NOSSAMAN LLP | Memorandum

TO: Monterey County Legislative Committee

FROM: Ashley S. Walker, Senior Policy Advisor, Nossaman LLP
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DATE: September 14, 2026

RE: State Legislative Program: Advocacy Update – **AGENDA ITEM #5**

State Report - *Presenters: Ashley Walker (Nossaman LLP)*

1. Receive reports, provide direction, and consider positions and/or recommendations to the Board of Supervisors on:

   a. **Status of the Legislature**: Lawmakers wrapped up the 2025–26 legislative session in the early hours of September 1, closing out a hectic final push that produced a completed budget for the Governor but no action on wildfire liability reform. The session spilled past its August 31 deadline because budget negotiations delayed several measures from getting into print by the usual cutoff. The focus now turns to the Governor, who has through September 30 to sign or veto the bills on his desk.

   b. **Update on the State Budget:** Talks over the budget stretched to the edge of the 72-hour deadline and yielded well over a dozen trailer bills. Among them was AB 113, the Budget Bill Jr., which lawmakers delivered to the Governor on September 1; the measure amends the Budget Act of 2026, directs Proposition 4 climate bond funding, and provided funding for projects in the County of Monterey. Its companion, SB 193, reshuffles the priority order for the Greenhouse Gas Reduction Fund (GGRF) and establishes funding levels for transit, wildfire, clean water, and housing programs, with the actual amounts hinging on how much revenue the GGRF brings in.

      Specific to the County of Monterey, the end-of-session budget included:
      - $1,800,000 shall be available to the County of Monterey for the design, permitting, and construction of a Protective Structure to be placed near the mouth of the Carmel River to prevent further bluff erosion and manage lagoon flooding. **Nossaman worked on this request with Senator Laird and Assemblymember Addis.**
      - $1,900,000 is available to establish a new grant or subgrant program for medical school loan repayment in the following counties with physician retention and access challenges: San Luis Obispo, Monterey, Santa Cruz, and San Benito.
      - $2,000,000 shall be allocated on a one-time basis for Catholic Charities Diocese of Monterey for immigrant support services.
      - $1,500,000 shall be available to the Salinas Regional Sports Authority for capital improvements to the Salina Regional Soccer Complex.
      - $1,265,000 to Salinas Regional Sports Authority for the Salinas Regional Soccer Complex.

- Required the Department of Parks and Recreation, by April 1, 2027, and in consultation with the California Coastal Commission, the Transportation Agency, and the Monterey County District 5 Supervisor, to prepare and submit a report to the Legislature summarizing findings and options to reduce traffic congestion and unsafe parking conditions and to maximize public access, resource protection, and the overall visitor experience for the Point Lobos State Natural Reserve, as specified. The bill would appropriate $150,000 from the General Fund to the Department of Parks and Recreation for direct expenditure or to contract for services to assist with the report and would exempt any contract entered into for that purpose from the competitive bidding process, as provided

c. Legislation: Below are suggested positions for the Legislative Committee's consideration.

i. AB 2728 (Soria) Groundwater: de minimis extractors: fees: exemption
Monterey County is sponsoring this bill. This bill would allow local governments, including groundwater sustainability agencies, to exempt de minimis groundwater users from certain groundwater monitoring and management fees if specified findings are made.
Status Update: On the Governor's desk.

d. Wildfire Liability Reform: After weeks of intense negotiations, the Assembly declined to move its wildfire liability reform proposal forward, pledging instead to continue deliberations. The proposal was narrower in scope than the Governor's. We now anticipate informational hearings on wildfire reform, with new legislation likely to be introduced next session.

e. **Update on County Positions:** Below is a chart outlining the positions the County had and their end-of-session status.

Measure	Author	Topic	Status	Position
AB 431	Wilson, D	Advanced Air Mobility Infrastructure Act.	At Governor's Desk	Support
AB 762	Irwin, D	Disposable, battery-embedded vapor inhalation device: prohibition and penalties.	At Governor's Desk	Support
AB 1537	Bryan, D	Peace officers: secondary employment.	At Governor's Desk	Support
AB 1761	Rogers, D	Electricity: calculation methodology: nonbypassable charges: data disclosure.	At Governor's Desk	Support
AB 1807	Gabriel, D	Immigration enforcement: use of state-owned property.	At Governor's Desk	Support
AB 1821	Pacheco, D	California Public Records Act: agency response time.	At Governor's Desk	Support
AB 1934	Bennett, D	State Fire Marshal: home hardening certification program implementation plan.	At Governor's Desk	Support
AB 2051	Wicks, D	Public resources: coastal resources: Coastal Resilience Permitting Working Group.	At Governor's Desk	Support
AB 2203	Tangipa, R	Public postsecondary education: priority registration: veterans and dependents of veterans: federal GI Bill.	At Governor's Desk	Support
AB 2393	Addis, D	False imprisonment: false arrest: remedies.	At Governor's Desk	Support
AB 2691	Addis, D	Elections: elective office: felony conviction.	At Governor's Desk	Support
AB 2728	Soria, D	Groundwater: de minimis extractors: fees: exemption.	At Governor's Desk	Support/Sponsor

