

November 7, 2023

To: Ara Mihranian, City Manager
Shaunna Hunter, Administrative Analyst
City of Rancho Palos Verdes

From: Sharon Gonsalves
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Renne Public Policy Group

RE: Legislative Summary – October 2023

GOVERNOR'S FINAL LEGISLATIVE ACTIONS FOR THE YEAR

Bills by the Numbers

October 14 marked the deadline for all bills to be acted upon by Governor Newsom. Of the 2,662 bills introduced in 2023, 1,046 made it to the Governor's desk for consideration and ultimately 890 were signed and 156 were vetoed. This sign/veto rate is congruent with the average since the Governor took office at approximately 85% to 15%. Bills which did not reach the Governor's desk either died in committee or were shelved as two-year bills to be taken up by the end of January 2024.

2023 Policy Trends

The 2023 legislative year saw the Governor take an overall moderate stance on contested, high profile policies. This was perhaps best evidenced by his approach to the legislative package that resulted from the "hot labor summer:" Newsom delivered on several pieces of key legislation with labor backing that were opposed by many business and local government groups, including:

- [AB 1228](#) (Chapter 262, Statutes of 2023), which increases the minimum wage of fast food and healthcare workers,
- [AB 1](#) (Chapter 313, Statutes of 2023), which allows legislative staffers to unionize, and
- [AB 1484](#) (Chapter 313, Statutes of 2023), which requires temporary public employees to be included in the same bargaining unit as permanent employees.

However, the Governor also vetoed several labor priorities at the request of many business and local government groups—in a move that symbolizes a departure from prior years and a more moderate overall impact—including:

- [SB 799](#), that would have allowed striking employees to receive unemployment benefits,
- [AB 316](#), that required human safety drivers on autonomous semi-trucks, and
- [AB 504](#), that would have permitted sympathy striking as a human right for public sector employees.

In his veto messages for these bills, the Governor noted their high cost and the looming budget deficit for the foreseeable future.

However, the Governor stayed true to his messaging on increasing the state's housing, signing most housing and land use bills that advanced to him for consideration, including legislation to streamline

regulations and to make it easier to sell ADUs. He also signed several bills designed to protect tenants, including in the areas of rent gouging and eviction, disability requirements, and security deposits.

All together, these actions seem indicative of the Governor leaning towards the center in preparation for future higher office as his term for Governor begins to wind down—although which specific office that is remains to be seen.

INFORMATIONAL HEARINGS

Several informational hearings have been held by the Legislature since it adjourned in September. The Legislature holds informational hearings to gather information from stakeholders on a subject which they may use to generate or consider future legislation. While no formal actions are taken during informational hearings, the major themes, committee member comments, specific panelists used, and overall tone of the conversation all play a role in assessing which major policies may be looked to be advanced during the legislative session.

Wildfire Insurance Market Hearing

The Assembly Insurance Committee and the Assembly Select Committee on Wildfire Prevention held a joint informational hearing on October 9 in Santa Rosa. The subject of the hearing was “Wildfire Insurance: Risk, Resiliency & Recovery” and focused on how the recent wildfires have affected the wildfire insurance market in California. For nearly three hours, witnesses from the Administration, environmental nonprofits, and insurance industry advocates testified to the Joint Committee on the causes and consequences of the recent unprecedented wildfires throughout the state. There was widespread agreement on the need for mitigation as a primary strategy for the prevention of wildfire destruction, but disagreement on which specific mitigation strategies should be taken and the affects that these strategies have on wildfire insurance rates. Given the instability of the wildfire insurance market in California, the recent [executive order](#) issued by the Governor which urged action by Commissioner Lara, and the agreement on wildfire coverage [announced](#) by Commissioner Lara, it is likely that this may be a hot topic in 2024. Potential future legislation could include increasing or streamlining regulations, changing the way that state agencies model fire risk, incentivizing and funding mitigation efforts, and/or other policies designed to stabilize the wildfire insurance market. The agenda for this hearing can be found [here](#).

SB 855 Oversight Hearing

The Senate Select Committee on Mental Health & Addiction held an informational hearing on October 18. The subject of the hearing was “Compliance with California’s Mental Health Parity Law” and served as an oversight hearing for [SB 855](#) (Chapter 151, Statutes of 2020). The bill requires a health plan or disability insurance policy to provide coverage for medically necessary treatment of mental health and substance use disorders under the same terms and conditions applied to other medical conditions. Over the course of more than two hours, witnesses from the Administration, healthcare provider nonprofits, and healthcare advocacy groups testified to the Select Committee on the state of the mental healthcare insurance market in California. Testimony centered on whether insurers and providers have been complying with the provisions of SB 855 and how to create parity in plan coverage between healthcare and mental healthcare. Possible legislation in 2024 may aim to reach such parity. The agenda for this hearing can be found [here](#).

