



CALIFORNIA FARM BUREAU FEDERATION

FRIDAY REVIEW

LEGISLATIVE AND GOVERNMENTAL UPDATE

July 12, 2019

Legislative Deadline

The Legislature has approached yet another deadline; all bills introduced this year must have passed their assigned policy committees and be moved on to Appropriations Committee or the Floor of the Senate or Assembly by today. Those bills that successfully passed will continue in the legislative process. Those bills that failed passage by this deadline are inactive until the 2020 legislative year begins in February.

The Senate and Assembly are now officially on Summer Recess and will return to their districts. The legislative session will reconvene on August 12th with Appropriations committee hearings and Senate and Assembly Floor Sessions.

Air Quality

SB 210, (Leyva) would create an inspection and maintenance program for heavy-duty diesel vehicles. This bill would essentially create a smog-check program for heavy-duty vehicles and prevent their use if a vehicles malfunction indicator light is illuminated. The Air Resources Board (ARB) is in the process of developing a similar program as part of the State Implementation Plan for San Joaquin Valley PM 2.5. ARB is expected to adopt a heavy duty “smog-check” program regardless of the outcome of SB 210. Farm Bureau is currently opposing SB 210 unless amendments are taken to reduce the impacts the proposed program would have on trucks agricultural operations depend upon. While Senator Leyva has taken some amendments to address Farm Bureau’s concerns there are remaining amendments necessary to ensure that low-use trucks and trucks licensed and registered as Special Equipment can comply without jeopardizing their compliance. SB 210 passed out of the Assembly Natural Resources Committee this week with a vote of 8-3; and it now goes to the Assembly Appropriations Committee. *Staff contact: Noelle Cremers at ncremers@cfbf.com or (916) 446-4647*

The Carl Moyer Program would allow for truck trade-ups under a bill being carried by Senator Cathleen Galgiani, SB 216. The bill originally would have allowed fleets that are using Carl Moyer funds to replace relatively new trucks to trade those newer trucks with fleets that have older heavy-duty vehicles. Instead of scrapping the newer trucks, those would be provided to another owner with older vehicles and the older vehicle would be scrapped. This is similar to the tractor trade-up program that is available in the San Joaquin Valley Air Pollution Control District. Farm Bureau was supporting SB 216, however the Assembly Natural Resources Committee requested amendments to limit the bill’s applicability only to fleets which are replacing their trucks with Zero Emission Electric, Hybrid, or low-NOx vehicles. Farm Bureau will assess its position once the amendments are in print. SB 216 passed out of the Assembly Natural Resources Committee with a vote of 11-0. SB 216 now goes to the Assembly Appropriations Committee. *Staff Contact: Noelle Cremers at (916) 446-4647 or ncremers@cfbf.com*

The California Air Resources Board is hosting a number of upcoming trainings for fleets subject to CARB regulations. These trainings are to help people subject to CARB rules understand the regulations and the methods of compliance. CARB is offering the following trainings, Diesel Truck Rule, Compliance Overview (training includes Truck Rule, Off-Road, and Portable Equipment), In-Use Off-Road Rule (off-road equipment used exclusively in agriculture and forestry operations are not subject to the Off-Road Rule), Large-Spark Ignition Fleet Regulation (fork lifts), and Transport Refrigeration Units. The trainings will be held as follows:

Diesel Truck Rules - Compliance Options and Reporting Requirements for 2019 and Beyond

DATE: October 2, 2019

TIME: 9:00 a.m.

PLACE: Kinsbursky Brothers, Inc.
[125 East Commercial St., Anaheim, CA 92801](#)

DATE: December 5, 2019

TIME: 9:00 a.m.

PLACE: Fontana City Hall Council Chambers
[8353 Sierra Avenue, Fontana, CA 92335](#)

DATE: November 7, 2019

TIME: 10:00 a.m.

PLACE: Donahue Truck Center
[2340 Westgate Rd., Santa Maria, CA 93455](#)

DATE: December 12, 2019

TIME: 9:00 a.m.

