Supportive Housing
San Francisco Safehouse
San Francisco Yimby
San Joaquin Valley Housing Collaborative
Santa Clara County Housing Authority
Santa Cruz Yimby
Santa Rosa Yimby
Satellite Affordable Housing Associates
Save the Bay
Save the Sonoma Coast
Self-help Enterprises
Self-help for the Elderly
Serving Seniors
Sf Yimby
Sierra Business Council
Silicon Valley Community Foundation
Sloco Yimby
Smart Justice California
Socal 350 Climate Action
Somos Mayfair
South Bay Community Land Trust
South Bay Yimby
Southern California Association of Non-profit Housing (SCANPH)
Starting Over Strong
Stinson Beach Affordable Housing Committee
Sun Light & Power
Supportive Housing Alliance
Supportive Housing Community Land Alliance
Surfrider Foundation
Sv@home Action Fund
Techeqiuty Action
Tenderloin Neighborhood Development Corporation
Terracorp
The John Stewart Company
The Kennedy Commission

The Lived Experience Advisory Board of Silicon Valley
The Unity Council
Transform
Truckee Tahoe Workforce Housing Agency
Two Valleys Community Land Trust
United Domestic Workers/afscme Local 3930
United Wholesale Mortgage, LLC
University of California Office of the President
Urban Habitat
Valley Industry and Commerce Association (VICA)
Van Meter Williams Pollack, Llp
Venice Community Housing
Ventura County Yimby
Ventura Homeless Prevention
Victor Valley Family Resource Center
Vital Arts
Wakeland Housing and Development Corporation
West Sacramento; City of
Western Center on Law & Poverty
Women's Empowerment
Wph Holdings, LLC
Wunz Apparel in Action
Yimby Action
Yimby LA
Yimby Los Angeles
Yimby Oceanside
Yimby Slo
Yolo Yimby
Young Community Developers
Zen Development Consultants LLC
Zillow Group

OPPOSITION: (Verified 6/23/26)

Habitat for Humanity

ARGUMENTS IN SUPPORT: According to the authors, “SB 417 is the reflection of the hard work done in the Legislature to address and respond to the critical housing needs that Californians are facing across the state. The Veterans and Affordable Housing Bond Act of 2026 is a historic, \$11.25 billion investment that will accelerate the construction, rehabilitation, and preservation of affordable

housing, support homeownership programs, and provide funding for a variety of state housing initiatives. This bond targets investments to serve Californians with special housing needs – including people experiencing homelessness, farmworker families, public university students, members of California’s tribal communities, young adults, and veterans, through proven, cost-effective programs. Resources will also expand local infrastructure capacity and innovative local housing trust fund programs. The Veterans and Affordable Housing Bond Act of 2026 continues our commitment to prioritize access to housing in the Golden State for everyone.”

ARGUMENTS IN OPPOSITION: Habitat for Humanity, writing on a prior version of this bill, is opposed unless it is amended to specify that 10% of the bond proceeds go to CalHOME.

Prepared by: Alison Hughes / HOUSING / (916) 651-4124
6/25/26 9:18:43

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

UNFINISHED BUSINESS

Bill No: SB 623
Author: Umberg (D) and Papan (D)
Amended: 6/22/26
Vote: 21

SENATE MILITARY & VETERANS COMMITTEE: 3-0, 1/14/26
AYES: Archuleta, McNerney, Umberg
NO VOTE RECORDED: Grove, Menjivar

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

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

SENATE FLOOR: 39-0, 1/29/26
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

SUBJECT: Automobile accidents: civil actions: transportation network companies

SOURCE: Consumer Attorneys of California
Uber Industries, Inc.

DIGEST: This bill implements the terms of a successful negotiation between stakeholders of qualified ballot initiatives;¹ the Consumer Attorneys of California

¹ See: *Uber, California lawyers say ballot initiative showdown averted* (June 18, 2026) Los Angeles Times, by Rebecca Ellis, available at: <https://www.latimes.com/california/story/2026-06-18/uber-california-trial-attorneys-ballot-initiatives-deal>

and Uber Technologies, Inc. negotiated the deal.² If this bill is approved by the Legislature, the proponents of the two ballot initiatives have agreed to pull their initiatives as is permitted by Elections Code Section 9604. The deadline to qualify or withdraw from the ballot is 131 days from the election. In this case, the deadline to withdraw the initiatives is June 25, 2026 for the November 3, 2026 election. Pursuant to statute, the Secretary of State must receive the notice of removal by 5:00 PM.

