



June 27, 2014

The Assembly Revenue and Taxation Committee held a bill in committee that would have allowed split roll per parcel taxes; i.e., one rate for residential parcels and a higher rate for commercial and industrial parcels. [SB 1021](#) (Lois Wolk, D-Davis) would have allowed more than 1,000 California school districts to impose virtually unlimited tax increases on commercial property owners including unimproved agricultural land provided the tax was approved by a two-thirds vote of the electorate. It should be noted that voters have demonstrated repeatedly that they are more than willing to vote for tax increases, provided the higher burden is imposed on someone else. Russell Long's memorable definition of tax reform seems to be alive and well in California, "Don't tax you, don't tax me. Tax that fellow behind the tree."

The intent of the measure was to overturn an appellate court decision ([Borikas v. Alameda Unified School District \(2013\) 214 Cal.App.4th 135](#)) that the California Supreme Court allowed to stand in July of last year. *Borikas* involved a parcel tax that was approved 66.9 percent to 33.1 percent. The school district imposed different tax rates on different classifications of parcels: \$120 per residential parcel and commercial and industrial parcels less than 2000 square feet were also taxed at \$120 per year, those greater than 2,000 square feet were taxed at \$ 0.15 per square foot of up to a maximum of \$9,500 per year. Two lower courts found that school districts had the authority to structure parcel taxes in this way. The appellate court disagreed, finding the tax did not meet the "uniformity" requirement for school district parcel taxes and that the district could only levy a single rate of tax on all parcels.

[SB 1021](#) was opposed by over 80 state and local business associations, including Farm Bureau. The committee vote was 1 to 3 with 5 abstentions and the roll call was as follows: Ayes: Ting; Noes: Harkey, Gaines, and Dahle (alternate for Nestande); Not Voting: Bocanegra, Bloom (alternate for Mullin), Gordon, Pan, and V. Manuel Perez.

[AB 2363](#) (Brian Dahle, R-Bieber) furthers efforts to ensure the State's public utilities procure a diverse and cost-effective mix of new and existing renewable resources to meet California's renewable portfolio standard (RPS). It's a narrowly crafted bill that requires the CPUC to ensure public utilities consider "integration costs" in their renewable procurement decisions by a certain date. AB 2363 was approved 10-0 by the Senate Energy, Utilities and Communications Committee and will be heard next in the Senate Appropriations Committee. It was amended to remove reference to a specific tool for the PUC's consideration of the costs, yet retaining the integrity of the requirement. The costs of back-up generation are referred to as integration costs and are a necessary element of integrating into the grid all intermittent renewable resources, such as wind and solar. Reliance on wind and solar to fulfill the RPS has gone up dramatically, while the use of geothermal and biomass has declined significantly. Farm Bureau supports.

The effort to create a California-only labeling mandate for food that has been genetically modified failed for the third time. [SB 1040](#) (Noreen Evans, D-Santa Rosa) is a duplicate of SB 1381 that was defeated on the Senate floor in late May and is also based on Prop 37 that was defeated in the November 2012 election. It would have increased food costs for California families and raised liability and compliance costs for farmers, grocers and food manufacturers. These warning labels lack any scientific basis and only serve to confuse consumers and stigmatize food that is safe and healthy. After Senator Evans gutted and amended a former wine labeling bill in the Assembly and replaced it with the GMO labeling mandate, SB 1040 was assigned to the Assembly Agriculture Committee for a Thursday hearing before the final policy hearing deadline on June 27<sup>th</sup>. The hearing was cancelled when Senator Evans realized she did not have the votes to get it out of the committee. If this effort resembles a cat, there are six more lives yet to come. Farm Bureau opposed.

[SB 1188](#) (Hannah-Beth Jackson, D- Santa Barbara) which created a new theory of liability that would drastically alter the landscape of warranty and product liability law in California was stopped. This bill would have applied to things far beyond product defects, such as working conditions in a distant manufacturing location where a component was made or whether some ingredient of a food has a genetically modified ingredient. No other state has such an expansive provision in law. Absent a health or safety risk, latent defects are not actionable because a manufacturer would in essence have to insure a product for a lifetime. Courts have been unwilling to extend the law to the extent sought by SB 1188. As a result, the Consumer Attorneys of California are seeking to have the Legislature do what the courts have been unwilling to do.

