

April 12, 2013

SB 17 (Ted Gaines, R-Rocklin), which would repeal the fire prevention "fee" levied on homeowners in the State Responsibility Area, failed passage in the Senate Natural Resources and Water Committee on a vote of 3 to 4. The law imposing the fee was passed in 2011 on a majority vote, rather than the two-thirds vote required for new taxes. Since revenue from fees must be spent to benefit those who pay it and because there is no guaranteed return to source, this charge is clearly a tax and not a fee.

In addition to Farm Bureau, the repeal measure was supported by a room full of rural residents wearing bright red T-shirts with the statement that read "Burned by the Fire Tax." In addition fire officials and representatives of taxpayers and homeowners also supported SB 17.

The roll call on SB 17 was as follows: "Ayes:" Cannella, Evans, and Fuller; "NOES:" Pavley, Jackson, Monning, and Wolk; "ABSENT or NOT VOTING:" Hueso and Lara. The measure was unanimously granted reconsideration.

<u>Six nitrate related drinking water measures were heard this week in the Assembly Appropriations Committee:</u>

<u>AB 1</u> (Luis Alejo-D, Salinas) would assist 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 Fun. This money would be used to develop a plan to address their drinking water and waste water issues. The Governor's Drinking Water Stakeholder Group, of which Farm Bureau is a participant, recommended the provisions in this bill. This measure was put on the suspense file while costs are analyzed. Farm Bureau is in support.

<u>AB 21</u> (Luis Alejo-D, Salinas) would create the Safe Drinking Water Small Community Grant Fund and authorize the Department of Public Health to assess an annual fee in lieu of interest on loans made for projects that serve disadvantaged communities. This strategy would be consistent with federal EPA grant regulations. The fee would be deposited into a newly created grant fund. This measure was put on the suspense file while costs are analyzed. Farm Bureau has a watch position.

AB 30 (Henry Perea-D, Fresno) would extend 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. This provision funds the State Water Pollution Control Revolving Fund for assistance to publicly owned water treatment works. Existing law will sunset in 2014 without this bill. This measure was put on the suspense file while costs are analyzed. Farm Bureau has a watch position.

AB 69 (Henry Perea-D, Fresno) would establish the Nitrate at Risk Area Fund to assist economically disadvantaged communities in developing and implementing sustainable solutions to supply clean drinking water. This bill has yet to identify a funding source. This measure passed out of the Assembly Appropriations Committee 12-5. Farm Bureau has a watch position.

<u>AB 115</u> (Henry Perea-D, Fresno) would authorize the Department of Public Health to fund projects where multiple water systems apply for funding separately but could consolidate water systems or provide water service to certain households relying on private wells with high nitrates. This measure passed out of the Assembly Appropriations Committee 17-0. Farm Bureau has a watch position.

AB 118 (Committee on Environmental Safety and Toxic Materials) would require 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. This measure was put on the suspense file while costs are analyzed. Farm Bureau has a watch position.

A measure that would transfer the drinking water program from the Department of Public Health to the State Water Resources Control Board was heard in the Assembly Water, Parks and Wildlife Committee last week. AB 145 (Henry Perea-D, Fresno) would transfer 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. The act currently requires the department to oversee public water systems through regulations. The measure passed out of the Assembly Water, Parks and Wildlife Committee 9-2 with 4 members abstaining or absent. The measure will next be heard in the Assembly Environmental Safety and Toxic Materials Committee. No date has been set. Farm Bureau is working with the author to address our concerns.

A measure that could change the makeup of some irrigation district boards passed out of the Senate this week. SB 614 (Lois Wolk-D, Davis) would eliminate the landownership requirement pertaining to a director of the board of an irrigation district that provides irrigation and drainage services. The measure passed out of the Senate this week and will next be heard in the Assembly. The measure has not yet been assigned to an Assembly policy committee for hearing. Farm Bureau is opposed.

A measure that would increase enforcement authority for the Central Valley Flood Protection Board was pulled from hearing this week. SB 753 (Darrell Steinberg-D, Sacramento) would grant additional enforcement authority to the Central Valley Flood Protection Board, including cease and desist and fine authority. The measure was pulled from hearing this week by the author to address issues raised by Farm Bureau, the Flood Board, and others. The measure is scheduled to be heard April 23rd in the Senate Natural Resources and Water Committee. Farm Bureau is working with the author and the Flood Board to address concerns before taking a position.

The Governor recently appointed three State Water Resources Control Board members. Tam Doduc and Frances Spivy-Weber were reappointed to the board. With the retirement of Charlie Hoppin earlier this month, the Governor appointed DeeDee D'Adamo to fill his Public Water Quality position. Felicia Marcus was appointed to assume the position of Chair.

SB 478 (Anthony Cannella, R-Modesto) would allow a 53 foot trailer that cannot achieve a 40 foot king-pin-to-rear-axle (KPRA) setting to access Surface Transportation Assistance Act (STAA) and terminal routes if used exclusively in the transportation of livestock. The most commonly used vehicle

combination used in the livestock industry are semi-trailers that have fixed axles with a belly that runs level with the rear wheels and does not have the capability to move their axles forward to adhere to the 40 foot KPRA. SB 478 bill would help to alleviate the competitive disadvantage that current California law creates for the shipment of cattle for interstate sale. It is scheduled to be heard in the Senate Transportation and Housing committee on May 7. Farm Bureau is in support of SB 478 that is sponsored by the California Cattlemen's Association.

