



April 28, 2017

Climate Change:

[AB 151](#) (Autumn Burke, D-Inglewood and Jim Cooper, D-Elk Grove) is one of two bills vying to extend the cap-and-trade component of the state’s mandatory greenhouse gas (GHG) program. Last year the legislature gave the California Air Resources Board (CARB) the authority to extend the current GHG program from 2020 to 2030, but did not include the market based compliance mechanism (cap-and-trade) that is currently used to limit GHG emissions from large stationary sources. The businesses that are currently subject to the state’s mandated GHG program predominantly prefer the cap-and-trade program as opposed to a carbon tax or direct regulatory control measures that are favored by the Environmental Justice (EJ) community. The EJ community supports AB 378 (Garcia) which is opposed by many business groups.

A recent Third District Court of Appeal decision upheld California’s current cap-and-trade program’s validity to only be authorized by a majority vote. The California Chamber of Commerce sued the state because they believe that the proceeds from the cap-and-trade program cannot be spent on non-related matters without a 2/3’s vote. With the court decision being appealed, the administration wants the extension of the cap-and-trade program to be approved by a 2/3’s vote.

AB 151 was amended to add legislative oversight into the implementation of the state’s GHG program, including more input on the development of offset credits and a report from CARB that addresses the need for increased education and workforce development to prepare workers with the skills to respond to the demands of the emerging technologies that will be necessary to meet the 40% GHG reduction in California by 2030. While there are many more details to work out, Farm Bureau and many business groups support AB 151 in concept, especially in contrast to AB 378 which is only alternative at this point. It was approved by the Assembly Natural Resources Committee on a 9-1 bipartisan vote.

[AB 378](#) (Christine Garcia, D-Bell Gardens) is the alternative to AB 151 (Burke and Cooper) that extends the cap-and-trade program to 2030 but includes draconian measures that would severely impact the state’s current greenhouse gas (GHG) and air quality programs. Recent amendments would create individual facility GHG emissions caps and empower the California Air Resources Board (CARB) to establish “no-trade zones” and facility declining caps. These changes, taken together, would gut the flexibility that is otherwise inherent to a cap-and-trade program and instead convert it into an unwieldy command-and-control mechanism, and ultimately undermine the ability of the state to meet the state’s GHG emission targets in a cost-effective way. The amendments also would require CARB to adopt new criteria pollutants and air toxics emissions standards in response to ongoing concerns expressed by the Environmental Justice (EJ) community. AB 378 was approved by the Assembly Natural Resources Committee on a straight party vote of 7-3. As amended this week, Farm Bureau will oppose.

[AB 1301](#) (Vince Fong, R-Bakersfield) would have expanded the duties of the Joint Committee on Climate Change Policies to include more extensive evaluations including the impact of California's climate policies on the price of gasoline, electricity and other commodities. It would have also required the California Air Resources Board to present to the committee information on the cost effectiveness and technological feasibility of greenhouse gas measures identified in the state's scoping plan. It is important for the legislature to insure that the state's greenhouse gas program is being conducted in an efficient and equitable manner that does not disproportionately burden anyone or any sector of our economy. Although AB 1301 would have provided guidance to insure the right questions are being asked so that transparency and accountability could be provided, that is not the way the Assembly Natural Resources Committee saw it. They determined AB 1301 was premature and it failed passage on a 3-6 straight party vote. Farm Bureau supported.

Commodities:

[AB 822](#) (Anna Caballero, D-Salinas) would require state agencies and institutions to purchase California grown agricultural products so long as the price is no more than five percent higher than outside products. School districts would be required to purchase California grown products so long as they didn't cost any more than outside products. California farmers have significantly higher costs of production due to California's stringent regulations and our state should support our farmers and farm employees by purchasing products from farmers meeting those high regulatory standards. The Assembly Appropriations Committee placed AB 822 on its suspense file this week due to the potential costs to state agencies created by the purchasing requirements. The Appropriations Committee will determine the fate of bills on the suspense file at the end of May. Farm Bureau is sponsoring AB 822.

[AB 1163](#) (Jacqui Irwin, D-Thousand Oaks) would appropriate \$3 million from the General Fund to provide grants to the California Grown Program. The grants would have a requirement that they be matched with non-state funds. This money would be used to increase the promotion of California grown agricultural products. Farm Bureau supports AB 1163, which was heard by the Assembly Committee on Agriculture this week. AB 1163 passed with a 10-0 vote. It now goes to the Assembly Appropriations Committee.

[SB 730](#) (Richard Pan, D-Sacramento) requires the Department of Education to enforce the federal requirements that schools purchase American food products for school meals. In addition, the bill also requires schools to notify the public when they use the limited exemptions allowing purchases of foreign food. Farm Bureau supports SB 730, which was placed on the Senate Committee on Education's consent calendar this week. SB 730 passed with a vote of 7-0.