Assembly Amendments of 6/22/26 codify the deal reached by Consumer Attorneys of California and Uber Technologies, Inc.

ANALYSIS:

Existing law:³

- 1) For the breach of an obligation not arising from contract, the measure of damages, except where otherwise expressly provided by law, is the amount which will compensate for all the detriment proximately caused thereby, whether it could have been anticipated or not. (Civil (Civ.) Code § 3333.)
- 2) Specifies that, except as provided in 3), in any action to recover damages arising out of the operation or use of a motor vehicle, a person is not entitled to recover non-economic losses to compensate for pain, suffering, inconvenience, physical impairment, disfigurement, and other nonpecuniary damages if any of the following applies:
 - a) The injured person was at the time of the accident operating the vehicle while under the influence of controlled substance or alcohol, and was convicted for the violation;
 - b) The injured person was the owner of a vehicle involved in the accident and the vehicle was not insured as required by the financial responsibility laws of this state; or
 - c) The injured person was the operator of a vehicle involved in the accident and the operator can not establish his or her financial responsibility as required by the financial responsibility laws of this state. (Civ. Code § 3333.4 (a).)

² The initiative sponsored by Uber is titled *Protecting Automobile Accident Victims from Attorney Self-Dealing Act*, (Initiative 25-0022A1). The initiative sponsored by the Consumer Attorneys of California is titled *Sexual Assault Against Rideshare Passengers and Drivers Prevention and Accountability Act*, (Initiative 25-029A1)

³ The "Existing Law" and "This bill" sections of this analysis are pulled from the Assembly Judiciary Committee analysis for this bill.

- 3) Provides that the provisions of 2) related to a failure to maintain a financial responsibility for operating a vehicle do not apply if the injuries were the result of another driver operating a vehicle under the influence of controlled substance or alcohol. (Civ. Code § 3333.4 (c).)
- 4) Provides that any person who suffers injury that is proximately caused by the driver of a commercial motor vehicle is entitled to recover treble damages from the driver's employer where it is shown both that the driver of a commercial motor vehicle was under the influence of alcohol or a controlled substance at the time that the injury was caused and that the driver's employer willfully failed at the time of the injury to comply with any of the requirements of federal law related to testing employees for substance use. (Civ. Code § 3333.7 (a).)
- 5) Requires a transportation network company to conduct, or have a third party conduct, a local and national criminal background check for each participating driver that includes both of the following:
 - a) The use of a multistate and multijurisdiction criminal records locator or other similar commercial nationwide database with validation; and
 - b) A search of the United States Department of Justice National Sex Offender Public website. (Public (Pub.) Utilities (Util.) Code § 5445.2 (a)(1).)
- 6) Prohibits a transportation network company from contracting with, employing, or retaining a driver if the driver meets either of the following criteria:
 - a) Is currently registered on the United States Department of Justice National Sex Offender Public website; or
 - b) Has been convicted of a violent felony, human trafficking, or specified activities related to terrorism. (Pub. Util. Code § 5445.2 (a)(2).)
- 7) Prohibits a transportation network company from contracting with, employing, or retaining a driver if the driver has been convicted of any of the following within the past seven years:
 - a) Misdemeanor assault or battery;
 - b) Domestic violence;
 - c) Driving under the influence of drugs or alcohol; or
 - d) Specified crimes of moral turpitude. (Pub. Util. Code § 5445.2 (a)(3).)
- 8) Defines the following:

- a) “App-based driver” means an individual who is a delivery network company courier, transportation network company driver, or charter-party carrier or passenger driver or permit holder and meets the criteria for operating as an independent contractor pursuant to Proposition 22 of 2020; and
- b) “Network company” means a business entity that is a delivery network company that maintains an online-enabled application or platform used to facilitate delivery services within the State of California on an on-demand basis, as specified, or a transportation network company that provides prearranged transportation services for compensation using an online-enabled application or platform to connect passengers with drivers using a personal vehicle. (Bus. & Prof. Code § 7463.)

