



CALIFORNIA FARM BUREAU FEDERATION

FRIDAY REVIEW

LEGISLATIVE AND GOVERNMENTAL UPDATE

September 14, 2009

The Delta/Water package was put on the inactive file early Saturday morning. The five-bill Delta/Water package consisting of SB 12 (Simitian, D-Palo Alto); SB 229 (Pavley, D-Santa Monica); SB 458 (Wolk, D-Davis); AB 39 (Huffman, D-San Rafael); and AB 49 (Feuer, D-Los Angeles) emerged from the Water Conference Committee early last week with no Republican conferee signatures. By mid-day Friday the five bills were gutted and amended into one bill, SB 722 (Steinberg, D-Sacramento), only to be gutted and amended again by nightfall into yet another bill, SB 68 also by Senator Steinberg. A financing mechanism or water bond measure was missing from the package, but Senator Dave Cogdill (R-Fresno) and Assembly Member Anna Caballero (D-Salinas) had been working on separate measures to accomplish that missing piece. Even before committee members had the newly gutted and amended bill the Assembly Water Parks and Wildlife Committee held a 6:30 p.m. hearing on SB 68. Despite opposition from environmental, labor, business, environmental justice and agricultural organizations the bill passed out of committee, but once it was clear it would not garner the necessary simple majority votes on the Assembly Floor the bill was put on the inactive file at the end of the first year of the 2009-10 legislative session. Farm Bureau was opposed to SB 68.

Legislative leaders have called on the governor to convene a special legislative session within 30 days, to continue seeking a workable water solution. The consensus among observers is that this will likely be the next step. Farm Bureau will continue to emphasize the need for comprehensive water solutions to develop a reliable water supply for a healthy economy and ecosystem whenever the Legislature reconvenes.

Two bills that would have increased the authority of the California Coastal Commission and its staff were sent to the Inactive File in the Senate and are dead for this year. AB 291 (Lori Saldaña, D-San Diego) that would have allowed the staff of the Coastal Commission to unilaterally halt processing of a permit application if the Commission staff asserts that any violation exists on the property was defeated on a vote of 22 to 16. Reconsideration was granted and the bill was subsequently sent to the Inactive File, so technically it remains alive and can potentially be taken up again next year. Assemblymember Ira Ruskin (D-Redwood City) read the handwriting on the wall after the defeat of AB 226 and chose to park his measure that would have granted the Commission new judicial authority by allowing it to levy civil penalty for violations of the Coastal Act. We greatly appreciate the active involvement of our Farm Team members as well as the contributions of a large coalition of other statewide organizations that actively opposed these measures with Farm Bureau.

The rollcall on AB 226 was as follows: “AYES:” Alquist, Corbett, DeSaulnier, Florez, Hancock, Kehoe, Leno, Liu, Lowenthal, Pavley, Romero, Simitian, Steinberg, Wiggins, Wolk, and Yee; “NOES:” Aanestad, Ashburn, Benoit, Calderon, Cedillo, Cogdill, Correa, Cox, Denham, Dutton, Ducheny, Harman, Hollingsworth, Huff, Maldonado, Negrete-McLeod, Price, Runner, Strickland, Walters, Wright, and Wyland; “ABSENT, ABSTAINING, OR NOT VOTING:” Oropeza, and Padilla.

The Assembly concurred in the Senate amendments to AB 852 (Paul Fong, D-Mountain View), which would require mandatory electronic filing of property tax statements, and sent the measure to the governor. The bill exempts taxpayers who demonstrate to the county assessor that this e-filing requirement would be an unreasonable burden on their business. The bill also exempts any taxpayer whose personal property has an assessed value of less than \$100,000 in the previous year. Farm Bureau opposes AB 852 due to its lack of clarity regarding what constitutes an unreasonable burden.

SB 250 (Florez, D-Shafter) failed passage on the Assembly Floor on a vote of 28-42 this week. The bill was amended when it came out of the Appropriations Committee to exempt working dogs used on California's farms and ranches, however it did not ensure that this exemption would be acknowledged by local governments if they were to enact further spay and neuter requirements. When Senator Florez committed to taking amendments to exempt working dogs, he also committed to ensuring that this exemption would be protected at the local level. This bill as currently written requires dogs, not covered by the exemptions, and cats in California to be spayed or neutered, unless the owner obtains an "intact" permit for the dog, or keeps the cat indoors at all times. If dog owners have been cited for certain pet related violations, they are ineligible to obtain an intact permit. Included in the list of violations, is allowing a dog to run at large. CFBF remains opposed to SB 250 until the working dog exemption is covered at both the state and local levels. The bill was granted reconsideration and was placed on the Assembly inactive file on Thursday. Senator Florez could bring the bill back up for amendments or a vote in January, although members of the Assembly sent a strong message to the author and sponsor with a majority voting No.

SB 14 (Simitian, D-Palo Alto) and AB 64 (Krekorian, D-Burbank) passed in the final hours of the legislative session. Although SB 14 overtook AB 64 as the vehicle of choice for mandating an increase to the state's renewable portfolio standard from the current 20% by 2010 to at least 33% by 2020 both bills both proceeded through the legislative process. The two bills were very similar, although only AB 64 would have established the Energy Planning and Infrastructure Coordinating Committee, to be tasked with designating and ranking transmission corridors. In the last week of session, the provisions of SB 14 that were negotiated and garnered additional support were divided in two, with a portion being split off into a gutted AB 64. Hearings on both bills were held late in the week to address additional amendments regarding price caps, access to out-of-state resources and technical planning. CFBF joined with other business and agricultural groups in opposing the legislation and submitted a veto request. It is anticipated the Governor will veto both pieces of legislation, but sign an Executive Order that directs ARB to work with the state's energy agencies to deliver on the 33% renewable requirement. The Governor had issued an Executive Order earlier that supported a 33% mandate.

