



CALIFORNIA FARM BUREAU FEDERATION

FRIDAY REVIEW

LEGISLATIVE AND GOVERNMENTAL UPDATE

May 25, 2018

The Legislature reached an important fiscal deadline today regarding bills with state costs. The Senate and Assembly Appropriations Committees either approved bills to continue through the legislative process for floor votes in the following weeks in their respective houses or held them (which means they are “dead” for the rest of this two-year session). The status of the bills of importance to agriculture that were acted upon by the two fiscal committees are listed below.

Passed Appropriations Committee:

Agriculture, Generally

Friday Review readers will remember that Farm Bureau supports [AB 2106](#) (Eduardo Garcia-D, Coachella), which would increase the purchase preference for state institutional purchases of California-grown produce from 5 to 10%. Farm Bureau is in support. *Staff contact: Taylor Roschen at 916-446-4647 or troschen@cfbf.com.*

Cannabis/Industrial Hemp

Several cannabis measures passed the Senate Appropriations Committee this week. [SB 930](#) (Robert Hertzberg, D-Van Nuys) would establish a state chartered cannabis banking system to accommodate commercial cannabis sales and business expenditures, given federal prohibitions on FDIC regulated banks. In the hemp realm, [SB 1409](#) (Scott Wilk, R-Antelope Valley), which make various changes to Food and Agricultural Code to facilitate research and commercial production of industrial hemp passed Appropriations with amendments that allow agricultural commissioners to recoup costs related to registration and enforcement. *Staff contact: Taylor Roschen at 916-446-4647 or troschen@cfbf.com.*

Education

Given that career technical education funding sunsets this year, Assemblymember Patrick O’Donnell (D-Long Beach) has introduced [AB 1743](#), which would, among other things, increase the CTE incentive grants from \$200 million, as proposed in the Governor’s Budget, to \$500 million. Farm Bureau strongly supports continuing and sustainable funding that supports career technical education. *Staff contact: Taylor Roschen at 916-446-4647 or troschen@cfbf.com.*

Energy

Farm Bureau has positioned on several bills within the energy and utilities sector. These bills all passed out of Appropriations Committee. Farm Bureau supports [SB 1131](#) (Robert M. Hertzberg, D-Van Nuys), which would clarify eligibility and the standard of review for energy efficiency improvements in the agricultural and industrial sectors.

Farm Bureau opposes two bills, [AB 3232](#) (Laura Friedman, D-Glendale) and [SB 1088](#) (Bill Dodd, D-Napa). AB 3232 attempts to create new and unnecessary GHG emission standards on California buildings by directing the Energy Commission to open a proceeding regarding load management standards needed to optimize building energy use with the goal of developing a strategy to reduce GHG emissions by at least 40 percent below 1990 levels, potentially creating duplicative emission reductions requirements for buildings. SB 1088 (Bill Dodd, D-Napa) would mandate an unreasonably abbreviated review process at the CPUC regarding utility rates that would lead to higher rates for agricultural customers. *Staff contact: Karen Mills, kmills@cfbf.com or 916-446-4647.*

Labor

The Assembly and Senate Appropriations Committee passed several bills note to Farm Bureau. The Assembly approved six bills specifically. These include the following:

- [AB 2334](#) (Tony Thurmond, D-Oakland) would require employers to file specified injury and illness forms electronically, rather than in paper, with the Division of Occupational Safety and Health within DIR. Farm Bureau is opposed.
- [AB 2613](#) (Eloise Reyes, D-Fontana) would repeal provisions related to penalties for failure to pay wages by employers and instead make an employer or other person acting individually or as an officer, agent, or employee of another person who fails to pay or causes a failure to pay specified wages of each employee subject to a penalty of \$200, payable to each affected employee, per pay period where the wages due are not paid on time, as specified. Farm Bureau is opposed.
- [AB 2887](#) (Cecilia Aguiar-Curry, D-Dixon) would require HCD to allow flexibility in opening dates in an operating contract for a migrant farm labor center if needed to adjust for variable seasonal or climate change Farm Bureau opposes; would require, as of January 1, 2020 and annually thereafter, an entity operating a migrant farm labor center to provide a report to the Office of Migrant Services containing data about the migratory agricultural workers that resided at the center during the most recent contract period, by household. Farm Bureau supports.
- [AB 2946](#) (Ash Kalra, D-San Jose) would encourage litigation of employee whistleblower retaliation claims instead of investigation of these claims by the Labor Commissioner by awarding attorney's fees for successful retaliation claims. Farm Bureau opposes.
- [AB 3080](#) (Lorena Gonzalez-Fletcher, D-San Diego) would prohibit settlement agreements between employees and employers for labor and employment claims and prohibit arbitration and class action waivers for such claims (potentially in violation of federal law). Farm Bureau opposes.
- [AB 3081](#) (Lorena Gonzalez-Fletcher, D-San Diego) would prohibit an employer from discharging or in any manner discriminating or retaliating against an employee because of their status as a victim of sexual harassment; establish a rebuttable presumption of unlawful retaliation if an employer takes specific actions within 90 days following the date the victim provides notice or the employer has knowledge of status. The bill would apply these protections to state and local public employers and to the Legislature. Farm Bureau opposes.

