SEP 28 2022

To the Members of the California State Senate:

I am returning Senate Bill 457 without my signature.

This bill creates a $1,000 tax credit for households with no registered vehicles until the 2028 tax year and makes the credit refundable or eligible for carry over.

Addressing climate change is one of our state’s highest priorities. We have made historic investments in programs to reduce emissions and improve public transportation. I support approaches to incentivize a transition from vehicles to more sustainable transportation, however the estimated cost to implement this bill is nearly one billion dollars per year and is not accounted for in the budget.

With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined when it comes to spending, particularly spending that is ongoing. We must prioritize existing obligations and priorities, including education, health care, public safety, and safety-net programs.

The Legislature sent measures with potential costs of well over $20 billion in one-time spending and more than $10 billion in ongoing commitments not accounted for in the state budget. Bills with a significant fiscal impact, such as this measure, should be considered and accounted for as part of the annual budget process.
For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom