BOARD MEETING DATE: December 4, 2026 AGENDA NO. 17

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a hybrid meeting on Friday, November 13, 2026. The following is a summary of the meeting.

Agenda Item	**Recommendation/Action**
Proposed South Coast AQMD sponsored 2027 state legislation that would create the AIR Program.	APPROVE

Receive and file this report and approve agenda items as specified in this letter.

V. Manuel Perez, Committee Chair
Legislative Committee

LT:CG:PC:BK:MC:MC

Call to Order
Committee Chair V. Manuel Perez called the meeting to order at 9:00 a.m.

Roll Call

Committee Members
Present: Committee Chair V. Manuel Perez
Mayor Patricia Lock Dawson
Supervisor Curt Hagman
Councilmember Adrin Nazarian
Supervisor Janet Nguyen

Absent: Mayor Brenda Olmos

For additional details of the Legislative Committee Meeting, please refer to the Webcast.

ACTION/DISCUSSION ITEM:

1. **Proposed Sponsored State Bill Concepts for 2027**
   Philip Crabbe, Senior Public Affairs Manager, Legislative, Public Affairs and Media presented on proposed South Coast AQMD sponsored state legislation for 2027.

   Staff recommended the reintroduction of legislation similar to AB 2349 (Solache, 2026), that was vetoed by the Governor last session. The proposed legislation would create a statewide Air Incident Response (AIR) Program including a regional center and sensor evaluation program located at South Coast AQMD. The AIR Program would enhance California's emergency air monitoring capacity by facilitating interagency coordination, training, equipment, and other activities.

   For additional details, please refer to the Webcast beginning at 5:04.

   There was no public comment.

   Staff recommended APPROVAL of the proposed South Coast AQMD sponsored state legislation for 2027 that would create the AIR Program.

   Moved by: Hagman, Seconded by Nguyen
   Ayes: Perez, Hagman, Nguyen
   Noes: None
   Abstain: None
   Absent: Olmos, Lock Dawson, Nazarian

DISCUSSION ITEMS:

2. **Update and Discussion on Federal Legislative Issues**
   South Coast AQMD's federal legislative consultants (Holland & Hart, Kadesh & Associates, and Cassidy & Associates) provided written reports on key Washington, DC issues.

   Mark Kadesh, Kadesh & Associates, provided an update on the overall status the midterm Congressional elections including the California Congressional Delegation. For additional information, please refer to the Webcast beginning at 7:14.

   Anna Karakitos, Cassidy & Associates, provided an update on the new potential committee assignments for the 120th Congress. For additional information, please refer to the Webcast beginning at 14:27.

   Amelia Jenkins Morales, Holland & Hart, reported on the outstanding items remaining for the 119th Congress. For additional information, please refer to the Webcast beginning at 20:56.

   There was no public comment.

3. **Update and Discussion on State Legislative Issues**
   South Coast AQMD's state legislative consultants (Joe A. Gonsalves & Son, Resolute, and Buckley Government Affairs) provided written reports on key Sacramento issues.

   Paul Gonsalves, Joe A. Gonsalves & Son, reported on election results for California state propositions on the midterm ballot. For additional details, please refer to the Webcast beginning at 26:30.

   David Quintana, Resolute, reported on election results for key legislative races, as well resulting changes in the political makeup of the State Senate and Assembly. For additional details, please refer to the Webcast beginning at 33:00.

   Ross Buckley, Buckley Government Affairs, provided a status update on midterm election results for undecided legislative races. The newly elected legislators will be sworn in on December 7, 2026. For additional details, please refer to the Webcast beginning at 40:40.

   There was no public comment.

OTHER MATTERS:

4. **Other Business**
   Chair Perez inquired about opportunities for Board Members to attend the swearing-in of new legislators in Sacramento. For additional details, please refer to the Webcast beginning at 46:22.

5. **Public Comment Period**
   There was no public comment.

