2025 CALIFORNIA LEGISLATIVE RECAP

Our Wins, Victories, and Engaged Bills

The 2025 California State Legislative Session was exceptionally impactful for credit unions. Unlike a typical year, which might see only one or two major credit union-specific priority issues, this year's session saw lawmakers advance significant proposals on several fronts. This activity included major proposals concerning interchange fees, the Community Reinvestment Act (CRA), CalAccount, and legislation restricting the use of surveillance tools, automated decision-making systems, geolocation, and artificial intelligence.

Thanks to the strong engagement and grassroots advocacy of credit union leaders, credit unions and the more than 14 million members they serve across California secured several major victories in the process.

Most notably, Assembly Bill 1065 (Liz Ortega), the state credit card interchange bill that the league strongly opposed, was defeated. AB 1065 posed serious risks for credit unions and their members, including added operational burdens, reduced consumer rewards, and increased inconvenience. As the lead witness in opposition, California's Credit Unions underscored the unique structure and mission of credit unions and highlighted the harmful consequences this bill would have had on consumers across the state. Following a robust discussion, Assembly Banking and Finance Committee Chair Avelino Valencia recommended a "no" vote, and the bill ultimately failed without receiving a single vote in support.

The league also celebrated a significant win when Assembly Bill 801 (Mia Bonta), the proposed state Community Reinvestment Act (CRA) bill, stalled this year. Credit unions consistently emphasized that a state CRA was unnecessary, as it would impose new and burdensome compliance requirements that could limit their ability to serve members. Leaders in Sacramento and beyond reinforced that community service is central to the credit union mission, making inclusion in this bill redundant. California's Credit Unions want to extend its gratitude to the credit union CEOs and advocacy leaders who hosted district meetings with legislative members of the Senate Banking and Financial Institutions Committee, sharing firsthand stories of credit unions' positive community impact.

On the last night of session, the league's advocacy team successfully stopped three particularly problematic pieces of legislation in the artificial intelligence (AI) privacy space. Assembly Bill 1018 (Rebecca Bauer-Kahan), which would have created the nation's most far-reaching regulations on the use of automated decision-making systems, was placed on the inactive file. Assembly Bill 1331 (Sade Elhawary), which was also placed on the inactive file, would have limited how businesses can use workplace surveillance. Meanwhile, Senate Bill 259 (Aisha Wahab) would have prohibited companies from using personal data collected from AI and/or smartphones to set prices, and it failed to pass the Assembly.

Overall, the legislature sent 917 bills to Governor Gavin Newsom; he signed 794 into law and vetoed 123 bills. Most notably the governor vetoed Senate Bill 7 (Jerry McNerny), which would have impacted how employers use automated decision tools for workplace decisions.

How Did Your Legislator Vote on Priority Bills?

If you would like to look up how your state senator or assemblymember voted on key credit union bills in the California State Legislature this year:

- Click here to find your California state senator and assemblymember. Enter your street address, city, and ZIP code. Select "locate."
- Next, click on each bill-link below, which will redirect you to the California Legislative Information website.
- Select the "votes" tab. Scroll down to see votes for every bill committee hearing and floor session. Each section includes the date of the committee hearing or floor session vote, location, result, motion, and bill vote/count.
- Your legislator's last name will be listed under one of the three categories: "Ayes," "No's," or "NVR," which stands for No Vote Recorded. NVR could mean the legislator abstained from voting or was absent that day.
- Please note: the league may change positions on bills as they are amended. We noted dates below indicating any position change.

Questions? Email Robert Wilson, senior vice president of state advocacy for California's Credit Unions.

CALIFORNIA ASSEMBLY WINS AND ENGAGED BILLS

Assembly Bill 83 (Blanca Pacheco): The California Elder Financial Abuse Prevention Act.

League position: Sponsor and support.
Summary: AB 83 was jointly sponsored by California's Credit Unions and the California Bankers Association. It would have provided financial institutions with additional tools to combat fraud, theft, or suspicious transactions. The Assembly Banking and Finance Committee chair held the three bills addressing elder financial abuse for a series of interim hearings on the issue. While we were disappointed this bill was not moving forward, the other bills in this space were highly problematic, so the interim hearing was a welcome outcome.
Status: Two-year bill.

Assembly Bill 130 (Jesse Gabriel): Housing Budget Trailer Bill; Zombie Mortgages.