PLACE: [Webinar](#)

DATE: November 14, 2019

TIME: 1:00 p.m.

PLACE: [Webinar](#)

Compliance Overview: Truck & Bus Rule, Off-Road Regulation, and Portable Equipment

DATE: July 25, 2019

TIME: 9:00 a.m.

PLACE: North Coast Unified Air Quality
Management District
[707 L Street, Eureka, CA 95501](#)

DATE: October 3, 2019

TIME: 9:00 a.m.

PLACE: Clarks Nutrition & Natural Foods
Market
[12835 Mountain Avenue, Chino, CA 91710](#)

DATE: July 30, 2019

TIME: 1:00 p.m.

PLACE: [Webinar](#)

DATE: October 16, 2019

TIME: 9:00 a.m.

PLACE: Peterson CAT
[5100 Caterpillar Road, Redding, CA 96003](#)

DATE: September 24, 2019

TIME: 9:00 a.m.

PLACE: Kinsbursky Brothers, Inc.
[125 East Commercial St., Anaheim, CA 92801](#)

DATE: October 21, 2019

TIME: 1:00 p.m.

PLACE: [Webinar](#)

In-Use Off-Road Diesel Vehicle Regulation

DATE: August 23, 2019

TIME: 8:00 a.m.

PLACE: [Webinar](#)

DATE: September 11, 2019

TIME: 8:30 a.m.

PLACE: County Operations Center
[5530 Overland Ave., S. Diego, CA 92123 - Rm 124](#)

DATE: August 29, 2019

TIME: 8:30 a.m.

PLACE: Toyota Material Handling No. Calif.
[6999 Southfront Road, Livermore, CA 94551](#)

DATE: September 11, 2019

TIME: 1:00 p.m.

PLACE: County Operations Center
[5530 Overland Ave., S. Diego, CA 92123 - Rm 124](#)

DATE: November 15, 2019
TIME: 8:00 a.m.
PLACE: [Webinar](#)

Large Spark Ignition (LSI) Fleet Regulation

DATE: August 29, 2019
TIME: 1:00 p.m.
PLACE: Toyota Material Handling No. Calif.
[6999 Southfront Road, Livermore, CA 94551](#)

DATE: October 17, 2019
TIME: 9:00 a.m.
PLACE: [Webinar](#)

Transport Refrigeration Units

DATE: September 12, 2019
TIME: 8:30 a.m.
PLACE: County Operations Center
[5530 Overland Ave., San Diego, CA 92123 - Room 124](#)

DATE: September 19, 2019
TIME: 9:00 a.m.
PLACE: [Webinar](#)

Environmental

SB 1, (Atkins) would require state environmental and labor agencies to review changes to federal law and regulation and consider adopting state regulations that would ensure no labor or environmental protections are lost due to federal modifications. The law gives specific authority to the California Air Resources Board, State Water Resources Control Board, Fish and Game Commission, Department of Fish and Wildlife, Occupational Safety and Health Standards Board, and Department of Industrial Relations. The bill also gives individuals the authority to sue to enforce the federal standards as they were in place in January 2017.

Farm Bureau is particularly concerned about the impacts that SB 1 would have on the management of California's water system. The bill would shift the burdens of compliance with endangered species protections more heavily on state water contractors and is likely to dramatically impact the implementation of the voluntary settlement agreements.

SB 1 was heard by the two Assembly policy committees this week, the Assembly Natural Resources and Judiciary Committees. The bill passed out of the Natural Resources Committee with a vote of 8-3 and out of the Assembly Judiciary Committee with a vote of 8-2. The bill will now go to the Assembly Appropriations Committee. Farm Bureau opposes SB 1, and despite recent amendments that addressed some concerns, no amendments have been made to the Endangered Species Act section of the bill that would address Farm Bureau's concerns. *Staff contact: Noelle Cremers at ncremers@cfbf.com or (916) 446-4647*

