

October 10, 2011

The Governor has been busy reviewing 870 bills the legislature sent him since August. The Governor had until October 9th to take action on those bills. Governor Brown signed 745 of the bills and vetoed 125. The following are bills signed into law in the last several weeks:

AB 6 (Felipe Fuentes, D-Los Angeles) improves access to CalFresh, California's "food stamp" program, by streamlining the reporting requirements, implementing cost saving measures to fraud prevention efforts, and implementing a "heat and eat" provision that increases access to additional federal funding. These process improvements will lead to approximately \$8.7 billion in additional economic activity. Farm Bureau supported AB 6 (Fuentes).

<u>AB 69</u> (Jim Beall, D-San Jose) improves access for California seniors to CalFresh, California's "food stamp" program, by allowing counties to utilize existing federal data to simplify enrollment for low income seniors. USDA states that every dollar in CalFresh benefits generates \$1.79 in economic activity, which translates into an increased demand for healthy food grown by California growers. Farm Bureau supported AB 69.

<u>Current law requires California-based businesses to obtain a separate workers' compensation policy to cover employees who work out of state</u>. <u>AB 228</u> (Felipe Fuentes, D-Los Angeles) clarifies the current insurance code by clearly stating that California-based employers may seek workers' comp coverage from State Fund for all of their employees whether they work in-state or out-of-state. Farm Bureau supported AB 228.

AB 243 (Luis Alejo, D-Salinas) requires Farm Labor Contractors to disclose information about the farmers and ranchers they work for on their workers' pay stubs. Farm Bureau and the entire agricultural community opposed AB 243.

<u>AB 316 (Wilmer Amina Carter, D-Rialto) makes the theft of copper – Grand Theft</u>. The measure also creates a fine for those who steal copper wire, copper cable, copper tubing, and copper piping, with a value exceeding \$950. The theft of copper will be punishable by a fine of \$2,500 to \$10,000 and possible imprisonment in a county jail or state prison or both a fine and imprisonment. Farm Bureau supported AB 316.

AB 359 (Jared Huffman, D-San Rafael) requires local agencies to identify groundwater recharge areas, provide protections for those areas and require the maps be provided to local planning agencies. Farm,

Bureau removed its opposition when AB 359 was amended to address concerns regarding property owner notification.

<u>AB 469 (Sandre Swanson, D-Oakland) will require an employer to issue an employee a notice at the time of hire that includes information such as: (1) the employee's rate of pay; (2) the employer's address; (3) the regular payday; and (4) any allowances claimed by the employer for meal and lodging.</u> This information, however, is already required by law to be disclosed to employees in writing and be posted at the place of employment. Requiring private employers to issue this information in multiple forms is burdensome and exposes employers to the threat of additional litigation. Farm Bureau and a number of other employer organizations opposed AB 469.

<u>AB 581</u> (John A. Perez, D-Los Angeles) creates the California Healthy Food Financing Initiative and fund to expand access to healthy foods in underserved communities. The federal government created a Healthy Food Financing Initiative in 2010 as a partnership between the federal Departments of the Treasury, Agriculture, and Health and Human Services to promote a range of interventions that expand access to nutritious foods in communities that currently lack access to healthy food. AB 581 creates a similar program in California if the state should receive federal funding for the program. Farm Bureau supported AB 581.

<u>AB 634</u> (Alyson Huber, D-El Dorado Hills) will legalize the use of carbon monoxide to control burrowing rodent pests. Farm Bureau sponsored this bill to allow an additional pest control tool for California's farmers and ranchers. The bill requires carbon monoxide delivery devices to include a warning label reminding users of the risks of carbon monoxide and of the prohibition on killing threatened and endangered species. The bill also allows CDFA's Vertebrate Pest Control Research Advisory Committee to create educational materials on the safe and effective use of carbon monoxide for rodent control.

