



C S D A

California Special
Districts Association

Districts Stronger Together

Significant Legislative Highlights

Bill Report



2024 Mid-Year Legislative Report

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2024 MID-YEAR LEGISLATIVE REPORT: *The Voice of Special Districts*

In the second year of the 2023-2024 Legislative Session, the California State Legislature introduced and CSDA reviewed 2,464 measures. CSDA's Legislative Committee adopted positions on 1,491 bills and other measures, including 128 priority positions, such as support, support if amended, oppose, oppose unless amended, concerns, and neutral positions following amendments.

Important measures on which CSDA has been engaged include:

[AB 2631 \(M. Fong\) Local agencies: ethics training.](#)

- CSDA co-sponsored this bill to provide the Fair Political Practices Commission with the statutory authority to provide free ethics training to public agency officials. This bill is necessary so that the Commission can be provided with the requisite appropriation from the state to make changes to the course platform.
 - This measure is co-sponsored along with the California State Association of Counties and the League of California Cities.

[ACR 163 \(Hart\) Special Districts Week.](#)

- CSDA sponsored this resolution to continue to spotlight the value of the essential local services provided by special district members.
 - The resolution proclaimed the week of May 19, 2024, to May 25, 2024, to be Special Districts Week.
 - This resolution builds on resolutions from previous years, in which the Legislature had similarly encouraged all Californians to be involved in their communities and be civically engaged with their local government.

[SB 1164 \(Newman\) Property taxation: new construction exclusion: accessory dwelling units.](#)

- This bill would have exempted accessory dwelling units (ADUs) from property taxation until either: 1) 10 years passed since the completed construction of the unit, 2) there was a subsequent change in ownership of the accessory dwelling unit, or 3) the unit was converted to any use other than for residential housing.
 - CSDA worked with coalition members including the California State Association of Counties, League of California Cities, California Teachers Association, Urban Counties of California, and Rural County Representatives of California to oppose this elimination of vital property tax revenue used to fund essential local services. Estimates from the Board of Equalization predicted the loss of \$20 million annually in property tax revenue if the bill were made law.
 - SB 1164 will not be moving forward this session, after the author pulled the bill from consideration in the Assembly.

Last Updated: July 1, 2024



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Additional Local Revenue:

CSDA has worked to protect special district revenues, supporting legislation to ensure their stability and protect agencies from costly litigation, and opposing legislation which would reduce revenues.

- [Administration's Charter Schools Educational Revenue Augmentation Fund \(ERAF\) Trailer Bill Proposal](#) - CSDA joined with the Urban Counties of California, Rural County Representatives of California, California State Association of Counties, League of California Cities, County of San Mateo, County of Marin, and County of Napa in opposing a proposal from the Newsom Administration that sought to insert charter schools into the calculation and distribution of monies in each county's ERAF, thereby reducing potential excess ERAF returns to local agencies, including special districts. The proposal was rejected by the Legislature and was not included in the relevant budget bills, Assembly Bill 164 or Senate Bill 164.
- [AB 1827 \(Papan\)](#) - CSDA joined a coalition in support of this measure that seeks to ensure water service providers can adequately capture the cost of service. This bill would permit the inclusion of the incrementally higher costs of water service due to the higher water usage demand of parcels, the maximum potential water use, projected peak water usage, or any combination of those factors in the fees or charges for property-related water service.
- [AB 2257 \(Wilson\)](#) - CSDA joined local agency stakeholders in supporting this legislation that would reduce agencies' exposure to adverse judicial intervention by requiring a potential litigant to participate in the Proposition 218 rate-setting process, provided the agency abides by specified procedures established by the bill.
- [SB 1072 \(Padilla\)](#) - CSDA and coalition partners are advocating for this legislation that ensures agency revenues are not exposed to disruptive Proposition 218 remedies incompatible with agency finance structures. The bill would provide that, if a court determines a certain charge was unlawful, the appropriate remedy would be to apply any excess fees collected toward reducing the cost for the agency to provide that service moving forward.

