



December 29, 2022

TO: Members of the AC Transit Board of Directors  
Michael Hursh, General Manager  
Beverly Greene, Executive Director, External Affairs, Marketing & Communications

FR: Steve Wallaach  
Platinum Advisors

RE: **Legislative Update**

---

**New Session:** The legislature reconvened on December 5 to swear-in the newly elected and re-elected members, elect leadership, and introduce new bills for the 2023-24 legislative session. While there were a few districts where party representation flipped, the Democrats continue to hold roughly 3 out of 4 seats in both the Senate and Assembly – more than enough to maintain their super majorities that give them immense power over spending and legislation.

- **35** is the number of new legislators, including Assembly members moving to the Senate, meaning nearly a third of the seats feature fresh faces.
- **62** and **32** -- The number of Democrats in the Assembly and the Senate, respectively. That puts Assembly Democrats **8** votes above the two-thirds threshold and Senate Dems **5** over.
- **51** -- the number of women legislators — an all-time high but still short of the 60 seats needed for gender parity. Speaking of diversity: We count at least **12** LGBTQ legislators; **12** African American lawmakers; **37** Latino lawmakers; **13** API lawmakers.
- The number of Republicans in the state Legislature has fallen to its lowest level in more than a century.

In the Senate, Senator Toni Atkins was re-elected to lead the Senate as President Pro Tempore. Senator Atkins is in her final term in the Senate, but Senate leadership is not expected to change until late in the 2024 session. In the Assembly a change in Speakers is scheduled for later this year. Assemblyman Anthony Rendon was re-elected as Speaker of the Assembly, and pursuant to the resolution electing Speaker Rendon, Assemblyman Robert Rivas is scheduled to take control of the Assembly on July 1, 2023.

**Horseshoe Changes:** Immediately following the November election, news broke that Governor Newsom's Executive Secretary Jim DeBoo will step down, to be succeeded by Dana Williamson, a Sacramento political strategist and former Cabinet secretary to Gov. Jerry Brown.

Williamson operates her own firm, Grace Public Affairs, where she works as a government relations consultant and political strategist on ballot measure campaigns, including the online sports betting Proposition 27 on the 2022 ballot, and local and statewide races. Her history of clients includes California Insurance Commissioner Ricardo Lara, former Atty. Gen. Xavier Becerra, Comcast and Californians for Safety and Justice. She has also worked in-house as a director of public affairs at Pacific Gas and Electric Co.

Williamson walks in at a time of transition from years of flush budgets to potential economic turmoil with signs of a national downturn on the horizon. Governor Newsom has said he plans to continue to try to chip away at the issues of homelessness, housing and crime in his second term, while also focusing on carrying out the major policies he and the Legislature enacted in his first four years, which includes implementing a series of tough climate bills, expanding Medi-Cal to all immigrants and establishing CARE Court to require treatment for unhoused Californians struggling with mental illness and drug addiction.

**Special Session:** Concurrent with the start of the new session, a special session was also opened on December 5<sup>th</sup>. Governor Newsom issued a proclamation calling for a special session to address price gouging by oil companies. The scope of the special session should be limited to the following topics, but experience has illustrated legislation tends to creep beyond these issues.

- Deter price gouging by oil companies by imposing a financial penalty on excessive margins, with any penalties collected to be returned to Californians.
- Empower the Energy Commission and the Department of Tax and Fee Administration to review and evaluate costs, profits, and pricing in the refining, distribution, and retail segments of the market for gasoline in California more closely.
- Provide for greater regulatory oversight of the refining, distribution, and retail segments of the market to prevent avoidable supply shortages and excessive price increases.

Governor Newsom's [proclamation](#) referred to "a financial penalty on excessive margins," not a "tax," with "any penalties collected to be returned to Californians." That is not just a semantic distinction. Taxes require 2/3 votes while penalties need a simple majority. That is the difference between **54** and **41** Assembly votes, or **27** and **21** Senate votes. That could drastically ease the path to passage.

Senator Nancy Skinner introduced SBX 2 yesterday to enact the Governor's proposed price gouging penalty. SBX 2 only requires a majority vote for passage. Pursuant to SBX 2 excessive refiner margins (i.e., Profits) would be subject to a civil penalty imposed by the California Energy Commission. The bill does not currently specify the maximum amount of margin and it does not specify the amount of the civil penalty. These missing pieces will be determined through the legislative process. Any penalties collected would be placed in the Price Gouging Penalty Fund. The bill states that the funds in the Penalty Fund would be returned to the residents of California but the bill does not specify an allocation process.

**New Legislation:** With the start of the session comes new legislation. The introduction of new bills started to trickle in on December 5<sup>th</sup> and will continue until mid-February when a wave of new legislation will hit on the introduction deadline. This year we expect a significant number of bills on transit operations and planning. Assemblywoman Laura Friedman has introduced two spot bills outlined below, and she is expected to introduce legislation on transit performance measures.

- AB 6 (Friedman) is a spot bill that contains language stating it is the intent of the legislature to enact legislation to require regional transportation agencies to prioritize and fund transportation projects, including those funded by a local sales tax measure, that significantly contribute towards the goals outlined in a region's sustainable communities strategy and the state's climate goals.
- AB 7 is another spot bill introduced by Assemblywoman Friedman. This measure currently contains legislative intent language to enact legislation that would eliminate freeway capacity projects, but allow capacity projects only for bus rapid transit, rail, active transportation purposes, as well as projects that significantly improve safety, and projects that significantly reduce congestion.

Both measures will be closely watched in anticipation of substantive amendments. Once these bills are amended, and others introduced, we will work with AC Transit staff on bringing these measures to the Board for consideration.

##