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SUBJECT: 2025 STATE LEGISLATIVE BRIEFING

RECOMMENDATION

1. Receive and file a report on the 2025 State Legislative Briefing which summarizes the adopted laws from the 2025 regular session of the California State Legislature (December 2024 through October 2025); and
2. Consider appointing an ad-hoc committee of the City Council to review the current legislative platform and suggest changes for the 2026 legislative session.

REPORT-IN-BRIEF

The 2025 legislative session was shaped by two major statewide events: a new federal administration, which created federal policy and funding uncertainty for California, and the devastating Palisades and Eaton fires that killed 31 people and destroyed more than 11,000 homes. These events accelerated legislative action on wildfire resilience, insurance, and emergency preparedness, but also contributed to a challenging state budget environment marked by a \$11.8 billion deficit.

Throughout the session, cities faced significant policy proposals across numerous issue areas. One of the most consequential bills, SB 79 (Wiener), originally sought sweeping preemptions of local land-use authority by giving transit agencies approval power over housing projects. After strong opposition from more than 180 cities (including San Luis Obispo), the bill was substantially narrowed, though it remains a clear indicator of ongoing state pressure on local housing control. Additional high-impact measures included SB 346 (Durazo), which strengthens enforcement against illegal short-term rentals, and SB 707 (Durazo), the most substantial Brown Act update in years, offering expanded virtual meeting access for the public while imposing new mandates on local agencies.

In direct response to the year's catastrophic fires, the Legislature advanced major wildfire-resilience and home-hardening bills, including AB 1 (Connolly), SB 616 (Rubio), and AB 888 (Calderon). Lawmakers also addressed critical public infrastructure impacts by enacting AB 476 (Gonzalez) to combat the rising threat of metal theft.

This briefing provides an overview of the most significant state actions from the 2025

legislative session and their implications for the City. The report also recommends that the City Council consider appointing a two-member ad-hoc committee to review and update the City's Legislative Platform for the 2026 cycle to ensure the City remains aligned with evolving state policies, mandates, and funding opportunities.

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 15, 2025.

DISCUSSION

Background

Lawmakers introduced more than 2,300 bills during the 2025 legislative session. Approximately 900 reached the Governor's desk, of which 794 were signed and 123, or about 13%, were vetoed. Most enacted laws took effect on January 1, 2026, although urgency measures became effective immediately. Each year, thousands of bills carry potential impacts for local governments, and City staff rely on the League of California Cities (Cal Cities) to track and analyze these impacts as well as advocate in the best interest of the City. In 2025, Cal Cities sponsored 15 bills, six of which were signed into law. The City submitted 38 advocacy letters during the session; copies of those letters can be found [here](#).

Cal Cities also published its annual Legislative Report, which provides a comprehensive overview of bills signed by the Governor and their implications for cities statewide. Staff has reviewed the report and prepared this briefing to highlight the most significant legislative changes affecting the City of San Luis Obispo.

This report summarizes newly enacted state laws that have direct or potential impacts on City operations, initiatives, and Council priorities. It also references relevant pages of the [Cal Cities Legislative Report](#) for additional detail. While not exhaustive of all introduced or enacted legislation, the report focuses on the measures most pertinent to the City's work in the coming year.

Budget and Trailer Bills

The 2025–26 State Budget was adopted amid an \$11.8 billion deficit and although it is technically balanced, it relies heavily on borrowing, deferrals, and reserve spending. This

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inevitably pushes several structural issues into [future fiscal years](#). Under the November 2025 revenue and spending estimates, the Legislature faces an almost \$18 billion budget problem in 2026-27. This is about \$5 billion larger than the budget problem anticipated by the administration in June.

Despite objection from cities, the state eliminated 2025-26 funding for the Homeless Housing, Assistance, and Prevention (HHAP) Grant Program, which supports regional homelessness services and had downstream impacts on our community. Between 2019 and 2025, the County received more than \$10 million in HHAP funding, and the loss of funding in 2025-26 forced the County to make program reductions, although most services were temporarily sustained using other funding sources as a stopgap measure. Following significant advocacy from local governments, the Legislature partially restored HHAP funding beginning in 2026.

