

The seal of the City of El Segundo is located in the top left corner. It features a circular design with a central emblem and the words "CITY OF EL SEGUNDO" around the perimeter.

CITY OF
EL SEGUNDO

Item D.14

2025 Legislative Update

January 21, 2025

Overview Scope

- California lawmakers introduced 1,530 bills in the state senate and 3,291 in the state assembly during the California Legislature's 2023-24 session.
- Governor Newsom signed 1,017 of them into law and vetoed 189. Through the November 5, 2024 general election, voters approved additional laws that will take effect.
- This update highlights select laws most pertinent to El Segundo.

Notable State Proposition

Proposition 36: The Homelessness, Drug Addition, and Theft Reduction Act

- Changes punishments for certain theft and drug crimes.
- Turns certain misdemeanors into felonies:
 - Theft of items worth \$950 or less is now a felony if person has two or more priors for certain theft crimes (e.g. shoplifting, burglary, and carjacking).
- Lengthens sentence for theft or property damage by three years if three or more people committed the crime together.
- Allows charge of a “treatment-mandated felony” for possession of “hard drugs” if the person has two or more priors for certain drug crimes (e.g. possessing or selling drugs).
 - “Hard drugs” include fentanyl, heroin, cocaine, and methamphetamine.

Notable County Measure

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L.A. County Measure A (Sales Tax) – Measure C Background

- El Segundo voters approved Measure C (84.97%) at the April 10, 2018 election when total sales cap was 10.25%.
- Designed to keep sales tax dollars in El Segundo when another taxing entity (e.g. L.A. County) submits sales tax measure to voters that would increase sales tax within the maximum allowable rate (i.e. AB 1679 raised cap from 10.25% to 10.50% in 2023).
- Authorizes up to 0.75% ($\frac{3}{4}$ cent) City sales tax upon placement of outside entity's tax measure on ballot and can continue to be imposed if voters approve the submitted measure.

L.A. County Measure A (Sales Tax)

- County Measure A: Affordable Housing, Homelessness Solutions and Prevention Now Measure authorized Measure C when County Board submitted its measure to voters on June 18, 2024.
- August 20, 2025: El Segundo City Council suspended imposition of Measure C.
- Election result: Voters approved Measure A by 57.78% vote (only simple majority required because citizen measure).
- County Measure A → 0.50% (½ cent) sales tax that replaces expired Measure H (0.25% ¼ cent) sales tax.

L.A. County Measure A (Sales Tax)

- County Measure A → 0.50% (½ cent) sales tax that replaces sunsetted Measure H (0.25% ¼ cent) sales tax.
- New total sales tax rate:

| District | Rate |
|--------------|--------------|
| California | 6.00% |
| L.A. County | 3.75% |
| El Segundo | 0.00% |
| TOTAL | 9.75% |

- Maximum sales tax = 10.50%

State Housing Laws

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Housing Laws

- AB 1886: Disallows local government “self-certification” of Housing Element. Certification requires HCD or court determination.
- AB 2023: Raises legal standard for a city to challenge HCD determination that Housing Element is not compliant.
- AB 1037: Allows AG to fine a city between \$10,000-\$50,000 a month for certain housing violations (e.g. failing to ministerially approve affordable housing project required by state law).
- AB 1893: Imposes additional requirements for a city’s denial or conditional approval of a housing development project; cannot deny a “builder’s remedy project” if lacking substantially compliance housing element.

Housing Laws

- AB SB 450: Loosens restrictions to facilitate development of SB 9 lot splits and duplexes.
- SB 1211: Requires cities to allow up to eight detached accessory dwelling units on a property within an existing multifamily dwelling.
- AB 2533: Allows owners of ADUs and JADUs to legalize unpermitted units.
- AB 2243: Allows more projects to qualify for AB 2011 or SB 6 (housing in commercial zones).
- SB 1123: Expansion of ministerial subdivisions (10 or fewer units) to apply to single-family zone and not just multi-family zones.

Housing Laws

- SB 937: Impact fees for housing projects must be collected at occupancy, not with building permit.
- AB 1820: Must provide fee estimate to housing project within 30 days of preliminary application (non-binding) and total fee calculation 30 days after project approval.
- AB 2553: Modifies definition of “major transit stop” (bus service intervals increased from 15 to 20 mins.) to increase eligibility for projects to get more density, less parking, etc.
- AB 3177: Restricts certain land dedications to widen roadways.

Housing Laws

- AB 2904: Planning Commission hearing on zoning code amendments affecting permitted property uses must be noticed at least 20 days before the hearing (previously 10 days).
- AB 2117: Development permit expiration extended for local appeal period plus any time legal action/proceeding is pending.

Additional Various State Laws

State Laws

- AB 2257 (Public Works/Prop. 218): Allows a city to require a fee protestor to include legal theories along with fee protest to be able to later file suit regarding the fee.
- AB 1827 (Public Works/Prop. 218): Encourages adoption of tiered water rates—which make water increasingly expensive as customers use it more—to encourage conservation by allowing use of “peaking factors” to set the tiers.
- SB 1072 (Public Works/Prop. 218): For a court determination of an overcharge for water, sewer, trash (property-related fees) the repayment must be accomplished through future ratemaking credits.
- AB 2561 (HR): Requires public hearing to present status of vacancies, recruitment, and employee retention efforts at least once a fiscal year before budget adoption. If over 20% vacancy in a given bargaining unit, the unit must be allowed to present certain information at the hearing (if requested).

State Laws

- AB 2631 (Ethics): Requires FPPC to continue offering AB 1234 ethics training course.
- AB 1170 (Ethics): Requires electronic filing of Form 700s.
- SB 1181 & SB 1243 (Ethics): Modify Levine Act—which restricts campaign contributions to elected officials—to increase contribution threshold to \$500 and extend time to refund contribution to 30 days.
- SB 1034 (Public Records Act): Authorizes basis for 14-day extension to standard 10-day response period to include when Governor declares state of emergency.

State Laws

- AB 3209 (Law Enforcement): Allows court to issue restraining order when sentencing a person for certain retail establishment crimes. Retailer's attorney can also petition for restraining order.
- SB 1271 & AB 1774 (Law Enforcement/Transportation): Clarify definition of "electric bicycle" and prohibits sale of products/devices that modify speed capability.

Questions

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