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California State Politics

On January 6, 2014, California will be convening the second year of its 2013-2014 session. This upcoming year will be significant due to the fact that one party may have a super majority for a great portion of 2014. Democrats have bounced between having a simple majority to a 2/3rd's voting ability during most of 2013. Resignations and replacements ensured a sort of check-and-balance in both houses, which may stabilize in 2014.

The Legislature will also see the term-limit ending for a couple of its leaders. Assembly Speaker John Perez will see his 6-year run in the Assembly end, as well as his Speakership. Speaker Perez has indicated his interest in becoming California's next Controller. It is not certain when he may step down as leader. In the Senate, Senate President Pro Tem Daryl Steinberg is also termed out of Legislative office at the end of 2014. It is not known what Senator Steinberg intends to pursue.

California's budget is in very good shape. According to the Legislature's recent fiscal office report, *"The state is on track to end the current fiscal year next June with a reserve of \$2.4 billion, more than twice the original estimate of \$1.1 billion, thanks to higher-than-expected tax revenue,"* the report said. *"California's school funding formula is also expected to send \$3.1 billion more to schools. By 2020, state revenue could be \$27.1 billion higher than the latest projections for the current fiscal year."* Increased revenue could help cushion the state when temporary taxes under Proposition 30 expire in 2018. The analyst's office projects a \$9.6-billion surplus that year. *"This helps prevent a 'cliff effect,"* according to their report.

The challenge will be to use the extra funds to pay off long-term debt versus expand programs cut during years of revenue drought.

In 2014, topics such as telematics, consumer auto repair disclosure, and aftermarket collision parts may again be part of California's legislative interests.