The Infill Infrastructure Grant (IIG) Program was also cut. While the City has not received IIG funding, it has been identified as a potential funding source for infrastructure supporting housing projects. The City previously applied unsuccessfully for IIG funding in 2019 for the Prado Road Interchange project.

Cal Cities successfully advocated to protect Proposition 4 climate and resilience funding. The Governor and Legislature not only preserved the Prop 4 bond proceeds but increased the first allocation to \$3.287 billion. Cities may be able to pursue this funding for eligible projects related to safe drinking water, climate resilience, wildfire mitigation, extreme heat, and outdoor access.

Overall, the 2025–26 budget environment indicates that cities will need to plan for tighter state funding and position themselves early to compete for a smaller pool of statewide funding.

Community Services, Behavioral Health, and Homelessness

Cal Cities secured two major wins on substance use recovery housing oversight through **AB 424 and AB 492**, which strengthen state oversight of treatment facilities and require DHCS to notify cities when new licenses are approved. Early notification improves coordination across Code Enforcement, Fire, Police, and Planning and provides better visibility into licensed and unlicensed sober living operations.

AB 348 makes it easier for people with serious mental illness, including those returning to the community after time in jail or prison, to qualify for intensive county behavioral health services. This is generally beneficial for cities because it means more people will receive treatment, housing support, and case management from the County, which can help reduce local impacts related to untreated mental illness and improve overall community safety and stability.

AB 543 allows Medi-Cal health plans to provide “field medicine” for people experiencing homelessness. Field medicine means bringing medical care directly to people where they

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are (e.g. in encampments, on the street, or in shelters) instead of requiring them to visit a clinic or hospital. For cities, this could strengthen connections between unsheltered residents and medical services, reduce emergency response strain, and support more consistent access to treatment for people who may struggle to reach traditional healthcare settings.

SB 27 expands eligibility for Community Assistance, Recovery, and Empowerment (CARE) Court Program to include mood disorders with psychotic features, in addition to schizophrenia spectrum and other psychotic disorders. The bill also requires CARE Court referrals for misdemeanor incompetent to stand trial defendants. The changes outlined in this bill will provide more opportunities for City outreach staff to petition for individuals who would benefit from the CARE Court program. Since the program's inception, the City's Community Action Team (CAT) has submitted two CARE Court petitions; however, they have not been successful. Expanding the bill will hopefully make the program more accessible and effective, which will have a positive impact on local jurisdictions working to connect individuals with severe mental illnesses to needed services and resources.

SB 748 does not create new mandates on cities, but it does require more detailed information when applying for state Encampment Resolution Funding. This means applications may require more staff time to prepare, especially when submitting funding proposals related to safe parking programs. However, the bill's intent is to improve statewide evaluation and help identify which strategies actually work, which can ultimately benefit cities by making future funding programs more effective and evidence-based.

Finally, **SB 753** strengthens local authority to address abandoned shopping carts by expanding cost-recovery tools and increasing fines for repeat violations. While the City already has a Shopping Cart Ordinance, this bill would allow higher penalties and additional enforcement options. These changes are elective and the City will evaluate whether or not changes to the ordinance should be adopted.

Table 1: Community Services, Behavioral Health, and Homelessness bill summary table. Page # references the [Cal Cities Legislative Report](#).

Bill # and Author	Title	Page #
AB 424 (Davies)	Alcohol and other drug programs: complaints.	17
AB 492 (Valencia)	Alcohol and drug programs: licensing.	17
AB 348 (Krell)	Full-service partnerships. (Jan 2027)	16
AB 543 (Gonzales)	Medi-Cal: field medicine.	23
SB 27 (Umberg)	Community Assistance, Recovery and Empowerment (CARE) Court Program	19
SB 748 (Richardson)	Encampment Resolution Funding program: safe parking sites: reporting.	25
SB 753 (Cortese)	Special business regulations: shopping carts.	25

Environmental Quality

The 2024 warehouse law¹ clean-up bill was finally passed as **SB 415**, resolving several implementation issues raised by cities. Because the City is *not* located in a designated “warehouse concentration region,” it is not subject to the bill’s warehouse-region–specific mandates, including the requirement to update the City’s circulation element by 2026. For cities not located in warehouse concentration regions, SB 415 includes statewide requirements only if a qualifying development is proposed and these provisions can be adopted by ordinance before 2030.