The Senate Appropriations Committee approved the following bills:

- [SB 937](#) (Scott Wiener, D-San Francisco) would impose new requirements for employers to provide accommodations to lactating mothers, setting minimum space requirements, require provision of a chair, electricity, and access to a sink and refrigerator in "close proximity" to the employee's worksite, and require an employer to provide a written explanation within 5 days if the employer cannot provide a compliant lactation location and to keep those records for three years. Farm Bureau is opposed, unless amended.

- [SB 1038](#) (Connie Leyva, D-Chino) would make an employee, whose employer is subject to the California Fair Employment and Housing Act (FEHA), personally liable for retaliating against another because the person suffering retaliation opposes practices prohibited by FEHA or has filed a complaint, testified, or assisted in any proceeding under FEHA. Farm Bureau opposes.
- [SB 1284](#) (Hannah-Beth Jackson, D-Santa Barbara): would require large employers incorporated in CA to report pay and job title information broken down by gender, race, and ethnicity, to DIR on an annual basis. Farm Bureau opposes.
- [SB 1300](#) (Hannah-Beth Jackson, D-Santa Barbara) would specify a plaintiff is not required to prove they endured harassment or discrimination in an action alleging that a defendant failed to take all reasonable steps necessary to prevent discrimination and harassment from occurring, but rather that the employer knew that the conduct was unwelcome to the plaintiff, would meet the legal standard for harassment or discrimination if it increased in severity or become pervasive, and the defendant failed to take reasonable steps to prevent conduct. Farm Bureau opposes.
- [SB 1402](#) (Ricardo Lara, D-Long Beach) would make shippers to and from California ports joint employers of drivers employed by drayage companies, passing additional shipping costs back to growers. Farm Bureau opposes.

Staff contact: Bryan Little, blittle@cfbf.com or 916-446-4647

Land Use

The bill that would dissolve the North Coast Railroad Authority (NCRA) and transfer its assets to the Sonoma-Marín Rail Transit District (SMART) and the newly-created Great Redwoods Trail Agency, [SB 1029](#) (Mike McGuire, D-Healdsburg) passed Appropriations with amendments to be forthcoming. California Farm Bureau Federation is opposed, unless amended. To note, Senator McGuire has requested \$4.1 million over the next two years to fund Caltrans' efforts to do an inventory of the NCRA's right-of-way and initiate an environmental assessment related to railbanking. *Staff contact: Taylor Roschen at 916-446-4647 or troschen@cfbf.com.*

Nutrition

In the nutrition realm, two significant bills have passed-- [AB 2335](#) (Phil Ting, D-San Francisco) and [SB 900](#) (Scott Wiener, D-San Francisco). Friday Review readers will remember that AB 2335 would establish a grant program at the Department of Food and Agriculture to provide funds to corner stores looking to upgrade or install energy-efficient refrigeration units to showcase CA-grown produce for sale to low-income consumers. Additionally, SB 900 (Weiner, D-San Francisco) would require the Department of Social Services to update the EBT technology platform to accept supplemental benefits and establish a pilot grant program to test this new capacity at various retail settings. *Staff contact: Taylor Roschen at troschen@cfbf.com or (916) 446-4647.*

Pesticides/Pest Management

The Assembly passed several bills of note related to pest management, namely, [AB 2054](#) (Lorena Gonzalez-Fletcher, D-San Diego) and [AB 2470](#) (Tim Grayson, D-Concord). AB 2054 would codify the Invasive Species Advisory Committee and Council and charge them to develop a work plan to suppress or cure diseases associated with shot hole borers. Likewise, AB 2470 would also establish the Invasive Species Advisory Committee and Council to address the introduction and spread of invasive species in California. *Staff contact: Taylor Roschen, troschen@cfbf.com or 916-446-4647.*