League position: Oppose.
Summary: AB 130 was a budget trailer bill that contained the "zombie mortgage" provision from Senate Bill 681 (Aisha Wahab). The league has engaged in litigation to overturn the law. You can find our analysis and messaging on the lawsuit here.
Status: Signed into law.

Assembly Bill 238 (John Harabedian): Mortgage Forbearance; State of Emergency; Wildfire.

League position: Oppose unless amended; then supported.
Summary: AB 238 would allow a borrower impacted by last January's wildfires in Los Angles to request forbearance on their residential mortgage loan. It would require a mortgage servicer to, among other things, offer payment forbearance for a period of up to an initial 90 days, which would be extended at the request of the borrower to 90-day increments, up to a maximum forbearance period of 12 months. The bill would also prohibit a mortgage servicer from assessing any late fees to the borrower's account or charging a default. This bill underwent a slew of amendments to help align the bill with the forbearance already being offered by credit unions to their impacted members.
Status: Signed into law.

Assembly Bill 322 (Chris Ward): Precise Geolocation.

League position: Oppose unless amended.
Summary: AB 322 would have been highly problematic for credit unions and other financial institutions, as it limited the length of time geolocation information could have been retained to 45 days. This would have inhibited a credit union's ability to track fraud, cybersecurity breaches, and a host of other security related concerns.
Status: Held on suspense.

Assembly Bill 410 (Lori Wilson): Bots; Disclosure.

League position: Oppose.
Summary: AB 410 would require a person who uses a bot to autonomously communicate with another to ensure that the bot discloses to any person with whom the bot communicates (when the bot first communicates with the person) that the bot is a bot and not a human being, answers truthfully any query from a person regarding its identity as a bot or a human, and refrains from attempting to mislead a person regarding its identity as a bot.
Status: Held on suspense.

Assembly Bill 412 (Rebecca Bauer-Kahan): Generative Artificial Intelligence; Training Data; Copyrighted Materials.

League position: Oppose.
Summary: AB 412 would require a developer of a generative artificial intelligence (AI) model to, among other things, document any covered materials that the developer knows were used by the developer to train the model. The bill would provide that each day following the 30-day period that a developer fails to provide a rights owner with that information constitutes a discrete violation. This bill was drafted broadly and would have potentially included credit unions.
Status: Held on suspense.

Assembly Bill 446 (Chris Ward): Surveillance Pricing.

League position: Oppose unless amended.
Summary: AB 446 would have prohibited businesses from using the personal information of a consumer to adjust the price of goods and services based on their individualized data profile. This could have negatively impacted credit unions that use a variety of credit and risk data points in lending and other banking activity, and the price offered to Consumer A may be different than the price offered to Consumer B after taking these credit and risk factors into account.
Status: Moved to the inactive file.

Assembly Bill 493 (John Harabedian): Mortgages; Hazard Insurance Proceeds.

League position: Neutral.
Summary: AB 493 would require mortgage lenders to pay borrowers interest on hazard-insurance proceeds that are

held while repair or rebuilding is pending.
Status: Signed into law.

Assembly Bill 801 (Rob Bonta): Financial Institutions; California Community Reinvestment Act (CRA).

League position: Oppose.
Summary: AB 801 would have subjected California credit unions to CRA-like reporting requirements. These new requirements would have been extremely costly and burdensome on credit unions. The author opted to hold the bill in committee after learning more from credit unions about the level of community service inherent to the credit union mission. AB 801 was our top priority bill this year and one of the four that we lobbied during our Government Relations Rally.
Status: Two-year bill.

Assembly Bill 851 (Tina McKinnor): Real Property Transactions; Counties of Los Angeles and Ventura Wildfires; Unsolicited Offers.

League position: Neutral.
Summary: AB 851 would prohibit a person from making an unsolicited offer to purchase residential real property in certain ZIP Codes in the County of Los Angeles covered by the 2025 Los Angeles area fire-related executive orders and other specified ZIP Codes in the Counties of Los Angeles and Ventura. The bill would define "unsolicited offer to purchase" for this purpose. It would require the buyer and seller, before the transfer of title in the purchase of residential real property subject to the above-described prohibition, to execute a written attestation affirming compliance with that prohibition, which, if signed, would create a presumption that the accepted offer was solicited by the seller, as specified. The bill would require the buyer to record the signed attestation as an attachment to the deed or other conveyance of title when recording the transfer of title, as specified. Because the bill would expand the crime of perjury, it would impose a state-mandated local program.
Status: Signed into law.