<u>AB 964 (Jared Huffman, D-San Rafael) will provide a conditional water right registration process for</u> <u>small irrigation projects</u>. It will provide a means by which growers can obtain authorization to develop small off stream storage projects (no more than 20 acre feet annually) that could be used for irrigation while protecting fisheries. More than one registration may be in effect at any time if there is not more than one diversion and storage facility per 20 acres and if the total water use on all acreage covered by the registration does not exceed 100 acre feet annually. The bill was sponsored by the Wine Institute. Farm Bureau supported AB 964.

<u>AB 1330</u> (Warren Furutani, D-Long Beach) provides students enrolled in California's high schools with additional educational and curricular options in selecting career technical education (CTE) coursework that applies towards meeting high school graduation requirements. AB 1330 adds CTE classes as an option for pupils to fulfill the existing high school graduation requirement to complete a course in visual or performing arts or foreign language, and requires school districts that elect this option to notify parents, teachers, pupils and the public. Farm Bureau supported AB 1330.

<u>SB 126</u> (Darrell Steinberg, D- Sacramento) will make significant revisions to the Agricultural Labor Relations Act to address concerns regarding employer misconduct during union elections. SB 126 will mandate that the Agricultural Labor Relations Board (ALRB) certify a union as a collective bargaining agent in the event the union lost the election due to employer misconduct at a level that would "render slight the chances" that a new election would be a fair representation of the employees' union preferences. SB 126 imposes time limits on the ALRB's processes for resolving election objections and challenged ballots and allows the Board to seek injunctive relief without any complaint from workers or the union. It also allows the Board to order the parties to mandatory mediation of their contract differences on much shorter timeframes than provided for under current law.

Farm Bureau and other agricultural stakeholders expressed serious concerns about certain provisions of the bill including the lack of an avenue of appeal for an employer found to have engaged in misconduct.

<u>SB 215 (Bob Huff, R-Diamond Bar) extends the sunset date to January 1, 2017 that requires monitoring</u> for invasive mussel species in publically owned water reservoirs. The owner or manager of a water storage reservoir is required to develop and implement a monitoring and control program to prevent the introduction of invasive mussel species. Privately owned reservoirs, not open to the public are exempt. Farm Bureau supported SB 215.

<u>SB 459 (Ellen Corbett, D-San Leandro) holds employers responsible for "willful misclassification" of an employee as an independent contractor without giving clear guidance or any objective test for an employer to make that determination.</u> SB 459 stiffens the penalties associated with misclassification and requires the Department of Industrial Relations to inform the State Contractors Licensing Board of any violations if they involve a state-licensed contractor. The new law requires any business entity found to have engaged in misclassification to post a notice of this fact on its internet website of this finding, signed by the company's highest-ranking officer, and to include information specified in the bill about employee's rights against misclassification. Farm Bureau and other employer groups in California opposed SB 459.

<u>SB 489 (Lois Wolk, D-Davis) will allow all eligible forms of renewable energy to participate in utility</u> <u>net metering programs</u>. Currently the net metering law only allows customers who incorporate solar or wind generation into their operations to offset what they generate against their electric usage. The bill requires that customers now be allowed to offset generation from any type of energy defined as renewable, which will include biomass and small hydroelectricity. CFBF has been a supporter of the legislation and will continue to oversee its implementation by the Public Utilities Commission.

<u>SB 513 (Anthony Cannella, R-Ceres) extends California's existing Certified Farmers' Market program</u> to January 1, 2014, which is currently set to expire in 2012. Increasing concern over fraud in certified farmers' markets and other direct marketing channels has led CDFA to form an ad hoc committee to discuss potential solutions to ensure consumer confidence in foods purchased directly from farmers. The bill only extended the sunset for two years to push this committee to come up with implementable solutions quickly. The bill also creates a rendering advisory committee at CDFA. Farm Bureau supported SB 513.

