
MEMORANDUM

To: City of Santa Clara

From: Townsend Public Affairs
Casey Elliott, Vice President

Date: April 21, 2026

Subject: Quarterly Legislative Update

In March, the Legislature transitioned into the initial policy committee phase of the legislative session, as newly introduced legislation was assigned to policy committees. By mid- to late-month, policy committees were hearing a high volume of bills, many for the first time, as lawmakers worked to advance priority legislation.

At the same time, budget committees and subcommittees in both houses continued their review of the Governor's proposed budget, holding hearings focused on departmental proposals, program funding, and implementation. Informational and oversight hearings also remained a central component of legislative activity, providing additional context on key policy issues and emerging priorities.

Looking ahead, bills with fiscal impacts must advance out of policy committees and move to fiscal committees by April 24, while measures without fiscal implications must clear policy committees by May 1 in order to proceed to their respective house floors.

The Legislature adjourned for its spring recess on March 26, temporarily pausing committee and floor activity. Lawmakers are scheduled to reconvene on April 6, at which time policy committee hearings and budget deliberations are expected to resume at an accelerated pace as deadlines approach.

STATE BUDGET UPDATE

LAO Revenue Outlook Update

In February, the Legislative Analyst's Office (LAO) [released](#) an updated forecast indicating that the state's three largest tax revenue sources, personal income, corporation, and sales taxes, are projected to exceed the Governor's Budget assumptions by approximately \$6 billion.

The upward revision is driven primarily by stronger-than-anticipated personal income tax collections, supported by continued stock market gains. Much of this growth reflects elevated investment returns and higher compensation in the technology sector, including activity associated with artificial intelligence, which has increased tax withholding and overall income tax receipts.

Income tax revenues have been buoyed by an unusually strong equity market. Major stock indices have roughly doubled in value since 2020 and increased by about 70 percent over the past three

years. In addition, December and January income tax payments — which capture investment and business earnings — were more than 50 percent higher than during the same period in the prior year, contributing significantly to the improved revenue outlook.

Despite the stronger near-term outlook, the LAO advises caution. Economic conditions outside the technology sector remain uneven, and revenues tied to capital gains and market performance have historically proven volatile and subject to rapid reversal during downturns. While the state's revenue outlook has improved relative to budget expectations, ongoing economic uncertainty and the volatility of key revenue sources suggest these gains may not translate into long-term fiscal stability.

LAO Reviews Governor's Proposal to Streamline Affordable Housing Financing

In March, the Legislative Analyst's Office [released](#) an analysis of the Governor's 2026–27 budget proposals aimed at simplifying affordable housing financing and improving coordination across state programs. The proposals build on recent efforts to reduce administrative complexity and accelerate housing production by creating a more centralized and predictable funding structure.

Affordable housing developments in California typically rely on multiple public funding sources, including federal tax credits and state subsidy programs, which are administered by different agencies with varying timelines and requirements. The LAO notes that this fragmented system has historically contributed to project delays and increased development costs. In response, the state has begun restructuring its housing finance programs, including the creation of the Housing Development and Finance Committee (HDFC) within the California Housing and Homelessness Agency as part of the 2025–26 budget. The HDFC is intended to serve as a centralized entry point for affordable housing funding beginning in 2026.

The Governor's 2026–27 proposal would expand the role of HDFC by consolidating staff and resources to support a unified application and funding process, while also restructuring key programs and financing tools. Proposed changes include modifying the Affordable Housing and Sustainable Communities (AHSC) program by shifting its housing component to HDFC while maintaining the transportation component at the Strategic Growth Council, as well as prioritizing the use of private activity bonds and tax credits for affordable housing projects.

The LAO describes the Administration's proposals as part of a broader effort to streamline affordable housing financing and centralize program administration, while also identifying areas where additional flexibility and legislative direction may be warranted. The report outlines several recommendations, including advancing the consolidation of housing programs under HDFC, allowing for a single application process for projects that combine housing and transportation funding, and requiring additional reporting to improve transparency around funding demand, project outcomes, and system performance. The LAO also suggests modifications to certain proposed funding set-asides to better align with annual demand and emphasizes prioritization of resources for projects serving the lowest-income households.

As the budget process continues, the Legislature is expected to further evaluate the structure of the AHSC program, the allocation of financing tools such as bonds and tax credits, and how the HDFC will coordinate with existing housing entities. Lawmakers are also likely to focus on how to measure whether these changes meaningfully reduce financing timelines and improve the efficiency of the state's affordable housing delivery system.

