



May 24, 2013

The Senate Appropriations Committee took up its “Suspense File” on Thursday, May 23<sup>rd</sup>, and held all tax increase bills in the committee. In order for bills with fiscal impacts to stay alive for this year they had to move out of the appropriations committees by today. Closely watched were tax hikes on oil [SB 241](#) (Noreen Evans, D-Santa Rosa), sweetened sodas ([SB 622](#) (Bill Monning, D-Santa Cruz), and tobacco ([SB 768](#) (Kevin De Leon, D- Los Angeles) as well as several tax credit proposals. The Suspense File contained 284 bills that had over \$3.5 billion in General Fund spending. After working with the bills’ authors, the committee reported that they had reduced the General Fund impact by over 90 percent to approximately \$350 million. Other bills of interest to California agriculture that were approved include the following:

[SB 485](#) (**Ron Calderon, D-Montebello**) requires junk dealers and recyclers to pay an additional fee to Agricultural Commissioners and Sealers for their weighmaster license and would require Ag Commissioners to ensure that junk dealers and recyclers have all of the necessary licenses and permits to operate as a junk dealer or recycler. If it is found that they are not properly permitted and licensed then they would not be able to be licensed as weighmasters. Farm Bureau supports.

[SB 749](#) (**Lois Wolk, D-Vacaville**) extends the sunset to 2020 for the accidental take allowance for ongoing and routine agricultural activities under California’s Endangered Species Act (CESA). It requires the Department of Fish and Wildlife to use its lease revenues on the properties from where they were derived. It also clarifies administrative procedures under CESA and will make changes to waterfowl habitat management. This bill is co-sponsored by Farm Bureau, the California Cattlemen’s Association, and the California Waterfowl Association.

[SB 753](#) (**Darrell Steinberg, D-Sacramento**) increases enforcement authority for the Central Valley Flood Protection Board. It would grant additional enforcement authority to the Central Valley Flood Protection Board including cease and desist and fine authority. Farm Bureau continues to work with the Flood Protection Board and the author to address concerns. The bill is expected to be amended on the Senate Floor. Farm Bureau remains opposed unless amended.

[SB 404](#) (**Hannah-Beth Jackson, D-Santa Barbara**) includes “familial status” as a protected classification under the California Fair Housing and Employment Act. “Familial status” is a very broad term that will sweep in a massive number of employees and their relationships, such that virtually any employee could be covered by it. As a result, nearly any adverse employment decision by an employer could be construed as discriminatory if SB 404 becomes law. Farm Bureau and other major organizations representing employers oppose SB 404.

**SB 11** (Fran Pavley, D-Agoura Hills and Anthony Cannella, R-Ceres) continues the authority through 2023 to fund several air quality improvement programs. They include the Carl Moyer Program, widely used by the agricultural community, and the Alternative and Renewable Fuel and Vehicle Technology Programs. Amendments were taken in Senate Appropriations such that AB 8 and SB 11 are no longer mirrors of each other moving simultaneously through both houses. Farm Bureau is part of a large business and environmental coalition in support of SB 11.

The Assembly Appropriations Committee took up its Suspense File on Friday, May 24<sup>th</sup> and was not quite as tight on spending at its Senate counterpart. Declaring that “protecting the public purse” was its top priority, the Assembly’s fiscal committee approved in lightning speed fashion 221 of the 365 bills on suspense. The total projected state costs of the Assembly bills was over \$3.5 billion, aligning with the Senate’s Suspense File costs. The Assembly reduced 80 percent of the total state costs versus the Senate’s 90 percent cut. The 221 bills that now move to the Assembly Floor for consideration next week will cost the state approximately \$700 million. Some bills of particular interest to agriculture that were approved included:

**AB 199** (Chris Holden, D-Pasadena) creates a purchasing preference by California agencies and institutions for California grown agricultural products. The preference would allow purchasing as long as the price difference is within five percent. However, for schools the costs would have to be equal. Farm Bureau supports.

**AB 224** (Richard Gordon, D-Menlo Park) defines different types of community supported agriculture (CSA) programs. It requires CSA farms to register with the California Department of Food and Agriculture and creates a new system for regulating CSAs in California to provide a system of compliance with state and local food safety requirements. Farm Bureau supports.

**AB 909** (Adam Gray, D-Merced) creates a Metal Theft Task Force Program at the Board of State and Community Corrections, which, when funded without using any General Funds, would provide grants to local law enforcement and district attorneys to focus on metal theft and recycling crimes. Farm Bureau is the sponsor.

**AB 1213** (Richard Bloom, D-Santa Monica) requires the Department of Fish and Wildlife to undertake an incredibly comprehensive population study and the Fish and Game Commission to adopt regulations regarding bobcat trapping based on the study results. If the study and regulations are not completed by July 1, 2015 then all trapping would be prohibited. The study costs are to be funded through trapping license fees. It is expected that ultimately the bill would create a de facto ban on the trapping and sale of bobcats in California. Farm Bureau opposes.

**AB 933** (Nancy Skinner, D-Berkeley) allows distilled spirit and brandy manufacturers to provide tastings of their products so long as certain guidelines are followed. Farm Bureau supports.

**AB 21** (Luis Alejo, D-Salinas) creates the Safe Drinking Water Small Community Grant Fund and authorizes the Department of Public Health to assess an annual fee in lieu of interest on loans made for projects that serve disadvantaged communities. Farm Bureau has a watch position.

**AB 30** (Henry Perea, D-Fresno) extends until 2019 a provision of the Porter-Cologne Water Quality Control Act that currently allows the State Water Resources Control Board to charge an annual fee in lieu of interest. Farm Bureau has a watch position.