Energy:

[AB 920](#) (Cecilia Aguiar-Curry, D-Napa) as initially drafted required investor owned utilities, community choice aggregators and publicly-owned utilities to contract for a minimum of 20% of renewable baseload generation (biomass and geothermal) by 2024 to satisfy the compliance standards for renewable generation. Before the Assembly Natural Resources Committee approved AB 920 on a 9-1 vote, amendments were made to keep it moving through the legislative process. Rather than requiring a specific percentage of generation from baseload, the amendments defer the authority to the California Public Utilities Commission for determination of what types of generation resources investor owned utilities are required to procure. Publicly owned utilities would be required to make the same assessment. Although the bill now has no specific percentage requirements for baseload generation, it will continue the discussion about the importance of addressing biomass generation in the state. It will be considered in the Assembly Appropriations Committee next. Farm Bureau supports.

[SB 370](#) (Robert M. Hertzberg, D-Van Nuys) initially clarified the standard of review for energy efficiency improvements for agricultural equipment and industrial facilities, providing certainty about measurement of the

improvement's performance. A hearing on the bill was delayed because of concerns from committee staff and others that the standards provided for in the proposed language was not sufficiently rigorous. Significant amendments were taken to achieve greater certainty and predictability while reducing the likelihood of free-ridership to customers receiving program incentives before the Senate Energy, Utilities and Communications Committee approved it 10-0. The amendments are intended to set the expectation that the California Public Utilities Commission, which oversees the energy efficiency programs, will focus its efforts on program administration while still providing the ability for them to engage in project-specific review when needed. SB 370 will be heard next in the Senate Appropriations Committee. Farm Bureau supports.

Labor:

[AB 450](#) (David Chiu, D-San Francisco) forbids an employer from granting federal immigration enforcement authorities access to their place of business without a search warrant or providing employee-related records to federal immigration enforcement authorities without a subpoena. It requires an employer to provide notice to employees of known future enforcement action by a federal immigration agency, unless doing so would be prohibited by law and requires the employer to provide to employees any written notice of the findings of a federal enforcement audit or inspection, and of any actions required of the employer by the federal immigration enforcement agency. AB 450 also requires an employer to notify the Labor Commissioner of any federal immigration agency action or any action by the employer to check the work authorization documents of current employees within 24 hours, unless doing so would be prohibited by federal law. AB 450 prohibits an employer performing any self-audit or inspection of Forms I-9 for current employees unless required by federal law. Penalties for violations would range from \$10,000 to \$25,000 per violation. AB 450 was approved by the Assembly Judiciary Committee on April 25 on an 8-3 vote and referred to the Assembly Appropriations Committee. Farm Bureau opposes.

[SB 524](#) (Andy Vidak, R-Hanford) would have permitted an employer to raise an affirmative defense in litigation with the Labor Commissioner over an alleged wage and hour violation that the employer had relied in good faith on an interpretation of the law offered by the Labor Commissioner. SB 524 failed passage in the Senate Labor & Industrial Relations Committee on a 2-2 vote on April 26. Farm Bureau supported.

[SB 562](#) (Ricardo Lara, D-Bell Gardens) would create a state-operated single-payer universal health insurance program intended to provide health care to all California residents. SB 562 includes no mechanism to pay for this program. SB 562 passed the Senate Health Committee on a 5-2 vote. Farm Bureau opposes.

Land Use and Taxation:

[AB 925](#) (Jim Frazier, D-Oakley) which would provide for longer term Williamson Act contracts passed out of the Assembly Agriculture Committee this week on a unanimous vote. Under existing law, land under a farmland security contract is valued at 65% of the value of the land. This bill would authorize a landowner or group of landowners to petition the board of supervisors to rescind a contract or contracts in order to simultaneously place the land subject to that contract or those contracts under a new contract designating the property as a farmland security and conservation zone for a period of at least 30, 40, or 50 years. The bill would require land subject to a farmland security and conservation zone contract to be valued at between 61% and 65% of the value of the land based on the length of the contract with longer contracts allowing for lower valuations. The bill now goes to the Assembly Local Government Committee and is now a two-year bill and is a work in progress. Farm Bureau supported the measure.