Assembly Bill 871 (Catherine Stefani): Mandated Reporters of Suspected Financial Abuse of an Elderly or Dependent Adult.

League position: Oppose.
Summary: AB 871 would require a financial institution to provide annual training to its mandated reporters on how to report suspected financial abuse of an elder or a dependent adult to both local and federal authorities, as specified. The bill would require a financial institution to share information on reporting mechanisms with clients immediately upon discovering potential financial abuse and would require the financial institution to encourage clients to submit complaints within 24 to 48 hours. This was one of the three elder financial abuse bills that were held by the Assembly banking chair.
Status: Two-year bill.

Assembly Bill 909 (Pilar Schiavo): Financial Abuse of an Elder or Dependent Adult; Fraudulent Transactions; Liability.

League position: Oppose.
Summary: AB 909 would have limited the liability of senior victims of fraud to $50 and shifted the rest of the liability to financial institutions. This was one of the three elder financial abuse bills that were held by the Assembly banking chair. This bill was similar but even more problematic than Senate Bill 278 (Bill Dodd) from last session. The massive increase in liability would have made serving senior members extremely burdensome and difficult.
Status: Two-year bill.

Assembly Bill 985 (Pilar Schiavo): Chiquita Canyon Landfill; Property Tax Reassessment and Penalties.

League position: Oppose unless amended; then neutral.
Summary: AB 985 would require each property located within a five-mile radius of the center of the Chiquita Canyon Landfill in the County of Los Angeles to be reassessed so that the full cash value base of the property reflects any decline in value of the property arising from the Chiquita Canyon elevated temperature landfill event, as defined. The bill would require reassessments to be retroactive to the January 1, 2022 lien date. AB 985 was a "gut and amend" in the Senate. The bill included a provision for mortgage forbearance like Assembly Bill 238. We were opposed to this provision since the landfill situation has not been formally declared a natural disaster and that provision was removed before the hearing in the Senate Banking and Financial Institutions Committee.
Status: Signed into law.

Assembly Bill 995 (Jessica Caloza): Department of Justice; Phone Scams.

League position: Support.
Summary: AB 995 would have required the California Department of Justice (DOJ) to establish and maintain a database of known phone scams on its internet website. The bill would require the DOJ to include a mechanism to report suspected scams and to search for known phone scams, as specified. The bill would have also required the department to report annually to the legislature, commencing January 1, 2028, specified information relating to phone scams. The bill would repeal its provisions on January 1, 2033.
Status: Held on suspense.

Assembly Bill 1018 (Rebecca Bauer-Kahan): Automated Decision Systems.

League position: Oppose unless amended; then opposed.
Summary: AB 1018 would have limited use of automated decision systems (ADS) by credit unions and other businesses. It would have required extensive public disclosures of systems used to protect members from fraud and cybersecurity and hindered many beneficial uses of ADS. The bill was made a two-year bill, as the author did not have enough support to bring it up for a vote of the full Senate.
Status: Moved to the inactive file.

Assembly Bill 1065 (Liz Ortega): Interchange Fees.

League position: Oppose.
Summary: AB 1065 would have made it so a merchant would not pay interchange on the tax portion of the transaction. The bill was not only unworkable but also appeared to apply only to state-chartered banks and credit unions, creating an uneven playfield. Credit unions strongly opposed the bill and actively lobbied against it during our Government Relations Rally. After barely passing its first hearing in the Assembly Judiciary Committee, the bill failed to receive a single "aye" vote in the Assembly Banking and Finance Committee, marking a huge victory for credit unions in the state.
Status: Failed.

Assembly Bill 1221 (Isaac Bryan): Workplace Surveillance Tools.

League position: Neutral.
Summary: AB 1221 would generally regulate the use of workplace surveillance tools and an employer's use of worker data. The bill would require the state's labor commissioner to enforce its provisions; would authorize an employee to bring a civil action for specified remedies for a violation of the bill's provisions; and would authorize a public prosecutor to enforce the provisions. The bill would subject an employer that violates the bill's provisions to a civil penalty of $500 for each violation. It would define various terms for purposes of its provisions.
Status: Failed.

Assembly Bill 1331 (Sade Elhawary): Workplace Safety and Security Tools.