It would have allowed consumers to sue at a later point when they become dissatisfied with some aspect of a product or find out something that they do not like by claiming an omission of material fact by the manufacturer. They can claim “I would not have bought this food if I had known it was genetically modified, therefore I have been harmed because I bought the product and spent money.” No health or safety risk would be needed as current law requires, it would be the ultimate “consumer right to know” vehicle. SB 1188 was not taken up for a vote in the Assembly Judiciary Committee because Senator Jackson knew she did not have the votes. Special thanks goes to Assembly Members Luis Alejo (D-Salinas), Christina Garcia (D-Bell Gardens) and Al Muratsuchi (D-Torrance) who were key in stopping this measure. Farm Bureau opposed.

[AB 1867](#) (Jim Patterson, R-Fresno) allows property owners to harvest trees up to 300 feet from habitable structures, for the purpose of creating defensible space, without obtaining a Timber Harvest Permit. Currently property owners are allowed to harvest trees up to 150 feet from legally permitted structures to create defensible space without obtaining a THP. This bill would extend that allowance an additional 150 feet around habitable structures. It was approved 9-0 by the Senate Natural Resources and Water Committee. Farm Bureau supports.

[AB 2142](#) (Wes Chesbro, D-Arcata) was gutted and amended last week to further expand the Forest Fire Prevention Exemption. Last year Assembly Members Dahle and Gordon co-authored AB 744, which created a pilot program in the Sierra Nevada and Modoc, Siskiyou, and Trinity counties allowing thinning for fire prevention of trees up to 24 inches in high fire risk areas. The thinning would occur under the existing Forest Fire Prevention Exemption and would be exempt from the requirement to obtain a timber harvest permit but would still be required to follow existing forest practice rules. This is a three year pilot program, which would sunset three years after the Board of Forestry adopts regulations to implement the program.

AB 2142 expands the area eligible for participation in the pilot program. Del Norte, Humboldt, Mendocino, and Sonoma counties would now be eligible, in addition to the area under the Sierra Nevada Conservancy, Modoc, Siskiyou, and Trinity counties that was authorized under AB 744. It was approved 9-0 by the Senate Natural Resources and Water Committee. Farm Bureau supports.

[AB 2184](#) (Wes Chesbro, D-Arcata) clarifies that funds authorized under AB 1492 (Committee on Budget, 2012) that are available for projects to improve forest health can be used for remediation of damage caused by marijuana production. AB 1492 created a lumber products assessment to pay for the state's program to regulate timber harvest. If moneys are generated in excess of the amount necessary to cover the costs of the regulatory program, funds can go towards restoration grant projects and forest health improvement projects. AB 2184 would allow funds dedicated to forest health improvement projects to be used to cleanup damage caused by marijuana production. It was approved 9-0 by the Senate Natural Resources and Water Committee. Farm Bureau supports.

[AB 2313](#) (Brian Nestande, R-Palm Desert) creates a Metal Theft Task Force to provide additional resources to local law enforcement to focus on metal theft. The bill originally provided funding for the Task Force through a one percent assessment on junk metal sold to recyclers. After extensive opposition from the Institute of Scrap Recycling Industries (ISRI) and metal manufacturers to the one percent assessment, the author amended the bill to place a fee on recyclers to generate up to \$2 million to fund the task force. With the proposed amendments, the opposition from the bill was removed and it was approved 7-0 by the Senate Public Safety Committee. CFBB is the sponsor of AB 2313.