6. **Next Meeting Date**
   The next regular Legislative Committee meeting is scheduled for Friday, December 11, 2026 at 9:00 a.m.

Adjournment

The meeting was adjourned at 9:47 a.m.

Attachments

1. Attendance
2. 2027 Proposed Bill Concepts
3. Update on Federal Legislative Issues – Written Reports
4. Update on State Legislative Issues – Written Reports

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
LEGISLATIVE COMMITTEE MEETING
ATTENDANCE RECORD –November 13, 2026

Supervisor Manuel V Perez	South Coast AQMD Board Member
Supervisor Curt Hagman	South Coast AQMD Board Member
Mayor Patricia Lock Dawson	South Coast AQMD Board Member
Councilmember Adrin Nazarian	South Coast AQMD Board Member
Supervisor Janet Nguyen	South Coast AQMD Board Member
Ana Barranco	Board Consultant (Nazarian)
Tom Gross	Board Consultant (Lock Dawson)
Lilly Sarafian	Board Consultant (Nazarian)
Suzette Swallow	Board Consultant (McCallon)
Ross Buckley	Buckley Government Affairs, LLC
Sam Emmersen	Public Member
L. Fernandez	Public Member
Paul Gonsalves	Joe A. Gonsalves & Son
Hadley Hanour	Public Member
Moses Huerta	Public Member
Amelia Jenkins	Holland and Hart
Mark Kadesh	Kadesh & Associates
Anna Karakitsos	Cassidy & Associates
David Quintana	Resolute
Joe Pena	Public Member
Patty Senecal	Public Member
Peter Whittingham	Public Member
Jason Aspell	South Coast AQMD Staff
Cesar Ayala	South Coast AQMD Staff
Barbara Baird	South Coast AQMD Staff
Lara Brown	South Coast AQMD Staff
Cindy Bustillos	South Coast AQMD Staff
Maria Corralejo	South Coast AQMD Staff
Matthew Ceja	South Coast AQMD Staff
Jack Cheng	South Coast AQMD Staff
Philip Crabbe	South Coast AQMD Staff
Scott Gallegos	South Coast AQMD Staff
Bayron Gilchrist	South Coast AQMD Staff
Carlos Gonzalez	South Coast AQMD Staff
De Groeneveld	South Coast AQMD Staff
Alex Han	South Coast AQMD Staff
Anissa Cessa Heard- Johnson	South Coast AQMD Staff
Sheri Hanizavareh	South Coast AQMD Staff
Aaron Katzenstein	South Coast AQMD Staff

Angela Kim ..... South Coast AQMD Staff
Howard Lee ..... South Coast AQMD Staff
Jocelyn Lee ..... South Coast AQMD Staff
Brisa Lopez ..... South Coast AQMD Staff
Jason Low ..... South Coast AQMD Staff
Terrence Mann ..... South Coast AQMD Staff
Ian McMillan ..... South Coast AQMD Staff
Nahal Mogharabi ..... South Coast AQMD Staff
Ron Moskowitz ..... South Coast AQMD Staff
Ghislain Muberwa ..... South Coast AQMD Staff
Wayne Nastri ..... South Coast AQMD Staff
Sarah Rees ..... South Coast AQMD Staff
Brian Roberts ..... South Coast AQMD Staff
Alberto Silva ..... South Coast AQMD Staff
Lisa Tanaka ..... South Coast AQMD Staff
Brian Tomasovic ..... South Coast AQMD Staff
Mei Wang ..... South Coast AQMD Staff
Victor Yip ..... South Coast AQMD Staff

ATTACHMENT 2A

2027 Proposed South Coast AQMD Sponsored Legislation

November 13, 2026

Air Incident Response

Legislation: Reintroduction of a bill similar to AB 2349 (Solache) to create a statewide Air Incident Response Program with a regional center and sensor evaluation program located at South Coast AQMD.

Budget Request: Simultaneously seek funding beginning with request to be included in Governor's Initial Proposed Budget. Estimated funding request is between $10 and $50 million.