STATE LEGISLATIVE UPDATES

Assembly Housing Innovation Legislative Package

On March 24, Assembly Member Buffy Wicks, alongside a coalition of legislative partners, introduced a coordinated “Housing Innovation” legislative package aimed at increasing housing production, improving affordability, and streamlining development processes across California. The six-bill package builds on recent state efforts to address the ongoing housing shortage by targeting regulatory constraints, project timelines, and barriers to scaling new construction methods.

The package reflects a comprehensive approach to housing policy, with a particular emphasis on expanding multifamily and “missing-middle” housing, promoting infill and adaptive reuse development, and modernizing permitting frameworks. Several measures are also intended to improve coordination between state and local governments, clarify the application of existing housing laws, and create more predictable approval pathways—an ongoing concern for developers navigating complex and often inconsistent local requirements.

A notable component of the package is its focus on advancing factory-built and modular housing as a strategy to accelerate production and reduce costs. By streamlining inspections, limiting local deviations from state standards, and improving financing mechanisms, the proposals aim to facilitate broader adoption of these construction methods while maintaining safety and quality standards.

Collectively, lawmakers have framed the package as an effort to align local planning practices with statewide housing goals, encourage more efficient use of underutilized land, and support transit-oriented and sustainable development. The proposals also signal continued legislative interest in fostering innovation in housing delivery, particularly as the state seeks scalable solutions to meet long-term housing demand.

The package includes six measures focused on standardizing building requirements, streamlining permitting, and expanding the use of factory-built housing. [AB 306 \(Schultz and Hadwick\)](#) is expected to establish a process for binding statewide interpretations of building standards, while [AB 1815 \(Wicks\)](#) would limit local governments’ ability to impose requirements exceeding state standards on certain factory-built projects. Additional proposals aim to reduce logistical and regulatory barriers, including [AB 2012 \(Hoover\)](#), which updates transportation and permitting rules for manufactured housing, and [AB 2058 \(Harabedian\)](#), which revises inspection processes and caps certain fees under the state’s factory-built housing framework. On the financing side, [AB 2166 \(Carrillo\)](#) proposes a new state-backed credit program to support offsite construction, and [AB 2185 \(Quirk-Silva\)](#) would direct state housing agencies to update program guidelines to better accommodate factory-built housing across key affordable housing programs.

Senate Budget Subcommittee Reviews Homelessness Response and HHAP Outlook

The Senate Budget and Fiscal Review Subcommittee No. 4 held a hearing on February 26 to examine the state’s homelessness response system. The discussion focused primarily on the Homeless Housing, Assistance, and Prevention (HHAP) program, data accountability, and long-term funding stability. Presenters noted some signs of stabilization in recent homelessness trends. However, a significant portion of the conversation centered on fiscal uncertainty and program oversight.

Members reviewed the status of HHAP Round 7, which is funded at \$500 million in the 2025 Budget Act; half the amount provided in each of the four prior rounds. Distribution of Round 7 funds is delayed until July 1, 2026, and contingent upon enactment of additional implementing legislation. The Governor's January 2026 budget proposal did not include additional funding for HHAP beyond what is currently authorized.

The Subcommittee also examined implementation of [AB 799 \(Rivas, 2024\)](#), which requires standardized fiscal and outcome reporting and the development of public dashboards beginning in 2027. Members raised questions regarding data consistency, quality controls, and reporting transparency across jurisdictions. Panelists further cautioned that potential reductions in federal housing resources could increase pressure on state and local systems, underscoring the importance of stable, predictable funding.

Potential Impacts of H.R. 1 on California's Health Coverage System

The Senate and Assembly Health Committees convened a joint informational hearing to assess the potential impacts of recent federal health policy changes on coverage access and affordability in California. The hearing marked the second phase of a more robust legislative review, following a January 2026 discussion focused on federal disinvestment in health programs and potential state-level responses.

Panelists highlighted the significant role federal policies, particularly the Affordable Care Act, have played in expanding coverage through Medi-Cal and the Covered California marketplace. However, witnesses cautioned that recent federal actions, including provisions in H.R. 1 (the "One Big Beautiful Bill Act") and the expiration of enhanced premium tax credits, could increase costs and create new barriers for Californians seeking to obtain or maintain health insurance.

A central focus of the hearing was the potential impact of H.R. 1's Medicaid work and eligibility requirements. Beginning in 2027, certain enrollees would be required to document at least 80 hours per month of work, education, or community service to maintain coverage, unless exempt. Analysis presented to the Legislature, including input from the Legislative Analyst's Office, indicated that these requirements could result in significant coverage losses driven primarily by administrative burdens and eligibility changes rather than increased employment. Estimates suggest that between one and two million Californians could lose Medi-Cal coverage under these policies.

Panelists also discussed anticipated impacts on Covered California, including the expiration of enhanced premium subsidies and the introduction of new enrollment and verification requirements. These changes are expected to increase premiums and make it more difficult for some individuals to maintain coverage. Stakeholders further noted that resulting coverage losses could place additional strain on counties and safety-net providers as more residents become uninsured.

As the year progresses, the Legislature is expected to continue evaluating potential state-level responses to mitigate coverage losses, including policy, budget, and programmatic options. These discussions will likely intersect with the ongoing budget process, as lawmakers assess the state's capacity to offset federal changes and maintain access to affordable coverage for vulnerable populations.

EXECUTIVE BRANCH ACTIVITY

CPUC Proposes Changes to Climate Credit Timing to Enhance Affordability

The California Public Utilities Commission (CPUC) released a [Proposed Decision](#) on March 26 that would revise how and when residential Climate Credits are distributed, with the goal of improving the effectiveness of utility bill relief for customers.

The proposal would shift the timing of these credits away from lower-cost months and instead concentrate them during periods when energy bills are typically highest. For most electric customers, credits would be applied in late summer, while natural gas customers would receive credits during the winter season. This adjustment is intended to better align financial assistance with seasonal spikes in energy demand and costs.

Beyond timing changes, the proposal includes provisions aimed at increasing transparency and customer awareness, requiring utilities to enhance how credits are communicated and displayed on bills. It also directs a portion of program funds toward transmission infrastructure, reflecting a broader effort to support grid reliability and manage long-term energy costs.

The action implements recent statutory direction under [AB 1207 \(Irwin, 2025\)](#), which extended the state's Cap-and-Invest Program and called for improved alignment between climate credit distribution and customer energy burdens.

Public comments on the Proposed Decision are due April 15, with a vote scheduled at the CPUC's April 30 voting meeting. The proposal represents an initial phase of implementation for 2026, with additional reforms expected to be considered in a subsequent phase of the proceeding.

State Officials Submit Comments on Proposed Federal Census Changes

California Attorney General Rob Bonta [announced](#) joining a coalition of 21 state attorneys general in submitting a [comment letter](#) to the U.S. Department of Commerce regarding proposed changes to the U.S. Census Bureau's 2026 Operational Test, a key step in preparation for the 2030 Census.

The proposal would modify the scope and structure of the test, including the addition of a citizenship question, a reduction in test locations, and adjustments to how in-person interviews are conducted. In their letter, the attorneys general raised concerns that these changes could affect the ability of the test to fully evaluate census procedures and methodologies ahead of the next decennial census.

The coalition emphasized the importance of comprehensive operational testing to support an accurate national count and requested that federal officials reconsider the proposed modifications.

Proposition 1 Behavioral Health Infrastructure Funding and Capacity Expansion

On March 11, Governor Newsom [announced](#) that early investments under Proposition 1 (2024) are exceeding initial statewide targets to expand behavioral health treatment capacity. The Administration released an additional \$1.18 billion through the Bond Behavioral Health Continuum Infrastructure Program (BHCIP), supporting 66 new projects across 130 facilities to expand

residential and crisis treatment services for individuals experiencing mental illness or substance use disorders.

According to the Administration, these investments have already surpassed the bond's original goal of creating 6,800 treatment beds, with funded projects now expected to deliver 6,919 residential beds and more than 27,000 outpatient treatment slots statewide. The latest funding round is projected to add 2,554 residential or inpatient beds and 4,273 outpatient treatment slots, further expanding access to care across California.

State officials also highlighted the broader impact of BHCIP, which launched in 2021 and has awarded approximately \$5.8 billion across 437 projects and 546 facilities. These investments are expected to create more than 9,500 treatment beds and over 47,000 outpatient treatment slots, with the capacity to serve an estimated 5.4 million Californians annually, including individuals in rural and tribal communities

California Announces Legal Action Over Federal Emissions Policy Change

On March 19, Governor Newsom, joined by Attorney General Rob Bonta, [announced](#) that the state is initiating legal action against the Trump Administration regarding the Administration's decision to rescind the U.S. Environmental Protection Agency's longstanding "endangerment finding," which established that greenhouse gas emissions pose a threat to public health and welfare.