Housing and Development Related Fees Legislation:

Several legislative measures were introduced in 2024 that propose restrictions on development-related fees. CSDA is actively collaborating with other local government advocates to oppose these measures either partially or entirely, and to educate legislators and their staff on the importance of the Mitigation Fee Act, development impact fees, the Quimby Act, and connection and capacity charges.

- [SB 937 \(Wiener\)](#) - CSDA led a coalition of local government partners in opposing unless amended this measure that, among other things, for certain project types of residential developments, would generally prohibit the collection of interest on impact fees that are deferred until the completion of a development at final inspection or certificate of occupancy. It would also lock those fees in when the development is approved and is eligible to pull a building permit. Amendments were recently added that included a 5-year cap on deferral of fees if a permitted project has not broken ground.

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- [AB 2729 \(Patterson, Joe\)](#) - CSDA formed a coalition of local government partners to oppose this measure that, among other things, would require development impact fees be the same amount as would have been paid had the fees and charges been paid prior to the issuance of building permits and the local agency shall not charge interest or other fees on any amount deferred. The measure has a provision to collect the fees earlier in the process but would require that the local agency begin the improvements within 24 months. This measure has been proposed to be amended in its last committee to narrow the types of developments it applies to.
- [SB 1210 \(Skinner\)](#) - While introduced as a measure to cap utility-related development fees, this bill was dramatically amended to only require all utilities, both private and public, to post a schedule of fees for a service connection, capacity, or other point of connection charge for each housing development type. However, this paragraph does not apply to a utility that continues to post a schedule of their fees in accordance with existing law. With these amendments CSDA and its partners moved from an oppose position to a neutral position.
- [AB 3068 \(Haney\)](#) - This measure will create the Adaptive Reuse Investment Incentive Program to incentivize converting existing buildings into residential or mixed-use developments. Among other things, it only allows impact fees directly related to the impacts resulting from the change of use of the site from nonresidential to residential or mixed use. Any fees charged shall be proportional to the difference in impacts caused by the change of use and be collected on the date the certificate of occupancy is issued. The bill has contractual protections for those deferred fees. The author accepted committee amendments that would strike the provision that impact fees can only be collected at certificate of occupancy and change the verbiage regarding fees that can be assessed from "direct" impacts and "proportional" to language that reflects "reasonably related" and "roughly proportional." CSDA changed its position from oppose unless amended to neutral after those amendments.
- [AB 1820 \(Schiavo\)](#) - After numerous positive amendments, this bill would now authorize a development proponent that submits a preliminary application for a housing development project per Senate Bill 330 guidelines to request a preliminary fee and exaction estimate for cities and counties, and fee schedules for special districts and schools. Additionally, after an application is approved and is eligible to pull building permits, the bill would require all local agencies to provide the development proponent with a total sum amount of all fees and exactions that will apply to the project with 30 business days. The total sum is a good faith estimate for informational purposes and is not legally binding on the agency. The bill has been amended in other respects which are beneficial to special districts. With the totality of amendments, CSDA and its partners moved from opposed to neutral.

Brown Act:

CSDA, having previously led several efforts to make changes to the Brown Act, has remained engaged in legislative efforts to reform the state's open meeting laws, including:

- [AB 817 \(Pacheco\)](#) - CSDA joined several local government stakeholders in supporting AB 817, which sought to make service on public agency advisory bodies more

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accessible by providing more flexibility to members to participate remotely. Faced with amendments antithetical to the bill's intent, AB 817 failed to advance out of the Senate Local Government Committee.

- [AB 2302 \(Addis\)](#) - CSDA has supported this bill which seeks to clarify that separate convenings of an agency in a single calendar day amount to a single “meeting” under the Brown Act, recasting existing limits on the number of times members of a legislative body can participate remotely in meetings for just cause or emergency circumstances.