This bill:⁴

- 1) Provides that the provisions of this bill apply to any civil case, claim, action, or arbitration against a network company, its subsidiary, or an app-based driver, as defined, arising out of an automobile accident occurring on or after January 1, 2027, in which a claimant obtained medical treatment by a lien-based provider.
- 2) Exempts from the provisions of this bill any medical services rendered, liens created, receivables assigned, or contractual rights or obligations arising before January 1, 2027. Specifies that nothing in the new section abrogates the collateral source rule.
- 3) Provides that the maximum recovery of a plaintiff for damages for any expense for services rendered by a lien-based provider not to exceed 70th percentile of FAIR Health, Inc.’s billed charges, or the 70th percentile of a comparable commercially recognized billed charges database for the same or similar service in the applicable geographic area at the time the service was rendered, and prohibits a plaintiff from recovering past medical expense damages in excess of that amount.
- 4) Clarifies that nothing in this bill is to be construed to establish entitlement to any particular amount for any medical service, or to preclude a defendant from challenging the amount recoverable for any medical expense.
- 5) Permits a court to authorize recovery above the maximum recovery provided in 3) upon motion of the plaintiff only upon a finding, by clear and convincing

⁴ The “Existing Law” and “This bill” sections of this analysis are pulled from the Assembly Judiciary Committee analysis for this bill.

evidence, and supported by expert testimony, that the service involved exceptionally rare or highly specialized treatment for which no reasonably comparable provider or service was available. Requires any request for recovery above the maximum recovery provided to be determined by the court before trial.

- 6) Entitles the party opposing the motion made in 5) to recover its reasonably attorney's fees and costs incurred in connection with opposing the motion if the court denies the motion.
- 7) Makes the amount billed, charged, or claimed by a lien-based provider for past medical expenses in excess of the maximum amount recoverable under this bill void and unenforceable, and prohibits any person or entity from recovering, collecting, enforcing, asserting, seeking payment of, or seeking reimbursement, indemnity, contribution, or subrogation for that excess amount.
- 8) Prohibits any party from introducing, referencing, disclosing, or presenting to the trier of fact any billed charge, lien amount, invoice, statement, or claimed value for past medical expenses exceeding the recoverable amount pursuant to this bill, and prohibits any party from introducing evidence or argument or reference to this bill, including, but not limited to, reference to the maximum amount, as specified.
- 9) Prohibits a plaintiff from recovering as damages for medical expenses an amount greater than the amount actually billed by the lien-based provider for that service.
- 10) Requires damages for medical expenses under this section to be supported by itemized medical bills identifying the services provided at the procedure-code level using generally accepted health care billing and coding standards, including applicable Current Procedural Terminology (CPT), Healthcare Common Procedure Coding System (HCPCS), International Classification of Diseases (ICD), or successor coding systems in order to be recoverable.
- 11) Requires a party challenging compliance with the provisions of 10) to provide written notice to the plaintiff's attorney identifying the alleged deficiency with reasonable specificity, and grants the provider or party offering the bill 30 days to cure, supplement, or clarify with billing records.
- 12) Limits the maximum recoverable medical expense damages, the maximum amount recoverable by the assignee, and the maximum amount for which the plaintiff may be liable, where a medical lien, receivable, or right to payment

has been sold, assigned, financed, factored, or otherwise transferred, to not exceed the total consideration paid or payable in connection with the transaction to acquire the lien, receivable, or right to payment, which in no event can exceed the maximum amount recoverable in 3).

