



Department: Administration
Cost Center: 1001
For Agenda of: 2/25/2025
Placement: Business
Estimated Time: 45 minutes

FROM: Greg Hermann, Deputy City Manager
Prepared By: Natalie Harnett, Policy and Project Manager

SUBJECT: 2024 STATE LEGISLATIVE BRIEFING

RECOMMENDATION

1. Receive and file a report on the 2024 State Legislative Briefing which summarizes the adopted laws from the 2023-24 regular session of the California State Legislature (December 2023 through October 2024); and
2. Appoint an ad-hoc committee of the City Council to review the current legislative platform and suggest changes for the 2025-26 legislative session.

POLICY CONTEXT

According to Section 3.9 of the Council Policies and Procedures Manual, the City implements a proactive legislative program aimed at strengthening local governance, advancing City objectives, and opposing state and federal legislative actions that could undermine local authority or reduce traditional revenue sources. At the conclusion of each legislative cycle, staff compile a legislative briefing designed to enhance understanding of new State laws affecting the City and to inform the community and Council about significant legislative trends. This briefing also supports updates to the Legislative Platform for the upcoming Legislative Calendar Year. The City Council adopted the [current Legislative Platform](#) on April 2, 2024.

REPORT-IN-BRIEF

The 2024 State Legislative Briefing provides an in-depth overview of significant legislative changes affecting the City of San Luis Obispo, highlighting new laws passed during the 2023-24 California legislative session. Key bills covered in the briefing include measures that impact housing, environmental quality, homelessness, and local governance. Among these, AB 3012 mandates local agencies to provide a fee estimate tool on their websites by 2032, allowing the public to estimate fees for proposed housing developments. Additionally, AB 3093 requires cities to incorporate the housing needs of individuals experiencing homelessness into their next housing element cycle, necessitating updates to San Luis Obispo's housing plans.

The briefing also addresses new requirements related to local land use and zoning, such as SB 1123, which mandates ministerial approval of subdivisions for up to 10 housing units without discretionary review, and SB 1211, which requires local agencies to approve up to eight Accessory Dwelling Units (ADUs) on multi-family lots. Furthermore, environmental laws like AB 98 require cities to update circulation elements by 2028 to accommodate increased truck traffic, potentially impacting local transportation planning. The report also covers the expansion of housing and homelessness programs, such as SB 1361, which exempts homelessness services from CEQA, easing the process of implementing these critical services.

In addition to summarizing these legislative changes, the briefing recommends the appointment of an ad-hoc committee to review and recommend updates to the City's Legislative Platform for the 2025-26 Legislative cycle. This review would ensure the City remains proactive in adapting to legislative shifts and continues to effectively address challenges presented in our community. The Council can choose to appoint a committee to guide this process or direct staff to make changes and ask staff to return in April with a draft updated platform. The entire Council will ultimately review and approve the draft legislative report in April 2025.

DISCUSSION

Background

During the 2023-24 session of the California State Legislature, lawmakers proposed over 2,200 bills and resolutions to establish new laws, repeal existing ones, or amend current statutes. Of the approximately 1,200 bills that reached Governor Newsom's desk, 189 were vetoed. While most of the enacted bills took effect on January 1, 2025, certain urgency measures became effective immediately upon being signed into law.

Each year, thousands of bills are introduced that could impact local governments. To stay informed, City staff utilizes legislative tools provided by the League of California Cities (Cal Cities). This year, Cal Cities published the 2024 Legislative Report, which offers a comprehensive overview of bills signed into law by the Governor and their potential implications for cities across California. City staff has reviewed the report and prepared this item to highlight key legislative changes for the City Council, focusing on the newly adopted laws that will affect the City of San Luis Obispo.

This report includes a summary of state laws that will impact the City, linking them to the City's initiatives, departmental operations, and Council priorities. It also references the Cal Cities 2024 Legislative Report (Attachment A) for further details on the highlighted legislation. Each section of this report includes a table that references page numbers in Attachment A for additional information. While this report is not intended to cover every introduced or signed bill, the attached Cal Cities report provides comprehensive information on all legislative actions from the session.

Budget and Trailer Bills

The Budget Act of 2024 tackled California's \$47 billion deficit, a result of revenue volatility and missed forecasts, underscoring the state's reliance on personal income taxes and susceptibility to stock market fluctuations. The final budget agreement in June allocated \$293 billion in total spending, addressing the deficit through program cuts, new revenue sources, and tapping into state reserves. It adopted important budget reforms aimed at mitigating future fiscal volatility including expanding the Rainy Day Fund from 10% to 20% of the state budget and creating a "Projected Surplus Temporary Holding Account" to manage surplus revenues until confirmed. These measures sought to strengthen the state's financial resilience while addressing immediate challenges.