[SB 435](#) (Bill Dodd, D-Davis) which passed out of the Governance and Finance Committee this week on a 7-0 vote would restore some subvention funding for counties for the Williamson Act (WA). The measure reestablishes subvention payments to local governments for WA contracted agricultural land, with some

modifications from the current law. Specifically, SB 435 repeals statutory provisions restricting subvention payments, but halves the annual payment rates for enforceably restricted land to \$2.50 per acre for prime agricultural land, \$0.50 per acre for land devoted to open-space uses of statewide significance, and \$4.00 per acre for Farmland Security Zone land within three miles of the boundaries of the sphere of influence of an incorporated city. To be eligible for subvention payments, a local government must adopt procedures to accept new contract applications and consider any proposed solar-use easement rescissions. Farm Bureau is in support and the bill now goes to the Senate Appropriations Committee.

[SB 726](#) (Scott Wiener, D-San Francisco) would have imposed a state inheritance tax if the federal inheritance tax law is repealed and if a subsequent ballot measure on the matter was approved by the voters. However, the author decided not to take up the bill in the Senate Governance and Finance Committee and it is now a two-year bill. Farm Bureau had discussed with the author our concerns about the bill and the impacts of estate taxes on family farms and ranches and joined other farm and business organizations in opposing the bill.

Natural Resources:

[AB 8](#) (Richard Bloom, D-Santa Monica) would remove the requirement for the Department of Fish and Wildlife (DFW) to issue a depredation permit when a mountain lion kills or injures a domestic animal. Currently if there is confirmation that a mountain lion has killed or injured a domestic animal, DFW is required to issue a depredation permit authorizing the take of the offending lion. AB 8, instead, gives discretion to DFW as to whether to issue the permit. Farm Bureau opposes this change to ensure undue burdens are not created for producers who lose animals to mountain lions. The legislature does have a 4/5 vote requirement to pass this bill because it is making changes to a voter passed initiative. AB 8 was scheduled to be heard by the Assembly Water, Parks, and Wildlife Committee this week but the author decided not to present the bill after receiving a request from DFW to be provided 60 to 90 days to analyze human wildlife conflict needs and potential administrative options to address those needs.

[AB 1133](#) (Brian Dahle, R-Bieber) allows the incidental take of species listed as experimental populations under the federal ESA and listed under CESA if federal regulations are in place that allow incidental take under federal law. This bill is being considered to address concerns surrounding the planned introduction of Winter-run Chinook Salmon in the McCloud River. Farm Bureau is supportive of the concept of granting state experimental population designations, but is working with the author and Department of Fish and Wildlife on amendments to ensure other permits and agreements aren't affected by introduction of an experimental population. AB 1133 was placed on the Assembly Water, Parks, and Wildlife Committee's consent calendar this week where it passed with a 15-0 vote.

[SB 49](#) (Kevin De Leon, D-Los Angeles and Henry Stern, D-Agoura Hills) would require California to enforce the federal Clean Air Act, Clean Water Act, Endangered Species Act (ESA), and their implementing regulations and policies that were in place on January 1, 2016 or January 1, 2017, whichever version is the most stringent. Additionally, the bill would create a private right of action in state law for citizen enforcement of the Clean Air Act, Clean Water Act, and ESA if the citizen suit provisions are removed from these federal laws. Specific to the Clean Water Act provisions, SB 49 requires the State Water Resources Control Board to ensure that all waste discharge requirements, permits issued, and water quality control plans adopted after January 1, 2018 to be at least as protective of the environment and public health as federal standards in place as of January 1, 2016 or 2017. SB 49 also would add all native species that are listed under the federal ESA to the list of species protected by the California Endangered Species Act.

Farm Bureau testified in opposition to SB 49 before the Senate Judiciary Committee this week. Despite our

opposition and the California Chamber of Commerce placing the bill on its “job killer” list, SB 49 passed out of the committee on a party line 5-2 vote. The bill now moves to the Senate Appropriations Committee.

The Fish and Game Commission (Commission) met this week and took several actions, including adopting waterfowl hunting regulations for the 2017/18 hunting season. The Department of Fish and Wildlife had proposed expanding the late season hunt in the North-East Zone to include both white geese and white fronted geese. The late season hunt was created to help address the crop and pasture losses created by the increased population of these geese. The late season hunt is generally limited to private lands, however the Commission agreed previously to allow hunting on Type C Wildlife Areas and public waterways during the late season due to hunter concerns over the loss of days in the regular season. Farm Bureau testified in support of the late season hunt and asked that it include both white and white fronted geese.

Despite allowing hunting on some public areas during the late season, the Cal-Ore Wetland and Waterfowl Council, the Siskiyou Fish and Game Commission, and the California Waterfowl Association all opposed the expansion of the late season hunt to include white fronted geese. Ultimately, the Commission agreed with the hunters’ concerns and limited the late season for white fronted geese to only between March 3, 2018 and March 7, 2018. The late season for white geese will remain at 33 days between February 6, 2018 and March 10, 2018. The Commission asked landowners utilizing the late season hunt to participate in the SHARE program, which pays landowners who agree to allow the public to hunt on their land. The program provides liability protection for landowners and allows them to select when and where the public can hunt. Having the SHARE program functioning during the late season would mitigate for the loss of hunting days during the regular season when public lands are open for hunting.