The lawsuit, led by California and joined by a coalition of states and local governments, argues that the federal action unlawfully reverses decades of established science and undermines the legal foundation for regulating climate pollution under the Clean Air Act. State officials contend that eliminating the finding removes a critical tool used to limit emissions from major sources such as vehicles and power plants.

State leaders claimed that the federal rollback prioritizes fossil fuel industry interests over public health and environmental protections, warning it could have significant impacts on air quality, climate policy, and long-term health outcomes as climate-related events intensify. California officials also affirmed the state will continue advancing its own climate policies, with the lawsuit marking the latest escalation in ongoing legal and policy conflicts with the federal government over environmental authority.

The case is expected to be heard in federal court and could have broad implications for the scope of federal authority to regulate greenhouse gas emissions, as well as for states' ability to implement independent climate policies.

PRIORITY LEGISLATION

Legislative Calendar

Below are the upcoming relevant dates for the Legislature:

- April 24th** – Deadline for policy committees to consider fiscal bills
- May 1st** – Deadline for policy committees to consider non-fiscal bills
- May 15th** – Deadline for fiscal committees to consider bills
- May 29th** – Deadline for bills to pass out of their House of Origin

Priority Bill Introductions

AB 1708 (Solache) – Homeless Housing, Assistance, and Prevention program: round 7

This bill would require a continuum of care receiving funding pursuant to round 7 of the Homeless Housing, Assistance, and Prevention Program (HHAP) to allocate funds to a smaller jurisdiction, defined as a city with a population under 300,000. The bill would require a smaller jurisdiction, in order to be eligible for funding, to, among other things, adopt a resolution, have a compliant housing element, and have adopted a local encampment policy. The bill would require a continuum of care to accept applications for funding in accordance with specified procedures. Status: This has been referred to the Assembly Housing and Community Development Committee and is currently scheduled to be considered on April 15th.

AB 1751 (Quirk-Silva) – Missing Middle Townhome Ownership Act

This bill ensures townhome housing development projects comply with a streamlined, ministerial approval process if they meet defined planning standards. It mandates local agencies to factor in parcel maps ministerially, excluding discretionary reviews, thus expanding exemptions from the California Environmental Quality Act (CEQA) for ministerial projects. The act defines "townhome" as a single-family dwelling under three stories, and allows local agencies to disapprove projects only with specific, evidence-based findings regarding public health and safety impacts. Status: This has been referred to the Assembly Housing and Community Development Committee and is currently scheduled to be considered on April 15th.

AB 1821 (Pacheco) – California Public Records Act: fees and agency response time

The California Public Records Act requires each state or local agency, upon a request for a copy of records that reasonably describes an identifiable record or records, to make the records promptly available to any person upon payment of fees covering direct costs of duplication, or a statutory fee if applicable, except with respect to public records exempt from disclosure by express provisions of law. This bill would require, if a single request exceeds 2 hours of search time, or if the total requests by a requestor exceed 10 hours of search time in one month, the requestor to also submit to the agency a payment of fees in an amount determined by the agency as reasonable to compensate the agency for the administrative time of completing the requests. The bill would exempt from that requirement a journalist, a newspaper, and an educational or noncommercial scientific institution. Status: This has been referred to the Assembly Judiciary Committee and is currently scheduled to be considered on April 14th.

AB 2231 (Ahrens) – California Environmental Quality Act: hospital projects

This bill would exempt from CEQA hospital projects, as defined, located in the City of Emeryville or City of Santa Clara. The bill would, before a lead agency determines that a hospital project is exempt from CEQA, require a project applicant to certify to the lead agency that the project complies with certain labor requirements. Status: This bill has been referred to the Assembly Natural Resources Committee and is currently awaiting a hearing date.

