2026 Legislative *Recap*

By Jayson Welter, *General Counsel, UnitedAg*

Each year UnitedAg's Advocacy Committee sets it legislative priorities with input from our membership. We continue to focus on healthcare, PAGA, water, pesticides, labor and wage issues at the state level and to monitor immigration and H2-A regulations at the federal level.

With this being Governor Newsom's last year as Governor, he had his second lowest veto percentage of his tenure, 10%. This year he reviewed 1,160 bills and he signed 1,040 while he vetoed 120. In comparison, last year he signed 794 bills and vetoed 123, a veto percentage of 13%.

Similar to years past, the budget was a challenge that lasted most of the legislative cycle. However, this year what was previously CAP and Trade, now CAP and Invest, had a significant impact on funding utilized by agriculture.

Following the California Legislature's September 2025 extension of the state's Cap-and-Invest program through 2045, policymakers established a revised framework for allocating future Greenhouse Gas Reduction Fund (GGRF) revenues among competing priorities, including wildfire prevention, high-speed rail, transportation, climate resilience, and agricultural programs.

Subsequent legislation, including AB 1207 and SB 840, extended Cap-and-Invest through 2045 and established a new funding framework beginning in 2026–27. This framework guarantees $1 billion annually for High-Speed Rail and reserves $1 billion annually for discretionary legislative allocations, subject to available revenues and statutory funding priorities. Ultimately, agricultural programs such as the FARMER Program, Glassy-winged sharpshooter management, groundwater sustainability projects, the SAFER Program, Healthy Soils and Food Production Investment Program all received funding, although at lower than anticipated amounts.

Meanwhile, the implementation of SB 54 began this year. In May, regulations were finalized following revisions addressing agricultural packaging concerns. Producers began registration and reporting requirements, while CalRecycle clarified exemptions and exclusions.

In October, Circular Action Alliance submitted its implementation plan for state approval, establishing the framework for producer-funded packaging recycling obligations beginning in 2027.

It became clear as CalRecyle began implementation that the legislature was becoming concerned about the impact and costs of the legislation. Revisions were considered but ultimately failed. Specifically, SB 1180 (Allen) was passed by the Assembly and Senate but was one of the few Governor vetoes this year. As 2027 begins, we will be watching and supporting potential revisions that will ease the impact of SB 54 for agribusiness.

As we look back on 2026, I could obviously go on about the number of bills that negatively impact agriculture. However, a few bills I find of greatest concern are:

- **AB 2646 (Krell)** establishes a $19.75 hourly minimum wage beginning January 1, 2027, for H-2A agricultural workers and certain comparable domestic workers. Annual inflation adjustments are required. Despite a number of proposed amendments and education to the drafter regarding increased labor costs, reduced competitiveness, and threats to farm viability, the bill passed.

- **AB 2244 (Gabriel)** establishes California's voluntary "Non-Ultraprocessed Certified" food labeling program, requiring state accreditation of certifiers, standardized labeling, public product listings, and prominent identification of certified foods in qualifying grocery stores. This bill causes great concern because the definition of ultraprocessed in this bill is different that the drafter's previous legislation, AB 1264 from 2025, which addressed ultraprocessed foods in schools.

- **AB 1603 (Schultz)** requires the Department of Pesticide Regulation to identify pesticides containing defined PFAS ingredients in its pesticide-use reporting database, track usage trends, and increase public transparency.

- **AB 2227 (Connolly)** increases penalties for certain farm labor contractor violations and raises required surety bonds, with new bond tiers ranging from $50,000 to $150,000 beginning in 2027.

As we struggle with some of these bills that passed in 2026, we balance this disappointment with the relief that we were able to support some good legislation and defeated a number of proposed bills that would impact agribusiness. Legislation that failed includes:

- **AB 2447 (Bauer-Kahan)** attempted to increase state oversight of nitrogen fertilizer use and its relationship to groundwater contamination. The bill would have required the development of a statewide nitrogen assessment and expanded reporting and analysis of nitrogen applications, groundwater conditions, and nitrate pollution trends.

- **SB 601 (Allen)** intended to restore state-level protections for wetlands, streams, and other waters that may no longer receive federal protection following the U.S. Supreme Court's decision in Sackett v. EPA. The bill would have expanded California's waste discharge permitting authority and strengthened enforcement mechanisms for discharges to state waters.

- **AB 1777 (Garcia)** would have expressly authorize the Air Resources Board (ARB) to adopt statewide regulations to reduce or mitigate emissions from "indirect sources" when necessary to attain federal air quality standards. Indirect sources are facilities that attract mobile sources of pollution, such as warehouses, ports, rail yards, distribution centers, and other facilities that generate significant truck, locomotive, or equipment traffic. The bill is intended to clarify ARB's authority to implement statewide indirect source rules in addition to existing authority exercised by local air districts.

Legislation that will support California agriculture, specifically within schools and other public institutions includes:

- **AB 1731 (Wilson)** establishes a program designed to expand purchasing of healthy, California-grown foods by schools and other public institutions, with an emphasis on agricultural practices supporting environmental sustainability.

- **SB 172**, created by the Budget and Fiscal Review Committee, permanently establishes California's Farm to School Program in state law and provides an ongoing funding framework to connect schools with California-grown agricultural products.

UnitedAg continues its longstanding relationships with terrific advocacy partners such as the National Council of Agricultural Employers, the Agricultural Council of California, Kahn, Soares & Conway and the Alliance of California Farmers and Ranchers and the Alliance of California Farmers and Ranchers Community Fund. Through these organizations and our own efforts, we have been a voice for agriculture and made strides to support healthcare in our communities.

We encourage everyone to be educated and involved in the legislative process next year. If you have any questions or would like to get involved in advocacy, please reach out to Jayson Welter who leads our advocacy efforts.

Scan to support our PAC and get involved