A measure that repeals provisions of the \$11.14 billion Safe, Clean, and Reliable Drinking Water Supply Act currently scheduled to go before California voters this November was again scheduled to be heard in the Assembly Appropriations Committee this week, but the hearing was canceled. [AB 2686](#) (Henry Perea, D-Fresno; Frank Bigelow, R-O'Neals; Adam Gray, D-Merced; Rudy Salas, D-Bakersfield; Coauthors Dan Logue, R-Marysville and Senator Anthony Cannella, R-Ceres) was trimmed down last week and now authorizes the issuance of \$9.975 billion in general obligation bonds, including \$750 million for clean, safe and reliable drinking water, \$1.35 billion for protecting rivers, lakes, streams and watersheds, \$1.275 billion for climate change preparedness for regional security and drought preparedness, \$2.25 billion for delta sustainability, \$850 million for groundwater sustainability, \$3 billion continuously appropriated for new water storage and \$500 million for water recycling. Farm Bureau expects additional amendments to the measure soon, with direction from the Assembly Leadership.

Additionally, the Governor has weighed into the water bond discussions telling Legislators to work towards a \$6 billion water bond with \$2 billion of the funds to be continuously appropriated for new water storage projects. Farm Bureau continues to advocate for \$3 billion dollars continuously appropriated for new water storage projects.

[SB 848](#) (Lois Wolk, D-Davis) would also repeal provisions of the \$11.14 billion Safe, Clean, and Reliable Drinking Water Supply Act, currently scheduled to go before California voters this November. As amended last week the measure authorizes the issuance of \$10.5 billion in general obligation bonds that include \$3.02 billion for clean and safe drinking water, \$1.3 billion for delta sustainability, \$3.18 billion for protecting rivers, lakes, streams and watersheds and \$3 billion continuously appropriated for new water storage, but excludes expansion of Shasta as an eligible project. The measure failed on the Senate Floor 22-9. Farm Bureau was "Oppose Unless Amended".

[AB 1739](#) (Roger Dickinson, D-Sacramento) requires a sustainable groundwater management plan to be adopted by a local agency for high and medium priority groundwater basins. Groundwater basins are identified and prioritized in the Department of Water Resources Bulletin 118. This measure would provide for the Local Agency Formation Commission (LAFCO) to assist in forming a local or regional groundwater management agency where one does not exist. AB 1739 was amended last week to establish timelines and milestones for accomplishing sustainable groundwater management and defines “sustainable groundwater management.” Farm Bureau has concerns about a number of the provisions in the bill and is working with others to protect certain property and overlying groundwater rights. AB 1739 passed out of the Senate Natural Resources and Water Committee 7-1. Farm Bureau opposes.

[SB 1168](#) (Fran Pavley, D-Agoura Hills) enacts the Sustainable Groundwater Management Act requiring all groundwater basins to be managed sustainably by local entities and for those entities to develop groundwater management plans. In the absence of such local efforts the state would be authorized to develop, adopt and implement a plan. The measure was substantially amended this week. Farm Bureau has concerns about a number of the provisions in the bill and is working with others to protect certain property and overlying groundwater rights. SB 1168 passed out of the Assembly Water, Parks and Wildlife Committee 9-4. Farm Bureau opposes.

[SB 1199](#) (Loni Hancock, D-Berkeley) designates segments of the Mokelumne River as wild, scenic, or recreational. This measure would include segments of the main stem of the Mokelumne River from the confluence of the North and South Forks to the upper operational extent of Pardee Reservoir. SB 1199 passed out of the Assembly Natural Resources Committee 6-3. Farm Bureau opposes.

A measure that allows farmers and ranchers to register small livestock stockponds to also be registered for small irrigation use passed out of the Senate Natural Resources Committee on consent. [AB 1905](#) (Luis Alejo, D-Watsonville) improves water user’s opportunities to develop economically viable and ecologically sustainable water supplies by allowing small livestock stockponds to also be registered for small irrigation use. Current law allows water users to utilize a single facility (pond) for both small irrigation use and small domestic use, but does not allow utilization of a single facility for small irrigation use and a small livestock stockpond. Farm Bureau is the sponsor.