<u>SB 549</u> (Mike Rubio, D-Bakersfield) allows the Secretary of CDFA to assess egg handlers and producers a maximum fee of \$0.15 per 30 dozen eggs. The fees fund California's Shell Egg Program, which has proven effective at maintaining California's safe egg supply. However the current \$0.05 per 30 dozen egg fee does not provide the funds necessary to ensure a robust food safety program for California's egg farmers. SB 549 also expands the fee to out-of-state handlers bringing egg products into California. Farm Bureau supports SB 549.

<u>SB 618 (Lois Wolk, D-Davis) was designed to encourage large-scale solar photovoltaic (PV) facilities to</u> <u>be sited on marginally productive or physically impaired farmland</u>. This Farm Bureau-supported bill is designed to take some pressure off of prime farmland protected by the Williamson Act by allowing the owners of our least productive land to terminate their contracts at half the cost if it is immediately put into a Solar-use Easement. The new law, effective January 1st, will require a contract rescission fee of 6.5 percent of the land's current market value and 12.5 percent for a Farmland Security Zone (FSZ) contract. A contract rescission is very different than cancellation because the land must be placed in another enforceable restriction, like a FSZ contract or an Open-Space Easement Agreement. The Wolk Act creates a new Solar-use Easement that requires a minimum commitment of 20-years. The easement can be a term easement, a perpetual easement, or a self-renewing easement similar to a Williamson Act contract. Some solar developers are willing to make their case that the cancellation of a Williamson Act contract is in public interest if the proposed use is a solar PV facility. Eventually, the courts will be asked to decide and we are hopeful that with the passage of SB 618, the decision will come down on the side of food security.

Governor Brown vetoed 15 percent of the bills sent to him since August, including the following:

<u>AB 1155</u> (Luis Alejo, D-Salinas) would have undermined the effectiveness of apportionment to determine degree of impairment caused by a workers compensation-compensable injury by prohibiting race or any other protected classification being considered in an apportionment decision. Since such discrimination has already been prohibited by the courts, AB 1155 would invite litigation on a settled matter of public policy and drive up employers' costs of both workers compensation and permanent disability. Farm Bureau and many employers' organizations opposed AB 1155. The Governor's veto message said "This bill would, however, generate new litigation over questions of whether it is intended to change existing interpretations. At best, that additional litigation would add to employers' costs for workers' compensation. At worst, this bill could disturb the appropriate interpretation of existing law that is already taking shape in the courts."

<u>SB 263</u> (Fran Pavley, D-Aguora Hills) <u>would have made reports (well logs) available to geologists, hydrologists, civil engineers and other professionals conducting studies. SB 263 made well log information relating to water well constructed, altered, abandoned, or destroyed on or after January 1, 2012 available only to specified professionals. Current law requires these reports submitted to the Department of Water Resources to be kept confidential except under certain circumstances. The measure was amended to address concerns from law enforcement, Farm Bureau and other agricultural interests by limiting access to well logs and create penalties for false statements or representation in any application, record, or report. Farm Bureau had removed it's opposition.</u>

<u>SB 676 (Mark Leno, D-San Francisco) would have created a pilot project that allowed the growing of industrial hemp in Imperial, Kern, Kings, and San Joaquin counties</u>. The bill defined industrial hemp and created requirements for industrial hemp growers, including the testing of each crop. The Governor expressed concern in his veto message over the fact that SB 676 would subject farmers to federal prosecution due to the federal prohibition against growing hemp. However, he supports a change in federal law and closed the veto message by stating, "It is absurd that hemp is being imported into the state, but our farmers cannot grow it." Farm Bureau has no position on SB 676.

<u>SB 931 by Noreen Evens (D-Santa Rosa) was amended with language from the stalled AB 51 payroll cards bill</u>. SB 931 moved quickly through the legislative process at the end of the session. The Governor's veto message said, "This bill seeks to contain costs for workers who choose to accept pay cards, a goal with which I agree. Unfortunately, this bill goes too far. It would impose numerous and costly new requirements on pay card providers. A likely result of these mandates is that banks and employers may simply stop offering this service, injuring the very workers this bill aims to protect." Farm Bureau opposed SB 931.