Despite some sacrifices, the budget safeguarded key education, healthcare, public safety, and social services investments. For example, environmental programs experienced \$2.3 billion in cuts and shifts but retained a \$29 billion commitment over seven years. State operations returned \$762.5 million to the General Fund by eliminating many vacant positions. The State transportation program faced \$771 million in cuts, affecting mainly the Active Transportation Program and port projects. Housing and homelessness programs saw a \$1.4 billion reduction in unspent funds but received \$1 billion for Homeless Housing Assistance and \$500 million for the Low-Income Housing Tax Credit Program. Public safety reductions totaled \$359 million, impacting prison capacity, trial court operations, and emergency services. Healthcare reforms included a revised Managed Care Organization (MCO) tax package projected to generate \$2.8 billion in 2024-25. Despite budget cuts, some programs saw additional allocations including \$199 million for fire response improvements and \$94 million for flood prevention.

Community Services, Behavioral Health, and Homelessness

Children, Childcare, and Youth Programs

AB 262 establishes a stakeholder workgroup, led by the Department of Social Services, to develop recommendations for improving safety and regulations for children's camps. While these recommendations could eventually impact the City's program standards, the workgroup will include representatives from local governments to ensure their interests are considered.

Behavioral Health and Community Wellness

The most notable development was **Proposition 1**, passed in March 2024, which aims to modernize the Mental Health Services Act and allocate \$6.38 billion in bonds for behavioral health treatment beds and supportive housing units. The Behavioral Health Services Act is intended to prioritize equitable access to services for individuals with significant mental health needs. The BHSA also aims to increase transparency and accountability at the local level, which will impact both the County and the City. The Behavioral Health Bond includes a \$1.5 billion funding allocation for counties and cities. However, it also reallocates some funding from existing County mental health, drug, and alcohol treatment funds to the state. This shift is intended to enhance housing and personalized support services but has raised concerns about potential reductions in county-level mental health services.

Supporting measures were also enacted to enhance integrity and transparency in alcohol and drug recovery services. **AB 2574** expands the State Department of Health Care Services' (DHCS) oversight and reporting requirements for sober living homes, while **AB 2081** requires licensed recovery homes to inform individuals seeking care that they can verify a facility's compliance with state licensing laws online.

Homelessness

AB 2081 requires licensed substance abuse recovery or treatment facilities to include a disclosure on their website and on intake paperwork that agency certification information is available on the DHCS website, including probationary status, temporary suspensions, and any law violation notices that have been issued. This legislation creates additional transparency and accountability measures for local agencies.

AB 2574 mandates that organizations operating certified alcohol or drug abuse recovery programs or licensed treatment facilities disclose to the DHCS any ownership or financial interests in unlicensed recovery residences, commonly known as sober living homes. This requirement applies regardless of the zoning designation of where the unlicensed facility is located. There have been cases where a licensed facility provides services to the residents of a sober living home but does not include the sober living home in the facility's licensure. The law aims to enhance transparency to ensure that if a recovery residence is operated as a business with a licensed treatment facility, it is regulated like a business, not a residential home.

SB 1361 exempts local agencies' efforts to provide homelessness services from the California Environmental Quality Act (CEQA), aiming to accelerate program implementation by reducing administrative burdens for cities addressing homelessness.

Bill # and Author	Title	Page #
AB 262 (Holden)	Children's Camps: Safety and Regulation	12
AB 2081 (Davies)	Substance Abuse: Recovery and Treatment Programs	10,118
AB 2574 (Valencia)	Alcoholism or Drug Abuse Recovery or Treatment Programs and Facilities: Disclosures	11,119
SB 1361 (Blakespear)	California Environmental Quality Act: Exemption: Local Agencies: Contract for Providing Services for People Experiencing Homelessness.	16,23

Environmental Quality

AB 98, listed under "Environmental Quality," relates to both land use and air quality. Introduced late in the legislative session following months of closed-door negotiations, the bill was signed by the Governor despite opposition from nearly 700 local leaders, business groups, and environmental organizations. In summary, the bill requires cities to update their circulation elements by 2028 to accommodate increased truck traffic, particularly in areas near logistics centers or major truck routes. Cities must ensure truck routes avoid residential neighborhoods and sensitive environments. Noncompliance could result in fines of \$50,000 every six months imposed by the Attorney General.

Item 5a

Additional details on AB 98 and its implications for cities can be found in the attached report, Appendix Section (page 121). While the full impact on the City remains unclear, compliance will necessitate updates to the Land Use and Circulation Element. Additionally, the City will need to install more truck route signage, which will involve both financial and staff resources.

California legislators proposed a swathe of amendments to the state's SB 1383 organics recycling law this legislative session. **AB 2346** expands the kinds of facilities that count toward jurisdictions' organic materials procurement targets by allowing compost from community composting and on-site composting operations to count toward a jurisdiction's procurement target. To further advance the development of composting infrastructure, **SB 1046** would require CalRecycle to develop a program environmental impact report by January 2027 that streamlines the process for local jurisdictions to develop and site small and medium compost facilities. Neither of these bills will affect the City of San Luis Obispo since the City is meeting its SB 1383 procurement target through the San Luis Obispo County Integrated Waste Management Authority's Compost Rebate Program from compost generated from the Kompogas anaerobic digestion facility, but it will help other local jurisdictions meet their targets.