Background: California has experienced numerous disasters in recent years that have adversely impacted air quality and public health, such as the Eaton and Palisades Fires, Moss Landing and Central Coast Battery Fires, ExxonMobil explosion, Aliso Canyon gas leak, Tustin Hangar Fire, and most recently, the Palos Fire and GKN Aerospace hazardous materials incident. These incidents highlight the urgent need to expand and modernize emergency air monitoring and response capabilities. Further, there is a critical need for training of local air district and CARB staff on the Incident Command System (ICS) and emergency coordination with first responders, local government, and public health agencies.

In 2025, South Coast AQMD sponsored AB 1106 (M. Rodriguez) which unanimously passed Assembly Natural Resources but was held in Appropriations.

In 2026, AB 2349 (Solache) passed all Committees and the full Assembly and Senate by unanimous votes. The bill was vetoed by the Governor due to lack of budget.

Potential Funding Sources include:

- General Fund
- Greenhouse Gas Reduction Fund (GGRF)
- Air Pollution Control Fund (APCF)
- Potential cost recovery paid for by facilities that cause air quality emergencies that require air incident response
- Potential partial funding generated by enhanced penalties for air quality violations.

Code Section(s) Affected:

- Create new code sections: Health & Safety Code - CHAPTER 9. Regional Air Quality Incident Response Program; Sections 39950-39954

ATTACHMENT 3A

KADESH & ASSOCIATES

South Coast AQMD Report for the September 2026
Legislative Meeting covering August 2026
Kadesh & Associates

The House and Senate have been away from Washington for the last several weeks for the August recess, leaving several major issues to be resolved in the limited days remaining before the September 30 fiscal year deadline.

Prior to leaving DC, the Senate approved a continuing resolution (CR) to keep federal agencies funded through December 11, by a bipartisan vote of 91-6. The Senate CR also includes a number of extensions for programs that are otherwise scheduled to expire at the end of the fiscal year. In addition, the Senate approved the nomination of Attorney General Blanche, along with more than 70 other administration nominees.

The House had previously approved a more narrowly focused CR through December 4 by a near-party-line vote of 220-205. These two approaches (differing deadlines, expanded scope) will need to be reconciled when the chambers return. The Senate returns on Monday, September 14; the House is currently scheduled to return on August 31 although rumors persist that that voting week will be canceled.

The short legislative window before September 30 also means there are only a few additional session days before the November elections, as the chambers are currently scheduled to be back on recess, and on the campaign trail, for the month of October. The most likely scenario is a flurry brief of activity in September, as leaders on both sides of the Capitol and both sides of the aisle share the goal of extending deadlines so that final decisions can be made in a post-election / lame duck session. However, a shutdown is impossible to rule out completely, given the narrow margins in the House and Senate, and the ongoing disputes between leadership and rank-and-file members about hot-button including the SAVE Act (voter ID) and FISA reauthorization (surveillance authorities).

As previewed earlier, EPA has now sent Congress six California waivers (i.e. waivers of the Clean Air Act's federal preemption; this is the mechanism that allows California to set stronger emissions standards) for the purpose of using the Congressional Review Act (CRA) to undo them. CRA resolutions targeting these California waivers may be considered by a filibuster-proof vote in the Senate as soon as September, and the harbor craft and at-berth CARB rules were transmitted to the Senate late enough in the session that they may be targeted again in the new Congress in January 2027.

Kadesh & Associates Activity Summary-

-Worked with South Coast AQMD and the congressional delegation on FY27 appropriations and California waivers.

Contacts: Contacts included staff and Members throughout the CA delegation, Senate offices, and members of key committees.