AB 1207 updates and extends California’s Cap-and-Trade (now “Cap-and-Invest”) program through 2046 and directs the Air Resources Board to reduce emissions in ways that also consider household affordability. It creates a new rebate fund to help lower energy costs, increases legislative oversight of climate spending, and updates how electric utilities apply climate credits to customer bills. It also redirects a portion of utility climate revenues to strengthen the state’s electric transmission system and requires utilities to report how those dollars are used. For the City, this measure is good news and aligns with the Climate Action and Resiliency Major City Goal by reinforcing the state’s long-term emissions-reduction framework and channeling resources toward energy affordability and grid improvements. The bill is not anticipated to have an impact on customers or affect any 3CE programs.

SB 840 complements AB 1207 by restructuring how Cap-and-Invest revenues are allocated, with a priority-based system that channels funding into clean transportation, housing, wildfire resilience, and clean energy, aligning with the City’s climate and resiliency goals.

The legislature spent much of the session focused on energy affordability. Most notable, **SB 254** makes various policy changes related to electrical corporations, among them, authorizing public financing and ownership of electric transmission infrastructure, addressing both wildfire mitigation spending and financing and liability of wildfire property claims; permitting of clean energy projects; providing transparency of electrical corporations’ return on equity; enforcement of timeliness of energization projects; and prohibiting large electrical corporations from including certain expenditures in their equity rate base. **AB 825** expands the market for California’s renewable energy resources by initiating the creation of a western regional grid. Both items are important for the City and Central Coast Community Energy’s goals related to affordable and accessible carbon neutral electricity supply.

The legislature also passed two bills related to resilience to extreme heat and providing regulatory certainty around heat pump HVAC system installations. **AB 806** nullifies any covenant, or condition that restricts installing or using cooling systems in a mobile home. **SB 655** establishes a state policy goal that all dwelling units maintain a safe indoor air temperature and directs all state agencies (e.g., HCD, CPUC, etc.) to consider this when

¹ **AB 98 (Carrillo, 2024)** or the “warehouse law” was a last-minute bill that was highly contested by cities and established statewide operational standards for large warehouse logistics facilities. It reduced local discretion over land use decisions and put unfunded administrative responsibilities on cities.

developing and updating their programs and regulations, which would be implemented and enforced by those agencies.

Table 2: Environmental Quality bill summary table. Page # references the [Cal Cities Legislative Report](#).

Bill # and Author	Title	Page #
SB 415 (Reyes)	Planning and zoning: logistics use developments: truck routes.	28
AB 1207 (Irwin)	Climate change: market-based compliance mechanism: extension.	31
SB 840 (Limón)	Greenhouse gases: Greenhouse Gas Reduction Fund: studies.	33, 118
AB 825 (Petrie-Norris)	Independent System Operator: Independent Regional Organization.	35
AB 806 (Connolly)	Mobilehomes: Cooling Systems.	70
SB 655 (Stern)	Dwelling Units: Indoor Temperature.	72
SB 254 (Becker)	Energy: Energy Affordability.	107

Housing, Community, and Economic Development

State housing mandates remained a dominant theme in 2025, with more than 100 housing bills introduced, most with the intent to boost housing production. **SB 79**, a bill promoting housing in transit-adjacent areas, drew significant attention and initially proposed concerning preemptions of local zoning authority. After significant opposition from more than 180 cities, the bill was narrowed and will apply only to “urban transit counties,” which are large, rail-served counties with at least 16 passenger rail stations. San Luis Obispo County does not meet these criteria, so the bill’s Transit Oriented Development (TOD) requirements, density mandates, and by-right approvals do not apply to the City.

