

 **NOSSAMAN** LLP | Memorandum

TO: Monterey County Legislative Committee

FROM: Ashley S. Walker, Senior Policy Advisor
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DATE: March 10, 2025

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

1. State Report -

- a. **Status of the Legislature:** The deadline to introduce bills was on February 21, and about 2350 bills have been introduced so far this legislative session. Roughly 1500 are from the Assembly and 850 are from the Senate. About a third of the bills are spot bills, meaning they are just placeholders for future language. The Assembly and Senate Rules Committees have given Members until March 17 and 26, respectively, to update spot bills with substantive language. We will monitor amendments as they come through and will continue to make inquiries with Member offices on the intent of certain spot bills of interest. The Assembly and the Senate have been holding many informational hearings, including one on the Proposition 4 spending plan. Policy committee hearings to discuss specific bills are expected to start in early March.
- b. **Status of the State Budget:** As we previously reported, the Governor's January Budget proposal initially projected a state of optimism; however, as the State has begun the slow recovery from the devastating wildfires in Los Angeles, legislators have moved to a more cautious position. The state budget relies on property, income, and sales tax returns. The Governor suspended tax deadlines for various impacted areas, making projected budget numbers more conservative than initially anticipated. Due to strong receipt collections before the fires, the state's cash position is currently strong. However, future budget deficits are expected to be very large. Additionally, given that there could be additional costly cuts by the federal government in funding, the legislature is preparing for a substantially different budget proposal to be released by the Governor in May. This will inevitably impact the success of bills that require costly investments.
 - i. **Proposition 4 Hearings:** Recently, the Assembly Budget Subcommittee No. 4 on Climate Crisis, Resources, Energy, and Transportation and the Senate Budget and Fiscal Review Subcommittee No. 2 and Senate Budget and Fiscal on Resources, Environmental Protection, and Energy held informational overviews to provide a general overview of the Governor's Budget on Proposition 4 allocations. The LAO and Department of Finance provided reports summarizing their analysis of the Governor's proposal. Each commented on the reversions of funds from Proposition 4 to the General Fund for allocations already approved in previous budget years. Members from both committees expressed concern with this backfilling issue. We are advocating for the legislature to reject these reversions and reserve all Prop 4 funds for distributions in accordance with

the Bond Act. The legislature will also weigh the pros and cons of implementing a multi-year plan to roll out the Climate Bond funds or address yearly instead. It was also suggested that the legislature should require some reporting on the fund allocations to track the progress and impacts of projects. Finally, Secretary Crowfoot noted that the California Natural Resources Agency is preparing solicitations so that once the budget is finalized in June, it can immediately begin the process of awarding funds.

- ii. **myCAvax reinstatement:** The Governor’s January Budget did not allocate funds for the myCAvax system, which the County uses for ordering and distributing vaccines from the state. Prior to this system, the County was using an Excel spreadsheet, which is time-consuming and subject to human error. Without a budget allocation for the myCAvax system, vaccines are expected to be delayed. Counties have been asked to consider submitting a budget letter requesting this allocation to avoid the lapse of this important tool.
- c. **Legislation:** Below are bills with recommended positions for the Legislative Committee’s consideration.

 - i. **AB 269 (Bennett) Dam Safety and Climate Resilience Local Assistance Program:** Existing law requires the Department of Water Resources to, upon appropriation by the Legislature, develop and administer the Dam Safety and Climate Resilience Local Assistance Program to provide state funding for repairs, rehabilitation, enhancements, and other dam safety projects at existing state jurisdictional dams and associated facilities that were in service prior to January 1, 2023, subject to prescribed criteria. This bill would include the removal of dams as additional projects eligible to receive funding under the program.
CSAC Position: None
Suggested Position: Oppose (With Dam Safety Coalition)
 - ii. **AB 303 (Addis) Battery energy storage facilities:** Current law, until June 30, 2029, authorizes a person proposing an eligible facility, including an energy storage system capable of storing 200 megawatt-hours or more of energy, to submit an application for certification with the State Energy Resources Conservation and Development Commission of the site and related facility. Current law specifies that the issuance by the commission of the certificate is in lieu of any permit, certificate, or similar document required by any state, local, or regional agency, or federal agency to the extent permitted by federal law, except as provided. Existing law establishes the procedures by which the commission is to review the application. This bill would specify that energy storage systems do not include battery energy storage systems for the above-described purposes.
CSAC Position: None
Suggested Position: Obtain Direction from Legislative Committee
 - iii. **AB 761 (Addis) Monterey-Salinas Transit District: retail transactions and use tax:** Current law creates the Monterey-Salinas Transit District to include all of the County of Monterey, with specified powers and duties related to public transit service. Current law prohibits the district from imposing sales or special taxes, but authorizes the district,

with the concurrence of a majority of the member jurisdictions represented on the board of directors, to submit a ballot measure for the imposition of those taxes to voters of the district. This bill would revise those provisions to instead authorize the district, upon the affirmative vote of at least 2/3 of the board of directors, to submit to the voters of the district a measure proposing a retail transactions and use tax ordinance in accordance with the Transactions and Use Tax Law. The bill would limit the tax rate under this authority to a rate of 1/4 of 1% and would prohibit the district from submitting such a tax measure to the voters of the district on or after January 1, 2035.

