



California Association for Local Economic Development

Summer Update on Major CALED-Tracked Bills

August 1, 2025

With the Legislature on its summer break until August 18, CALED wanted to take this opportunity to update its members on the status of the major bills we have been tracking this year. Things will get busy soon. Once the Legislature returns, there will be less than four weeks remaining before the September 12 adjournment date. The Governor then must sign or veto legislation by October 12.

Sponsored:

- **AB 417 (Carrillo)** Improvements to EIFD and CRIA laws. Status: Senate Floor.

Support:

- **AB 76 (Alvarez)** Clean-up to an SLA exemption for a longstanding local project in Chula Vista. *CALED's support letter also urges similar SLA relief for other communities facing SLA delays and impediments.* Status: Senate Floor.
- **AB 265 (Caloza)** Appropriates \$100 million to establish a Small Business Recovery Fund, with matching grants between \$2,500 to \$100,000, to small businesses and nonprofits directly impacted by a disaster proclaimed by the Governor, with an initial priority for the recent Los Angeles area wildfires. Status: Senate Appropriations Committee.
- **AB 518 (Ward)** Low Impact Camping Areas. Permits, at the option of a county, to adopt ordinances related to low-impact camping areas. *Additional amends were recently taken in response to concerns raised by several counties.* Status: Senate Rules Committee.
- **AB 961 (Avila Farias)** Extends sunset date of CA Land Use and Revitalization Act. Status: Senate Appropriations Committee.
- **AB 1265 (Haney)** Extends sunset date on existing \$50 million historic rehab tax credit by 4 years, with minor modifications. Status: Not Moving. Assembly Rev. & Tax Suspense File.
- **AB 1445 (Haney)** Extends to all cities and counties the authority to enact a special TIF tool to support commercial to residential conversions as part of downtown revitalization efforts, based on a law approved last year applicable only to San Francisco. Recent amends require 30 percent of funds to be dedicated to affordable housing. Status: Senate Appropriations Committee.
- **SB 828 (Cabaldon)** Clarifies locals may use Economic Opportunity Law to dispose of property. Status: Not Moving. Senate Local Government Committee. Two-Year Bill.

Oppose:

- **AB 339 (Ortega)** Requires public agencies to provide a 60-day notice (or as much as practicable in an emergency) to employee organizations prior to issuing a request for proposals (RFP), request for quotes (RFQ), or renewing or extending an existing contract, for services that are within the scope of work of the job classifications represented by the recognized employee organization. The bill further requires the public agency (upon the demand of the employee organization) to meet and confer in good faith with the recognized employee organization over the proposal and any negotiable effects. *Many local agencies oppose.* Status: Senate Appropriations Committee.
- **SB 789 (Menjivar)** In its original form, this bill imposed a \$5 per square foot commercial vacancy tax. Later, it was revised to require all commercial property owners to annually register and report information on their properties and any vacancies to the California Department of Tax and Fee Administration. *CALED joined in broad opposition with business groups.* Status: Not Moving. Held on Senate Appropriations Suspense File.

Monitor:

- **AB 735 (Carrillo & SB 415 (Reyes))** AB 98 Warehouse clean-up. *Since the fall, CALED has participated with local government and business organization stakeholders in identifying items that should be addressed in this clean up effort. A recent amendment included in these bills delays until January 1, 2035, the requirement to update circulation elements in cities under 50k population, and counties with unincorporated population under \$100k.* Status: Senate and Assembly Appropriations Committees.



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Other Tax Increment Financing:

- **SB 5 (Cabaldon)** Prohibits an EIFD or CRIA from collecting increment from farmlands protected under the Williamson Act or a Farmland Security Zone. *This bill relates to the author's concern about a new town "California Forever" project proposed in rural Solano County.* Status: Assembly Floor.
- **SB 516 (Ashby)** Authorizes Downtown Sacramento to create the Capital City Downtown Revitalization District as an EIFD. Authorizes this EIFD, as well as any other EIFD, to receive and utilize state funds. Status: Assembly Floor.
- **SB 545 (Cortese)** Contemplates TIF financing associated with High Speed Rail (HSR), via GO-Biz's Office of Land Use and Climate Innovation study of "economic opportunities" along HSR alignment. Status: Assembly Appropriations Committee.
- **SB 549 (Allen)** Removes reference to sales taxes from the NIFTI-2 option within EIFD law. Authorized the County of Los Angeles to establish the Resilient Rebuilding Authority for the Los Angeles Wildfires, with various authorities. Status: Not Moving. Failed Passage in Assembly Local Government Committee. Two-Year Bill.
- **SB 782 (Perez)** Expediting Post-Disaster TIF District Formation. Authorizes a city or county to form a Climate Resilience District to perform disaster clean up and reconstruction. *CALED has offered numerous suggestions and draft language to improve this bill.* Status: Assembly Floor.