AB 2346 (Wilson) – Electric bicycles and speed limits

The bill updates California e-bike and bicycle rules: effective Jan 1, 2029, all Class 1 and 2 e-bikes sold or offered for sale must have a speedometer, and all e-bikes sold or offered must include an integrated front and rear lamp; manufacturers/distributors must include a written description of California e-bike laws with packaging and sellers must provide specified disclosures at or before sale, with civil penalties (up to \$15,000 for a first violation and up to \$50,000 for subsequent violations) enforceable by the Attorney General or local prosecutors (these violations are civil, not criminal). It authorizes local authorities to set posted speed limits on bicycle paths (15 or 20 mph) and multiuse trails (10, 15, or 20 mph) and bars riders under 16 from operating e-bikes faster than

15 mph on highways or bicycle paths. The bill also sets a prima facie 10 mph speed limit for sidewalks and specifies that a conviction for that limit will not add points to a driver's record. Status: This has been referred to the Assembly Transportation Committee and is currently scheduled to be considered on April 6th.

AB 2619 (Papan) – Water resources: data centers

This bill would require a person who owns or operates a data center, prior to applying to a city or a county for an initial business license, equivalent instrument, or permit, to provide its water supplier, under penalty of perjury, an estimate of the expected water use, the anticipated source of water, and the data center's projected water use volume for the maximum day, maximum month, and average year. When applying to a city or county for an initial business license, the bill would require a person who owns or operates a data center to report, under penalty of perjury, on the application, an estimate of the expected water use, the anticipated source of water, and the data center's projected water use volume for the maximum day, maximum month, and average year. When applying to a city or county for a renewal of a business license, equivalent instrument, or permit, the bill would require a person who owns or operates a data center to report, under penalty of perjury, on the application, the data center's annual water use for the preceding calendar year, including total water use, direct water use, and indirect water use. Status: This has been referred to the Assembly Water, Parks, and Wildlife Committee and is currently scheduled to be considered on April 14th.

SB 922 (Laird) – Vehicles: local agency charges: use of streets or highways

Existing law prohibits a local agency from imposing a tax, permit fee, or other charge for the privilege of using its streets or highways, other than a permit fee for an extralegal load unless the local agency had imposed the fee prior to June 1, 1989. This bill would expressly limit this prohibition to charges based on weight. The bill would also explicitly state that a fee, charge, or surcharge imposed by or for a local agency to recover the cost of street maintenance and repair and other costs associated with the use of its streets, roads, or highways to provide public services or public works is not a tax, permit fee, or other charge that is prohibited by the provision above. The bill would provide that nothing in the Vehicle Code prohibits a local agency from imposing or collecting this fee, charge, or surcharge. Status: This measure was approved by the Senate Local Government Committee (7-0) and is currently on the Senate Floor awaiting consideration.

SB 936 (Blakespear) – Nitrous oxide: sales

This bill would prohibit the sale and distribution of a nitrous oxide container that is capable of holding more than 8 grams of nitrous oxide or from which an individual may directly inhale nitrous oxide. The bill would also prohibit the sale and distribution of a nitrous oxide that has, or is marketed as having, the taste or smell of any food. The bill would prohibit the sale and distribution of a device that allows an individual to inhale nitrous oxide from the container or hold nitrous oxide for the purposes of inhalation. The bill would punish a violation of these provisions as an infraction. The bill would also authorize a court to suspend the business license, including a license to sell tobacco products or cannabis, if the business has a prior conviction for violating these prohibitions. Status: This measure was approved by the Senate Public Safety Committee (6-0) and is currently in the Senate Business and Professions Committee awaiting consideration.

SB 1159 (Cabaldon) – Artificial intelligence: transparency and governance

This bill would specify that, for purposes of the California Public Records Act, the Bagley-Keene Open Meeting Act, the Ralph M. Brown Act, the Political Reform Act of 1974, the Administrative Procedure Act, and the California Environmental Quality Act (CEQA), "person," "interested person," "participant," "member of the public," as applicable, and any other similar terms under each act referring to those who may engage with governmental agencies, do not include artificial

intelligence systems, autonomous agents, robots, or other nonhuman entities, whether physical or digital. Status: This measure was approved by the Senate Judiciary Committee (12-0) and is currently in the Senate Privacy Committee awaiting consideration.

SB 1216 (Cabaldon) – Planning and Zoning Law: housing leadership designation

This bill would require the Department of Housing and Community Development, on or before July 1 of each year, to publish a list of housing leadership designated jurisdictions on its website. To qualify for a housing leadership designation, the bill would require that the jurisdiction have submitted a complete annual progress report for the preceding 5 years and that it meet specified requirements relating to housing production that vary based on whether the jurisdiction is an affordable jurisdiction, an unaffordable jurisdiction, or an extremely unaffordable jurisdiction, as those terms are defined. The bill would also require the department to publish a list of the affordability designation for each jurisdiction that has submitted a complete annual progress report. The bill would authorize a jurisdiction with a housing leadership designation to take prescribed actions, including to establish by ordinance an exemption or modification of specified provisions of the Planning and Zoning Law. The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities. Status: This measure has been referred to the Senate Housing Committee and is currently scheduled to be considered on April 15th.

