

Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 1366 (Rubio) – As Amended April 28, 2026

Policy Committee: Utilities and Energy

Vote: 18 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill requires the California Public Utilities Commission (CPUC) to annually submit a report to the Legislature on late payments to contractors, disputed invoices and steps the CPUC has taken to address funding-opportunity challenges faced by small and diverse businesses supplying services to the CPUC.

FISCAL EFFECT:

This bill likely creates little new work of the CPUC as existing law requires the CPUC, and every state agency, as described in the comments section, below, to report annually any late payments to the Department of General Services.

Nonetheless, because this bill has the primary effect of creating a reporting requirement, it is a candidate for the committee's suspense file, regardless of costs, consistent with the committee's rules and practice.

COMMENTS:

State law, the California Prompt Payment Act, requires each state agency to pay undisputed invoices within 45 calendar days, with certain exceptions. In addition, state law requires each state agency to annually report to the Department of General Services any payments the agency did not pay within 45 calendar days during the prior fiscal year.

The author asserts "Delayed reimbursements, insufficient indirect cost recovery, and inconsistent application of the Prompt Payment Act create chronic cash-flow instability—especially for smaller, less-resourced organizations serving disadvantaged communities" and intends this bill to "shine a light on these inequities and harmful practices by requiring a report to document the scope of these problems."

According to information on the DGS website, which the CPUC provided to DGS, the CPUC made six late payments to small businesses in fiscal year 2023-24 and paid just over \$3,700 in penalties for those late payments.

The bill is supported by, among others, the Little Hoover Commission, which describes the bill as consistent with recommendations it made in a recent report, "Shared Priorities, Strained Systems: Modernizing State Grants and Contracts with Nonprofits."

Analysis Prepared by: Jay Dickenson / APPR. / (916) 319-2081