AB 1053 strengthens the state's existing restrictions on retailers offering single-use carryout bags at the point of sale by refining some definitions that allowed loopholes. Grocery stores, retail outlets, convenience shops, and most other retailers will need to stop offering both single-use plastic bags and thicker reusable plastic bags at the point of sale, not including plastic bags offered for produce and bulk purchase. Consumers who do not bring their own carryout bags may purchase one for no less than 10 cents, which will be required to be made from at least 50 percent postconsumer recycled materials. **SB 1280** will require one pound propane cylinders, often used for lanterns and cooking stoves, to be refillable or reusable starting January 1, 2028. These bills will impact residents' behaviors but there will be no fiscal impact to the City.

SB 867 enacted the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, which was approved by the voters in the November 2024 statewide general election. The passage of Prop 4 authorizes the state to issue approximately \$10 billion in bonds to finance projects for safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, clean energy, and workforce development programs.

AB 1889, also known as the Room to Roam Act, introduces new requirements for conservation planning in general plans. Starting January 1, 2028, cities will need to update the conservation elements of their general plans during the next scheduled update to address wildlife movement and habitat connectivity. The City will need to evaluate how development projects and other barriers may disrupt wildlife and work towards developing programs to mitigate negative impact on wildlife connectivity. This will be a significant planning work effort for the City that will require additional resources. The City's existing Conservation and Open Space Element (2006) includes mapping and policies to address wildlife migration corridors; nevertheless, the City will assess and follow the updated general plan element guidance that is issued for this update.

Proposition 4, also known as the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 is a legislatively referred bond act (SB 867) that allows California to issue \$10 billion in bonds to fund climate-related projects, including safe drinking water (\$3.8 billion), wildfire prevention and extreme heat mitigation (\$1.95 billion), preservation of natural lands and parks (\$1.9 billion), coastal protection (\$1.2 billion), green energy infrastructure (\$850 million), and sustainable agriculture (\$300 million). Initial program resources are expected to be available as early as July 2026.

Energy and climate change remain key focal points for the legislature and California’s regulatory agencies. The 2025 legislative and rulemaking session is expected to address crucial issues, including electricity affordability, renewable energy, and climate adaptation and resilience. The City actively engages in these discussions through its membership in the Local Government Sustainable Energy Coalition, which participates in proceedings before the Public Utilities Commission, and Green Cities California, which directly advocates in regulatory matters before entities such as the Air Resources Board, California Energy Commission, and State Building Standards Commission.

Bill # and Author	Title	Page #
AB 98 (J Carillo and Reyes)	Planning and Zoning: Logistics Use: Truck Routes	50,120
AB 2346 (Lee)	Organic Waste Reduction Regulations: Procurement of Recovered Organic Waste Products.	30
AB 1053 (Blakespear)	Solid Waste: Recycled Paper Bags: Standards: Carryout Bag Prohibition.	32
SB 1046 (Laird)	Organic Waste Reduction: Program Environmental Impact Report: Small and Medium Compostable Material Handling Facilities or Operations.	32
SB 1280	Waste Management: Propane Cylinders: Reusable or Refillable.	32
SB 867 (Allen)	Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024.	24
AB 1889 (Friedman)	Conservation Element: Wildlife and Habitat Connectivity.	51

Housing Community and Economic Development

Housing and Housing Elements

Each year brings a wave of legislation intended to drive housing construction, yet often bring consequences of restricting local land use authority and enacting punitive measures for non-compliance. In 2024, there was heightened attention on cities' housing plans and the controversial "builder's remedy" – a state housing element law that allows developers to bypass certain local zoning and planning restrictions when a city or jurisdiction is out of compliance with state housing requirements.

AB 3093 mandates that local governments incorporate the housing needs of individuals experiencing homelessness into their housing elements. As part of the next Housing Element Update (7th Cycle) the City of San Luis Obispo will need to address the newly

Item 5a

established income categories. Guidance from the California Department of Housing and Community Development (HCD), expected by December 31, 2026, will provide tools and sample programs to support compliance. However, the City will need to plan for the resources to thoroughly evaluate and implement these recommendations as part of the Housing Element update process.