Labor/Housing

AB 1783, (Robert Rivas, D-Salinas), prohibits the use of state funds to develop housing for H-2A farm employees and offers a streamlined, ministerial permit process for the development of farm employee housing but only if the landholder cedes control to a third party qualified affordable housing organization. Farm Bureau opposes this bill as a discriminatory prohibition of state funds for a particular subset of farm employees and as an unusable incentive that is not accessible to farm employers. The bill was heard in Senate Governance and Finance Committee and passed but will now move on to the Senate Appropriations Committee. Farm Bureau will remain in strong opposition. *Staff contact: Bryan Little blittle@cfbf.com or (916) 561-5622*

Rural Crime

SB 224, (Shannon Grove, R-Bakersfield), would impose a new criminal charge for agricultural equipment theft and specify that any fines/penalties collected from such crimes will be deposited within the associated rural crime prevention program that represents the area in which the crime was committed. This bill is strongly supported by Farm Bureau and has passed the Legislature; SB 224 is awaiting signature or veto by Governor Newsom. *Staff contact: Taylor Roschen, troschen@cfbf.com or (916)-446-4647*

Water

A measure that would establish the Safe and Affordable Drinking Water Fund passed out of the Senate 38-1 this week and is now enrolled and reached the Governor's desk for his signature. As previously reported, SB 200, (Bill Monning, D-Carmel) would establish the fund to help water systems provide an adequate and affordable supply of safe drinking water. Farm Bureau supports. *Staff contact: Danny Merkley at (916) 446-4647 or dmerkley@cfbf.com*

A measure that would provide grant funding for repairs on the Friant-Kern Canal is in the Assembly Appropriations Committee. It was reported last week that SB 559, (Melissa Hurtado, D-Sanger) will move to a floor vote by the full Assembly, however it must first get out of Assembly Appropriations. Farm Bureau supports the measure. *Staff contact: Danny Merkley at (916) 446-4647 or dmerkley@cfbf.com*

Wildfire

AB 56, (Eduardo D. Garcia, D – Coachella) failed to obtain enough aye votes when it was heard in the Senate Energy Utilities & Communications Committee on July 10. The bill required the Public Utilities Commission to empower the California Alternative Energy and Advanced Transportation Fund to purchase power to address the state's resource planning goals to meet reliability and renewable goals. The Fund would have been able to contract for energy on behalf of IOU, CCA, and ESP customers. CFBF was in opposition to the bill. *Staff contact: Karen Norene Mills, kmills@cfbf.com, 916-561-5655*

AB 1054, (Chris Holden, D -- Pasadena; Autumn Burke, D – Inglewood; Chad Mayes, R – Yucca Valley) sped through the Legislative process to solidify a framework for the 2019 wildfire season and to forestall further downgrades of the investment rating for San Diego Gas and Electric Company and Southern California Edison Company. Investment downgrades have an indirect cost on rates due to higher costs of borrowing for capital improvements to utility infrastructure. As an urgency measure, the bill will go into effect immediately.

The legislation is a culmination of the analysis, research and recommendations of the Governor's Strike Team and the SB 901 Wildfire Commission. Considering the broad range of concepts reflected in earlier recommendations, the legislation is likely the best that could have been expected under the circumstances for wildfire victims and the electric ratepayers. AB 1054 is not the panacea, and further modifications will be required in the coming months and years to address insurance, forest and vegetation management reforms, local development planning and building code modifications. The bi-partisan votes in the Senate (31-7) and the Assembly (63-10) reflect that sentiment and is why CFBF determined it would not oppose. 1054 represents a chapter in a continuing wildfire narrative that remains the focus point for the legislature and administration.

The first version of the bill was available on June 27, 2019, which CFBF submitted comments on to address transparency and procedural issues at the CPUC. The wide-ranging bill includes numerous provisions related to addressing wildfires caused by electric utility infrastructure, creating new

processes for prevention of the wildfires and for recovery of costs associated with them. It was joined with [AB 111](#), a budget trailer bill to complete the package.