FEDERAL LEGISLATIVE UPDATES

After Initial Failure in the House, President Revives Homeland Security Shutdown Deal

After the House [rejected](#) the Senate's plan to end the ongoing shutdown affecting the non-immigration enforcement agencies under the Department of Homeland Security (DHS) on March 27, passing their own measure to end the shutdown, negotiations seemed completely stalled until April 1.

On April 1, the President [hinted](#) at a possible deal, asking Congress to fund the immigration enforcement agencies under DHS for three years using a partisan reconciliation package, which would not need the 60 votes usually required in the Senate, and passing the Democrat-supported appropriations bill funding the non-immigration enforcement elements of DHS through the normal appropriations process. This was followed by a [joint statement](#) from Senate Majority Leader John Thune and House Speaker Mike Johnson affirming the plan.

With the President supporting the tactic, it is likely the Speaker has the required support to pass the legislation though it may require some level of bipartisan support. The House may also need to return to DC in order to pass the measure and send it to the President's desk.

House Committee Marks Up the ALERT Act on Aviation Safety

On March 26, the House Committee on Transportation and Infrastructure held a [markup](#) of an [amended](#) version of [HR 7613](#), the Airspace Location and Enhanced Risk Transparency (ALERT) Act of 2026, an aviation safety bill drafted following the deadly crash between a commercial airliner and an Army helicopter in January 2025. The House Committee on Armed Services [simultaneously](#) considered the amendment in the nature of a substitute (ANS) in their own markup.

The House legislation differs from the Senate Committee on Commerce, Science, and Transportation bill [S 2503](#), the ROTOR Act, which failed to pass the House under suspension on February 24 after the Department of Defense came out in [opposition](#) to the legislation.

Both bills expand the requirements for virtually all aircraft and helicopters to use Automatic Dependent Surveillance - Broadcast (ADS-B) transponders to communicate their positions. The House's ALERT Act also contains a number of other provisions, including a controversial prohibition on the use of ADS-B data for revenue collection by airports and additional collision avoidance system requirements.

Senate Unanimously Passes Padilla's "Tyler's Law" for Opioid Screening in Emergency Rooms

On March 23, the Senate passed [S 921](#), Tyler's Law, by unanimous consent. The bill, co-authored by Senator Alex Padilla of California, would direct the Department of Health and Human Services (HHS) to provide hospitals with guidance on fentanyl testing in emergency room drug screening tests.

The bill has a House companion led by California Representatives Sydney Kamlager-Dove, Ted Lieu, and Ohio Republican Bob Latta. The bill follows the passing of a Los Angeles teenager who died from fentanyl poisoning after being admitted to an emergency room where fentanyl was not included in the standard drug testing panel.

Fentanyl is the leading cause of overdose deaths in the United States, accounting for over 70% of all fatalities in 2023. Senator Padilla stated that increased testing and better testing practices can hopefully reduce the number of fatal overdoses.

Voter ID Bill Challenges Senate Calendar, Potential Impacts for Counties

[S 1383](#), a veterans bill amended to become the SAVE America Act, saw significant debate in the Senate starting on March 17 following [pressure](#) from the President to consider it on the Senate floor. The bill is unlikely to meet the 60-vote threshold to end debate and proceed, though Senate Majority Leader John Thune [agreed](#) to open debate on the bill, which, due to Senate rules, is unlimited. A group of conservative supporters of the bill has vowed to continue debate for as long as necessary to pass the legislation.

The bill would wipe all current voter rolls and require citizens to re-register in person with either a passport or birth certificate. It contains no advance appropriations to provide counties, which administer most voter rolls and vital records across the country, with additional funding to re-register and complete enhanced eligibility verification for voters. The bill also requires matching identification to be presented when a voter goes to cast their ballot. Democrats argue that the bill would disenfranchise large numbers of Americans who do not have a passport or would have to locate both their birth certificate and any name change documents made following marriage.