League position: Oppose.
Summary: AB 1331 would have undermined workplace safety in every California workplace by effectively prohibiting the use of any surveillance technology in certain areas of the workplace, including security cameras, cybersecurity systems, and anti-theft devices. This bill was made a two-year bill, as the author did not have enough support to bring it up for a vote of the full Senate.
Status: Moved to the inactive file.

Assembly Bill 1355 (Chris Ward): Location Privacy.

League position: Oppose.
Summary: AB 1355 would prohibit a covered entity from collecting or processing the location information of an individual unless doing so is necessary to provide goods or services requested by that individual. The bill would impose various other restrictions on covered entities with regard to location information.
Status: Failed.

Assembly Bill 1365 (Robert Garcia): CalAccount Program.

League position: Oppose.
Summary: AB 1365 would have launched the CalAccount program, but it was held in the Assembly Appropriations Committee.
Status: Failed.

CALIFORNIA SENATE WINS AND ENGAGED BILLS

Senate Bill 7 (Gerald McNerney): Employment; Automated Decisions.

League position: Oppose.
Summary: SB 7 would require employers to provide written notice to workers who may be affected when an automated decision system (ADS) is used in the workplace. The bill sets out detailed notification requirements and places restrictions on certain ADS functions. It also allows plaintiffs to seek relief and imposes penalties on employers that violate these provisions, including a $500 civil fine. SB 7 applies to businesses of all sizes and industries, and it regulates even low-risk ADS applications or those involving human oversight in employment-related decisions. SB 7 essentially would have regulated how employers use automated decision systems in the workplace, and we stood opposed.
Status: Vetoed.

Senate Bill 238 (Lola Smallwood-Cuevas): Fair Online Pricing.

League position: Oppose.
Summary: SB 238 would require an employer to annually provide a notice to the Department of Industrial Relations

of all the workplace surveillance tools the employer is using in the workplace. The bill would require the notice to include, among other information, the personal information that will be collected from workers and consumers and whether they will have the option of opting-out of the collection of personal information.
Status: Two-year bill.

Senate Bill 259 (Aisha Wahab): Online Pricing.

League position: Oppose.
Summary: SB 259 would have prohibited businesses from using any input data to create prices and forced companies to overhaul their pricing models and strategies at significant cost, as well as potentially reducing the availability of personalized deals for credit union members.
Status: Moved to the inactive file.

Senate Bill 295 (Melissa Hurtado): Pricing Algorithms.

League position: Oppose.
Summary: SB 295 would have prohibited a person from using or distributing pricing algorithms that use, incorporate, or were trained on "nonpublic competitor data." This exposes businesses to significant uncertainty and aggressive liability, and it creates a chilling effect on the use of this technology by imposing significant cost on all businesses using technological tools.
Status: Moved to the inactive file.

Senate Bill 354 (Monique Limón): Insurance Consumer Privacy Protection Act of 2025.

League position: Oppose unless amended.
Summary: SB 354 would enact the Insurance Consumer Privacy Protection Act of 2025 to establish new standards for the collection, processing, retaining, or sharing of consumers' personal information by insurance licensees and their third-party service providers. This bill contains other related provisions and other existing laws. The bill contained a troublesome provision that would have effectively ended the ability for joint marketing agreements between insurers and other entities by making the consumer opt-in to these agreements rather than opting-out. We worked closely with our partners at TruStage to ensure the ability for joint marketing was preserved, meeting numerous times with the author's office and sponsors, the California Department of Insurance. The bill that is in print reflects that agreement, and we have assurances that it will remain in the legislation when it moves next year.
Status: Two-year bill.

Senate Bill 384 (Aisha Wahab): Preventing Algorithmic Price Fixing Act; Prohibition on Certain Price-Setting Algorithm Uses.

League position: Oppose.
Summary: SB 384 would prohibit a person from selling, licensing, providing, or using a price-setting algorithm, as defined, with the intent or reasonable expectation that it be used by two or more competitors, as defined, in the same market if the person knows or should know that the algorithm processes non-public data, as defined, to set either: 1) a price or supply level of a good or service; or 2) a rent or occupancy level of rental property. The bill would provide a user of a price-setting algorithm an affirmative defense to liability if the user exercised reasonable due diligence, as specified. The bill would authorize the state attorney general or a district attorney, city attorney, or county counsel to file a civil action for violations of these provisions, as specified, including for a civil penalty of up to $1,000 per violation, as specified.
Status: Two-year bill.

Senate Bill 420 (Steve Padilla): Automated Decision Systems.