Farm Bureau sponsored bill, AB 298 (Richard Pan, D-Sacramento) will require California to implement the agricultural exemptions provided in the federal highway bill, MAP-21, that became effective on October 1, 2012. MAP-21 requires states to adopt the provisions within a three-year timeframe or lose federal funding. AB 298 contains the exact language found in the federal legislation pertaining to agricultural exemptions. Specifically, the exemptions will apply to vehicles used to transport agricultural commodities, livestock, machinery or supplies for the farm and ranch. As with implements of husbandry, the vehicles must be driven by the farmer/rancher, employee or family member and cannot be used for hire. Current law requires vehicles with a GVWR of 10,000 pounds or greater to be registered as a commercial motor vehicle and also requires a CA number. MAP-21 exempts the "covered" agricultural vehicles from the CVL requirements including; Hours of Service reporting during harvest, a medical certificate, drug and alcohol testing, and inspection, repair and maintenance. In addition, the exemption allows covered vehicles to transport product, supplies, equipment and livestock from the farm/ranch to a location within 150 air miles from origin rather than just the first point of processing. The vehicles will be required to have a special license plate as an identifier for law enforcement. The bill will be a 2-year bill to allow time to continue to work with the CHP and DMV on the details for implementation.

CFBF Governmental Affairs staff recently participated in the first meeting of the California Aboveground Petroleum Storage Advisory Committee. The advisory committee was created by passage of AB 1566 (Bob Wieckowski, D-Fremont) last year and required the State Fire Marshal to appoint an advisory committee comprised of industry stakeholders and agency representatives to work together to establish the parameters for the enforcement program for petroleum storage. Farm Bureau was invited to represent agriculture. The committee will meet quarterly to discuss the establishment of regulations, a fair surcharge, any legislation that may be needed to improve the program and other issues, such as underground storage tanks being used for aboveground petroleum storage. Farm Bureau will have an active role in all of the discussions.

This is the seventh consecutive year that the CHP Commissioner has granted the extension for the agricultural hauler's tie-down exemption. The exemption enables those who haul agricultural commodities in bins, boxes, tubs, totes, etc. to continue to secure their loads with the methods that have been approved by the CHP rather than the requirements under the federal General Load Securement regulations. To operate under the exemption, motor carriers must submit an application and receive an approval letter from the CHP to be covered. Motor carriers who have previously applied for and received the exemption will automatically receive the extension, provided they carry a copy of the approval letter in their vehicles, have a current CA number and maintain their monthly reporting requirements to the CHP. The current 2012-13 extension expires April 30, 2013. The updated 2013-14 application form and monthly report form are posted on the CFBF website.

SB 749 (Lois Wolk, D-Vacaville) would extend the sunset for the provision that allows accidental take for ongoing and routine farming and ranching activities under the California Endangered Species Act (CESA). It also would require that revenues generated from agricultural leases on lands owned by the Department of Fish and Wildlife be used to support the maintenance and operations of the lands from

where the moneys were originally collected. It also clarifies when the administrative record is closed for purposes of listing species under CESA. The Senate Natural Resources and Water Committee passed the bill 9-0. This bill is co-sponsored by Farm Bureau, the California Cattlemen's Association, and the California Waterfowl Association and now goes to the Senate Appropriations Committee.

AB 909 (Adam Gray, D-Merced) would create a Metal Theft Task Force Program at the Board of State and Community Corrections, which, when funded, would provide grants to local law enforcement and district attorneys to focus on metal theft and recycling crimes. Farm Bureau is sponsoring this bill, which passed out of the Assembly Public Safety Committee this week 6-0. The committee placed the bill on consent because it is broadly supported and there is no opposition. It now goes to the Assembly Appropriations Committee.

SB 132 (Jerry Hill, D-San Mateo) would require that the Department of Fish and Wildlife use nonlethal procedures when removing any mountain lion perceived to be an imminent threat to public health or safety unless the mountain lion is expected to cause immediate death or physical harm. One of the nonlethal procedures included in the bill is relocation. The Department's current authority to "remove" mountain lions is unclear and Farm Bureau opposed the bill due to the clear authority it would provide to the Department to relocate problem mountain lions. The bill was heard by the Senate Natural Resources and Water Committee this week. Senator Hill agreed to address Farm Bureau's concerns and removed the relocation authority from the bill. With that amendment, Farm Bureau removed its opposition. The bill passed out of the committee 9-0. It now goes to the Senate Appropriations Committee.

AB 8 (Henry Perea, D-Fresno and Nancy Skinner, D-Berkeley) and SB 11 (Fran Pavley, D- Agoura Hills and Anthony Cannella, R-Ceres) continue 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. Overall these programs will provide \$255 annually from various motor vehicle and vessel fees. With the state's upcoming agricultural equipment rule having the greatest impact in the San Joaquin Valley, these funds will be essential to provide assistance to purchase new agricultural equipment.

AB 8 and SB 11 are exactly the same bills. They were introduced in both the Senate and Assembly and are moving simultaneously to help insure passage. SB 11 was approved this week in the Senate Transportation and Housing Committee on a 6-2 bipartisan vote with Senator Anthony Cannella (Ceres) giving the only Republican vote. AB 8 was approved in the Assembly Transportation Committee on a 10-3 bipartisan vote with Assembly Member Katcho Achadjian (San Luis Obispo) giving the lone Republican vote. CFBF is part of a large business and environmental coalition in support of SB 11 and AB 8.

The Senate Labor & Industrial Relations Committee approved SB 435 (Alex Padilla, D-Pacoima) on a 4-0 vote. The bill would require employers to compensate employees at their piece-rate compensation rate during any breaks mandated by law or regulations. Farm Bureau and other agricultural employer groups testified regarding issues about the implementation of SB 435, particularly the significant new paperwork burden that would be imposed in recording Heat Illness Prevention Standard-permitted "cool down" breaks. We will continue to work with the author regarding our concerns.