AB 130, together with SB 131 (below) significantly streamlines the environmental review process otherwise required for housing projects. AB 130 allows a statutory exemption for qualifying “infill” housing projects from requirements of the California Environmental Quality Act (CEQA). Unlike some other streamlining laws, eligibility is not tied to wage requirements or affordability. The new legislation also imposes a 30-day deadline for agencies to act to approve or disapprove a qualifying project, starting after the Tribal consultation process is complete. The project must be consistent with local zoning standards and the jurisdiction’s General Plan with some exceptions provided through Density Bonus Law. AB 130 also established a statewide Vehicle Miles Traveled (VMT) mitigation band² to allow developers to satisfy transportation-related CEQA mitigation requirements. Beyond streamlining CEQA, the bill freezes most local building code updates, with exceptions including wildfire mitigation and amendments that implement a greenhouse gas emissions reduction strategy. It also enacts legally binding deadlines for local agencies to act on qualifying housing applications.

² “Mitigation band” means the state has set a pre-defined acceptable range for transportation impacts, measured using VMT. If a housing project falls within that range, it is presumed to have adequately mitigated its transportation impacts for CEQA purposes.

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SB 131 complements AB 130 by limiting CEQA review for housing projects that narrowly fail to qualify for an exemption. Under SB 131, projects that otherwise would have qualified for an exemption from CEQA “but for a single condition”, may now be reviewed under CEQA solely for that single condition and the housing project would not be required to include discussion of other impact areas or alternatives. The bill also provides several other statutory exemptions from CEQA for qualifying non-housing projects such as day care centers and advanced manufacturing facilities.

AB 507 establishes a statewide, by-right approval process for adaptive reuse projects that convert existing commercial or non-residential buildings into housing. Beginning July 2026, qualifying projects must be approved ministerially and are exempt from CEQA, provided they meet the bill’s affordability, historic preservation, and labor requirements. The requirements outlined in state law, including the affordability and labor requirements, may reduce the utilization of this state law in the City, as similar provisions in other laws have generally been difficult for developers to comply with.

AB 893 will have limited but meaningful impacts, particularly in areas within one-half mile of Cal Poly. The bill updates the existing “Affordable Housing and High Road Jobs Act” (2022) to make it easier for qualifying mixed-income or affordable housing projects to receive fast, ministerial approvals that are exempt from CEQA. As a result, more projects on commercially zoned or mixed-use parcels in the city may now qualify for this streamlined process. The bill also extends eligibility to projects within newly defined “campus development zones,” which could make future housing proposals on commercially zoned parcels adjacent to Cal Poly more likely to proceed through ministerial review rather than discretionary hearings.

AB 1061 updates SB 9’s ministerial housing rules to clarify that projects may be approved on parcels near or adjacent to a historic district as long as the parcel itself or its structures are not historic. The bill also allows the City to adopt objective design standards to ensure new SB 9 units are compatible with the look and feel of a nearby historic district, but the City cannot prohibit the project solely because of its proximity to that district.

AB 1308 updates routine residential building inspections into a legal deadline under the Housing Accountability Act, requiring the Building Division to inspect residential projects with fewer than ten units within ten business days of receiving a notice of completion for permitted work. A local agency’s failure to complete the inspection within this timeframe constitutes a violation of the Housing Accountability Act. The City generally is staffed to allow next day inspections, with a few exceptions, so it is unlikely that this will impact the City at this time, however, staff will continue to monitor development activity and inspection times to ensure compliance.

SB 358 requires cities, on a project-by-project basis, to lower traffic impact fees for certain transit-oriented housing developments that are also within a certain distance of at least three everyday destinations (e.g., grocery stores, schools, etc.) and have limited parking. It is unlikely that many projects within the City would satisfy all the bill’s applicability thresholds; nevertheless, the City would assess applicability on a project-by-

project basis. Cities can continue charging the normal traffic impact fee if they make findings that the development would not reduce vehicle trips.

AB 1154 updates California’s Junior ADU (JADU) requirements by limiting owner-occupancy requirements only to cases where the JADU shares a bathroom with the primary dwelling. The bill also requires that JADUs be rented for terms longer than 30 days, which is consistent with City regulations.

AB 1008 authorizes up to ten (10) new on-sale general liquor licenses for San Luis Obispo County, to help address the long-standing shortage of available licenses in a growing tourism market. Although the City did not take a position on the bill, it is important to local businesses, many of whom have expressed concern about limited access to full-alcohol licenses. The new licenses can only be issued to bona fide public eating places, cannot be transferred outside the county, and cannot be resold for more than the original fee. For the City, the measure should improve access to licenses, support restaurant and downtown economic activity, and ease pressure on the expensive secondary market, with minimal administrative impact since ABC manages issuance.

