



December 6, 2022

TO: State Association of County Retirement Systems
FROM: Edelstein Gilbert Robson & Smith, LLC
RE: Legislative Update – December 2022

The Legislature reconvened for their Organizational Session on December 5, marking the beginning of the 2023-24 Legislative Session. As discussed in previous reports, this is the first day of session for over 30 new members that were elected in November.

It is worth noting that legislators for two districts were not present at the swearing in ceremony. That is because the races in Assembly District 47 and Senate District 16 are still too close to call at this point. Given that the swearing in ceremony occurred before election results are finalized, no member was officially sworn in for these two districts. At the time of writing, Greg Wallis (R) leads Christy Holstege (D) by 35 votes in AD 47 and Senator Melissa Hurtado (D) has a 12-vote lead over David Shepard (R) in SD 16. Once the results are finalized in these two races, the two new legislators can then be sworn in.

Along with swearing in the new members, the organizational session included formal votes for Caucus leadership and other positions like the Chief Clerk and Sergeant. Of particular interest this year was the vote to affirm the deal reached by the Assembly Democratic Caucus on the future of the Assembly Speakership. Assemblymember Rendon was reelected as Speaker, with Assemblymember Rivas voted in as Speaker-designee, slated to take over the position after June 30, 2023. This comes after a standoff within the caucus that originated in May when Assemblymember Rivas first challenged for the Speakership.

Legislators also introduced the first bills of session before returning back to their districts for the remainder of the year. One proposal in particular has received significant press attention after the Governor declared a special session regarding high gas prices in California. Senator Skinner introduced the Governor's proposal on the matter, which seeks to deter high gas prices by imposing a civil penalty on excessive margins. The penalty and margin thresholds are to be established by the Legislature when they reconvene. The money collected would then be deposited into a fund that would be redistributed back to Californians. Discussions on the proposal will ramp up upon the Legislature's return.

The Legislature will reconvene for the 2023 on January 4. Legislators then will have until February 17 to introduce new legislation.