Surplus Land Act (SLA):

CSDA remains a leader in connection with the SLA and Department of Housing and Community Development (HCD) efforts to update guidelines implementing the SLA.

- [HCD Draft Updated SLA Guidelines](#) - In 2023, Governor Gavin Newsom signed two laws that made several changes to the requirements of the SLA, [AB 480 \(Ting\)](#) and [SB 747 \(Caballero\)](#), with both laws taking effect on January 1, 2024. CSDA led coalitions on both bills. Following the recent enactment of AB 480 and SB 747, HCD released its Draft Updated Surplus Land Act Guidelines issued February 23, 2024 (Draft Updated Guidelines). The Draft Updated Guidelines (and current guidelines) are inconsistent with the statute and may result in operational challenges for special districts. As a result, CSDA issued a Call to Action to its members, and submitted a lengthy [comment letter to HCD](#). The Draft Updated Guidelines are still in process and have not yet been adopted in final form.
- [SB 1134 \(Caballero\)](#) - In response to HCD's Draft Updated Guidelines, this measure was amended to remove HCD's exemption from the Administrative Procedures Act related to SLA rulemaking. Instead, the measure would require that: “Any rule, policy, or standard of general application issued by the Department of Housing and Community Development in implementing this article shall be subject to the rulemaking provisions of the Administrative Procedure Act....” CSDA and partner associations maintain a support if amended position on the bill, to address an error.

Labor and Employment:

High vacancy rates at local government employers have given rise to several measures which may negatively impact special district operations and unnecessarily increase expenses. The bills on which CSDA has been most engaged, include:

- [AB 2557 \(Ortega\)](#) - This bill burdens the process for local governments and schools to contract out for statutorily authorized special services by requiring onerous website reporting obligations, contract requirements, and notifications. The bill is expected to disincentivize contractors from doing business with local agencies and increase costs and delays. CSDA is a leader of the local government coalition opposed to the bill.
- [AB 2489 \(Ward\)](#) - A companion to AB 2557, this measure would burden the process for local governments and schools to contract out for statutorily authorized special services by requiring contractors to use employees who meet or exceed the minimum qualifications and standards required of bargaining unit civil service employees who perform or performed the same job functions, and by exposing contractors' employee



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data. The bill was expected to disincentivize contractors from doing business with local agencies and increase costs and delays. CSDA was a leader of the local government coalition opposed to the bill, which was held on the Assembly Appropriations Committee Suspense File and will not be advancing this year.

- [AB 2561 \(McKinnor\)](#) - This bill would require a local agency with high vacancy rates to, upon request by the recognized employee organization, meet and confer and hold a public hearing, regarding the high vacancy rates and strategies to reduce them.

CSDA has also been highly engaged on other labor and employment legislation which may have adverse impacts on special districts' ability to provide essential services or maintain safe workplaces. The bills on which CSDA has been most engaged include:

- [AB 2404 \(Lee\)](#) - This bill would provide protections for employees to engage in sympathy striking and remove sympathy striking from bargaining. This bill was similar to AB 504 (Reyes, 2023), which was opposed by CSDA and vetoed by Governor Newsom. CSDA has an oppose position on AB 2404, and was working with a local government coalition to oppose and amend the bill. The bill was held on the Assembly Appropriations Committee Suspense File and will not be advancing this year.
- [SB 1116 \(Portantino\)](#) - This bill would provide unemployment benefits to workers who are currently employed, and not seeking other employment, but who are on strike. This bill is a reintroduction of SB 799 (Portantino, 2023), which was opposed by CSDA and vetoed by Governor Newsom. CSDA led the local government coalitions opposing the 2023 and 2024 versions of the bill. SB 1116 failed passage in the Assembly Insurance Committee.
- [AB 2751 \(Haney\)](#) - This bill would require employers to institute a workplace policy granting employees the right to disconnect from employer communication during nonworking hours, with exceptions, and establish enforcement mechanisms. The bill exempts employees covered by valid collective bargaining agreements. The bill was held on the Assembly Appropriations Committee Suspense File and will not be advancing this year.
- [SB 399 \(Wahab\)](#) - This two-year bill will prohibit employers from taking action against employees who decline to participate in employer-sponsored meetings or receive communications, the purpose of which is to share the employer's opinion about political or religious matters. CSDA is leading a local government coalition with an oppose position on the bill because of its unique impacts on local government workplaces where routine activities may be regarded as political matters.
- [AB 2421 \(Low\)](#) - With limited exceptions, this bill would prohibit a public employer from questioning any employee or employee representative regarding communications made in confidence between an employee and an employee representative in connection with representation relating to any matter within the scope of the recognized employee organization's representation. CSDA is leading a local government coalition with an oppose position on the bill.