SB 456 makes a small but meaningful change to contractor licensing laws by exempting muralists from needing a contractor’s license when creating, restoring, or conserving a mural with the property owner’s permission. In recent years, the City paused new painted murals because existing law required artists to hold a contractor’s license, and there were very few muralists who met that requirement. As a result, the City relied on alternatives such as vinyl wraps on utility boxes. SB 456 removes this barrier, making it easier for local artists, businesses, and community groups to pursue murals and supporting the City’s public art goals, with minimal impact on staff procedures.

Table 3: Housing, Community, and Economic Development bill summary table. Page # references the [Cal Cities Legislative Report](#).

Bill # and Author	Title	Page #
SB 79 (Wiener)	Housing development: transit-oriented development.	65
AB 130 (Committee on Budget)	Housing.	7, 125
SB 131 (Committee on Budget and Fiscal Review)	Public Resources	9, 115
AB 507(Limón)	Adaptive reuse: streamlining: incentives	67
AB 893 (Fong)	Housing development projects: objective standards: campus development zone.	62
AB 1061 (Quirk-Silva)	Housing developments: urban lot splits: historical resources.	63
AB 1308 (Hoover)	Residential Building Permits: Inspections: Housing Accountability Act	72
SB 358 (Becker)	Mitigation Fee Act: mitigating vehicular traffic impacts.	70
AB 1154 (Carrillo)	Junior accessory dwelling units.	69
AB 1008 (Addis)	Alcoholic beverages: licenses: County of San Luis Obispo	--
SB 456 (Ashby)	Contractors: exemptions: muralists.	16

Governance, Transparency, and Labor Relations

Governance, transparency, and labor-related legislation remained a significant focus in 2025, with several bills aimed at expanding public access, strengthening meeting requirements, and updating workforce practices. One of the most impactful for cities is **SB 707**, which introduces major changes to public meeting procedures beginning July 1, 2026. While these requirements will apply only to the City Council based on San Luis Obispo's size, they will still require updates to remote participation, technology policies, and meeting management. Fortunately, the City is already well-positioned to comply due to existing infrastructure and experience, although renewed remote access will bring challenges such as managing the risk of virtual meeting disruption, commonly referred to as "Zoom bombing". Staff plan to develop policies to mitigate potential impacts to the extent feasible and anticipate bringing an item to the City Council in May 2026 to provide an update and seek approval of teleconferencing-related policies.

AB 339 requires public agencies, beginning January 1, 2026, to provide recognized employee organizations with at least 45 days' written notice before issuing an RFP, RFQ, or before extending any contract for services that fall within the scope of work performed by represented job classifications. The notice must include details such as contract duration, scope, anticipated costs, and the agency's justification for contracting out the work. The bill includes exceptions for public works and certain technical services, and in emergencies agencies must provide notice as soon as practical. Existing, more restrictive labor agreement terms will continue to apply.

SB 827 expands state training requirements for local officials by adding new mandatory ethics and fiscal/financial training. For the City, this means that beginning January 1, 2026, more City positions, including department heads and other "financial decision-making officials" must complete ethics training within six months of taking office and every two years thereafter. The bill also creates a new requirement for these positions to complete two hours of fiscal and financial management training, although this portion does not take effect until January 1, 2028. The City is already largely aligned with the updated ethics-training rules through its 2024 adoption of [Resolution 11515](#), and existing systems like NetFile can likely support the expanded requirements. Staff will need to update internal tracking and ensure all required positions are enrolled, but overall, the City is well-positioned to comply.

AB 538 requires the City to obtain certified payroll records from contractors whenever a member of the public requests them and the City does not already have them. Contractors must provide the records within ten days or face penalties from the Labor Commissioner. For the City, this adds a small administrative responsibility to request and relay these records but does not create major operational changes.

Table 4: Governance, Transparency, and Labor Relations bill summary table. Page # references the [Cal Cities Legislative Report](#).