With respect to pesticide reporting, [AB 2816](#) (Al Muratsuchi, D-Gardena) would require the Department of Pesticide Regulation to submit a report to the Legislature by 2020 to evaluate

implementation of the Healthy Schools Act of 2000 and make recommendations on whether additional restrictions or prohibitions should be considered. Farm Bureau is watching this bill closely. *Staff contact: Jim Houston, jhouston@cfbf.com or 916-446-4647.*

Water

Two bills of note with respect to water were heard in Assembly Appropriations Committee, [AB 2371](#) (Wendy Carrillo, D-Los Angeles) and [AB 2545](#) (James Gallagher, R-Yuba City). Firstly, AB 2731 would require the Secretary of the Department of Food and Agriculture to adopt regulations requiring nursery stock to be labeled for its water use. Farm Bureau, San Diego County Water Authority and others have offered amendments removing water use labeling requirements. Farm Bureau is opposed unless amended. Secondly, AB 2545, a Farm Bureau sponsored measure, would add clarifying language to Section 1601 of the Fish and Game Code. The measure was amended this week with placeholder language to define “river” and “stream”, and offer water users the option to enter into general agreements with the Department of Fish and Wildlife. Farm Bureau and the author continue to negotiate a path forward with the department that will give clarity to when and where a Lake and Streambed Alteration Agreement is needed. *Staff contact: Danny Merkley, 916-446-4647; dmerkley@cfbf.com*

Wildlife

Several bills related to wildlife passed the Assembly Appropriations Committee. Firstly, if [AB 2421](#) (Mark Stone, D-Santa Cruz) passes, California would create a fund to assist voluntary efforts to restore and enhance Monarch butterfly habitat. The bill would create a fund at the Wildlife Conservation Board to fund both overwintering and foraging habitat improvements to benefit the butterflies. Farm Bureau has been working with the author and Environmental Defense Fund, the bill’s sponsor, to ensure the concept would be workable for interested farmers and ranchers. Farm Bureau is not officially in support of the bill yet, but the author has shared amendments that were taken in committee and would allow Farm Bureau to fully support AB 2421. Secondly, farmers and ranchers will now need to follow best management practices to protect birds if they want liability protection from incidental take of migratory birds. [AB 2627](#) (Ash Kalra, D-San Jose) requires the Department of Fish and Wildlife (DFW) to create best management practices for activities that may take migratory birds. It is unclear how take would be handled, particularly in timber harvest plans, before DFW has created best management practices. Additionally, the bill does not recognize the existing federal depredation orders that allow take of specific bird species that are a threat to agriculture. Farm Bureau is opposed to AB 2627. Finally, farmers and ranchers whose property is damaged by wild pigs would no longer need a depredation permit to take those pigs if [AB 2805](#) (Frank Bigelow, D-O’Neals) becomes law. This bill stems from long-term discussions about how to balance the interests of hunters, animal rights groups, and agriculture while trying to address the problems posed by wild pigs. Farm Bureau is supportive of the bill and will work to ensure that the elimination of the depredation permit requirement remains in the bill. *Staff contact: Noelle Cremers, ncremers@cfbf.com or (916) 446-4647.*

Failed to Pass Appropriations Committee (Dead):

Agriculture, Generally

[AB 2166](#) (Anna Caballero, D-Salinas) known as the California Farm Bill failed passage. This bill would have provided funding in the form of appropriations and tax credits for the deployment of agricultural technology. *Staff contact: Taylor Roschen, troschen@cfbf.com or 916-446-4647.*

Air Quality

[AB 2008](#) (Rudy Salas, D-Bakersfield) would have ensured that farmers and ranchers are not taxed on money they receive through the Carl Moyer engine replacement program. While supportive of the concept, California Farm Bureau had requested amendments that would have extended the tax credit to include grants received via the California Air Resources Board (CARB) Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program. The FARMER Program has \$135 million in state funds for distribution to agricultural operations to replace vehicles and equipment to reduce emissions. *Staff contact: Robert Speigel, rspeigel@cfbf.com or 916-446-4647*

Energy

[AB 2208](#) (Cecilia Aguiar-Curry, D-Napa and Eduardo Garcia, D-Coachella), which addresses biomass generation facilities to provide some certainty about their use as a resource in the state's Renewable Portfolio Standard (RPS). CFBF was in support but the item was held in Appropriations Committee. *Staff contact: Karen Mills, kmills@cfbf.com or 916-446-4647.*