Housing Policy Bill Progresses, House GOP Pushes for Conference Committee

A compromise housing policy bill [progressed](#) in the Senate on March 10 and [passed](#) on March 12, though conservative Republicans in the House and Financial Services Subcommittee on Housing Chairman Mike Floor are [warning](#) a conference committee may be required to finalize it.

[S 2651](#), the ROAD to Housing Act was unanimously passed out of the Senate Committee on Banking, Housing, and Urban Affairs last year and rolled into the 2026 National Defense Authorization Act. It was [struck](#) by House Financial Services French Hill who offered his own bipartisan bill in 2026, [HR 6644](#), the Housing for the 21st Century Act, which passed the House on February 9. The bill was further [amended](#) in the Senate and renamed [the 21st Century ROAD to Housing Act](#), as the amendment combines the two bills and adds some other policy priorities, including a temporary ban on the Federal Reserve creating a central bank digital currency.

The primary difference between the two bills is philosophical, with the ROAD to Housing Act focusing on how federal government action can better support affordable housing development and the Housing for the 21st Century Act focusing on inducing private investment and increasing programmatic flexibility.

The combined legislation introduces a Community Development Block Grant (CDBG) incentive program with a penalty based on a rolling national average, reauthorizes and significantly reforms HOME Investment Partnerships to fill funding gaps and enable private development, makes modest reforms to federal environmental review requirements (NEPA), and starts a grant program for Planning and Implementation projects. The combined bill contains no additional funding or advance appropriations.

Congress Moves Towards Brownfields Reauthorization

The House Energy and Commerce [held](#) an initial hearing considering four legislative packages to reauthorize the [Brownfields](#) program under the Environmental Protection Agency (EPA). The program provides funding and technical support to communities looking to redevelop contaminated sites.

The proposed reforms to Brownfields include increasing focus on the use of contaminated sites to develop artificial intelligence (AI) data centers, a proposal that would allow private companies to access and compete for EPA funding if they co-owned the property with a public entity, cost sharing arrangement restructuring, National Environmental Policy Act (NEPA) permitting reforms, and changes to spending levels.

The Administration and EPA Administrator Lee Zeldin have been supportive of Brownfields since taking office last year, Congress is also eager to reauthorize the program, though may face challenges given time constraints in the lead up to the November election.

The President Delivers the First State of the Union of his Second Term

On February 24, President Donald Trump [delivered](#) the first State of the Union (SOTU) address of his second term to a Joint Session of Congress. The President used the opportunity to celebrate and cement his agenda while actively demonstrating the contrast between Democrats and Republicans in Congress. While the SOTU was the longest in history, at 107 minutes, it did not include substantial policy proposals.

Among the policy topics included, the ongoing partial government shutdown affecting non-immigration enforcement agencies under the Department of Homeland Security (DHS), a new War on Fraud to be led by Vice President JD Vance targeting federal spending in a number of states including California, advocating for passage of the [SAVE Act](#) (Voter ID), opposing No-Cash-Bail, and legislating the President's [Executive Order](#) to ban institutional investors from purchasing large numbers of single family homes. There was a brief mention of the ongoing partial

government shutdown following the expiration of the Homeland Security bill's continuing resolution in mid-February. The mention accused Democrats of being unreasonable and likely ended negotiations between Senate Democrats and the White House.

Notably, the President also introduced the idea of allowing technology and artificial intelligence (AI) companies to build their own power plants to limit the effects of AI data centers on ratepayers and overall stable grid demand. The EPA's recent deregulation of carbon dioxide emissions could be useful in allowing these companies to construct liquified natural gas power stations adjacent to data centers.

The President also emphasized a previous [point](#) that [HR 1](#), the One Big Beautiful Bill Act, achieved the majority of his agenda, and that he does not feel strongly that he needs Congress to further legislate his agenda into law. The President also emphasized the tariffs [stricken down](#) by the Supreme Court have been [replaced](#) with an alternative legal basis, and that no further action is needed by Congress.

President Signs Executive Order on Federal Election Procedures

On March 31, the President signed an [Executive Order](#) (EO) titled "Ensuring Citizenship Verification and Integrity in Federal Elections," which seeks to implement some of the Administration's priorities related to election security and restrict mail-in voting. The EO follows the Senate declining to advance [S 1383](#), a modified Veteran's bill that now includes the SAVE America Act, the President's voter ID legislation requiring in-person voter registration with either a passport or birth certificate among other measures.