Bill # and Author	Title	Page #
SB 707 (Durazo)	Open meetings: meeting and teleconference	57,119

	requirements.	
AB 339 (Ortega)	AB 339: Local public employee organizations: notice requirements.	49
SB 827(Gonzalez)	SB 827: Local agency officials: training.	53
AB 538 (Berman)	AB 538: Public works: payroll records.	99

Public Safety

In 2024, retail theft and illegal drug use were on top of the public safety priority list. In 2025, the focus was wildfire resilience and stabilizing the insurance market. The Legislature and Governor advanced a wide-ranging package of actions, including emergency funding, executive orders, and roughly 100 wildfire-related bills addressing disaster response, preparedness, financial assistance, insurance reform, and home hardening (see [Briefing Book](#), p. 151, for full detail). As implementation of these packages moves forward, the City can explore Safe Homes and Risk Mitigation grant programs as potential funding sources for local home-hardening and community-risk-reduction efforts.

Budget Actions:

- **ABX1 4 (Gabriel)** appropriated up to \$1.5 billion from the Disaster Response–Emergency Operations Account for wildfire response and recovery.
- **SBX1 3 (Wiener)** authorized an additional \$1 billion for disaster response, plus grants for expedited rebuilding (\$4M) and school district recovery (\$1M).
- In July, the Legislature adopted AB 130, making changes to building standards following the fires.

Insurance Response: The Department of Insurance finalized catastrophe-modeling regulations in early 2025 to stabilize the homeowners’ insurance market and encourage insurers to return to California.

Zone 0 Regulations: Following a March 2025 executive order from the Governor, the Board of Forestry accelerated work on Zone 0 defensible-space regulations (the 0–5 ft. area around structures). Draft rules—which would apply immediately to new construction and phase in over three years for existing homes in Very High Fire Hazard Severity Zones—prohibit combustible materials, wood fencing, vegetation, and other fire-vulnerable items within this zone. Adoption is now expected in early 2026 after extensive public comment.

Legislative Outcomes: By the end of the 2025 session, 40 wildfire-related measures were enacted, including:

AB 1 – Safer From Wildfires Expansion: Directs the Department of Insurance to expand recognized home-hardening and community-mitigation standards that insurers can use when offering premium discounts. Although this bill does not provide funding, it strengthens the link between mitigation and insurance availability.

AB 888 – California Safe Homes Grants: Creates a grant program to help homeowners complete wildfire-safety upgrades. Priorities include roof replacements, 5-foot noncombustible zones, projects that reduce community-wide risk. The intent of this goal is to reduce losses, improve insurability, and help residents qualify for premium incentives.

SB 429 – Wildfire Safety & Risk Mitigation Program: Uses advanced catastrophe modeling to identify highest-risk areas and provides grants for regional wildfire-risk-reduction projects.

Outside of wildfire response, there were a couple other notable Public Safety related bills. **AB 379** strengthens tools to combat prostitution and human trafficking by creating new criminal charges, increases penalties for businesses that enable trafficking, and requires certain establishments to post trafficking information.

AB 992 requires future peace officers in California to complete a college degree or approved certificate within a set timeframe after earning a POST Basic Certificate. For the City of San Luis Obispo, this will raise education requirements for new SLOPD officers starting in 2031. Police Officer recruitment is already challenging, and this bill will likely make recruitment more difficult by narrowing the entry-level applicant pool. Human Resources will also need to update job specifications, onboarding materials, and tracking systems to ensure compliance.

SB 19 expands existing criminal threat laws to cover threats made, including online, against specific locations like daycares and workplaces. It makes these threats a “wobbler” offense for adults, meaning they can be charged as either a misdemeanor or felony, depending on the case. Minors who make such threats are directed to services instead of court when eligible.

AB 8 significantly tightens California’s rules on industrial hemp by banning most hemp-derived cannabinoids in food, drinks, supplements, and inhalable products unless they meet strict purity standards. By doing this, it shifts many intoxicating hemp-derived cannabinoid products into the state’s legal cannabis regulatory and tax framework. The effects will be more notable in other US states, but it will likely increase enforcement responsibilities for SLOPD and Code Enforcement as local retailers are required to remove noncompliant hemp or THC-like products, including those sold in smoke shops and wellness stores. Although AB 8 expands the cannabis excise tax to certain hemp-derived items, it is not anticipated to generate significant revenue and primarily affects the City through compliance monitoring, retailer education, and potential enforcement workload.