ATTACHMENT 3B

CASSIDY | ASSOCIATES

To: South Coast Air Quality Management District
From: Cassidy & Associates
Date: October 22, 2026
Re: October Report

HOUSE/SENATE

Congress

Congress has been in recess for the month of October. Both chambers will return after the elections on November 9. Prior to leaving town, the House passed the *Lindsey O. Graham Sanctioning Russia and Iran Act* and the *Ratepayer Protection Act*, which work to address energy costs associated with data centers. The Senate passed the *Protect College Sports Act* but blocked consideration of the *Ratepayer Protection Act*. Upon their return, the Senate will hold a procedural vote on the permitting reform bill, the *Bipartisan American Affordability and Jobs Act of 2026* (BAAJA).

EPA

On October 16, the Environmental Protection Agency (EPA) proposed revisions to the 2026 and 2027 Renewable Fuel Standard (RFS) "Set 2" volume requirements to account for a larger than expected volume of small refinery exemptions granted for 2025. EPA is considering either dividing an additional 770 million Renewable Identification Numbers (RINs) between the 2026 and 2027 requirements or reallocating the entire amount to 2027. The proposal would also extend the existing 2026 compliance reporting deadline of March 31, 2027. Comments are due on December 4, 2026. Read more here.

On October 8, EPA's Region 4 office approved changes to Georgia's State Implementation Plan (SIP) that remove permitting rules originally adopted while parts of the state were failing federal air quality standards. Georgia has had no nonattainment areas since October 2022, when EPA redesignated the Atlanta areas as meeting the 2015 ozone standard. The approval eliminates the state's nonattainment New Source Review program, some provisions governing emission reduction credits, and other programs tied to nonattainment status. The agency concluded these changes will not jeopardize Georgia's ability to meet or maintain Clean Air Act standards. Read more here.

On October 7, Environmental Protection Agency (EPA) Administrator Lee Zeldin announced that the agency plans to issue a new proposal reconsidering portions of its 2024 oil and natural gas emissions standards, known as OOOOb/c. The proposal will address requirements for marginal wells, the Super Emitter Program, covers and closed vent systems, associated gas from oil wells, and certain control-device requirements, including proposing to rescind the Super Emitter Program. The agency estimates the changes could reduce industry compliance costs by $45 billion. Read more here.

On October 2, the Environmental Protection Agency (EPA) informed every state, the District of Columbia, five territories, and 67 Tribes of how it expects to designate areas under the 2024 fine particulate matter (PM2.5) NAAQS air quality standard set during the Biden Administration. This step complies with a U.S. District ruling to finalize all designations by February 6, 2027. States, territories, and Tribes have 30 days to send additional information, and there will be a separate 30-day public comment period. The agency believes the 2024 standard is unlawful and too restrictive after a 2020 review had found the 2012 standard sufficient. EPA had asked the court to vacate the standard last year and is taking action to appeal, but the agency is moving forward with the process to meet the court-ordered deadline. Read more here.

Cassidy and Associates support in October:

- Provided intelligence on permitting reform legislation
- Shared regular updates and insight on the Senate's California waiver CRA process
- Advised on end-of-year Appropriations process

IMPORTANT LEGISLATIVE DATES

February 13, 2026 (expired): Deadline to fund the Department of Homeland Security CBP/ICE.

September 30, 2025 (expired): The Farm Bill, an omnibus package of legislation that supports US agriculture and food industries, expired in 2023. The bill is reauthorized on a five-year cycle.

September 30, 2026: Deadline to extend all surface transportation programs that fund roads, bridges, and public transit.

December 11, 2026: Deadline to fund the federal government for Fiscal Year 2027.

December 31, 2026: National Defense Authorization Act, which authorizes and funds Department of Defense (DoD) programs and sets the DoD's policy agenda each year.