- 13) Makes any agreement relating to the sale, assignment, financing, factoring, or transfer of a medical lien, receivable, or right to payment, and the consideration paid or payable therefor, including any contingent, deferred, recourse-based, or future payments, discoverable and requires it to be disclosed to the plaintiff, the plaintiff's attorney, the defendant, the defendant's attorney, and any applicable insurer within 30 days after the transaction and, in all events, before any settlement or distribution of the settlement proceeds.
- 14) Prohibits any undisclosed lien sale, assignment, financing, factoring arrangement, or transfer from being asserted against a defendant, insurer, settlement, judgment, or settlement proceeds.
- 15) Provides that nothing in this bill precludes any party from challenging the reasonableness of any charge, the medical necessity of any treatment, or the accuracy of any billing, coding, or causation, except as specified.
- 16) Deems any agreement, arrangement, or transaction by which a lien-based provider transfers the economic risk of noncollection of a medical lien to a third party in exchange for immediate or deferred compensation, regardless of whether the transaction is denominated as a sale, assignment, loan, factoring arrangement, management agreement, servicing agreement, or otherwise, as a lien assignment subject to this bill.
- 17) Authorizes the civil discovery of any medical liens relating to the lien-based provider treatment at issue, including any assignment, financing, factoring, referral, ownership, investment, lending, or compensation between a lien-based provider and an attorney, law firm, or affiliated entity relating to the treatment, lien or recovery.
- 18) Requires a lien-based provider, upon request, to provide a declaration under penalty of perjury stating whether the plaintiff was referred by the attorney, law firm, or any person acting on their behalf and the approximate number of patients referred by that attorney or law firm to the provider during the preceding 24 months. Makes the declaration discoverable.

- 19) Makes it unlawful for an attorney representing a plaintiff under a contingency fee agreement to refer a client to a health care provider in which the attorney or a member of the attorney's immediate family has a direct ownership interest.
- 20) Makes it unlawful for an attorney representing a plaintiff to fee split, receive kickbacks, rebates, or referral compensation in connection with the furnishing of lien-based provider medical treatment for that plaintiff.
- 21) Makes it unlawful for an attorney or law firm to provide bonuses, incentives, or compensation for referrals of clients to lien-based providers for lien-based treatment.
- 22) Prohibits an attorney from charging any additional contingency fee, administrative fee, management fee, or similar fee based upon the reduction, compromise, or resolution of a medical lien, however, nothing in this bill prevents an attorney from retaining a third party to negotiate any lien reductions at a cost with client consent.
- 23) Prohibits a lien-based provider from entering into any agreement or understanding to reduce a medical lien before medical services are rendered, and that a violation of this prohibition may subject the provider to professional discipline.
- 24) Provides that an attorney who violations 19) – 22) may be subject to professional discipline by the State Bar.
- 25) Defines various terms for purposes of this bill, including:
 - a) "Lien-based provider" means any health care provider or other person or entity that renders, furnishes, bills for, finances, or seeks payment for health care-related goods or services provided pursuant to an agreement under which payment is contingent upon, secured by, or expected from, the proceeds of the patient's legal claim. The term includes any facility, hospital, ambulatory surgery center, imaging center, supplier, affiliated entity, or other person or entity participating in the course of treatment or episode of care, regardless of whether that person or entity executed a separate agreement. The term does not include providers furnishing care pursuant to health insurance, government health coverage, or the Hospital Lien Act, as provided pursuant to existing law.
 - b) "Medical lien" means any lien, assignment, receivable, right to payment, letter of protection, financing arrangement, factoring arrangement, purchase agreement, or other claim or encumbrance arising from or

relating to medical goods or services furnished to a plaintiff or claimant for which payment is contingent upon, secured by, expected from, or recoverable from the proceeds of a legal claim. “Medical lien” does not include any lien, reimbursement claim, or subrogation rights asserted by a private health insurer, Employee Retirement Income Security Act (ERISA) plan, workers’ compensation carrier, Medicare, Medi-Cal, TRICARE, or any other federal or state health benefit program.

- 26) Prohibits a transportation network company from contracting with, employing, or retaining a driver if the driver has been convicted of specified sex- or assault-based criminal offenses.
- 27) Prohibits a transportation network company from contracting with, employing, or retaining a driver if, in the previous seven years, the driver has been convicted of driving under the influence of an alcoholic beverage or drug, a weapons charge, or violating a protective order.
- 28) Requires a background check to be performed, prior to activation of a transportation network company driver’s account, and once annually thereafter for each participating driver who is authorized to use the transportation network company’s online-enabled application or platform, as specified.
- 29) Authorizes a transportation network company or charter-party carrier of passengers, notwithstanding any other law including the Unruh Civil Rights Act, to allow a woman passenger on its online-enabled application or platform or a participating woman driver to indicate a preference to be matched with a woman driver or woman passenger, respectively, and facilitate passenger-driver matches based on such preferences.
- 30) Deems the provisions of 29) retroactive, without regard to whether or not a transportation company or charter-party carrier’s facilitation of passenger-driver matches occurred before, or occurred on or after, the date on which this bill is enacted, including in civil litigation proceedings initiated prior to the date on which this bill is enacted.
- 31) Provides that nothing in this bill abrogates the collateral sources rule.
- 32) Adopts a severability clause.