SB 701 makes it illegal to manufacture, import, sell, purchase, or operate a signal jammer³ without FCC authorization, creates enhanced penalties when jammers are used during crimes, and allows felony charges if a jammer is used to block public-safety

³ A signal jammer is a device that blocks or interferes with wireless communications. It works by sending out radio frequencies that overwhelm or disrupt the normal signals used by phones, Wi-Fi, GPS, or other wireless systems.

communications and someone is seriously injured or killed. For the City of San Luis Obispo, the bill gives SLOPD clearer authority to seize jammers and prosecute their use, helps protect police, fire, and EMS radio systems from interference, and may slightly increase enforcement workload without state reimbursement, while providing a stronger deterrent against criminals attempting to disable alarms, GPS, or emergency communications.

Table 5: Public Safety bill summary table. Page # references the [Cal Cities Legislative Report](#).

Bill # and Author	Title	Page #
AB 1 (Connolly)	Residential property insurance: wildfire risk.	86
AB 888 (Calderon)	California Safe Homes grant program.	88,136
SB 429 (Cortese)	Wildfire Safety & Risk Mitigation Program	87
AB 992 (Irwin)	Peace officers.	90
SB 19 (Rubio)	Crimes: threats.	82
AB 8 (Aguiar-Curry)	Cannabis: cannabinoids: industrial hemp.	79
SB 701 (Wahab)	Signal jammers.	83

Revenue and Taxation

With cities facing fiscal uncertainty and housing pressures, **SB 346 (Durazo)** emerged as one of Cal Cities’ most important sponsored bills of the year. The measure targets illegal short-term rentals and strengthens cities’ ability to ensure proper transient occupancy tax (TOT) collection, helping recover revenue that often goes uncollected today. While the bill does not automatically change local enforcement practices, it authorizes cities to adopt ordinances that expand their enforcement tools.

The City currently has agreements with certain short-term rental platforms like Airbnb to facilitate transient occupancy tax collection, which helps address a portion of compliance concerns. However, this bill is focused on providing cities with clearer authority to require additional platform cooperation, including access to listing-level information. Staff are reviewing how these new authorities align with the City’s existing homestay ordinance and what amendments may be needed to fully leverage them. Because the City currently lacks access to this information, the full compliance or revenue gap is difficult to quantify. SB 346 is an important step toward greater transparency and equity in the short-term rental market. Community Development and Finance staff will work with its third-party compliance partner, Rentalscape, to determine how best to use the new tools to identify and address compliance issues.

SB 710 extends and clarifies California’s long-standing property-tax exclusion for active solar energy systems, ensuring that installing or adding solar equipment does not trigger a property-tax reassessment until a future change in ownership. For the City of San Luis Obispo, this means continued support for residential and commercial solar adoption without increasing assessed property values, which aligns with local climate-action goals but slightly limits future property-tax growth tied to solar improvements.

Table 6: Revenue and Taxation bill summary table. Page # references the [Cal Cities Legislative Report](#).

Bill # and Author	Title	Page #
SB 346 (Durazo)	Local agencies: transient occupancy taxes: short-term rental facilitator.	97
SB 710 (Blakespear)	Property taxation: active solar energy systems.	38,94

Transportation, Communications, and Public Infrastructure

AB 382 provides more flexibility for local agencies to adopt reduced speed limits of 15 or 20 mph in designated school zones, which previously required a formal engineering study to justify that higher limits were “more than reasonably safe”. Appropriate signage is still required to designate these reduced limits, which can only be applied during specific hours before/after school or “when children are present”, and within a limited distance from a school campus.