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[SB 252 \(Gonzalez\): Public retirement systems: fossil fuels: divestment.](#)

- This two-year bill would require CalPERS and CalSTRS to divest from fossil fuel companies. CSDA led a coalition with an oppose position on the bill because investment decisions should be left to the CalPERS Board of Administration, and because of the detrimental impacts of divestment on employer contribution rates. The bill will not advance this year after the author declined to accept amendments proposed by the Assembly Public Employment and Retirement Committee.

Public Works:

CSDA and its coalition partners have been actively involved with several public works bills this year. The bills on which CSDA has been most engaged include those impacting prevailing wage, gate safety standards, and cost accounting standards.

- **[AB 1890 \(Patterson, Joe\)](#)** - This bill requires the awarding body of a public works contract to provide notice to the Department of Industrial Relations if there is a change in the identity of a contractor or subcontractor performing the project or, within 30 days, if the total amount of the contract change exceeds \$10,000. CSDA has an oppose unless amended position and has engaged with the author, the sponsors and other local government advocates to seek positive amendments to the bill.
- **[AB 2149 \(Connolly\)](#)** - CSDA has joined with other local government advocates to oppose this measure that creates a framework for the inspection and repair of "regulated gates," imposes administrative fines for violations, and declares unrepaired and dangerous gates to be a public nuisance. A regulated gate is defined as any gate that weighs more than 50 pounds and is more than 48 inches wide or more than 84 inches high that is located in an area that is intended to be used by the public, an entire community or neighborhood, or any considerable number of persons. The gate has to meet several requirements and standards including a positive stop. The bill would require the owner of a regulated gate to have it inspected on or before July 1, 2026, and have it reinspected at least once every 10 years by a professional or qualified employee to ensure that the regulated gate complies with the requirements. Gate-owner includes all state and local agencies.
- **[AB 2182 \(Haney\)](#)** - CSDA is opposing this measure that makes numerous changes to state public works law including authorizing the Director of Industrial Relations (Director) to dismiss the request of a contractor or subcontractor for a review of a civil wage and penalty assessment due to the contractor's or subcontractor's failure to appear for a prehearing conference or hearing and granting joint labor-management committees (JLMCs) reasonable access to public works job sites. The bill requires, among other things, that if during any semiannual period the Director determines there has been a change in any prevailing wage rate in any locality, the Director will make such change available to the awarding body and the Director's determination will be final. Such determination shall apply on its effective date to any contract that is awarded, or for which notice to bidders is published after July 1, 2025.



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- [AB 2192 \(Carrillo, Juan\)](#) - CSDA is supporting this measure, that would increase project cost limits specified in the Uniform Public Construction Cost Accounting Act (CUPCCA) and separate the negotiated contracts and purchase order limits from the force account limits. This bill also refines the oversight authority of the CUPCCA Commission. This bill includes increasing the dollar amount of projects that may be performed pursuant to CUPCCA by the employees of a public agency by force account order from \$60,000 to \$70,000 and separating the negotiated contracts and purchase order limits from the force account limits while setting the new limit for these procurements at \$100,000. It also increases the dollar amount of projects that are subject to CUPCCA's informal bidding procedures from \$200,000 to \$220,000 and increases the dollar amount of projects that are subject to CUPCCA's formal bidding requirements from \$200,000 to \$220,000, among other technical changes.