ADMINISTRATION ACTIONS

Behavioral Health Ballot Measure

Governor Newsom held a press conference on October 12 to [announce](#) the signing into law of [AB 531](#) (Chapter 789, Statutes of 2023) and [SB 326](#) (Chapter 790, Statutes of 2023), the two bills that comprised his behavioral health legislative package. The Governor stated that the measures will “prioritize getting people off the streets, out of tents and into treatment.” The package contains \$6.38 billion in funding from a general obligation bond for behavioral health infrastructure and reforms the Mental Health Services Act. The measures will be put to voters on the March 5, 2024 ballot as Proposition 1. The Governor also announced at the press conference his California Mental Health Movement, a “sweeping plan to address the mental health and substance use disorder crises happening across the state – impacting Californians in every community.” The plan includes more than \$28 billion in funding for behavioral health in several different program areas.

IRS Deadline Extension and October Tax Receipts

The IRS [announced](#) on October 16 that it had further extended the tax filing deadline for California taxpayers affected by the severe winter storms in January to November 16. All counties in the state except Lassen, Modoc, and Shasta qualify for the extension. According to the Assembly budget advisor Jason Sisney, the Franchise Tax Board collected about \$28 billion less in personal and corporate tax than the expected \$44.9 billion for the month as of October 27. This expected shortfall is likely due to the IRS deadline extension and may significantly limit future state revenue forecasts by the Administration and the Legislature. The extended deadline is likely to prove problematic as the Administration’s Department of Finance and the Legislature’s nonpartisan Legislative Analyst’s Office work to provide fiscal forecasting for the January budget proposal, which means that projections will be educated guesses and may need additional adjustment as filings roll in and actual numbers are realized.

RPPG MONTHLY LEGISLATIVE ACTIVITY

RPPG continues to work with City staff to prepare for the next legislative session, to evaluate the need for revision to the legislative platform, and to establish policy and fiscal priorities heading into 2024.

Housing and Transportation Bills Memo

RPPG sent the City a memo on October 18 which provided a list of all housing and transportation bills enacted in 2023.

Proposition 1 Memo

RPPG sent the City a memo on October 30 which contained an analysis of Proposition 1, the Behavioral Health Infrastructure Bond Act of 2024.

Update on Positioned Legislation

Below is the final 2023 outcome for all legislation on which the City has adopted a position.

- [AB 309 \(Lee\) The Social Housing Act](#)
 - City Position: Oppose Unless Amended
 - Status: Vetoed
- [AB 584 \(Hart\) California Coastal Act of 1976: coastal development: emergency waiver](#)
 - City Position: Support

- Status: Chaptered by Secretary of State - Chapter 118, Statutes of 2023
- [AB 825 \(Bryan\) Vehicles: bicycles on sidewalks](#)
 - City Position: Oppose
 - Status: Vetoed
- [AB 1484 \(Zbur\) Temporary public employees](#)
 - City Position: Oppose
 - Status: Chaptered by Secretary of State - Chapter 691, Statutes of 2023
- [AB 1708 \(Muratsuchi\) Theft](#)
 - City Position: Support
 - Status: Held in committee
- [ACA 10 \(Haney\) Fundamental human right to housing](#)
 - City Position: Oppose
 - Status: Assembly Appropriations Committee
- [SB 4 \(Wiener\) Planning and zoning: housing development: higher education institutions and religious institutions](#)
 - City Position: Oppose
 - Status: Chaptered by Secretary of State - Chapter 771, Statutes of 2023
- [SB 244 \(Eggman\) Right to Repair Act](#)
 - City Position: Support
 - Status: Chaptered by Secretary of State - Chapter 704, Statutes of 2023
- [SB 363 \(Eggman\) Facilities for inpatient and residential mental health and substance use disorder: database](#)
 - City Position: Support
 - Status: Held in committee
- [SB 423 \(Wiener\) Land use: streamlined housing approvals: multifamily housing developments](#)
 - City Position: Oppose
 - Status: Chaptered by Secretary of State - Chapter 778, Statutes of 2023

LOOKING FORWARD

- **JANUARY 1:** All measures signed into law in 2023, unless otherwise excepted, go into effect.
- **JANUARY 3:** The 2024 legislative year begins.
- **JANUARY 10:** Governor announces fiscal year 2024-2025 budget proposal.
- **JANUARY 31:** Deadline for bills introduced in 2023 to pass their house of origin to continue to advance in 2024.
- **FEBRUARY 16:** Last day to introduce bills in 2024.