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California Legislation And Regulations To Watch In 2025

By Hailey Konnath

Law360 (January 1, 2025, 8:01 AM EST) -- California legal experts anticipate a busy 2025 in regulatory and legislative affairs, particularly as lawmakers and regulators ready the Golden State for potential attacks from the incoming Trump administration on a number of issues including reproductive care, LGBTQ rights and environmental protections.

At the same time, Golden State courts are expected to clarify the bounds of privacy, social media and artificial intelligence laws, and leaders could reevaluate their approach to renewable energy goals in the face of rising costs.

Here's a shortlist of the major legislative and regulatory developments that California attorneys will be watching in 2025.

State Lawmakers Bracing To Fight Trump Administration Policies

Gov. Gavin Newsom has already called for a special legislative session to fund litigation against President-elect Donald Trump's anticipated erosion of abortion rights, immigration policies, environmental regulation and more. He announced that he wants up to \$25 million for potential legal fights, calling California "a tent pole of the country — from the economy to innovation to protecting and investing in rights and freedoms for all people."

Newsom has also vowed to save electric vehicle tax credits in the state if the Trump administration and a Republican Congress eliminate federal ones.

But while California leaders can guess at what Trump is going to do, it's all up in the air "until we start seeing some policy from Washington," said Dario J. Frommer, a public policy, regulatory and government affairs partner at Mayer Brown LLP in Los Angeles.

"I'm telling everybody, it's going to be chaotic and it's going to take a while for things to settle out," Frommer said.

One big issue could be LGBTQ rights, he said, pointing to the U.S. Supreme Court's impending decision on a Tennessee ban on gender-affirming care for minors. Trump also has promised big moves on immigration. But other than tax cuts "and a few other things," it's too soon to tell what the incoming Republican majority in Congress will focus on, he said.

During the first Trump administration, the big theme in California was resistance, Frommer said. Lots of lawsuits were filed, mostly challenging Trump's environmental policies but some looking to preserve reproductive freedom. This time around, Democrats in the Golden State are recalibrating their response, Frommer said.

"People aren't sure that resistance is the right mode for attack in the Trump area," he said. "One of the reasons for this is 60% of voters said California is not on the right track."

Californians are frustrated by high rent and high costs in general, and "Democratic leaders are conflicted right now about what to do — how far to go — in this world of Trump 2.0," Frommer said.

"It's an interesting time," he said. "We're in a wait-and-see period."

California Courts To Clarify Privacy, Social Media Laws

California continues to be at the forefront of privacy regulation, and courts are likely to clarify further how the state's laws can be used. Jason D. Russell, a Los Angeles-based litigator at Skadden Arps Slate Meagher & Flom LLP, said that he expects in particular to see the boundaries of California's Invasion of Privacy Act more fully developed by the courts.

CIPA, which was enacted in 1994, requires businesses to obtain consent from Californians when communicating with them. The law was enacted primarily to deter illegally recording phone conversations, but plaintiffs are increasingly using it to target newer technologies, like embedded cookies and pixels on websites.

"The plaintiffs' bar is aggressively advocating positions that, in my view, distort the purpose and intent of the CIPA protections," Russell said.

"I would expect courts to curtail the claims being asserted, particularly those attacking features such as cookies and internet chat features, which are common aspects of most websites and yet the plaintiffs' bar has sought to force companies to either make cumbersome (and needless) disclosures of basic aspects of web browsing or face potentially expensive threatened class actions," he said in an email.

However, Russell said he doesn't expect any significant legislative or regulatory intervention in that area because the statutes have remained largely unchanged over the years. Meanwhile, the courts "are showing themselves capable of fleshing out the ambiguities under CIPA in a manner that ultimately should reduce or eliminate the vast majority of claims being brought under CIPA," he said.

Social media regulation is another area that continues to take shape, particularly when it comes to children's access to it. One thing to watch in the coming year is what happens with TikTok at the federal level, which could affect California's approach, Frommer of Mayer Brown said. In December, the U.S. Supreme Court agreed to review the popular social media network's First Amendment challenge to a federal law requiring it to divest from its Chinese parent company or face a nationwide ban.

And in late September, Newsom signed into law a bill that blocks online platforms from using algorithms to deliver addictive feeds to children without parental consent. The bill, which was also backed by California's attorney general, will allow parents to control whether the messages their children see on social media are listed chronologically or presented — as they are now — through the manipulation of the platform's algorithms. Supporters of the measure have argued that algorithmic feeds are addictive,

fueling heavy social media use that can hurt young users' mental health.

Artificial Intelligence To Remain in the Spotlight

In the last year, the California legislature sent a "staggering" 38 AI-related bills to Newsom's desk, according to Zachary Faigen, another Skadden attorney focusing on AI and litigation. Newsom signed fewer than half of those into law, but that number "shows just how focused the legislature is on this issue," Faigen said.

And the number of bills is likely to increase in 2025, he said.

"As use cases continue to proliferate and government officials learn more about the technology — including both its benefits and its risks — companies expect the legislature to remain keenly focused on AI regulation in the coming year," Faigen said.

One thing Faigen is watching in particular: How the legislature will respond to Newsom's veto of S.B. 1047, which was sweeping legislation aimed at ensuring the safe deployment of large language models. Faigen said the measure was, to some extent, controversial. It would've "required operators and developers of AI models that use a certain amount of computing power to, among other things, implement comprehensive cybersecurity protections, establish technical and organizational controls and create a safety and security protocol against the model posing unreasonable risks of so-called critical harm," Faigen said.

Newsom said he rejected the measure because it targeted models based only on their size and computing power, when smaller or more specialized models can pose as much or more risk, Faigen said. He said he expects the legislature to revisit that bill in 2025.

"I am interested to see how the legislature responds to Gov. Newsom's critique that the bill focused only on the size of the model, rather than the area in which it operates or the way in which it is used, and which models or use cases the legislature decides to target," Faigen said.

He added that it will also be interesting "to see whether operators and developers of AI models will be successful in convincing the legislature to pare back some of the more onerous safety and security requirements that could pose significant compliance challenges."

Regulators To Weigh Cost of Renewable Energy Efforts

For the last decade, California has made a major push for renewable energy, planning to require that renewable energy and zero-carbon resources supply 100% of electric retail sales by 2045. Those efforts have been embraced by "virtually everybody," Frommer said. "But the cost on people's electric bills right now has been really high."

He said he expects lawmakers to reevaluate that approach, and it could be a "big fight": Slow the approach, or double down?

Speaking of prices, the Golden State has been grappling with spiking gasoline prices even after lawmakers gave the California Energy Commission the power to limit oil company profits and penalize companies that surpass it.

That commission gained that authority in 2023, but now Newsom appears to be changing course slightly, Frommer said. Right before the election, Newsom called a special session and pushed legislators to give the Energy Commission the authority to enact regulations on the supply of gasoline and diesel that refineries have on hand when they need to be shut down for maintenance.

"That's hugely controversial for refiners," Frommer said. And the commission isn't expected to put forward any proposed regulation on that subject until spring, he said.

Relatedly, there have been allegations that refineries are "watching each other" when they're down for maintenance, Frommer said. When refineries are down, that restricts supply and drives up consumer prices. He said that's another area we're "definitely going to see some regulation on in the next year."

--Editing by Brian Baresch.