Measure	Author	Topic	Status	Position
SB 239	Arreguín, D	Crimes: criminal threats.	At Governor's Desk	Support
SB 296	Archuleta, D	Property taxation: exemption: disabled veteran homeowners.	At Governor's Desk	Support
SB 299	Cabaldon, D	California Environmental Quality Act: exemption: day care center: zoning.	At Governor's Desk	Support
SB 577	Laird, D	Public entities.	At Governor's Desk	Support
SB 599	Caballero, D	Atmospheric rivers: research: forecasting methods: experimental tools.	At Governor's Desk	Support
SB 747	Wiener, D	Civil rights: deprivation of federal constitutional rights, privileges, and immunities.	At Governor's Desk	Support
SB 973	Becker, D	Wildfire County Coordinator Program.	At Governor's Desk	Support

f. **Request for Executive Order—Flood Risk Reduction: The County, along with the** Pajaro Regional Flood Management Agency, County of Santa Cruz, the City of Watsonville, the Monterey County Water Resources Agency, the Santa Cruz County Flood Control and Water Conservation District, and the Pajaro River Watershed Flood Prevention Authority, made a formal request for immediate state action to help Central Coast communities prepare for the impending 2026–27 winter storm season. Specifically, the request was for Governor Newsom to issue an Executive Order similar to Executive Order N-10-23 to expedite urgent vegetation management, debris removal, sediment management, and related flood-risk reduction activities within vulnerable river channels, tributaries, and flood-control corridors. Shortly after, the California State Association of Counties made a similar request for an executive order to grant emergency authority to flood control agencies across the state.

g. **2026 November Propositions:**

i. **Proposition 1: The Veterans and Affordable Housing Bond Act of 2026**
This proposition would authorize $11.25 billion in general obligation bonds to fund housing programs and veterans' home loans, with $10 billion supporting a variety of state housing initiatives and $1.25 billion supporting veterans' housing assistance.
Suggested Position: Support.

ii. **Proposition 2: Save for California's Future Act**

This proposition would require the state to build larger budget reserves, continue making extra debt payments through 2040, and change how certain reserve deposits are counted under the state appropriations limit.
Suggested Position: Support.

iii. **Proposition 3: Extending Existing Tax on High Incomes**
This proposition would permanently extend the higher income tax rates on high-income earners that were established by Proposition 30, rather than allowing them to expire in 2031.
Suggested Position: Support.

iv. **Proposition 37: Middle-Income Buyers of Qualified New Homes**
This proposition would authorize up to $25 billion in revenue bonds to fund a down payment assistance program for eligible middle-income homebuyers and establish requirements for participating buyers, homes, and housing developers.
Suggested Position: Support.

v. **Proposition 39: Voter Identification and Citizenship Verification Requirements**
This proposition would require election officials to verify voter citizenship status, require voters to provide government-issued identification when voting, create a free state voter ID card, and establish regular audits of election compliance.
Suggested Position: Oppose.

vi. **Proposition 43: Local Taxes: Limitations**
This proposition would require any new, increased, or extended local special tax proposed by voters to receive two-thirds voter approval, rather than a simple majority, beginning in 2027.
Suggested Position: Oppose.

h. Governor's Actions and Executive Orders:

- Governor Newsom announced that California's efforts to curtail retail theft have led to 35,907 arrests, 28,667 cases referred for prosecution and more than $293.4 million in stolen goods recovered since October 2023.
- The Governor announced that California's enforcement efforts have removed 7,403 illegal hemp products and 7,888 prohibited kratom and 7-hydroxymitragynine (7-OH) products from store shelves.
- The Governor has begun taking action on some of the legislation pending his signature.
- The Governor announced that California will invest $95.2 million to accelerate the build-out of zero-emission vehicle (ZEV) infrastructure across the state, funding EV charging and hydrogen refueling infrastructure for light-, medium-, and heavy-duty ZEVs.
- This month, the Governor announced that 13 California communities which have earned the state's coveted Prohousing Designation will receive $11.3 million in new state funding to create new affordable housing.
- The Governor announced California's Extreme Heat Action Plan to help California communities adapt to evolving climate conditions.

- The Governor this month announced an initiative to protect state assets and critical infrastructure while advancing responsible AI innovation.
- The Governor touted that the state's tax department has recovered $168 million in illicit cannabis and tobacco goods since 2019.

i. **State Bill/Issues Track:** See attached.