In addition to AB 3093, the Governor has signed nine significant bills that collectively reduce local control over the approval of new housing projects:

- **AB 1886** gives the California Department of Housing and Community Development (HCD) the authority to determine whether a housing element complies with state requirements, eliminating the ability of local governments to self-certify their housing elements.
- **AB 1893** prohibits local agencies from denying housing development projects that qualify as builder's remedy, mixed-income, or low-income, if the city lacks a certified housing element. Additionally, it expands the list of actions that would constitute a "denial" of a housing project and therefore trigger a State Law violation.
- **SB 1037** imposes fines of up to \$50,000 per month on cities that fail to maintain a certified housing element or fail to timely approve eligible housing projects through ministerial processes.
- **AB 2023** sets a higher legal standard for local agencies to contest the HCD's determination that a local government lacks a certified housing element. As a result, the City will need to ensure its housing element meets these elevated standards and deadlines.
- **SB 450** removes the ability of local governments to deny a housing project under SB 9 (2021) based on objective standards applied to the specific project. The City will need to continue to apply its streamlined approval process for housing projects under SB 9, as this legislation limits the City's ability to deny projects based on detailed objective standards. The City will also need to ensure it can meet the 60-day review timeline for such applications.
- **AB 2243** expands the by-right zoning provisions from AB 2011 (2022) to include specific sites, such as regional malls up to 100 acres, areas near freeways (with air-filtration requirements), and certain high-rise districts. This bill aims to simplify housing development by easing the approval process and limiting local review of housing proposals. The City will need to ensure that its zoning and approval processes align with these ministerial requirements.

Item 5a

- **SB 1123** updates SB 684 (2023) to require local agencies to approve the subdivision of vacant single-family parcels for up to 10 housing units ministerially, without discretionary review. It also mandates ministerial approval of housing units on vacant, single-family zoned properties beginning July 1, 2025. The City will need to ensure that its zoning and approval processes align with these ministerial requirements
- **SB 1211** requires local agencies to ministerially approve up to eight detached Accessory Dwelling Units (ADUs) on an existing multifamily dwelling lot, provided that the number of ADUs does not exceed the number of existing dwelling units on the lot. Additionally, it prohibits local agencies from requiring the replacement of uncovered parking spaces that are demolished to construct an ADU. Staff is currently working on processing zoning ordinance amendments to address the requirements in both SB 1123 and SB 1211.

Other Zoning/Land Use

AB 2085 requires the City to ministerially approve community clinics offering reproductive health services if the site is in a zone where office, retail, parking, or healthcare uses are permitted.

AB 2904 amends the notification requirements for zoning ordinance changes. Under this new law, cities must now provide at least 20 days' advance notice to affected property owners before holding public hearings on proposed zoning amendments, an increase from the previous 10-day requirement. From the City's perspective, this change necessitates adjustments to Planning Commission workflows, including earlier preparation and distribution of hearing notices. While this extended timeline allows property owners more time to prepare and engage, it also requires cities to allocate additional resources and planning to ensure compliance with the new deadlines.

Permit Fees

AB 1820 requires local agencies to provide a preliminary estimate of fees and exactions within 30 business days to any development proponent requesting an estimate during the preliminary application process, although the estimate is non-binding and for informational purposes. It also requires agencies to post current fee schedules and relevant fee studies on their websites, which the City already does.

SB 937 requires local agencies to defer the payment of mitigation fees for certain affordable housing projects until the certificate of occupancy or final inspection is granted. It also sets conditions for when a developer can qualify for fee deferral, including breaking ground on the affordable housing project within five years. The City will need to track and implement these deferral processes in compliance with the bill's timelines and take them into consideration during financial planning.

AB 3012 mandates local agencies to provide a fee estimate tool on their websites, enabling the public to estimate fees for proposed housing developments. The City is not required to comply with this until 2032. However, implementing this change will necessitate early planning to address logistics, technical needs, and integration onto the City's website.

Bill # and Author	Title	Page #
AB3093 (Ward)	Land Use: Housing Element.	16, 25,
AB 1886 (Alvarez)	Housing Element Law: Substantial Compliance: Housing Accountability Act.	51
AB 1893 (Wicks)	Housing Accountability Act: Housing Disapprovals: Required Local Findings.	51
AB 2023 (Quick-Silva)	Housing Element: Inventory of Land: Substantial Compliance: Rebuttable Presumptions.	52
SB 1037 (Wiener)	Planning and Zoning: Housing Element Enforcement	57
AB 2085 (Bauer- Kahan)	Planning and Zoning: Permitted Use: Community Clinic	52
AB 2904 (Quirk-Silva)	Zoning Ordinances: Notice	55
AB 2243 (Wicks)	Housing Development Projects: Objective Standards: Affordability and Site Criteria.	52
SB 450 (Atkins)	Housing Development: Approvals	56
SB 1123 (Caballero)	Planning and Zoning: Subdivisions: Ministerial Review	57
SB 1211 (Skinner)	Accessory Dwelling Units: Ministerial Approval	59
AB 1820 (Schiavo)	Housing Development Projects: Applications Fees and Exactions	63
SB 937 (Wiener)	Development Projects: Fees and Charges	64
AB 3012 (Garyson)	Development Fees: Fee Schedule Template: Fee Estimation Tool	64

Governance, Transparency, and Labor Relations

Employee Relations

AB 2561 is a highlighted bill requiring local public agencies to report on the status of job vacancies and recruitment and retention efforts at least once per fiscal year during a public hearing. If job vacancies within a single bargaining unit reach or exceed 20% of the total authorized full-time positions, the public agency must provide additional specified information during the hearing. The City will comply with this requirement and has scheduled a public hearing on the Council agenda for March 4, 2025. The current vacancy rate is less than 20%, so it will not be subject to some of the additional reporting requirements outlined in the bill.