Holland & Hart

ATTACHMENT 3C

Holland & Hart

Amelia F. Jenkins Morales
Senior Director of Federal Affairs
Phone: (202) 285-3580
afjenkinsmorales@hollandhart.com

U.S.Congress

CONGRESSIONAL SUMMARY

The House and Senate have been in recess as Members returned to their districts prior to the November 3rd elections. Prior to returning to their states, a bipartisan group of Senators released legislation to accelerate approval of energy projects, the Bipartisan American Affordability and Jobs Act. The legislation amends multiple aspects of the permitting process starting with implementation of the National Environmental Policy Act but also reforms to the Clean Water Act, Endangered Species Act, and the Historic Preservation Act. There are additional provisions that impact legal recourse for project opponents. **It is notable that the legislation makes NO amendments to the Clean Air Act or related regulations.** Various interest groups are solidifying their positions on the draft legislation with a pending procedural vote to move forward in the Senate expected shortly after the election.

Agencies

Office of Management & Budget

The following items were sent to OMB for review.

Agency	Rule Title
DOJ	Proposed Aggregate Production Quotas for Schedule I and II Controlled Substances and Assessment of Annual Needs for the List I Chemicals Ephedrine, Pseudoephedrine, and Phenylpropanolamine for 2027
DOJ	Adjustment to the 2026 Aggregate Production Quota for d,l-Amphetamine, d-Amphetamine (for sale), Hydromorphone and Methylphenidate (for sale) Pursuant to 21 U.S.C. 826(h)
HHS	Interim Access Policy for Compounding Using Certain Peptides

EPA	Phasedown of Hydrofluorocarbons: Excluding Road and Intermodal Transport Refrigeration Units from the Hydrofluorocarbon Leak Repair Requirements
DOI	Consumer Price Index Adjustments of the Oil Pollution Act of 1990 Limit of Liability for Offshore Facilities
DOI/NOAA	NEFMC Essential Fish Habitat 2025 Designations Framework Adjustment

U.S. Department of Agriculture

$3.3 Billion Loan for Natural Gas Power Generation in Georgia: USDA Secretary Brooke Rollins announced a $3.3 billion loan to Oglethorpe Power Corporation to finance construction of the Smarr Combined-Cycle natural gas generating facility in Monroe County, Georgia.

The $3.3 billion loan will provide lower-cost financing for construction of the natural gas facility. Oglethorpe Power is owned by 38 electric distribution cooperatives serving nearly 5 million Georgians.

U.S. Environmental Protection Agency

Proposed Full Reallocation: Administrator Lee Zeldin announced a proposal to fully reallocate 770 million Renewable Identification Numbers (RINs) associated with small refinery exemptions (SREs) granted for the 2025 compliance year. Without officially releasing the proposal, Zeldin hinted that the agency would propose to redistribute 770 million RINs associated with the 2025 SREs. EPA will seek comment on two approaches:

1. Split the additional exempted volume equally between the 2026 and 2027 compliance years (385 million RINs each), or

2. Reallocate the entire 770 million RINs to the 2027 compliance year.

EPA is accepting comments through December 4, 2026, before determining the final reallocation approach. The principal outstanding question is whether EPA will distribute the additional obligations across 2026 and 2027 or defer them entirely to 2027.

Holland & Hart Support in October

- Continuing to develop a post-election policy agenda for SCAQMD discussion.
- Monitored and participated in discussions related to the repeal California Waiver through the Congressional Review Act.
- Participated in weekly strategy calls with South Coast AQMD staff.
- Review and analysis of the permitting legislation as it related to SCAQMD.
- Tracked EPA activities.

ATTACHMENT 4A

Joe A. Gonsalves & Son
Anthony D. Gonsalves
Jason A. Gonsalves
Paul A. Gonsalves
PROFESSIONAL LEGISLATIVE REPRESENTATION
925 L ST. · SUITE 250 · SACRAMENTO, CA 95814-3766
916 441-0597 · FAX 916 441-5061
Email: gonsalves@gonsalvi.com

TO: South Coast AQMD

FROM: Anthony, Jason & Paul Gonsalves

SUBJECT: Legislative Update – October 2026

DATE: Thursday, October 22, 2026

The month of October is relatively quiet in Sacramento, as Governor Newsom has completed his actions on the 1,160 bills the Legislature sent to him by the end of session. In wrapping up his eighth and final legislative session, Governor Newsom signed 1,040 bills and vetoed 120, for a 10.3% veto rate.