CSAC Position: None

Suggested Position: Obtain Direction from Legislative Committee

- iv. **AB 1185 (Hart) California Library Services, Equity in Opportunity Act:** Would rename the California Library Services Act (CLSA) as the California Library Services, Equity in Opportunity Act, and would revise and recast the act to, among other things, state the intent of the Legislature to create access to opportunity for all Californians at public libraries, as provided. The bill would rename the California Library Services Board as the California Library Services, Equity in Opportunity Board and would reduce the size of the board to 11 members, appointed as provided. The bill would prescribe the duties of the state board to instead be to, among other things, advise the State Librarian on the adoption of rules, regulations, and general policies for the implementation of the act, as provided. The bill would require the State Librarian to ensure staff support for the state board. This bill would remove the authority of the CLSA which administers the California Library Services Act and all related state funding. It would remove the existing library cooperatives, which are established with geographic contiguity as a requirement. The geographic contiguity requirement in existing law, and the structure of the cooperatives, ensure small and rural jurisdictions are not left out of this funding. This bill would place expenditure approval of any CLSA funding entirely in the hands of the California State Librarian, with the Board moving into an advisory capacity.

CSAC Position: None

Suggested Position: Oppose

- v. **AB 1288 (Addis) Registered environmental health specialists:** Current law defines the scope of practice for a registered environmental health professional to include, but not be limited to, the prevention of environmental health hazards and the promotion and protection of the public health and the environment in specified areas, including, among others, food protection, housing, and hazardous materials management. Current law authorizes a local health department to employ a registered environmental health specialist to enforce public health laws, as specified. Current law authorizes an environmental health specialist trainee to work under the supervision of a registered environmental health specialist for a period not to exceed 3 years. This bill would extend that period of supervision to instead not exceed 5 years. The bill would include body art and medical waste in the scope of practice of registered environmental health specialists.

CSAC Position: None

Suggested Position: Support

- vi. SB 74 (Seyarto) Office of Land Use and Climate Innovation: Infrastructure Gap-Fund Program:** Current law authorizes a local agency to finance infrastructure projects through various means, including by establishing an enhanced infrastructure financing district to finance public capital facilities or other specified projects of communitywide significance that provide significant benefits to the district or the surrounding community. This bill would require the Office of Land Use and Climate Innovation, upon appropriation by the Legislature, to establish the Infrastructure Gap-Fund Program to provide grants to local agencies to develop and construct infrastructure projects, as defined. The bill would authorize the office to provide funding for up to 20% of a project's total cost, subject to specified requirements, including, among other things, that the local agency provides funding that has been raised through local taxes for at least 10% of the infrastructure project's total cost. The bill would require the office to develop guidelines to implement the program that establish the criteria by which grant applications will be evaluated and funded. The bill would make these provisions operative on January 1, 2030.

CSAC Position: Support

Suggested Position: Support

- vii. SB 283 (Laird) Battery energy storage facilities: emergency response plans and emergency action plans:** This is a spot bill related to battery energy storage facilities that have emergency response plans and emergency action plans.

CSAC Position: None

Suggested Position: Watch

- viii. SB 296 (Archuleta) Property taxation: exemption: disabled veteran homeowners:** The California Constitution provides that all property is taxable, and requires that it be assessed at the same percentage of fair market value, unless otherwise provided by the California Constitution or federal law. The California Constitution and existing property tax law provide various exemptions from taxation, including, among others, a disabled veterans' exemption and a veterans' organization exemption. This bill would exempt from taxation, as provided, property owned by, and that constitutes the principal place of residence of, a veteran, the veteran's spouse, or the veteran and the veteran's spouse jointly, if the veteran is 100% disabled. The bill would provide an unmarried surviving spouse a property exemption in the same amount that they would have been entitled to if the veteran was alive and if certain conditions are met. The bill would require certain documentation to be provided to the county assessor to receive the exemption and would prohibit any other real property tax exemption from being granted to the claimant if receiving the exemption provided by the provisions of this bill.