Government Operations

AB 2631 focuses on enhancing ethics training for local agency officials, something that the City already requires its local officials to do. While it this bill will not change City operations, it will formally codify the Fair Political Practices Commission's ethics training program in statute, thus making it a permanent program and ensuring local officials continue to have free and convenient access to this resource.

Political Reform Act

SB 1181 and 1243 both amend the Political Reform Act of 1974, specifically the "Levine Act" which governs campaign contributions to agency officers involved in proceedings related to licenses, permits, or other entitlements for use. The most notable change is that it increases the contribution limit from \$250 to \$500. It also makes changes to increase the amount of time allowed to fix contribution mistakes and provides clearer guidelines on how contributions are counted.

AB 2041 expands the permitted uses of campaign funds toward personal and family security expenses, up to \$10,000.

Public Meetings and Public Records

Several important bills have been enacted to enhance public meeting practices and public records laws to address current challenges more effectively. **AB 2715** clarifies that local agencies can hold closed-session meetings to discuss cybersecurity issues. **AB 2302** updates the rules for how many meetings a member of a legislative body can attend remotely during emergencies without having to disclose or publicize their teleconference location. Instead of a fixed 20% limit for all legislative bodies, the limit is now based on the typical number of regular meetings the body holds each month. Lastly, **SB 1034** grants local agencies an extended response time of up to 14 days for public records requests received during governor-declared states of emergency. This extension allows cities to focus on urgent priorities during periods of limited resources.

AB 2715 amends the Brown Act to permit a legislative body of a local agency to hold closed sessions with law enforcement and security personnel regarding cybersecurity matters relating to critical infrastructure controls and information. This includes discussion of matters posing a threat to the security of public buildings, a threat to the security of essential public services, including water, drinking water, wastewater treatment, natural gas service, and electric service, a threat to the public’s right of access to public services or public facilities, or a threat to critical infrastructure controls or critical infrastructure information relating to cybersecurity.

Bill # and Author	Title	Page #
AB 2561 (McKinnor)	Local Public Employees: Vacant Positions	41
AB 2041 (Bonta, Mia)	Political Reform Act of 1974: Campaign Funds: Security Expenses	44
SB 1181 (Glazer)	Campaign Contributions: Agency Officers	45
SB 1243 (Dodd)	Campaign Contributions: Agency Officers	46
AB 2302 (Addis)	Open Meetings: Local Agencies: Teleconferences	48
AB 2715 (Boerner)	Ralph M. Brown Act: Closed Sessions.	48
AB 2631 (Fong, Mike)	Local Agencies: Ethics Training	43
SB 1034 (Seyarto)	California Public Records Act: State of Emergency	48
AB 2715 (Boerner)	Ralph M. Brown Act: Closed Sessions	48

Public Safety

Cannabis

Several bills were passed as part of California's efforts to support the Cannabis industry's growth while ensuring public safety and compliance. **SB 1064** creates a new license type allowing cannabis businesses to conduct multiple activities—such as cultivation, distribution, and retail—under one license at the same location. Although cannabis businesses would be able to hold a “combined activities” state license authorizing two or more commercial cannabis activities at the same premises under one combined license, there is no impact to the City. Cannabis operators are required to obtain both a Commercial Cannabis Operator Permit with the City, as well as Use Permit as required by the City’s Zoning Regulations.

AB 1775 permits local jurisdictions to authorize licensed cannabis retailers or microbusinesses to prepare or sell non-cannabis food and beverages in areas designated for cannabis consumption (“consumption lounge”). It also allows these businesses to sell tickets for live musical performances in such spaces. While the City of San Luis Obispo currently does not permit consumption lounges, this bill would need to be considered in any future discussions on the topic.

Civil Rights

AB 3024 was passed to address increasing concerns about harassment and intimidation of private property occupants, particularly due to a rise in the distribution of hateful flyers, posters, or symbols targeting protected communities. The bill expands the definition of “intimidation by threat of violence” under the Ralph Civil Rights Act to include unauthorized material distribution on private property with the intent to terrorize its owner or occupant. By incorporating these provisions into the Ralph Civil Rights Act, individuals affected by hate littering on their property would have the ability to seek damages from the responsible party; however, it would still not be classified as a criminal offense.