Water:

[AB 313](#) (Adam Gray, D-Merced) would establish a division of water rights within the Office of Administrative Hearings (OAH). Complaints against persons violating provisions of their water diversions would be heard by an administrative law judge in OAH, however decisions would not be final until accepted by the executive director of the State Water Resources Control Board. The Assembly Water, Parks and Wildlife Committee approved AB 313 on 13-0-2 vote. Farm Bureau supports.

[AB 589](#) (Frank Bigelow, R-O’Neals) would authorize those who divert more than 100 acre feet of water per year to certify their water measuring devices are installed and operating properly if they take a course taught by the University of California Cooperative Extension. Current law requires those individuals to have devices installed and certified by an engineer, contractor, or license professional at considerable cost. The Assembly Water, Parks and Wildlife Committee approved AB 589 on 15-0 vote. Farm Bureau supports.

[AB 1420](#) (Cecilia Aguiar-Curry, D-Winters) would streamline the State Water Resources Control Board permitting process for farmers applying to divert water into a small irrigation pond. The measure would require the State Water Board to give priority to adopting general conditions for water diversions to small irrigation ponds during periods of high streamflow in exchange for reduced diversions during periods of low streamflow. Additionally, AB 1420 exempts registrations from the lake or streambed alteration program if the Department of Fish and Wildlife has provided conditions on the approved registration. The Assembly Water, Parks and Wildlife Committee approved this measure 15-0. Farm Bureau supports.

[AB 1427](#) (Susan Eggman, D-Stockton) would declare that the diversion of surface water to groundwater storage would constitute a beneficial use of water. Assembly member Eggman introduced a similar measure in 2015, however it failed after concerns were raised by Farm Bureau and others when the measure was amended to require

a permit from the State Water Resources Control Board to appropriate surface water for groundwater recharge, including pre-1914 water right holders. AB 1427 would provide that the five-year forfeiture period of a water right does not apply to water being beneficially used, or stored underground for later beneficial use. It passed out of the Assembly Water, Parks and Wildlife Committee this week 9-3-3. Farm Bureau is working with the author on language that would facilitate surface water diversions during periods of high streamflow for groundwater recharge, while protecting downstream water rights.

[AB 1605](#) (Anna Caballero, D-Salinas) was a Farm Bureau sponsored measure that would have assisted those who voluntarily provide alternative drinking water, participate in an alternative compliance project or program, or contribute to a fund to pay for alternative drinking water to those whose MCL exceeds the drinking water standard for nitrate. The measure was amended at the insistence of the Assembly Environmental Safety and Toxic Materials Committee and the Assembly Judiciary Committee to limit liability protection only to those in the Salinas Valley who signed a settlement agreement with the State Water Resources Control Board's Office of Enforcement. The measure passed out of the Assembly Environmental Safety and Toxic Materials Committee on a 6-1 vote. AB 1605 was also scheduled to be heard in the Assembly Judiciary Committee, but was pulled by the author after the Committee Chair continued to raise concerns after the measure was amended as he requested. The measure is now a two-year bill that will not be eligible to be heard again until early 2018.

[AB 1667](#) (Laura Friedman, D-Glendale) would increase agricultural water management planning requirements beyond those imposed last year by the Governor's Executive Order B-37-16. The measure imposes significant new mandates on agricultural water suppliers, costing districts hundreds of millions of dollars, including requiring infrastructure upgrades to deliver water to growers within 24 hours of a request. The measure also grants new undefined enforcement authority to the State Water Resources Control Board for water districts' failure to comply. A large agricultural coalition offered significant amendments to the author and at the insistence of the Committee Chair the author agreed to work with agriculture but she fell short of committing to accept all our amendments. AB 1667 passed out of the Assembly Water, Parks and Wildlife Committee this week 9-6 with Assembly Member Rudy Salas (D- Bakersfield) voting with Republicans to oppose. Farm Bureau opposes.

[SB 252](#) (Bill Dodd, D-Napa) would require new water well permit applicants in critically over drafted groundwater basins to provide their application information to neighbors. It would require cities and counties overlying critically over drafted basins to publicly notice new well permit applications and require these cities and counties to make certain new well permit information available to groundwater sustainability agencies. SB 252 passed out of the Senate Governance and Finance Committee 7-2. Farm Bureau and other agricultural organizations oppose the measure as written.