



June 16, 2017

Activity in the legislature turned to the California State Budget this week, which passed on Thursday, June 15th. Friday Review offers a review of the budget and the few bills heard that impacted agriculture.

Budget:

The legislature approved a record high \$183.2 billion state budget yesterday and sent it to Governor Brown for his signature. Democrats praised the budget deal which was worked out between legislative leaders and the Governor prior to presenting it for passage by the Assembly and the Senate. The vote on the budget bill in the Senate was 28-10 and 59-20 in the Assembly. Along with the main budget bill a package of budget trailer bills was also passed. Each trailer bill had a duplicate version in each house.

Board of Equalization Reform: [AB 102](#) implements major reforms for the state Board of Equalization and was strongly opposed by Farm Bureau, the California Taxpayers Association and a broad coalition of business and agricultural organizations.

The measure was introduced as a result of recent audits regarding various operational procedures and practices at the BOE. The board has come under criticism by lawmakers and the governor for various personnel and expenditure issues.

Instead of handling these issues that have not been fully investigated nor confirmed, through the normal legislative process, Governor Jerry Brown and legislative leaders used a budget trailer bill to rush sweeping BOE reforms through the legislature.

AB 102 eliminates the existing checks and balances between taxpayers and tax collectors, and undermines important protections for California taxpayers.

The opposition coalition agreed that some reforms were in order, however, the trailer bill language goes far beyond the problems identified in the various audits and removes all statutory functions at the BOE that are currently overseen by an elected body that was established by the State Constitution in 1879. With the elimination of the BOE from oversight of these functions, the statutory functions are being moved into two new agencies created by the bill and embedded in the Governor's administration. Effectively this eliminates the direct accountability between elected officials and their constituents. Additionally, tax appeals related to income, sales and other taxes and fees will now be adjudicated by a panel of civil service judges who would not be accountable to the public. Both party line votes, the Assembly approved AB 102 on a 52-25 vote with 3 abstentions, the Senate approved it 22-13 with 5 abstentions.

We are told that there will be BOE clean up legislation to follow before the end of the legislative year that will be focused on dealing with some of the concerns raised by opponents. However, we do not expect major changes in policy to result from the additional legislation.

California Department of Food and Agriculture: On a more positive note, CDFA should receive \$10 million in general funding for the Citrus Pest and Disease Prevention Program. Given that Governor Brown can delete line items, absolute certainty on funding cannot be known until he signs the budget. However, given that the Administration has indicated support for this expenditure, there is optimism that it will be included in the final budget.

Overall, the CDFA budget remains the same aside from minimal new state funding for general plant health and pest prevention services. The 2017 budget proposal includes the following enhancements to the overall CDFA budget: \$1.8 million in General Funds; \$2.6 million in CDFA “Agriculture Fund” (industry fees and federal funds collected by various programs) and 190 total new full-time equivalent positions. Additionally, the Glassy Wing Sharp Shooter/Pierce’s Disease Control program received \$5 million in general funds.

Dam Safety: The Public Resources budget trailer bill, [SB 92](#), among other things contains provisions related to dam safety. SB 92 authorizes the Department of Water Resources to impose reservoir restrictions and levy property liens on an owner of a dam who fails to comply with dam safety provisions, regulations, or requirements of the department. It authorizes the department to impose a civil penalty of up to \$1,000 per day, in addition to any other penalty, upon any owner of a dam who fails to comply with these provisions relating to dam safety. SB 92 requires that if a dam is owned by one or more persons or entities, that the owners form or delegate legal and financial authority to a single entity that is required to be responsible for the operation and maintenance of the dam, as well as the payment of any fees or other costs associated with dam ownership. Farm Bureau did not position on the measure, but closely tracked the bill and verified that on-farm storage was not impacted. Barriers that are not across a stream channel, a water course, or natural drainage area and which has the principal purpose of impounding water for agricultural use is **NOT** considered a dam.

Commodities:

[AB 1126](#) (Committee on Agriculture) would allow the continued use of carbon monoxide to control burrowing rodent pests. In 2011, Farm Bureau sponsored legislation to legalize the use of carbon monoxide for rodent control. However, that bill included a sunset that eliminated the use as of January 1, 2018. AB 1126 will extend the allowance indefinitely. The bill was passed on consent in the Senate Agriculture Committee with a 4-0 vote.

Natural Resources:

[SB 506](#) (Jim Nielsen, R-Gerber) would require the Department of Fish and Wildlife to update the information on its website regarding its Lake and Streambed Alteration Agreement (LSAA) program to provide clearer information to the public regarding compliance. DFW will also be required to better facilitate individualized guidance to the public regarding LSAA. SB 506 passed out of the Assembly Water, Parks, and Wildlife Committee on consent with a vote of 14-0. Farm Bureau supports.

Water:

[SB 252](#) (Bill Dodd, D-Napa) would require new water well permit applicants in critically overdrafted 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 specific new well permit information available to groundwater sustainability agencies. SB 252 was amended this week modifying notification requirements, but does not address Farm Bureau and other agricultural interests concerns. It is scheduled to be heard June 27th in the Assembly Water, Parks and Wildlife Committee. Farm Bureau and other agricultural organizations remain opposed to the measure as written.