The EO directs the Postmaster General of the United States Postal Service (USPS) to engage in rulemaking to codify mail-in ballot requirements, communicate with State Secretaries of State in advance of the election, track and provide approved lists of mail-in/absentee voters, assign absentee voters a unique barcode for their ballots, and provide technical assistance to states with mail-in voting programs to ensure security.

The EO further directs the Secretaries of Commerce and Homeland Security and the Commissioner of the Social Security Administration to establish the infrastructure necessary to compile and transmit a state citizenship list to all the states in advance of a federal election. The Department of Homeland Security already maintains a database under the Systematic Alien Verification for Entitlements (SAVE) program, which states can use to [verify](#) an individual's eligibility to vote or receive other federal benefits.

Some of the EO's provisions related to mail-in voting [appear](#) to go beyond current federal practice, while other provisions touch on responsibilities already addressed in existing federal law. States are already required to verify voter eligibility at the time of registration and, in some cases, may use DHS systems as part of that process.

Supreme Court Strikes Down the President's Tariffs

On February 20, the Supreme Court issued a [ruling](#) disallowing the President's use of the International Emergency Economic Powers Act (IEEPA, [50 USC 35](#)) to impose tariffs.

The decision immediately repealed the vast majority of the President's tariffs, including the 10% baseline and reciprocal tariffs established last year reaching as high as 145%. It is currently

unclear whether companies and individuals who paid these tariffs will be able to seek refunds; it is likely plaintiffs will seek that clarification from the US Court of Appeals and Court of International Trade. Refunds could [exceed](#) \$170 billion, more funding than the budgets for many cabinet-level agencies, and some large corporations previously connected themselves to the lawsuit in an attempt to get faster relief if they are issued.

Despite the ruling, the President retains National Security tariff-making authorities endowed by Section 232 of the Trade Expansion Act of 1962 ([19 USC § 1862](#)), among others. The Section 232 [process](#) takes roughly a year to complete and publicly [announces](#) tariff investigations by the Bureau of Industry and Security within the Department of Commerce. It also allows for review by Congress, which the Supreme Court affirmed as having the primary tariff-making authority.

Other [statutes](#) potentially endow the President with the authority to impose tariffs for more limited purposes, which generally must be justified by civil servants/agencies and provided to Congress on a timeline that generally allows for markets to adjust before the tariffs are implemented.

In response, the President [issued](#) a new 10% tariff under different authorities than IEEPA. It is unclear whether the immediate implementation would be violative of the alternative legal basis the Administration selected.

Department of Transportation Announces Supplemental Funding for Public Transportation in FIFA World Cup Host Cities

On March 3, Department of Transportation (DOT) Secretary Sean Duffy [announced](#) formula allocations of \$100 million in supplemental funding for public transportation to support cities hosting the 2026 FIFA World Cup games.

[HR 1748](#), the last appropriations minibus for Fiscal Year (FY) 2026, provided funding through the Federal Transit Administration (FTA), allocated on a formula basis calculated based on stadium capacity and games to be played.

FTA [released](#) other resources and technical assistance intended to support local governments and public transportation agencies preparing for major events, including the 2028 Olympics. Adjacent jurisdictions have continued to advocate for funding given the ancillary impacts they may face.

HUD Proposes Rule Allowing for Certain Jurisdictions to Impose Work Requirements and Time Limits on Housing Assistance

On March 2, the Department of Housing and Urban Development (HUD) published a [Notice of Proposed Rulemaking](#) (NPRM) in the Federal Register to allow certain jurisdictions to implement work requirements and other conditions on federal housing assistance recipients.

The NPRM would allow local housing authorities and private property owners renting to tenants using federal housing assistance, including Housing Choice Vouchers, Project Based Vouchers, and Project-Based Rental Assistance, to impose work requirements and a 24-month time limit on program participation.

In order to place the restrictions, a jurisdiction must meet certain requirements to be considered by HUD as “performing well,” including if it is not in receivership and is not designated as a troubled performer under the Public Housing Assessment System (PHAS), Section Eight

Management Assessment Program (SEMAP), or Small Rural PHA Assessment, as applicable. PHAs that are designated as troubled performers under any of these assessments would not be permitted to adopt work requirements or time limits.

This follows previous action and an [op-ed](#) by HUD Secretary Scott Turner, stating the Administration's intention to enforce self-sufficiency standards for federal housing assistance recipients.