Retail Theft

In 2024, the Legislature and the Governor made addressing retail theft a priority after the unintended consequences of Prop 47 became clear in 2023 when the Public Policy Institute of California (PPIC) reported that commercial burglary hit its highest rate since 2008. Attachment A includes an Appendix Section (page 111) dedicated to the retail theft package, but a high-level summary of the measures that were passed by the Legislator include:

- **AB 1779 (Irwin): Theft: Jurisdiction:** Allows district attorneys to consolidate theft-related charges across counties if all jurisdictions agree.
- **AB 1802 (Jones-Sawyer): Organized Retail Theft:** Permanently removes the sunset date for the organized retail theft statute and the Regional Property Crimes Task Force.
- **AB 1960 (Rivas, Robert): Sentencing Enhancements for Property Loss:** Introduces sentencing enhancements for felonies involving property damage or loss exceeding specified amounts.
- **AB 1972 (Alanis): Regional Property Crimes Task Force:** Includes cargo theft as a property crime for consideration by the Regional Property Crimes Task Force.
- **AB 2943 (Zbur and Rivas): Retail Theft:** Creates a new retail theft crime category, allows arrests without witnessing the crime, prohibits nuisance actions against retailers for reporting crime, and provides diversion programs and extends probation periods for offenders.
- **AB 3209 (Berman): Retail Theft Restraining Orders:** Authorizes courts to issue restraining orders for retail theft and related crimes and permits legal representatives of retail establishments to petition for such orders.
- **SB 905 (Wiener): Theft from Vehicles:** Makes forcibly entering a vehicle with intent to steal punishable by up to three years in county jail.
- **SB 982 (Wahab): Organized Retail Theft:** Removes the sunset date for the organized retail theft statute.

Item 5a

- **SB 1144 (Skinner): Online Marketplaces:** Expands requirements for online marketplaces to verify third-party sellers and mandates policies to prevent and report the sale of stolen goods, effective July 1, 2025.
- **SB 1242 (Min): Fires in Retail Theft:** Adds sentencing aggravation for setting fires within retail premises during organized theft.
- **SB 1416 (Newman): Sentencing for Stolen Property Sales:** Creates a sentencing enhancement of 1–4 years for selling or exchanging stolen goods if the value exceeds certain amounts.

Bill # and Author	Title	Page #
SB 1064 (Laird)	Cannabis: Operator and Separate Premises License Types: Excessive Concentration of Licenses	75
AB 1775 (Haney)	Cannabis: Retail Preparation, Sale, and Consumption of Noncannabis Food and Beverage Products	74
AB 1779 (Irwin)	Theft: Jurisdiction	89,115
AB 1802 (Jones-Sawyer)	Crimes: Organized Theft	89,115
AB 1960 (Rivas, Robert)*	Sentencing Enhancements: Property Loss	89,115
AB 1972 (Alanis)	Regional Property Crimes Task Force	89,116
AB 2943 (Zbur)	Crimes: Shoplifting	89,116
AB 3209 (Berman)	Crimes: Theft: Retail Theft Restraining Orders	89,116
SB 905 (Wiener)	Crimes: Theft from a Vehicle	89,116
SB 982 (Wahab)	Crimes: Organized Theft	90,116
SB 1144 (Skinner)	Marketplaces: Online Marketplaces	90,116
SB 1242 (Min)	Crimes: Fire	90,116
SB 1416 (Newman)	Sentencing Enhancements: Sale, Exchange, or Return of Stolen Property	90,117
AB 3024 (Ward)	Civil rights	91

Revenue and Taxation

Few major revenue and taxation bills were passed in 2024. The most notable development was the failure of the California Business Roundtable's (CBRT) initiative to make it to the ballot. Cal Cities worked alongside the Legislature and Governor to successfully block the Taxpayer Deception Act, a proposed ballot measure that would have significantly restricted the City's ability to levy taxes, fees, and other charges needed to fund services. The California Supreme Court ruled that the initiative constituted a constitutional revision and therefore could not appear on the November ballot.

Several measures were enacted to address property taxation, refunds, and delinquencies, but their impact on the City is minimal. **AB 2854**, a Bradley-Burns sales tax law, requires local jurisdictions to publicly post any agreements they have with private retailers resulting in the direct or indirect payment, transfer, diversion or rebate of Bradley-Burns local tax revenues to the California Department of Tax and Fee Administration (CDTFA). While the City currently has no such agreements, it will need to comply with this requirement if any are established in the future. **SB 1059**, a cannabis tax measure, standardizes tax calculations by prohibiting local jurisdictions from including state cannabis taxes in the definition of “gross receipts” when calculating local cannabis business taxes or fees. The City’s process for assessing gross receipts already excludes state taxes, so this bill will have no impact on the City’s procedures or revenue collection.