SB 7 (Wiggins, D-Santa Rosa), which would extend the length of time customers are able to offset usage of energy against generation under net metering for solar and wind is awaiting a vote on the Assembly Floor. It was placed on the inactive file, and was never taken off the inactive list for a vote.

SB 32 (Negrete McLeod, D-Chino) which would expand feed-in tariffs, and allow customers with existing net-metered projects to move to feed-in tariffs (a move currently prohibited by the CPUC) passed and moved to enrollment. CFBF joined with other agricultural groups in supporting the legislation.

AB 527 (Fuentes, D-Sylmar) would amend the California Labor Code to require the Labor Commissioner to deem all wage and hour records falsified if any wage and hour record is falsified. CFBF and a wide range of California business interests have opposed AB 527 throughout the process, on the grounds that a single instance of a unapproved falsification of a record could render an employer defenseless against a claim for unpaid wages, missed meal and rest periods and a variety of other possible violations. In spite of that opposition, both houses of the Assembly have passed AB 527 and it awaits enrollment before being sent to the Governor.

AB 793 (Jones, D-Sacramento) would amend California law to virtually eliminate any statute of limitations on pay-and-benefits lawsuits, for the stated purpose of making California law uniform with federal law on pay equity. CFBF and the California business community opposed AB 793 but the Assembly has passed it and is poised to send it to the Governor for final action.

AB 854 (Arambula, I-Fresno) would require Farm Labor Contractors (FLCs) to verify they have no outstanding wage-related court judgments or pending fines from the Labor Commissioner before they can renew their state-mandated FLC license. Farm Bureau has supported AB 854 in hopes of improving the professionalism of FLCs growers rely on to provide labor on farms. AB 854 is in enrollment before being sent to the Governor for final action.

AB 1000 (Ma, D-San Francisco) would have required employers to furnish paid sick-leave to workers who have worked for only seven days. AB 1000 died in Assembly Appropriations in May with no further action taken. CFBF opposed AB 1000 because it would have imposed a costly mandate on small employers with short-term labor forces.

AB 1288 (Fong, D-Mountain View) would prohibit local and regional governments from requiring businesses to use the flawed federal E-Verify system to verify the legal employment status of their workforces if they are seeking procurement contracts or as part of a settlement of an enforcement issue. Farm Bureau supported AB 1288 because agriculture cannot comply with a requirement to use E-Verify in the absence of a workable agricultural guest worker program and should not be subject to inconsistent requirements across jurisdictions. AB 1288 is awaiting final action by the Governor.

Efforts early in the session to increase employers' flexibility in managing state-mandated meal and rest periods failed. The business community and CFBF worked with Sen. Ron Calderon (D-Montebello) to craft legislation, but the labor community refused to engage constructively in the discussion.

SB 356 (Wright, D-Inglewood) would have required state agencies to significantly expand consultation with the regulated community. CFBF and the business community supported SB 356, which failed in committee.

SB 789 (Steinberg, D-Sacramento) would have revised the state's Agricultural Labor Relations Act to allow unions to claim the right to represent workers on the basis of a simple majority of workers signing "cards" or some similar show of interest in potential union representation, rather than preserving the right of workers to cast a private ballot for or against unionization. CFBF, a large segment of California agriculture and the California business community opposed SB 789, which the Governor vetoed on September 2.

SB 827 (Wright, D- Los Angeles) will prevent a court decision in Natural Resources Defense Council v. South Coast Air Quality Management District) from keeping the air district from being able to issue over a thousand pending permits that are either exempt from offset requirements or qualified to use offset credits. Currently this lawsuit has blocked implementation of nearly 1,100 South Coast Air Quality Management District permits for schools, fire stations, police stations, water quality plants, pollution control projects, hospitals, electricity generation, manufacturing and others. In addition, more than 2000 existing permits are potentially subject to being cancelled. Blocking these permits means lost jobs and delays in building needed projects. SB 696 is sponsored by the air district and numerous public and private entities. It was approved by the legislature and is awaiting the governor's signature. Farm Bureau supported.

AB 222 co-authored by (Adams, R-Hesperia) and (Ma, D-San Francisco) would be of immense benefit to California agriculture by providing a practical alternative to the open-field burning of agricultural byproducts and offer an environmentally-sensitive alternative to the agricultural land-spreading of sewage sludge. It could also help enable the state to meet its new Low Carbon Fuel Standard (LCFS) mandate that requires substituting 10% of fuel with non petroleum sources such as biofuels. AB 222 will provide new revenue sources for the agricultural industry if the feed stocks to comply with the LCFS are grown and processed within the state without in any way reducing or impacting the state's output of agricultural food resources. Unfortunately the waste management industry in cooperation with Senate staff was successful in stopping this bill. Farm Bureau was in support.

SB 2 (Wiggins, D-Santa Rosa) extends the authorization for the assessment to fund research and outreach on Pierce's Disease to March 1, 2016 upon a positive referendum vote. The bill also provides a mechanism for the Pierce's Disease Board to increase, within the already established cap of \$3 per \$1,000 farm-gate value, the annual assessment rate to fund research and outreach into other pests that are deemed a major threat to winegrape growing in California. SB 2 has been approved by the legislature and is awaiting the governor's signature. Farm Bureau supported the bill.