The version of the bill released on July 5 was approved and includes the following:

- Wildfire Fund: To pay eligible claims arising from a wildfire caused by ignition from utility infrastructure. It will be funded through ratepayer and utility shareholder dollars, initially believed to a combined amount of about \$21 billion. Utility inputs are based on their size and past performance. The utility shareholders must reimburse the fund for costs where it was found not to have acted reasonably, but the reimbursement amount is capped.
- Ratepayer Contribution to the Fund: The Department of Water Resources charge currently included in utility bills would continue after the anticipated expiration in 2022. It's approximately ½ cents per kWh on most rate schedules. Compared to other scenarios the approach at least does not increase rates above what exists now.
- Utility Recovery of Costs from Ratepayers: Changes the procedures for recovery by changing the proof the utility must put forward to recover wildfire related costs. If the utility has a valid safety certification, it is assumed the utility was reasonable and can recover the costs. The change aligns California's procedures with those at the Federal Energy Regulatory Commission.
- PG&E's ability to participate in the Wildfire Fund is conditioned on a variety of benchmarks related to their Plan of Reorganization in Bankruptcy, including importantly settlement of claims with wildfire victims.
- Does not allow the utilities to earn a rate of return on the first \$5 billion spent to improve grid to better withstand wildfires.
- Creates Three New Entities:
 - California Catastrophe Response Council, which will oversee the existing Earthquake Authority and the new Wildfire Fund Administrator. This is where administration of the Wildfire Fund will be housed.
 - The Office of Energy Infrastructure Safety, which will be located in the Natural Resources Agency beginning in July 2021, which will serve as the successor to the Wildfire Safety Division to be initially established at the PUC to advise and make recommendations related to wildfire safety.
 - The Wildfire Safety Board Advisory Board to advise and make recommendations related to wildfire safety to the Wildfire Safety Division, including recommendations to both the regulated utilities and the municipal and local utilities.

As with any major piece of legislation that affects so many different areas, careful oversight as the elements are implemented will be required. *Staff contact: Karen Norene Mills, kmills@cfbf.com, 916-561-5655; Robert Spiegel, rspiegel@cfbf.com, 916-446-4647*

AB 1516, (Laura Friedman, D – Glendale) passed the Senate Energy, Utilities and Communications Committee on July 10 on a 12 – 0 vote. The bill makes various changes to improve defensible space requirements, electrical transmission or distribution line vegetation clearance requirements within high fire risk areas, and CAL FIRE’s local government technical assistance requirements with the intent to improve the fire safety of California communities by reducing fire risk. Language originally in the bill restricted planting of vegetation near electrical distribution and transmission lines that could come within 10 feet of any line at any time which could have impacted orchards embedded within high fire threat areas, even though orchards are recognized as not posing fire risks. In response to CFBF concerns and others’ the bill was amended to establish a process for the development of a guidebook to develop guidelines about planting around the lines, which will include consideration of orchards. With those changes CFBF is neutral on the bill. It will be heard in the Senate Appropriations Committee next. *Staff contact: Karen Norene Mills, kmills@cfbf.com, 916-561-5655*

Wildlife

The sale of fur would be prohibited in California if AB 44, (Friedman) is signed into law. The bill exempts the sale of leather, cowhides, deerskin, sheepskin, and goatskin but it would ban the sale of rabbit fur. The ban would also prohibit the recreational trapping of animals for the sale of their fur. AB 44 was heard by the Senate Judiciary Committee this week and it passed with a vote of 7-1. It will next be heard by the Senate Appropriations Committee. Farm Bureau is opposed to AB 44 due to the prohibition on rabbit fur sales and the ban on recreational trapping. *Staff contact: Noelle Cremers at (916) 446-4647 or ncremers@cfbf.com*

Farmers and ranchers will continue to have liability protection if they accidentally take a species listed under the California Endangered Species Act if SB 62, (Dodd) passes. Farm Bureau is sponsoring SB 62 to ensure that the accidental take provision of the California Endangered Species Act remains in place. Accidental take provides liability protection for farmers and ranchers who take a listed species in a manner that is unintended or unforeseen. SB 62 passed off of the Assembly Floor on consent this week. It now goes to the Governor. *Staff contact: Noelle Cremers at (916) 446-4647 or ncremers@cfbf.com*