**AB 118** (**Committee on Environmental Safety and Toxic Materials**) requires applicants for funding water system projects to demonstrate their ability to manage its water system for at least 20 years, but would authorize the Department of Public Health to loan the full costs of the project with certain conditions. Farm Bureau has a watch position.

**AB 145** (**Henry Perea, D-Fresno**) transfers various duties and responsibilities imposed by California's Safe Drinking Water Act from the Department of Public Health to the State Water Resources Control Board. Farm Bureau is working with the author to address our concerns.

**AB 8** (**Henry Perea, D-Fresno and Nancy Skinner, D-Berkeley**) continues the authority through 2023 to fund several air quality improvement programs. They include the Carl Moyer Program, widely used by the agricultural community, and the Alternative and Renewable Fuel and Vehicle Technology Programs. Farm Bureau is part of a large business and environmental coalition in support of AB 8.

**AB 10** (**Luis Alejo, D-Salinas**) raises the state's minimum wage to \$8.25 per hour on January 1, 2014; to \$8.75 on January 1, 2015; and to \$9.25 on January 1, 2016. Beginning on January 1, 2017, AB 10 will index the minimum wage to the California Consumer Price Index, and prohibits any future reduction in the minimum wage should consumer prices go down rather than up. Farm Bureau and most other business groups are opposed.

**AB 263** (**Roger Hernandez, D-West Covina**) imposes new penalties for employers for committing a series of "unfair immigration-related practices." These include requesting more immigration documents than required under federal law, using E-Verify in a manner not required by federal law and threatening to contact immigration authorities. Employers would be punished for infractions with a requirement that state courts permanently revoke all licenses possessed by the business for second or subsequent violations of "unfair immigration-related practices," causing all that business' employees to lose their jobs. Farm Bureau and a broad coalition of business and agricultural groups oppose AB 263.

**AB 880** (**Jimmy Gomez, D-Los Angeles**) imposes substantial new penalties on California employers in addition to those imposed by the federal Affordable Care Act (ACA); imposes those penalties on large employers of part-time employees who are specifically not required to provide ACA health insurance; expands the litigation exposure of employers by creating a broad new classification of protected employees enrolled in public health benefit programs who will be able to sue their employers for making an adverse employment decision; and expands the Private Attorneys General Act (PAGA) to cover retaliation and discrimination claims that are now generally pursued through FEHA and subject to the exhaustion of administrative remedies. Farm Bureau and a large coalition of employer's organizations oppose AB 880.

These bills were not approved:

**AB 23** (**Tim Donnelly, R-Twin Peaks**) and **AB 124** (**Mike Morrell, R-Rancho Cucamonga**) both of which would have repealed the \$150 "fee" on homeowners in the State Responsibility Area were held in Committee and are essentially dead for the year.

**AB 1** (**Luis Alejo, D-Salinas**) assisted economically disadvantaged rural communities identified in the Salinas Valley by providing up to \$2 million from the State Water Resources Control Board's Waste Discharge Permit Fund to develop a plan to address their drinking water and waste water issues. Farm Bureau supported.

[AB 1277](#) (Nancy Skinner, D-Berkeley) revised the OSH Act to expand Cal/OSHA's citation authority. It would have required Cal/OSHA to give priority treatment to complaints received for workers, unions, and workplace safety advocates. AB 1277 vastly expanded the number of parties who could intervene or otherwise participate in Cal/OSHA Appeals Board's adjudication of appeals to include certain family members, unions and safety advocates. It also allowed any person to petition the Board for reconsideration of a Board decision even if that person was not a party to the original decision. Farm Bureau AB 1277.

The Fish and Game Commission met this week and heard testimony on regulations to allow incidental take of Northern Spotted Owls (NSO) should the species be listed as a candidate under the California Endangered Species Act (CESA). The California Forestry Association submitted a formal request to the Commission that it begin the rulemaking process for regulations that would allow for the incidental take of NSO during timber harvest and scientific research projects. Farm Bureau submitted a letter of support for this effort. The Commission decided at its April meeting to delay its decision on whether to add the NSO as a candidate under CESA until August. If the Commission decides to list the NSO as a candidate, take of the species is immediately prohibited. That is why it is extremely important to have general regulations that allow incidental take during the candidacy period. Having these regulations prevent the need for each individual to obtain an incidental take permit for his or her activities.

The timing of the issue was rather awkward because it is rare, if not unheard of, for the Commission to decide to start the rulemaking process for incidental take prior to making a decision on candidacy. However, the Commission was sued recently over its issuance of such regulations for another species and the court decided that the Commission should not be using its emergency rulemaking authority for issuing incidental take regulations for candidate species. This has created a Catch-22 because the Commission is unwilling to start a formal rulemaking process early enough to provide incidental take assurances, but isn't exercising its emergency rulemaking authority either. The Commission did not agree to start the formal rulemaking process and the issue will be brought up again at its August meeting when it decides whether or not to add the NSO as a candidate under CESA.

There are a number of measures moving through both houses related to hydraulic fracturing in oil and gas production in California. Farm Bureau continues to monitor and analyze each of these measures as well as related draft regulations moving through the Department of Conservation. Farm Bureau has not taken a position on these legislative measures.

A measure that would provide additional recycled water for agriculture irrigation passed off the Assembly Floor this week. [AB 1200](#) (Marc Levine, D-San Rafael) provides additional water security in the Los Carneros winegrape growing regions of Sonoma and Napa valley's by authorizing a pilot project that facilitates the use of high quality recycled water for agricultural irrigation purposes. Farm Bureau supports.