Lastly, **AB 2257** is a bill that changes the administrative process for objections to property-related water or sewer fee charges (Prop 218). In summary, it requires individuals or entities to submit written objections to local agencies before pursuing legal action and the local agencies must then respond in writing. Court challenges are limited to the administrative record, promoting dispute resolution at the local level with the goal of enhancing transparency, and streamlining legal proceedings.

Bill # and Author	Title	Page #
AB 2854 (Irwin)	Bradley-Burns Uniform Local Sales and Use Tax Law	95
SB 1059 (Bradford)	Cannabis: Local Taxation: Gross Receipts	95
AB 2257 (Wilson)	Local Government: Property-related Water and Sewer Fees and Assessments: Remedies	95

Transportation, Communications, and Public Works

AB 1777 would, commencing July 1, 2026, require manufacturers of autonomous vehicles that operate without a human operator physically present in the vehicle to comply with certain requirements, including, among other things, to maintain a dedicated emergency response telephone line that is available for emergency response officials, as defined, and to equip each autonomous vehicle with a two-way voice communication device that enables emergency response officials that are near the vehicle to communicate effectively with a remote human operator.

To support the state’s efforts to expand EV charging infrastructure and eliminate barriers to EV adoption, **AB 2427** requires the State’s Zero-Emission Vehicle Market Development Office to create a model permitting checklist, zoning ordinances, and best practices for local governments to streamline the permitting process for curbside EV charging stations. Smaller cities, such as San Luis Obispo, must implement these provisions by January 2029.

Another bill supporting the state's zero-emission vehicle adoption goals is **SB 1418**, which requires cities to adopt an ordinance establishing an expedited, streamlined permitting process for hydrogen-fueling stations. While the ordinance must align with the state’s guidebooks, it can be tailored to San Luis Obispo’s unique climate, geology, and local conditions in consultation with the City’s fire department. The City of San Luis Obispo must comply with the provisions of this measure by September 2028.

SB 1216 would prohibit any agencies from installing shared bicycle lane markings (“sharrows”) on any roadway where bicycle travel is permitted that has a posted speed limit greater than 30 mph. The City generally does not propose Class III bikeways (shared auto/bike lanes) or shared lane markings on high-speed roadways. Currently, there are no known instances of shared lane markings on streets with speed limits exceeding 30 mph, except in cases where they are used to facilitate transitions between a curbside bike lane and a channelized bike lane positioned to the left of a dedicated right-turn lane, in accordance with current design standards. If SB 1216 is approved and the California Manual on Uniform Traffic Control Devices is updated accordingly, the City will discontinue the use of shared lane markings in these environments as part of future roadway restriping projects.

AB 3177 imposes various requirements with respect to imposition of impact fees and land dedication requirements for housing developments. For example, this bill prohibits local agencies from requiring land dedications for housing developments for the purposes of roadway widening to mitigate traffic, with exceptions for cases where road widening is required to address safety impacts, for sidewalk and utility improvements, or where the development is both (a) located outside of a transit priority area and (b) includes a linear street frontage of 500 feet or more. No current locations in San Luis Obispo meet the formal designation of a “transit priority area”, but this could change in the future if bus transit frequencies are increased significantly. This bill also requires agencies that impose transportation impact fees to adjust fee rates (or at least the portion of fees directly related to mitigating vehicle traffic impacts) for housing developments that satisfy all of the following criteria: (a) located within a transit priority area, (b) located within one-half mile of convenience retail uses, and (c) provides the minimum number of parking spaces required by the local ordinance, or no more than one space for 0-2 bedroom units or two spaces for 3+ bedroom units, whichever is less.

Artificial Intelligence

Although not covered in the Cal Cities Legislative Briefing, five newly passed bills are set to shape the future of artificial intelligence (AI) by promoting transparency, accountability, and ethical standards in its development and use.

- **SB 896** enhances public awareness by requiring notifications and human contact options when generative AI is utilized.
- **AB 1008** extends the California Consumer Privacy Act (CCPA) to cover AI-stored personal and neural data, ensuring privacy protections keep pace with advancing technology.
- **SB 942** mandates provenance disclosures and identification tools for AI-generated content in systems with over 1 million users, addressing concerns about misinformation and authenticity.
- **AB 2885** refines legal definitions of AI to mitigate risks associated with digital content forgery and deepfakes.
- **AB 2013** strengthens transparency by requiring developers to disclose high-level summaries of datasets used to train AI models, fostering trust and accountability.

Collectively, these bills play a crucial role in AI governance, balancing innovation with public interest. As AI evolves, additional legislation is likely to emerge. These laws provide a framework that City can adopt to develop its own AI policies.

