

Legislative Weekly Update

June 12, 2024

State Legislative Session Map

- 11 States in Regular Session
- 38 States Out of Session
- 1 Special Session



State Government Round-Up

California - In Sacramento, lawmakers, and Governor Gavin Newsom are engaged in discussions over multiple plans aimed at reducing spending to address a \$27 billion budget deficit. Democratic leaders aim to leverage the significant deficit to achieve substantial reductions in prison spending, presenting a challenge for Newsom amidst a sensitive political climate. As the Legislature strives to finalize a budget this week ahead of the June 15 deadline, disagreements with Newsom over cuts to prison spending have taken center stage. Learn more here.

Continued Below NYS Article

The Surprise at the End of the NYS Legislative Session

The state Senate concluded its proceedings on Friday, while the Assembly completed its business early Saturday morning. Things were going as expected leading up to the final week of New York's 2024 legislative session.

However, everything changed on Wednesday when Governor Kathy Hochul announced she wants the Metropolitan Transportation Authority (MTA) board to put congestion pricing – tolls for driving into Manhattan - on hold indefinitely.



"After careful consideration I have come to the difficult decision that implementing the planned congestion pricing system risks too many unintended consequences," Governor Hochul said.

The 11th hour upheaval

The decision to discard a long-standing plan startled legislators, real estate executives, transit

supporters, and other involved parties. The governor cited concerns about discouraging people from driving into New York City during its tenuous economic rebound, while critics labeled it as a strategic maneuver in an election year to aid suburban Democrats in districts where congestion pricing faces significant opposition.

The Governor's pivot was a considerable surprise considering 1) it came two days before the Assembly was to adjourn, 2) was to take effect in 25 days. and 3) her past championing of the plan, including at rallies in favor of the proposal.

The congestion pricing plan, the first of its kind in the nation, would have charged motorists as much as \$15 to drive in parts of Manhattan during busy hours. "Let's be real: A \$15 charge may not seem like a lot to someone who has the means, but it can break the budget of a hardworking middle-class household," Governor Hochul said.

Governor Hochul's decision had an instant impact. New York City found itself without a strategy to tackle the persistent gridlock that has plagued its roads and polluted its atmosphere for years.

While few lawmakers openly embraced congestion pricing and the prospect of taxing constituents, economists and environmentalists stood united in championing the proposal. They saw it not only as a remedy for the financial struggles of the MTA, responsible for New York's subways and buses, but also as a means to alleviate the city's notorious gridlock.

No time for a remedy

The decision shifted the responsibility to state lawmakers to devise a solution for establishing a reliable funding stream, aiming to fill the void left by the \$1 billion toll revenue that would have supported the MTA if the program had proceeded as initially intended.

Governor Hochul urged lawmakers to address this by swiftly implementing either a tax increase on New York City businesses with annual payrolls exceeding \$1.75 million or by issuing a tentative commitment to provide additional funding to the MTA next year.

However, neither proposal gained traction primarily due to opposition from numerous Democrats who were against ending congestion pricing, raising the payroll mobility tax, or to take money from the state's general fund on such short notice. The Governor has said that she may call legislators back to Albany before the end of the year to deal with MTA's budget shortfall.

Significant achievements passed

The controversy surrounding congestion pricing became the dominant topic of discussion, overshadowing other significant initiatives during the traditional last-minute scramble to pass legislation before the session's conclusion.

There were several notable landmark bills passed last week include legislation that will limit children's exposure to addictive social media content, prohibit social media companies from collecting personal data from children and a new fee on polluters to pay for damage they have done to the environment.

The SAFE for Kids Act: Social media platforms monitor user activity, such as likes, follows, and time spent on posts, to create customized feeds aimed at prolonging user engagement, particularly among younger users. Aimed at protecting kids online from algorithmic social media feeds, the New York legislature passed a first in the country model that specifically targets the algorithms that drive content.

Social media companies will be required to restrict addictive feeds on their platforms for users under 18 unless parental consent is granted. Additionally, the companies will not be able to send notifications regarding addictive feed content to minors from 12.00am to 6.00am.

Child Data Protection Act: The legislation will prohibit online sites from "collecting, using, sharing, or otherwise processing any personal data of individuals under the age of 18 without informed consent." It also prohibits disclosing any data of minors to third parties unless there is a written binding agreement.

Climate Change Superfund Act: Passed during the final week of session, the Superfund Act

would require oil and gas companies to pay into a 25-year fund to help the state offset the effects of climate change. Large oil and gas companies will be required to pay \$3 billion a year for 25 years creating a \$75 billion fund that will pay for the infrastructure needed to address issues related to climate change — including adaptations to the city's transit system.

New York Public Interest Research Group (NYPIRG) says one-third of the \$3 billion in annual funding will be earmarked for disadvantaged communities that suffer the worst impacts due to climate change. It is anticipated the fossil fuel industry will vigorously oppose the Superfund law in court as unconstitutional and beyond the scope of the State's authority.

Other notable bills passing include:

- A massive expansion of New York City's red light camera program raising the number of cameras from 150 to 600 across the five boroughs.
- A bill that would create a registry for all short-term rentals in New York vacation units
 often made available through Airbnb or VRBO and allow municipalities to levy taxes on
 the rentals.
- Requiring companies interested in pursuing one of three downstate casino sites to submit bids no later than August 31. The State Gaming Commission is required to pick three candidates by March 2026.
- Prohibiting gun manufacturers from selling "convertible weapons" that allow pistols to be modified into machine guns.

Two prominent bills—one aiming to terminate subsidies for gas companies and another seeking to decrease the use of plastic packaging—succeeded in the Senate but met their demise in the Assembly.

Governor Hochul has until December 31 to sign or veto the 805 bills passed by the Legislature this session.

State Government Round-Up Continued

Florida - Governor Ron DeSantis unveiled plans for \$1.25 billion in teacher salary boosts for the upcoming fiscal year starting July 1st. This marks a \$200 million increase compared to the current allocation for teacher salaries in the state budget, the governor noted, emphasizing that the additional funds will be exclusively designated for teacher compensation. Learn more here.

Illinois - Legislators approved the Safety CCS Act during the final stretch of the legislative session over the Memorial Day weekend. The legislation encompasses extensive regulations for the state's growing carbon capture industry. Among its provisions is a moratorium of up to two years on pipelines transporting CO2, or until federal authorities establish new pipeline safety standards. This marks the first ban of its nature in the Midwest. While Illinois Governor J.B. Pritzker has not yet signed the bill, he has indicated his intention to do so. Learn more here.

Nebraska – A third attempt to put medical marijuana legalization on the November ballot is lacking 30,000 signatures prior to a July 3 deadline. On that date, Nebraskans for Medical Marijuana must submit signatures from 7% of registered voters in the state – or a total of 87,000 signatures, plus at least 5% of voters in 38 of the state's 93 counties. Nebraska is one of three states where all marijuana and cannabis products are

North Carolina - A new initiative put forth by Republican lawmakers in North Carolina has raised concerns among state elections officials. who view it as a potential loophole granting corporations disproportionate influence over state elections. Under current state legislation, corporations and labor unions are prohibited from directly contributing funds to political candidates. However, they retain the ability to provide direct and unlimited contributions to 527 organizations. The proposed amendment by Republican legislators seeks to allow 527 organizations to donate to state political parties - which are currently permitted to receive limitless contributions and can also allocate unrestricted sums to their respective candidates. Learn more here.

Pennsylvania - A \$6 billion plan to change Pennsylvania's public education funding system passed the state House in a bipartisan vote. The measure would put into law the recommendations of a bipartisan commission that found Pennsylvania must spend an additional \$5.1 billion to erase school funding disparities that a state court ruled unconstitutional. Learn more here.

Rhode Island – Previously stalled human composting legislation advanced through the House Committee on Corporations with only one adjustment: pushing its implementation date to 2026. Learn more here.

illegal. Learn more here.

Nebraska – Governor Jim Pillen is expected to bring the Unicameral back for a special session in late July/early August to address property tax relief. Home valuations have risen an average of 10% across Nebraska in 2024. A bill to cut property taxes by removing sales tax exemptions died on the last day of the 108th Legislative session. Learn more here.

Virginia - House Speaker Don Scott announced that state legislators will convene in Richmond this month to address recent modifications to a state initiative that covers higher education expenses for certain military families. Through the budget process this year, the program was scaled back to rein in ballooning tuition waiver costs, which universities have had to cover. Learn more here.



What We Are Reading

- Apple execs explain why its Al is different from competitors; CNBC
- 3 more states could see marijuana legalization on the November ballots; Stateline
- States beg insurers not to drop climate-threatened homes; Stateline



Cool Jobs

- Assistant VP, US Government Relations; Citi (DC/Hybrid)
- Executive Director of Government Affairs; American Trucking Associations (DC/Hybrid)
- Senior Director, Public Relations & Advocacy; ARS Pharmaceuticals (Remote)
- Director, State Policy, Southeast; PhARMA (Remote)
- Director of Government Affairs; E-Space (Remote)
- Director, Corporate & State Government Affairs (KY, OH, WV, VA) – AstraZeneca (Wilmington, DE)
- Head of Corporate, State & Government Affairs – West Region; AstraZeneca (Wilmington, DE)
- Manager, Policy Campaigns, Global Public Policy; General Motors (DC/Hybrid)
- VP, Corporate Communications, Washington Commanders (College

Park, MD)

- Director of State and Federal Policy; Envision Healthcare (Remote)
- Federal Government Relations Manager; Stubhub (DC/Hybrid)

Industry Happenings and Important Events

June 10-14

National Conference of State Legislatures ("NCSL") Policy Week 2024 (webinar)

July 15-18

Republican National Convention in Milwaukee, WI

August 5-7

NCSL Legislative Summit in Louisville, KY

August 19-22

Democratic National Convention in Chicago, IL



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