



April 8, 2026

The Honorable Anamarie Ávila Farías
1021 O Street, Suite 6140
Sacramento, CA 95814

Re: AB 2366 (Ávila Farías) SUPPORT-- Cost of Living Impact Assessments for Proposed Regulations

Dear Assemblymember Ávila Farías:

The undersigned organizations write in strong support of AB 2366. This important measure would require state agencies to assess and disclose the cost of living impacts of proposed regulations, a commonsense reform that will bring greater transparency and accountability to the regulatory process.

California is experiencing an affordability crisis. According to recent data, it costs 46.8% more to live in California than the national average—placing an unsustainable burden on families and businesses. While current law requires agencies to evaluate how regulations may impact jobs, it does not require them to assess how those same regulations affect resident's day-to-day cost of living. This is a glaring omission.

AB 2366 addresses this by requiring state agencies to evaluate how proposed regulations would affect the cost of living for Californians. The bill also directs the Legislative Analyst's Office (LAO) to develop a standardized methodology that agencies must use in conducting these assessments. Once an agency completes its analysis, the LAO will review it and, if a regulation is found to have significant cost of living impacts, provide recommendations on how those impacts can be reduced.

Today, more than 50 regulations are under consideration across a broad spectrum of agencies. Yet, there is no consistent, independent framework to evaluate the cost of living toll these

regulations are having on California's working families and employers. The problem is structural. In 2020, the LAO found that agencies routinely fail to consider less burdensome regulatory alternatives, and that economic analyses are often prepared by agency-selected consultants who underestimate costs. AB 2366 would address these shortcomings by establishing an objective and independent framework that agencies will use to assess the cost of living impacts of proposed regulations.

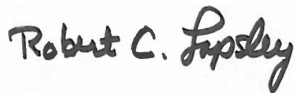
In addition, the bill directs the Department of Finance to establish a regulatory economic burden tracker that will for the first time give policymakers and the public a sector-by-sector picture of how regulations are cumulatively influencing what Californians pay to live here.

AB 2366 will restore balance to California's regulatory process. By requiring honest, independent analysis of cost of living impacts, and giving the LAO a formal role in identifying less costly alternatives, this bill will arm decision-makers with the information they need to develop smarter policy and ensure that regulatory choices reflect the economic realities facing California residents.

For these reasons, we strongly support AB 2366 and urge its swift passage.

Thank you for your leadership on this issue. Should you have any questions or wish to discuss our position, please contact Brooke Armour at (916) 273-1223, brooke@cbrrt.org, or Tracy Hernandez at XX, tracy@newcaliforniacoalition.org.

Sincerely,



Rob Lapsley, President
The California Business Roundtable



Tracy Hernandez, CEO
New California Coalition



Kirk Wilbur, VP Government Affairs
California Cattlemen's Association



Gail Delihant, Sr. Director, CA Government
Affairs
Western Growers



Matthew G. Hargrove, President & CEO
California Business Properties Association



Michael Müller
Director of Government Affairs
California Association of Winegrape Growers



Chris O'Connor
Senior Vice President, Government &
Industry Affairs
Associated General Contractors



Eddie Sprecco, CEO
Associated General Contractors of America
San Diego Chapter



Mike Roos
Southern California Leadership Council

cc: Members, Assembly Committee on Economic Development, Growth, and Household
Impact (EDGHI)
Carla Castilla, Consultant, Committee on EDGHI
Members, Assembly Judiciary Committee
Katey Patrick, Assembly Republican Caucus Consultant