Comments

According to the authors. SB 623 strikes a careful balance by enacting several targeted reforms to the rideshare/Transportation Network Company (TNC)

industry, the medical lien industry, and attorneys' relationship to the medical lien industry. SB 623 creates a system that's safe, fair, and accountable by protecting patients from unnecessary treatment or getting overcharged, ensuring access to medical care and legal representation, and strengthens TNC safety measures. In order to address concerns in the medical lien industry and their relationship to attorneys, while ensuring that victims get access to care, SB 623 makes several reforms:

- For accidents occurring on or after January 1, 2027, if a plaintiff receives treatment from a lien-based medical provider, the plaintiff generally can not recover more than the 70th percentile as shown in the FAIR Health database for that particular service in that geographic area. Charges above this amount cannot be collected from the plaintiff and are void.
- However, the court can approve a higher amount if the plaintiff can show, by clear and convincing evidence that the treatment was exceptionally rare or highly specialized and no reasonably comparable provider or service was available.
- Requires standardized itemization of all lien-based medical bills.
- If a lien-based care provider sells their lien to a third-party, the maximum amount that the third-party can recover is the consideration paid by that third-party to the lien-based provider for the assignment.
- Makes it unlawful for an attorney representing a person under a contingency fee agreement to refer the client to a healthcare provider in which the attorney (or family member) has a direct ownership interest.
- Makes it unlawful for an attorney to receive a kickback or a fee-split for referring a client to a lien-based provider, or provide bonuses or incentives for referring a client to a lien-based provider.
- Prohibits attorneys from charging an additional contingency fee, administrative fee, management fee, or similar fee based on reducing or resolving a client's medical lien.

Additionally, SB 623 makes several reforms to the TNC/rideshare industry in order to protect passengers and create greater accountability:

- Requires an initial background check before activating a rideshare driver and annual backgroundchecks thereafter.
- Adds additional crimes, like violating a restraining order and child abuse, to the list of crimes that disqualifies a potential TNC driver.
- Expressly allows women drivers to request women passengers only and women passengers to request women drivers only.

SB 623 is sponsored by the Consumer Attorneys of California and Uber Technologies, Inc.. The Committee is unaware of opposition to this bill. However, since the deal was recently amended into SB 623, there may be opposition to this bill that the Committee is not yet aware of. This bill is scheduled to be heard in the Assembly Judiciary Committee on June 23, 2026, at 1:30 PM. The Senate Judiciary Committee is scheduled to hold an informational hearing titled, *S.B. No. 623 Umberg & Papan. Automobile accidents: civil actions: transportation network companies*, after our regularly scheduled bill hearing on June 23, 2026.

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

SUPPORT: (Verified 6/24/26)

Consumer Attorneys of California (co-source)
Uber Industries, Inc. (co-source)

OPPOSITION: (Verified 6/24/26)

None received

ARGUMENTS IN SUPPORT: Joint sponsors of the bill, the Consumer Attorneys of California and Uber Technologies, Inc., write the following in support of SB 623:

“Both sides agree: Californians deserve a system that is safe, fair, and accountable. This agreement protects patients from unnecessary treatment or getting overcharged, ensures access to medical care and legal representation, and strengthens safety measures. We look forward to working with the California Legislature to pass this legislation.”

With regard to medical lien reform in SB 623, the sponsors write:

“Currently, lien-based treatment can result in medical bills significantly higher than typical charges, often driven by third-party financiers who purchase discounted bills to recover full amounts through litigation. SB 623 protects injured individuals by capping recoverable lien amounts at what the financier actually paid and anchoring recovery to the FAIR Health benchmark—a nationally trusted, objective database of amounts charged for medical care.

This reform helps limit financial abuses and returns value to the individuals who actually suffered harm.”

With regard to patient protections and transparency, the sponsors write:

“SB 623 ensures that no claimant, defendant, or insurer can be held liable for charges exceeding the FAIR Health benchmark, protecting patients from personal liability for inflated debts. Furthermore, the bill mandates standardized, itemized billing using Current Procedural Terminology (CPT) and Healthcare Common Procedure Coding System (HCPCS) codes, bringing the medical lien process in line with the rest of the healthcare industry. By requiring the disclosure of all lien transfers and sales within 30 days, SB 623 brings necessary sunlight to previously hidden financial arrangements.”

With regard to ethics and safety enhancements, the sponsors write:

“This legislation closes structural gaps by prohibiting unethical practices, including attorney ownership in lien-based providers and referral kickbacks. Additionally, SB 623 advances public safety by providing clear legal protection for women’s rider and driver preferences and expanding driver background checks with annual re-screening.”

Prepared by: Margie Estrada / JUD. / (916) 651-4113
6/25/26 9:18:44

**** END ****

THIRD READING

Bill No: ACA 20
Author: Gabriel (D), Hurtado (D), Laird (D) and Valencia (D)
Introduced: 6/22/26
Vote: 27

ASSEMBLY FLOOR: 6/25/26 – Roll call not available.

SUBJECT: Save for California’s Future Act.

SOURCE: Author

DIGEST: This measure adopts the “Save for California’s Future Act” which increases state reserves, subject to voter approval.

ANALYSIS:

This measure:

- 1) Increases the Budget Stabilization Account (BSA) cap from 10% of General Fund Revenues to 20% of General Fund Revenues so that more funds will be deposited in the reserve during good fiscal years.
- 2) Increases the amount of excess General Fund revenue growth, after accounting for growth in Proposition 98 cots, that must be deposited into the BSA in years when revenues are estimated to grow at least eight percent, with 100% of the revenue deposited on any amount between 8-10% growth, and 150% of the revenue deposited on any growth above 10% growth.
- 3) Clarifies that withdrawals from funds deposited into the Budget Stabilization Account after 2027-28 are counted appropriations subject to the Gann Limit on spending, as articulated in Article XIIB in the Constitution, but deposits into the account are not counted towards the appropriations limit.
- 4) Codifies the Surplus Temporary Holding Account in the State Constitution to conform the treatment of temporary deposits into this account during unusually high revenue years to the similar treatment of funds deposited to the BSA so that funds in this account are counted for the Gann Limit purposes until they are withdrawn from

the account; deposits to the Projected Surplus Temporary Holding Account not counting toward the Gann Limit are limited to no more than 10% of General Fund taxes in the year the deposit occurs, and then those are counted against the Gann Limit when withdrawn.

- 5) Clarifies that the governor can use the May Revision submission as means to declare a fiscal emergency to suspend or withdraw funds from the BSA or the Public School System Stabilization Account pursuant to the Constitution, rather than needing to also submit a separate proclamation for the purpose when state fiscal conditions in the Constitution are met.
- 6) Expands the state liabilities and obligations that funding from the BSA can reimburse to include federal debt for Unemployment Insurance, but loans, and Proposition 98 settle-up obligations.

Comments

This measure amends Proposition 2 of 2014 to expand the ability for the State to build Rainy Day budget reserves during robust fiscal years so that more funding is available in difficult budget years. This measure is informed by the experience of the State over the last ten years, when the Rainy Day Fund was tested by extreme volatility, resulting in a broad consensus that the fund needed to be larger to provide the stability and certainty that Proposition 2 envisioned. This measure achieves this goal by doubling the cap of the fund, increasing the amount of excess capital gains tax revenues that will be deposited in unusually robust years, and clarifying that deposits into the Rainy Day Fund are not treated as spending when calculating the State Appropriations Limit (the Gann limit), but that when funds are withdrawn from account they are counted for that purpose.

FISCAL EFFECT:

Appropriation: No Fiscal Com.: Yes Local: No

SUPPORT: (Verified 06/23/26)

None received

OPPOSITION: (Verified 06/23/26)

None received

Prepared by: Elisa Wynne / B. & F.R. / (916) 651-4103
6/25/26 9:18:45

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