California Air Resources Board (CARB) Advanced Clean Fleets (ACF) Regulation:

In April 2023, CARB passed its ACF regulation, which requires local government medium and heavy-duty fleets to transition to Zero-Emission Vehicles (ZEVs). The ACF regulation became effective as of October 1, 2023. The regulation calls for a transition to ZEV purchase schedule: Beginning January 1, 2024, 50 percent of the total number of vehicles purchases for the California fleet made in each calendar year must be ZEVs, and starting January 1, 2027, 100 percent of purchases for the California fleet in each calendar year must be ZEVs. CSDA advocated directly with CARB members and staff, provided written comments, and testified in opposition to the regulation during the public hearing, citing timeline, cost, infrastructure and emergency response concerns.

CSDA is now engaging in related efforts which may help special districts preparing for this monumental transition, including:

- [Climate Resilience Bond 2024](#) - CSDA along with its city and county partners has advocated for up to \$500 million of any potential Climate Resilience Bond to be targeted at the infrastructure and vehicles for local agencies to comply with the ACF / ZEV mandate. At this time, it appears the Climate Resilience Bond will not directly include this request.
- [AB 173 \(Committee on Budget\)](#) - California Department of Transportation (Caltrans) sought approximately \$250 Million to comply with ZEV mandates. Working closely with city and county partners, CSDA was able to advocate for adding reporting language to this Caltrans transportation budget trailer bill. This language requires Caltrans to annually compile and report information to the Legislature regarding the ZEVs the department purchases, owns, or leases. This will help all public agencies to gain valuable insights on how infrastructure and vehicle acquisition mandates can be addressed.
- [AB 637 \(Jackson\)](#) - CSDA is supporting this bill which would allow a fleet owner that rents a ZEV or ZEVs for a cumulative total of 260 days in a calendar year to be deemed as having ownership of one ZEV for purposes of meeting the ACF mandate.



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- o [SB 1393 \(Niello\)](#) - CSDA supported this measure which would have provided for an appeals committee when a local agency is denied a request for an exemption from the ACF / ZEV mandates. The proposed committee would review appeals of denied requests for exemptions from the requirements of the ACF regulation and make recommendations to the state board with respect to the denial of the exemption request. This measure failed to advance.
- o [AB 2266 \(Petrie-Norris\) and SB 1387 \(Newman\)](#) - CSDA held support positions on these very similar measures which sought to expand eligibility for the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) to include a ZEV exceeding 8,500 pounds that is either purchased for fleet operations by a public or private fleet or by an individual for personal and (substantially in furtherance of) commercial use. These measures would have defrayed some costs of acquisition of certain ZEVs and allowed local agencies to apply for a voucher (currently \$7500 for a vehicle of this type) from the state for the purchase of a broader selection of ZEVs, including pick-ups. AB 2266 failed to advance, while SB 1387 remains pending.

CSDA remains hard at work advancing the interests of special districts in the Legislature. Interim Recess, beginning upon adjournment on July 3, marks the deadline for each house to pass bills out of their respective policy committees. The Legislature will return on August 5 and complete the session by August 31. Stay tuned to CSDA eNews and Advocacy News for future updates.



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A report of bills tracked by CSDA with priority positions can be [viewed at this link](#)

The report provides links to each of the tracked measures, together with CSDA Summaries, copies of letters submitted to the Legislature by CSDA, and other pertinent information concerning bill status. The report lists CSDA's position on each bill.

The report lists the lobbyist assigned to each bill. For additional information on a particular bill, please contact the assigned lobbyist: Director of State Legislative Affairs Aaron Avery at aarona@csda.net; Legislative Representative Marcus Detwiler at marcusd@csda.net; and, Legislative Representative Anthony Tannehill at anthonyt@csda.net.

General questions can be directed to Aaron Avery.