AB 476 strengthens statewide efforts to combat copper and other metal theft by tightening regulations on junk-dealers and recyclers and expanding the list of protected public-infrastructure materials, such as streetlight wiring, traffic-signal components, and EV-charging equipment. The bill requires sellers of scrap copper to hold a valid license and mandates more detailed record-keeping, making it harder to resell stolen materials and easier for law enforcement to track illicit transactions. While more prevalent in bigger cities, the City of San Luis Obispo has experienced an uptick in metal theft in recent years which can lead to costly repairs. By increasing penalties and improving traceability, AB 476 provides stronger tools to deter theft, support enforcement, and protect the City’s public infrastructure investments.

AB 394 expands existing protections against assault, battery, stalking, and harassment to explicitly cover all employees and contractors of public transportation providers, including third-party operators such as TransDev, which the City relies on to operate its transit system. This legislation was identified as particularly important for San Luis Obispo, as Transit staff have experienced several incidents over the past 18 months and drivers have expressed that current laws offered limited options to ensure their safety. The bill broadens who qualifies as a “transit worker,” increases criminal penalties for assault or battery against these workers, and allows employers or labor representatives to seek temporary workplace restraining orders or injunctions on their behalf.

SB 333, sponsored by the San Luis Obispo Council of Governments (SLOCOG), exempts the region from the state’s 2% local sales tax cap and allows SLOCOG to seek voter approval for a countywide transaction and use tax of up to 1% for transportation needs. The bill gives SLOCOG and its member agencies, including the City of San Luis Obispo, access to revenue capacity that would otherwise be unavailable under state law given that many cities already have a local transaction tax above 1%. SB 333 itself does not raise taxes; any increase would require SLOCOG to place a measure on the ballot before 2032 and secure voter approval.

Table 7: Transportation, Communications, and Public Infrastructure bill summary table. Page # references the [Cal Cities Legislative Report](#).

Bill # and Author	Title	Page #
AB 382 (Berman)	Pedestrian Safety: School Zones: Speed Limits	117
AB 476 (Gonzalez)	Metal theft.	3, 99
AB 394 (Wilson)	Public transportation providers.	81
SB 333 (Laird)	Transactions and use taxes: San Luis Obispo Council of Governments.	96

Looking Forward to 2026

The 2026 session will open in a challenging environment, marked by a projected \$15–20 billion state deficit, uncertainty around federal actions, continued cost-of-living pressures, renewed focus on housing production and CEQA reform, and potential shifts in statewide leadership following the gubernatorial election. Cal Cities’ [2026 Advocacy Priorities](#) are included below for reference and will be considered when updating the City’s Legislative Platform:

1. Protect and enhance local revenues and expand economic development tools.
2. Strengthen partnerships with the state to improve public safety.
3. Secure investments to prevent and reduce homelessness and increase the supply of affordable housing.
4. Strengthen climate change resiliency and disaster preparedness.

Legislative Platform and Ad-Hoc Committee Process

The City’s Legislative Platform outlines the City’s positions on issues at the county, state, and federal levels and communicates to legislators, policymakers, and the public where the Council stands on important policy matters. It also serves as an internal tool to ensure that the Council and staff are aligned, allowing the City to respond quickly and consistently in support of or opposition to legislative or regulatory actions that could impact the community. The Platform is reviewed and updated annually at the start of each legislative year so that it can adapt to changing conditions and emerging priorities.

To support this work, the Council has historically appointed a two-member ad-hoc committee to review the Legislative Platform alongside staff and recommend updates. The committee is temporary, formed for the specific purpose of reviewing and refining the Platform, and disbands once its work is complete. The updated Legislative Platform is scheduled to return to Council for adoption on April 7, 2026.

This meeting provides the opportunity for Council to appoint the ad-hoc committee. If the Council chooses not to form a committee, staff will prepare recommended updates and return with a draft Legislative Platform for Council review and direction in April 2026.

Previous Council or Advisory Body Action

The last Legislative Briefing before City Council occurred on January 25, 2025. The City Council annually reviews its Legislative Platform, which was last reviewed and approved at the [April 15, 2025 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 2026 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: Yes

Budget Year: 2025-26

Funding Identified: Yes

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

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platform. The draft 2025-26 Legislative Platform would then be presented to the Council for approval in April 2026.

2. ***Council could decide not to create an ad-hoc committee and continue with the current legislative platform.*** If this alternative is chosen, 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.*** Under this alternative, 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.