Other Bills of Interest:

- **AB 330 (Rogers)** Extends sunset date on Local Prepaid Mobile Telephony Services Collection Act. *This law facilitates collection of local utility user's taxes.* Status: Senate Floor.
- **AB 342 (Haney)** Allows bars to be open until 4:00 am Thurs-Sat and certain holidays. Status: Not Moving. Senate Governmental Organization Committee. Two-Year Bill.
- **AB 431 (Wilson)** Enhanced Air Mobility. Requires CalTrans to develop statewide plan recommending best practices to incorporate this new technology. A report required under existing law from CalTrans is expected to be released later this year. *Amends taken by author dropped a local pre-emption provision that CALED flagged as a concern with author's office.* Status: Not Moving. Senate Transportation Committee. Two-Year Bill.
- **AB 564 (Haney)** Prohibits a scheduled increase in state excise tax on cannabis. Leaves state excise rate at 15%. *Capping the state's rate takes pressure off of local cannabis taxes.* Status: Senate Appropriations Committee.
- **AB 693 (Boerner)** Proposes to consolidate the administration of several state broadband programs into a new state Broadband and Digital Equity and Commission. Status: Not Moving. Held on Assembly Appropriations Suspense File.
- **AB 1138 (Zbur)** Contains changes related to film tax credits. Status: Signed by Governor as part of the budget on July 3, 2025. Ch. 27. Statutes of 2025.
- **AB 1240 (Lee)** Prohibits business entities that own more than 1,000 single-family homes from purchasing additional homes. *Corporate purchasing of single-family homes to convert them into rental properties is a recent phenomenon that has created difficulties for traditional homebuyers who are outbid with cash offers.* Status: Not Moving. Senate Judiciary Committee. Two-Year Bill.
- **SB 80 (Caballero)** Requires the Energy Commission to designate three fusion R&D innovation hubs in California. Status: Assembly Appropriations Committee.
- **SB 86 (McNerney)** Extends the sunset date on the California Alternative Energy and Advanced Transportation Financing Authority Act to January 1, 2031. and includes devices or technologies used for an electrical generation facility using nuclear fusion. Status: Assembly Appropriations Committee.
- **SB 275 (Smallwod-Cuevas)** Makes some tweaks to Workforce Development Board eligible training provider lists. Prohibits locally certified providers from being removed until it is determined that they don't meet eligibility requirements. Status: Assembly Appropriations Committee.



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- **SB 526 (Menjivar)** Establishes fencing, dust mitigation and buffer requirements between “sensitive receptors” and aggregate and cement facilities within the jurisdiction of the South Coast Air Quality District. Status: Not Moving. Assembly Natural Resources Committee. Two-Year Bill.
- **SB 587 (Grayson)** Allows a credit against state personal or corporate income taxes to offset sales and use taxes received by local agencies on manufacturing and research equipment, but only if amounts are appropriated in each year’s budget. This credit (up to \$350 million annually) applies to purchases made after January 1, 2026, and before January 1, 2031. Status: Assembly Appropriations Committee.
- **SB 769 (Caballero)** Creates the Golden State Infrastructure Corporation Act, a non-profit under the State Treasurer, empowered to finance infrastructure projects. Status: Assembly Appropriations Committee.
- **SB 783 (Rubio)** Extends sunset on billboard exception for former RDA areas by three years. Status: Assembly Appropriations Committee.

Proposed Special Economic Zones:

- **AB 940 (Wicks)** Authorizes the creation of a Quantum Innovation Zone. Status: Not Moving. Senate Local Government Committee. Two-Year Bill.
- **AB 1347 (Carrillo)** Authorizes GO-Biz to designate six Electrical Modernization Zones, including one in Altadena and the High Desert. Status: Not Moving. Assembly Utilities and Energy Committee. Two-Year Bill.
- **SB 534 (Padilla)** Establishes the Green Empowerment Zone for Salton Sea and Southeastern Desert Valleys. Status: Not Moving. Assembly Economic Development, Growth and Household Impact Committee. Two-Year Bill.

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