Forestry

[SB 1414](#) (Jim Beall, D-San Jose) would have fundamentally undermined the existing Timber Harvest Plan (THP) review process, and establish a new precedent that could be replicated and misused against other private land owners. Farm Bureau was in opposition. *Staff contact: Robert Speigel, rspeigel@cfbf.com or 916-446-4647.*

Labor

Two bills of note to Farm Bureau failed passage in the Assembly—[AB 2069](#) (Rob Bonta, D-Oakland) and [AB 2841](#) (Lorena Gonzalez-Fletcher, D-San Diego). AB 2069 would require employers to provide a reasonable accommodation, as required by the Fair Employment and Housing Act, to employees using medical marijuana, though an employer would not be prohibited from refusing to hire or terminating an employee using medical marijuana if the employee cannot perform the essential duties of the job while using medical marijuana. AB 2841 would expand the existing paid sick leave mandate from 3 days each year to five days each year. Farm Bureau is opposed to both measures. *Staff contact: Bryan Little, 916-446-4647 or blittle@cfbf.com*

Non-Fiscal Bills:

These are bills of importance that are already on their respective floor awaiting full vote of the house or were acted on by an Appropriations Committee but were not a part of the determinations based on costs.

Water

A measure that would trigger state actions to add a river to the state wild and scenic rivers system will be voted on by the full Assembly next week. [AB 2975](#) (Laura Friedman, D-Glendale) would require the Secretary of the California Natural Resources Agency to take any necessary action to add the river or segment of a river to the state wild and scenic rivers system if the federal government delisted it from the national wild and scenic system. The author has agreed to accept Farm Bureau and a board coalition of agricultural interests' amendments therefore Farm Bureau will remove opposition. *Staff contact: Danny Merkley, 916-446-4647; dmerkley@cfbf.com.*

Taxation

[SCA 22](#) (Allen, D-Santa Monica) would allow a local government to increase school parcel taxes by lowering the voter threshold to 55% of the electorate, instead of the two-thirds vote as required under current law. California Farm Bureau has clear policy stating, “The imposition of parcel taxes should require a two-thirds vote of the electorate.” SCA 22 passed in the Senate Elections and Constitutional Amendments Committee by a vote of 4-1. The bill is not subject to most legislative deadlines and will be heard in the Senate Appropriations Committee at a later date. California Farm Bureau Federation is part of a coalition opposing the legislation. *Staff contact: Robert Spiegel at 916-446-4647 or rspiegel@cfbf.com*

Air Quality

Farmers and ranchers whose trucks have a gross vehicle weight rating (GVWR) above 14,000 pounds will now have to report their annual periodic smoke inspection test results to the Air Resources Board (ARB) as the result of a new regulation adopted this week. ARB proposed changes to its Heavy-Duty Vehicle Inspection Program (HDVIP) and Periodic Smoke Inspection Program (PSIP) that will affect many truck owners in California. The HDVIP allows ARB to stop trucks on the road to conduct inspections of their engines and exhaust to ensure they are meeting current requirements. As part of the amendments adopted by ARB, the exhaust opacity levels will be reduced, increasing the number of trucks that are likely to be found out of compliance with the rule. These trucks will be required to complete repairs to bring the truck into compliance. The new opacity limits will range from 5 percent to 40 percent depending on the age of the engine. Currently the opacity range allowed is between 40 percent and 55 percent depending on the age of the engine. The PSIP requires diesel trucks above 14,000 GVWR, or outside of regions in the state that require smog checks for diesel vehicles above 6,000 GVWR, to test their trucks annually to determine the opacity level of the exhaust. Trucks with model year engines less than four years old and those with only one truck are exempt from this requirement. Individuals subject to the testing requirements must keep the test results and allow ARB to inspect them. ARB’s new regulations will require everyone subject to PSIP testing to report their test results annually. The regulation also reduces the allowable opacity limits to the same revised levels in the HDVIP. Farm Bureau testified before ARB in opposition to the new reporting requirement and asked that implements of husbandry be excluded from the HDVIP and PSIP. Farmers and ranchers subject to this program could face a situation where they are forced to repair their vehicles during a season when the truck is being used heavily. Chairwoman Nichols and staff said they will look into the possibility of extending the time farmers and ranchers would have to make repairs during the busy season. *Staff contact: Noelle Cremers at (916) 446-4647 or ncremers@cfbf.com.*

Budget

Actions by the Assembly Subcommittee were as follows:

- *Sustainable Funding for Fish and Wildlife:* The Governor had proposed in his January budget to provide an additional \$57 million in funds to the Department of Fish and Wildlife. \$26 million of the proposed funds were to have come from the fee assessed on tire purchases. The revenues from these fees currently go to the Carl Moyer program to pay for upgrades to trucks and other diesel equipment to improve air quality. Farm Bureau opposed this fund transfer and the Subcommittee rejected the Governor’s funding proposal. Instead the Subcommittee voted to provide \$30 million from the General Fund in addition to the Governor’s proposed \$6.6 million from the General Fund on a two-year limited term basis and require DFW to contract with an

outside firm to undergo a zero-based budget review and report the results to the legislature by January 1, 2021. This item will be heard by the Budget Conference Committee because it differs from what was agreed to by the Senate.

