



NOSSAMAN LLP | Memorandum

TO: Monterey County Legislative Committee

FROM: Ashley S. Walker, Senior Policy Advisor, Nossaman LLP
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DATE: August 10, 2026

RE: State Legislative Program: Advocacy Update

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:** The legislature reconvened in Sacramento on August 3, and they face an intense workload heading into the final month of the legislative session. Session ends on August 31, with the deadline for the governor to act on bills by September 30. Most bills are going to need to meet the August 14 deadline for fiscal measures to clear the Appropriations Committees to proceed to the floor consideration.
 - b. **Update on the State Budget:** While the legislature succeeded in passing a budget before departing for summer recess, several significant budget-related issues remained unresolved and required attention in the weeks ahead. At the top of the list were decisions regarding Proposition 4 funding, Cap-and-Invest revenues, and identifying a sustainable funding solution for transit.
 - i. **H.R. 1 Budget Request:** Counties collectively developed a FY 2026-27 state budget request for \$1.1 billion to address H.R. 1 impacts. The final enacted budget included \$670 million.
 - ii. **Fort Ord Dunes State Park:** The final enacted budget included \$1 million for Fort Ord.
 - iii. **Scenic Road Protective Structure (SRPS):** The final budget did not include funding for this project; however Proposition 4 funding has not been allocated for the current fiscal year yet, and will be debated in the final month of session.
 - c. **Legislation:** Below are suggested positions for the Legislative Committee's consideration.
 - i. **AB 1537 (Bryan) Peace officers: secondary employment:** This bill would prohibit certain peace officers from working secondary jobs that involve federal immigration enforcement, make violations grounds for serious misconduct and possible decertification, and require reporting and public disclosure of specified secondary employment records.
Suggested Position: Support.
CSAC Position: None.

- ii. **AB 1807 (Gabriel) Immigration enforcement: use of state-owned property:** This bill would prohibit the use of state-owned property for federal immigration enforcement activities, require agencies to prevent and document any such use, and direct the Attorney General and state agencies to provide signage, employee guidance, and other measures to enforce the prohibition.

Suggested Position: Support.

CSAC Position: None.

- iii. **AB 2728 (Soria) Groundwater: de minimis extractors: fees: exemption**

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.

- d. **2026 November Propositions:** Below are suggested positions for the Legislative Committee's consideration.

- 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.

e. Governor's Actions and Executive Orders:

- Governor Newsom announced that vehicle theft declined by nearly 25% in 2025.
- The Governor announced the expansion of a program in which the state offsets the cost for local agencies that work with the California Department of Transportation to remove encampments.
- Governor Newsom touted that a new analysis using U.S. Bureau of Economic Analysis data shows California posted one of the nation's strongest quarterly growth results.
- The Governor announced that California is leading a multistate lawsuit challenging the federal government's use of certain security funding requirements related to state election administration.
- The Governor announced appointments which included members to the California Housing Development and Finance Committee Executive Committee, UC Board of Regents and the California Interagency Executive Council on Homelessness.
- The Governor announced legal action against five jurisdictions for defying state housing laws.
- Governor Newsom announced nearly \$2.5 billion in transportation funding for more than 150 projects to improve state highway systems, advance public transit.
- Governor Newsom signed a bevy of bills, including AB 35.
- The Governor announced that three new wildfire-detection satellites launched from Southern California to give firefighters faster, more precise intelligence to spot fires earlier and protect communities.

f. State Bill/Issues Track: See attached.