CSAC Position: None

Suggested Position: Support

- ix. SB 346 (Durazo) - Local agencies: transient occupancy taxes: short-term rental facilitator:** Current law authorizes a local authority, by ordinance or resolution, to regulate the occupancy of a room or rooms, or other living space, in a hotel, inn, tourist home or house, motel, or other lodging for a period of less than 30 days. This bill would authorize a local agency, defined to mean a city, county, or city and county, to enact an ordinance to require a short-term rental facilitator, as defined, to report, in the form

and manner prescribed by the local agency, the assessor parcel number of each short-term rental, as defined, during the reporting period, as well as any additional information necessary to identify the property as may be required by the local agency. The bill would authorize the local agency to impose an administrative fine or penalty for failure to file the report, and would authorize the local agency to initiate an audit of a short-term rental facilitator, as described. The bill would require a short-term rental facilitator, in a jurisdiction that has adopted an ordinance, to include in the listing of a short-term rental any applicable local license number associated with the short-term rental and any transient occupancy tax certification issued by a local agency.

CSAC Position: Support

Suggested Position: Support

x. Low-Income Water Rate Assistance Program Bills:

i. AB 532 (Ransom) Water rate assistance program: The bill is being sponsored by the California Municipal Utilities Association, and would require, upon appropriation by the Legislature, the Department of Community Services and Development to establish and administer a California Low Income Household Water Assistance Program.

CSAC Position: None

Suggested Position: Watch

ii. SB 350 (Durazo) Water rate assistance program: This bill is being sponsored by environmental justice groups, and would establish the Water Rate Assistance Program. As part of the program, the bill would establish the Water Rate Assistance Fund in the State Treasury to provide water affordability assistance, for both drinking water and wastewater services, to low-income residential ratepayers. The bill would require the state board to take various actions in administering the fund, including, among other things, track and manage revenue in the fund separately from all other revenue.

CSAC Position: None

Suggested Position: Watch

d. Governor's Actions and Executive Orders:

- **February 26** – Governor Newsom announced the California Jobs First Economic Blueprint, including additional investment in wildfire recovery in Los Angeles County.
- **February 19** – Governor Newsom announced a new proposal to create an over \$125 million mortgage relief program to assist homeowners whose homes were destroyed or severely damaged by recent natural disasters, placing them at risk of foreclosure.
- **February 16** – In response to the deadly flooding in Kentucky, Governor Newsom has authorized the deployment of four IST personnel to assist in ongoing response and recovery efforts.
- **February 14** – Governor Newsom praised California's work to pre-deploy resources ahead of the week's major storms, as it paid off with successful rescue efforts and no major damage reported.

- **February 14** – Cal OES Watershed and Debris Flow Task Force proactively placed 630,250 feet of critical watershed protection materials throughout Eaton and Palisades burn scar areas.
- **February 13** – Governor Newsom issued an executive order to further cut red tape and streamline the rebuilding and recovery of homes in communities impacted by the recent Los Angeles area firestorms.
- **February 12** – Cal OES strategically prepositioned critical resources to respond to any threats near recent LA burn scar areas ahead of another winter storm.
- **February 11** – At Governor Newsom’s direction, the state installed emergency protection materials to contain burn scar debris from the Eaton and Palisades fires to protect local bodies of water and mitigate impacts to surrounding areas.
- **February 11** – Governor Newsom issued an executive order ordering the state to ensure that childcare providers impacted by the recent wildfires in LA are aware of their potential eligibility for Disaster Unemployment Assistance and have the support needed to apply.
- **February 11** – Governor Newsom, along with federal and local partners, marked the fastest large-scale debris removal operation in modern state history from the Eaton and Palisades fires.
- **February 10** – California launched a new dashboard on the [CA.gov/LAfires](https://www.ca.gov/LAfires) website to track wildfire recovery efforts for Los Angeles.
- **February 10** – Governor Newsom sponsored new legislation by Assemblymember Harabedian to allow homeowners who receive insurance payments for lost or damaged property to receive the interest accrued rather than lenders.
- **February 8** – The state’s largest watershed protection mission reached 80% completion to protect hazardous runoff from entering waterways. Cal OES mission-tasked over 500 state personnel to place emergency protective materials throughout burn scar areas in Palisades and Eaton sites.
- **February 06** – Governor Newsom signed an executive order to launch key initiatives to continue adapting to future extreme firestorm events in urban communities and leading the way to build a more resilient state.
- **February 04** – Governor Newsom issued an executive order removing bureaucratic barriers, extending deadlines, and providing critical regulatory relief to help LA fire survivors rebuild, access essential services, and recover.
- **February 01** – Governor Newsom directed the augmentation of flood fighting and swift water resources across Northern and Central California to protect communities from the significant wet weather event expected through the upcoming days.

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