

Smith, Watts & Hartmann, LLC

Government Affairs

December 5, 2022

MEMORANDUM

TO: Transportation, Water, and Infrastructure Committee
c/o John Cunningham, TWIC Staff

FROM: Mark Watts

The following is a brief update on developments and activities occurring within the opening days of the 2023-24 Legislative Session.

LEGISLATURE

The initial step for the Legislature to undertake following the statewide elections is to convene on the first Monday in December. Once members are sworn in, they adopt Rules and elect their leadership, before recessing until early January 2023.

Key Actions taken:

- The Assembly re-elected Speaker Rendon, and also adopted a resolution to establish the transition process for Assembly Member Robert Rivas to be elected Speaker in June, after state budget negotiations are wrapped up.
- Speaker Rendon announced the selection of Assembly Member Ward of San Diego to serve as the Assembly Speaker *pro tem*.
- In the Senate, President *Pro Tem* Atkins will continue in her leadership position.

Overview of the Caucuses: Overall, legislative turnover was overwhelming this year as incumbents retired, resigned, or ran for other offices, often prodded by redistricting. This opened the door for numerous new members, as follows:

35: The number of new legislators, including Assembly members moving to the Senate (or in the case of Janet Nguyen, returning), meaning nearly a third of 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 Democratic Caucus 5 members over.

Unfinished Business: At this writing, two races remain undecided. with current totals that have Democratic Sen. Melissa Hurtado (16th SD) looks to be surviving a challenge from Republican David Shepard — Hurtado took a 12-vote lead on Friday — and in the 47th AD, Republican Greg Wallis appears to be edging Democrat Christy Holstege.

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GOVERNOR NEWSOM –

Both Houses responded to the call by Governor Newsom for the legislature to convene in a special session (called Special Session #1) to address oil industry pricing policy. In the afternoon of December 5, the Governor unveiled his long-awaited “price-gouging” prohibition and penalty measures. The framework of his bill was provided in legislative intent form and not yet in final form.

The bill will be carried by State Senator Skinner, but the bill does not include key details such as how much profit oil refiners would be allowed or the size of possible fines. The Governor indicated that it would take the next month or more to fill in the blanks of the bill, in consultation with lawmakers.