Now that the Legislature is in recess until December 7, 2026, all focus and attention has turned to the November 2026 elections, where all 80 Assembly seats, 20 of the 40 Senate seats, and Statewide Constitutional offices are up for grabs. Also, the November ballot will include 14 ballot initiatives for the voters to decide on.

The following will provide you with an update on issues of interest to the District:

$28 MILLION FOR PUBLIC EV FAST-CHARGING INFRASTRUCTURE

On October 7, 2026, the California Energy Commission (CEC) opened a new funding opportunity to expand the availability of publicly accessible electric vehicle (EV) fast-charging stations throughout California. Through the Fast Charge California Project, the CEC is making $28 million available to businesses, property owners, and other eligible applicants, with incentives covering up to 100% of eligible installation costs and a maximum award of $100,000 per charging port.

The funding is administered through the California Electric Vehicle Infrastructure Project (CALeVIP), which is designed to accelerate the development of charging infrastructure and improve access to reliable EV charging statewide. Applications will be accepted from October 7, 2026, through January 14, 2027, with funding reservations determined by the order in which eligible applications are received following the close of the application period.

To qualify, proposed charging locations must be publicly accessible and sufficiently advanced to begin construction. Applicants must have already secured the necessary permits and finalized their utility service designs. The program places particular

emphasis on expanding charging availability in disadvantaged, low-income, and tribal communities, where access to EV infrastructure has historically been limited. Potential project locations include commercial properties, public facilities, major transportation corridors, and other destinations accessible to the public.

The CEC has also scheduled an additional funding round for February 24 through May 27, 2027, which will provide incentives of up to $55,000 per charging port for eligible, construction-ready projects. Funding for these initiatives is provided through the state's Clean Transportation Program and Greenhouse Gas Reduction Fund.

CA EV SALES HOLD STEADY - STATE EXPANDS INFRASTRUCTURE AND INCENTIVES

On October 16, 2026, the CEC released updated figures showing that zero-emission vehicles (ZEVs) accounted for 19.1% of all new vehicle sales in California during the third quarter of 2026. Californians purchased 80,392 new ZEVs during the quarter, including 68,811 fully electric vehicles, 11,494 plug-in hybrids, and 87 hydrogen fuel-cell vehicles. Fully electric vehicles represented 16.3% of California's new vehicle market, substantially exceeding the national average of 6.4%.

California continues to lead the nation in electric vehicle adoption, with cumulative new ZEV sales increasing by more than 300% since 2019. To further encourage purchases, CARB launched its MyFirstEV incentive program in August 2026, providing financial assistance to residents purchasing their first electric vehicle. The program offers $3,500 toward qualifying new EVs priced at $50,000 or less and $1,750 toward eligible used EVs priced at $25,000 or less. The initiative provides approximately $270 million in combined incentives and has supported the purchase of approximately 12,000 electric vehicles.

CA REVENUES EXCEED PROJECTIONS BY $2.9 BILLION

On October 20, 2026, Governor Newsom announced that California's latest revenue figures indicate stronger-than-anticipated tax collections and continued economic expansion. According to the Department of Finance, state revenues for September 2026 exceeded budget projections by $2.9 billion, or 14.9%, largely driven by increased personal income and corporate tax payments. Personal income tax receipts surpassed expectations by $1.1 billion, an 8.5% increase over projections, while corporate tax collections were $1.3 billion higher than anticipated, representing a 49.1% increase. The stronger revenue performance provides a positive near-term outlook for state finances, although it remains uncertain whether these gains will continue throughout the fiscal year or materially reduce the state's longer-term budget pressures.