Bill # and Author	Title	Page #
SB 1418 (Archuleta)	Hydrogen-fueling Stations: Administrative Approval	104
AB 2427 (McCarty)	Electric Vehicle Charging Stations: Permitting: Curbside Charging	100
AB 1777 (Ting)	Autonomous Vehicles	99
SB 1216 (Blakespear)	Transportation Projects: Class III Bikeways: Prohibition	103
AB 3177(W. Carrillo)	Mitigation Fee Act: Land Dedications: Mitigating Vehicular Traffic Impacts.	64

Looking Forward to 2025

Next year will bring a new two-year legislative session, over 30 new lawmakers, and two special elections. At the federal level, significant policy shifts under the current administration could lead to major changes in funding structures and potential budget cuts, which may impact service delivery at the local level.

While it is clear that the Governor and legislative leaders will respond to these changes in Washington, the impact on state politics remains uncertain. Regardless, California will face numerous challenges in the coming year, including a projected \$2 billion budget shortfall for FY 2025-26, a structural deficit of over \$20 billion in the coming years, insufficient electric vehicle infrastructure, ongoing property insurance issues, and the persistent challenges of high building costs, climate change, disaster preparedness, and homelessness.

Cal Cities recently adopted their 2025 Advocacy Priorities (Attachment B) which will help guide the City's legislative platform. Unsurprisingly, the four top priorities align well with the City's Major City Goals:

1. Protect local revenues and expand economic development tools.
2. Strengthen climate change resilience and disaster preparedness.
3. Strengthen and modernize critical infrastructure.
4. Secure investments to prevent and reduce homelessness and increase the supply of affordable housing.

Legislative Platform

The City's Legislative Platform states the City's position on the issues it faces at the County, State, and Federal levels. The Legislative Platform conveys to legislators, policymakers, and the public where the Council stands on important policy positions. A legislative platform also provides a mechanism for staff and council to "be on the same page" and better coordinate execution of Council's policies.

The Legislative Platform allows the City to respond quickly in support of or opposition to issues included in the platform that could impact the City and to reach out to legislators or regulators to share the City's stance on an issue. The City's [Legislative platform](#) is reviewed and amended every year in conjunction with the opening of a new legislative year. This enables the platform to evolve and adapt to the changing needs of the City.

Ad-Hoc Committee Process

In recent years, Council has appointed an ad-hoc committee to review and make changes to the Legislative Platform in addition to recommendations from staff. The Committee is made up of no more than two Council Members to ensure compliance with the Brown Act. The Committee addresses a specific issue or task. In this case, the Committee would be established to review the Legislative Platform and make recommendations to the full Council. Once the task is completed, the committee disbands. The draft updated 2025-26 Legislative Platform is scheduled to go to Council on April 1, 2025 for adoption.

Item 5a

This meeting is the opportunity for Council to appoint the ad-hoc committee. If Council does not wish to form an ad hoc committee at this time, staff would propose updates and bring a draft legislative platform back to Council for review and direction.

Previous Council or Advisory Body Action

The last Legislative Briefing before City Council occurred on January 9, 2024. The City Council annually reviews its Legislative Platform, which was last reviewed and approved at the April 2, 2024 City Council meeting.

Public Engagement

This is an educational item for the benefit of City Council, so no outside public engagement was completed. Public comment can be provided to the City Council through written correspondence prior to the meeting and through public testimony at the meeting.

CONCURRENCE

In preparing the 2024 Legislative Briefing to City Council, input was solicited from all City Departments. This report includes an overview of critical bills and the impacts they have on departments and Major City Goal work efforts.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to the recommended action in this report because the action does not constitute a "Project" under CEQA Guidelines Sec. 15378.

FISCAL IMPACT

Budgeted: N/A

Budget Year: 2024-25

Funding Identified: No

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	N/A	N/A	N/A	N/A
State				
Federal				
Fees				
Other:				
Total	N/A	N/A	N/A	N/A

The action before Council does not have a fiscal impact. As noted in the report, there are several areas where State legislation may impact City work efforts or service delivery. These changes could impact the City's budget and, if so, those impacts will be identified at the point at which new processes are implemented and incorporated into the appropriated budget and paid for through the department budget that leads the effort.

ALTERNATIVES

1. ***Council could decide not to create an ad-hoc committee and instead direct staff to make recommended updates.*** In this alternative, staff would incorporate recommendations from Cal Cities and other relevant sources to update the legislative platform. The draft 2025-26 Legislative Platform would then be presented to the Council for approval in April 2025.
2. ***Council could decide not to create an ad-hoc committee and continue with the current legislative platform.*** This is not recommended as there may be changes in policy landscape that are not addressed in the current platform.
3. ***Council could decide not to adopt a legislative platform.*** This is not recommended as the legislative platform allows for the City to move quickly to address legislative issues as they arrive. Without the platform the City would not be able to write letters or reach out to legislators on key issues without requesting review and approval of the letters by Council each time. This would limit the impact that the City might have on pending legislation due to the time constraints on fast-moving bills and issues. Adopting a legislative platform is considered a best practice.

ATTACHMENTS

- A – 2024 Legislative Report Published by The League of California Cities
- B – League of California Cities 2025 Advocacy Priorities