

February 1, 2024

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

From: Sharon Gonsalves
Director of Government Affairs
Renne Public Policy Group

RE: RPPG Monthly Legislative Summary – January 2024

LEGISLATURE RETURNS

The California State Legislature officially reconvened for the second year of the 2023-2024 legislative session on January 3. Committee hearings began the second week of January, with dozens of two-year bills heard.

Two-Year Bills

Two-year bills which made it out of their house of origin by the January 31 deadline are now subject to normal deadlines for the remainder of this legislative session, which ends on August 31. A two-year bill is a bill that was introduced in the first year of session but did not advance to the Governor's desk in that first year. Below are some key legislative items that continue to move forward as well as one that failed, as of January 31:

Still Moving

- [AB 637](#) (Jackson) Zero-emission vehicles: fleet owners: rental vehicles
- [AB 817](#) (Pacheco) Open meetings: teleconferencing: subsidiary body
- [AB 846](#) (Bonta) Low-income housing credit: rent increases
- [AB 1082](#) (Kalra) Authority to remove vehicles
- [AB 1297](#) (Quirk-Silva) Public restrooms
- [AB 1567](#) (Garcia) Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024
- [AB 1657](#) (Wicks) The Affordable Housing Bond Act of 2024
- [SB 7](#) (Blakespear) Planning and zoning: annual report: housing for extremely low income households
- [SB 537](#) (Becker) Open meetings: multijurisdictional, cross-county agencies: teleconferences
- [SB 867](#) (Allen) Drought, Flood, and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024

Failed

- [SB 719](#) (Becker) Law enforcement agencies: radio communications

Leadership Changes

On January 31, a resolution was introduced in the Senate to officially elect Mike McGuire (D, Geyserville) as President pro Tempore of the Senate. He will be sworn in on Monday, February 5. We will report on any significant changes to leadership and committees that are subsequently announced. We anticipate changes to top leadership positions and to the Appropriations Committee. There may be movement on some other key legislative committees, but as this was a smooth transition from one pro Tempore to the next, it is not thought that the status quo will be immediately challenged.

Budget Hearings

The Senate and Assembly budget committees held their first hearings of the year on January 23. During both hearings, committee members heard testimony by staff from the Department of Finance and from the Legislative Analyst's Office, the non-partisan research division of the Legislature. Members then made comments and asked questions of the panelists. Following that, testimony from the public was heard. The subject of these first hearings was a general overview of Governor Gavin Newsom's 2024-25 budget proposal, with more detailed discussions to follow in the months ahead in budget subcommittee hearings, which focus on particular issue areas.

By the Numbers

As of January 31, the Legislature had introduced 416 pieces of legislation since reconvening. Many of these are non-substantive spot bills, which means that full bill language has not been introduced and we do not yet know their full content. There are currently over 600 active bills. Over the next two weeks, there will be hundreds more pieces of legislation introduced before the deadline on February 16. It is likely that many of the bills yet to be introduced will deal with what are shaping up to be some of the key legislative issues of 2024: public safety, education, and housing.

SENATE INSURANCE COMMITTEE HEARING

The Senate Committee on Insurance held an oversight hearing on January 24 on "California Department of Insurance: Sustainable Insurance Strategy - A Progress Report on Insurance Market Stabilization." Oversight hearings, like informational hearings, are designed for the Legislature to gather information about in a specific subject area so that they may be better equipped to consider any related legislation. No formal actions are taken at oversight hearings, but comments by committee members and any testimony presented can provide insight into future legislation that may be advanced by the Legislature.

For more than an hour, committee members heard testimony from Insurance Commissioner Ricardo Lara and his team members. There was widespread agreement that the homeowners' insurance market in California is in a crisis and that urgent action is needed by the Legislature. The primary concerns discussed were the rapidly rising costs of homeowners' insurance throughout the state and the withdrawal of several insurance carriers. Commissioner Lara presented a slide deck to the Committee and mentioned several factors that had impacted homeowners' insurance rates, including growing climate threats, historic inflation, and outdated regulations. He also spoke about the "need to change how we regulate the insurance industry."

Hearing Materials:

- [Agenda](#)
- [Briefing Paper](#)
- [Commissioner Lara's Presentation to the Committee](#)

ADMINISTRATION ACTIONS

2024-2025 Budget Proposal

As detailed in the RPPG memo sent to the City on January 12, Governor Gavin Newsom revealed his proposed budget for fiscal year (FY) 2024-2025 on January 10. Governor Newsom is proposing a combination of withdrawing of reserves, deferrals, borrowing, reductions, delays, and shifts in funding sources as part of his \$291.5 billion budget (a 1.9% decrease from FY 23-24). It is currently projected that the state will face a \$37.9 billion deficit in FY 24-25. The Governor's budget continued to include a focus on homelessness, public safety, climate, healthcare, education, and housing. Over the next several months, the budget proposal will likely be altered, and the May revise may see considerable differences from what the Governor released in January. We will have a much more complete picture of the state's fiscal situation when the main budget bill, Budget Bills Jr, and Budget Trailer Bills, are signed in late June.

RPPG MONTHLY LEGISLATIVE ACTIVITY

RPPG continues to review priority bills—keeping City staff apprised of developments on legislation during our standing meetings and throughout the month as needed. RPPG continues to work hand in hand with City staff to gather client-specific information while actively engaging with lawmakers and agency officials on legislation of interest to the City.

On January 8, Sharon Gonsalves joined Mayor Cruikshank, Councilmember Bradley, and City Manager Ara Mihanian for a meeting with Senator Allen and Assembly Muratsuchi. Sharon provided Ara with contacts for Senator Padilla's office so he can request the Senator come tour the landslide. Additionally Sharon is working with Senator Allen's office to schedule a meeting with the State Office of Emergency Services. Sharon Gonsalves and Dane Hutchings had a call with Shaunna Hunter and Eileen Jacinto on January 30 to discuss labor bills that were signed into law in 2023.

Budget Memo

RPPG provided the City with a detailed summary of the Governor's budget proposal on January 12. The full budget proposal can be found [here](#).

AB 205 Updates

RPPG provided the City with an update on [AB 205](#) (Chapter 61, Statutes of 2022) on January 18. The measure enacted a utility graduated income fixed charge currently being considered by the California Public Utilities Commission (PUC).

RPPG provided the City with an additional update on AB 205 on January 31, highlighting a press conference held by several members of the Legislature that announced the introduction of [AB 1999](#) by Assemblymember Jacqui Irwin (D, Thousand Oaks) that would repeal the income-graduated fixed charge proposed by the PUC. The bill is currently in the Assembly Rules Committee pending referral.

LOOKING FORWARD

- **FEBRUARY 16:** Last day to introduce bills
- **MARCH 22—MARCH 31:** Spring Recess
- **JUNE 15:** Legislature must pass the main budget bill
- **JUNE 30:** Governor must sign the main budget bill
- **JULY 4—AUGUST 4:** Summer Recess
- **AUGUST 31:** Last day for the Legislature to pass bills; end of the 2023-2024 session
- **SEPTEMBER 30:** Last day for the Governor to sign or veto bills