Recent economic indicators also reflect continued growth in California's economy. During the second quarter of 2026, California's inflation-adjusted gross domestic product increased at an annualized rate of 2.5%, outpacing the national growth rate of 2.2%. Personal income in California increased 4.5% compared to the same period last year, slightly above the national average of 4.4%. The state's technology and innovation

sectors also demonstrated continued strength, with nine additional California-based companies recently reaching valuations exceeding $1 billion.

While these figures reflect encouraging economic conditions, the implications for California's broader fiscal outlook will depend on whether revenue collections remain above projections in the coming months. The Department of Finance's upcoming revenue forecasts and the Governor's proposed 2027–28 State Budget will provide a clearer indication of how these developments may influence future state spending and local government funding opportunities.

2026 LEGISLATIVE DEADLINES

Nov. 3, 2026 – Statewide General Election
Dec. 7, 2026 – Swearing in for New Members of the California Legislature
Jan. 4, 2027 – Legislature reconvenes for the 2027-2028 legislative session.

ATTACHMENT 4B

RESOLUTE

South Coast Air Quality Management District

Legislative and Regulatory Update – October 2026

- **Important Upcoming Dates**

  November 3, 2026 – General Election

- **RESOLUTE Actions on Behalf of South Coast AQMD.** RESOLUTE partners David Quintana and Alfredo Arredondo continued their representation of SCAQMD before the State's Legislative and Executive branches. Selected highlights of our recent advocacy include:

  - Provided ongoing updates as the legislature is in recess.
  - Followed up on bills for the 2027 legislative session, including for SCAQMD sponsored legislation.

- **AB 907 (Solache).** Assemblymember Philip Chen introduced AB 907, sponsored legislation for South Coast AQMD dealing with the inequity of pay for AQMD board members appointed to serve on the CA Air Resources Board. The bill is now officially authored by Assemblymember Solache who will continue to carry the legislation forward.

  The bill was held by the Senate Appropriations Committee during their Suspense Hearing on August 13th.

- **General Election.** At least 22 new legislators will be elected on November 3rd along with a new Governor. Resolute will be reporting to SCAQMD staff on the outcomes as well as the updates to committee chairs.

ATTACHMENT 4C

South Coast AQMD, Legislative Committee Report
Buckley Government Affairs LLC
November 13, 2026

Legislative Session Update

Governor Gavin Newsom's final bill-signing period came to a close at midnight on September 30th. Shortly after 6 p.m., the Governor issued his final legislative press release, announcing from atop the Golden Gate Bridge that he had signed a bill placing a $7.5 billion science and health research bond before voters in March 2028. The bond would support research at California universities and institutions in medicine, public health, climate, wildfire prevention, agriculture, and other fields.

The signing marked a symbolic milestone: it was the last of 1,160 bills acted on this year and brought the total number of bills Newsom has acted on since taking office in 2019 to 7,803. This year, he signed 1,040 bills and vetoed 120, for a veto rate of 10.3%.

Heading into this final signing period, there were questions about whether the Governor would shift his approach to legislation. His veto rate this year was below his eight-year average of 13.5%. He also signed more bills than in any other year of his administration and, excluding the two years when COVID shortened legislative sessions, issued the fewest vetoes. For historical context, Governor Jerry Brown's veto rate was 13.7%, while Governor Arnold Schwarzenegger's was 26.5%.

The Governor also announced during October that nearly 12,000 Californians have switched to electric vehicles with MyFirstEV, the state's instant rebate that gives first-time buyers $3,500 off a new zero-emission vehicle (ZEV) or $1,750 off a used one, right at the point of sale. ZEVs continue to make up 19.1% of new car sales in the third quarter of 2026.

Budget Update

Preliminary General Fund agency cash receipts were $2.9 billion, or 14.9% above the 2026 Budget Act forecast in September. The September overage was driven mainly by higher

corporation tax receipts of $1.3 billion and higher personal income tax receipts of $1.1 billion. Since April when the forecast was completed, preliminary General Fund cash receipts were $5.5 billion above projections, including an overage of $828 million attributed to cash collected during the 2025-26 fiscal year.