League position: Oppose.
Summary: SB 420 would generally regulate a developer or a deployer of a high-risk automated decision system, as defined, including by requiring a developer or a deployer to perform an impact assessment on the high-risk automated decision system before making it publicly available or deploying it, as prescribed. The bill would require a state agency to require a developer of a high-risk automated decision system deployed by the state agency to provide to the state agency a copy of the impact assessment and would require the state agency to keep that impact assessment confidential. The bill would also require a developer to provide to the state attorney general or the California Civil Rights Department, within 30 days of a request from the attorney general or the department, a copy of an impact assessment and would require the impact assessment to be kept confidential.
Status: Two-year bill.

Senate Bill 446 (Melissa Hurtado): Data Breaches; Customer Notifications.

League position: Oppose unless amended; then neutral.
Summary: SB 446 would require a data breach disclosure to be made within 30 calendar days of discovery or notification of the data breach, but would authorize an individual or business to delay the disclosure to accommodate the legitimate needs of law enforcement, as specified,

or as necessary to determine the scope of the breach and restore the reasonable integrity of the data system.
Status: Signed into law.

Senate Bill 464 (Lola Smallwood-Cuevas): Employer Pay Data.

League position: Neutral.
Summary: SB 464 would require an employer to collect and store any demographic information gathered by an employer or labor contractor for the purpose of submitting the pay data report separately from employees' personnel records, and, beginning January 1, 2027, increase the number of job categories, as specified above, to 23. This bill contains other related provisions and other existing laws.
Status: Signed into law.

Senate Bill 468 (Josh Becker): High-Risk Artificial Intelligence Systems; Duty to Protect Personal Information.

League position: Oppose.
Summary: SB 468 would impose a duty on a covered deployer, defined as a business that deploys a high-risk artificial intelligence system that processes personal information, to protect personal information held by the covered deployer, subject to certain requirements. In this regard, the bill would require a covered deployer whose high-risk artificial intelligence systems process personal information to develop, implement, and maintain a comprehensive information security program, as specified, that contains administrative, technical, and physical safeguards that are appropriate for, among other things, the covered deployer's size, scope, and type of business.
Status: Two-year bill.

Senate Bill 681 (Aisha Wahab): Housing; Zombie Mortgages.

League position: Oppose.
Summary: SB 681 was the original vehicle for the "zombie mortgage" provision.
Status: Two-year bill.

Senate Bill 706 (Melissa Hurtado): Consumer Debt; Charged-Off Debts.

League position: Oppose.
Summary: SB 706 would require a charge-off creditor to notify the consumer when the creditor sells or assigned a charged-off consumer debt to a debt buyer. This bill would prohibit an action from being brought to recover a charged-off consumer debt on, or after, the date that is the earliest of specified dates. The bill would prohibit a debt buyer from bringing an action to recover a charged-off consumer debt after one year from the date the debt was charged off.
Status: Failed in committee.

Senate Bill 766 (Ben Allen): California Combating Auto Retail Scams (CARS) Act.

League position: Oppose; then neutral.
Summary: Existing law governs motor vehicle conditional sale contracts, as defined, and requires a seller, prior to the execution of a conditional sale contract, to make certain disclosures to the buyer, including a description and the price of each item sold if the contract includes a charge for the item, and the sum of all of those charges. SB 766 would make its provisions operative on October 1, 2026. This bill contains other related provisions and other existing laws. It underwent many rounds of amendments that eventually changed our position from oppose to neutral.
Status: Signed into law.

Senate Bill 784 (Maria Elena Durazo): Home Improvement Loans; Right to Cancel Contracts.

League position: Oppose unless amended.
Summary: SB 784 would require a lender to take specified actions before a consumer executes a contract for a home improvement loan, including obtaining oral confirmation of key terms of the home improvement loan contract, as defined and specified. The bill would prohibit a consumer's repayment obligations under a home improvement loan, as specified, until the lender has taken specified actions. This bill contains other related provisions and other existing laws.
Status: Two-year bill.

Senate Bill 825 (Monique Limón): Consumer Financial Protections.

League position: Oppose.
Summary: SB 825 expands the California Department of Financial Protection and Innovation's (DFPI) enforcement authority for the "covered persons" program, pursuant to the California Consumer Financial Protection Law (CCFPL), to make DFPI licensees subject to additional penalties and sanctions targeting unfair, deceptive, or abusive acts or practices (UDAAP).
Status: Signed into law.