[AB 2071](#) (Marc Levine, D-San Rafael) allows highly treated recycled water to be used to water livestock. The measure requires the Department of Public Health to approve the use of tertiary treated recycled water for pasture animals unless the department determines that it would harm public health. AB 2071 passed out of the Senate Environmental Quality Committee 6-0. Farm Bureau supports.

[SB 1087](#) (William Monning, D-Carmel) that regulates Farm Labor Contractors (FLCs) was unanimously approved by the Assembly Labor & Employment Committee and now goes to the Appropriations Committee. Prior to committee consideration, the author accepted several amendments sought by agricultural groups:

- Delete the provision to double the amount of the surety bond required for FLCs to obtain a state license;
- Reduce the training requirement for farm worker employees of FLCs; the previous version required farm workers to receive two hours of training each time they were hired for a new job; the revised language requires a brief description of the basics of sexual harassment based on the employee pamphlet state law already requires employers to distribute at the time of hire;

- Reduced the continuing education requirement for FLCs to obtain or maintain a state license from 10 hours to 9 hours (the original bill increased the FLC continuing education requirement to 16 hours), with one hour being dedicated to sexual harassment prevention;
- Clarified language requiring the Labor Commissioner to deny a license to a new FLC, or revoke the license of a current FLC if they employ any supervisor who has committed sexual harassment. The bill now includes a safe harbor allowing FLCs to have their supervisors sign a statement on a form provided by the Labor Commissioner to the effect that they have not been found to have committed sexual harassment in the prior three years; the Labor Commissioner's authority to deny or revoke a license on this basis will not be effective until the safe harbor form has been made available.

Once these amendments were agreed to by the author, Farm Bureau and other agriculture groups lifted opposition to the bill.

[SB 935](#) (Mark Leno, D-San Francisco) that increased the California minimum wage to \$11 per hour on January 1, 2015; \$12 per hour on January 1, 2016 and to \$13 per hour on January 1, 2017 and index the minimum wage to inflation was defeated. It failed passage in the Assembly Labor & Employment Committee only getting three "aye" votes on the seven member committee. Assembly Member Luis Alejo (D-Salinas) objected to an additional increase in the state minimum wage when the minimum wage increase passed in 2013 has not yet taken effect. Assembly Member Chris Holden (D-Pasadena) expressed similar concerns.

[AB 2416](#) (Mark Stone, D-Scotts Valley) allows employees to record a wage lien on an employer for wages; other compensation and penalties for wages an employee claims were unpaid. It could be imposed by a worker merely claiming non-payment of wages; as the worker is not required to provide any proof of non-payment and the bill provides for no neutral third party reviews on the placement of the lien. The author accepted amendments that did not address the major concerns of opponents of the bill. It was approved 4-1 by the Senate Labor & Industrial Relation Committee and was referred to the Appropriations Committee. Farm Bureau remains opposed.

[AB 1522](#) (Lorena Gonzalez, D-San Diego) requires employers to provide paid sick leave and is designated a "job killer" by the California Chamber of Commerce. It was approved 5-2 by the Senate Judiciary Committee and was referred to the Appropriations Committee. Farm Bureau and others are opposed unless amended.

[AB 1897](#) by Assembly Labor & Employment Committee Chairman Roger Hernandez (D -West Covina) will impose joint liability on a "client employer" for the Labor Code violations of any "labor contractor." It would impose joint liability for any situation where a host employer receives the labor or services of any contractor in the course of normal business. It is not specific to any particular industry and is very broad in scope. It was approved 5-2 by the Senate Judiciary Committee and referred to the Appropriations Committee. Farm Bureau and a broad coalition of employer groups are opposed.

[AB 1792](#) (Jimmy Gomez, D-Los Angeles) requires the Department of Finance, in consultation with other state departments, to develop and publish a list of private employers whose employees receive public assistance. Employer representatives have raised concerns about the bill's purpose, the utility of the information it will disseminate and the cost to state agencies to compile and publish the information. It was approved 6-2 by the Senate Health Committee and referred to the Appropriations Committee. Farm Bureau opposes.