- *Agricultural Diesel Engine Replacement and Upgrades*: The Governor's May Revise included an additional \$30 million to go towards replacing and upgrading diesel engines. The Subcommittee voted to approve the additional funds, however they also voted to cut the funds for the program coming from the Greenhouse Gas Reduction Fund, so the total amount the Subcommittee approved is \$115 million. These funds would be distributed through ARB's FARMER program. Farm Bureau supported the addition of these funds. Farm Bureau testified in opposition to the \$17 million cut from the program. This item will be heard by the Budget Conference Committee because it differs from what was agreed to by the Senate.
- *Nutria Detection and Survey*: The Subcommittee approved the Governor's proposal to provide \$400,000 to survey and detect the presence of Nutria, an invasive rodent that causes significant damage to wetlands, water infrastructure, and crops. The survey and detection work will assist with DFW's eradication efforts. This item was also agreed to by the Senate, so it should not be heard by the Conference Committee.
- *Citrus Pest and Disease Prevention Program*: The Governor proposed a total of \$5 million available to enhance CDFA's efforts to address Asian Citrus Psyllid (ACP) and Huanglongbing (HLB). The Subcommittee approved the Governor's proposal and also voted to authorize \$10 million in General Fund dollars for ACP and HLB suppression and enforcement activities. The Subcommittee also voted to authorize \$5 million to suppress diseases spread by the Polyphagous and Kuoshio Shot Hole Borer. The \$10 million for ACP and HLB and \$5 million for Polyphagous and Kuoshio Shot Hole Borer funding was also agreed to by the Senate, so it should not be heard by the Conference Committee.
- *Use of Antimicrobial Drugs on Livestock (SB 27)*: The California Department of Food and Agriculture requested additional funds to implement SB 27 (Hill), which passed in 2015. The law has three main pillars: 1) require veterinary oversight for the use of all medically important antibiotics in livestock and poultry production, 2) create an antibiotic stewardship program to further educate producers on the judicious use of antibiotics, and 3) create a system to monitor resistance patterns and use of antibiotics in California's livestock and poultry production systems to better combat patterns and trends that may lead to resistance. The Subcommittee voted to approve the \$2.6 million request without the budget trailer bill language that Natural Resources Defense Council requested that would have limited the use of antibiotics to prevent disease and infection in livestock. This conforms with the Senate's action, so it should not be heard by the Conference Committee.
- *Agricultural Energy Efficiency Projects*: The Governor's May Revise included an additional \$30 million to go towards implementation of greenhouse gas reducing projects by food processors. The Subcommittee approved the Governor's proposal, which provides a total of \$64 million available for this purpose. Farm Bureau supports the full funding as proposed by the Governor and will work to convince the Conference Committee to include the full amount.
- *Monarch Conservation*: The Subcommittee approved \$3 million to the Wildlife Conservation Board to provide grants and technical assistance for the purpose of recovering and sustaining populations of monarch butterflies and other pollinators.

The Assembly Budget Committee on Resources and Transportation finished its work this week, which gives a better understanding of which issues will continue to be negotiated. *Staff contact: Jim Houston, jhouston@cfbf.com or 916-446-4647.*

Forestry

With respect to forestry issues, CFBF has updates on two bills of note, [AB 2518](#) (Cecilia Aguiar-Curry, D-Dixon) and [AB 2889](#) (Anna Caballero, D-Salinas). AB 2518, which would require the Department of Forestry and Fire Protection (CAL-FIRE) to explore markets for the expansion of innovative forest products and mass timber, has passed the Assembly and has moved to the Senate. Farm Bureau is in support. Additionally, AB 2889, which would establish timber harvesting plan submitter assistance, will be heard on the Assembly Floor next Tuesday. AB 2889 would help reduce submission errors by providing a checklist for what constitutes an accepted THP, and would create efficiencies in review time by encouraging departments and agencies participating in the THP review to include mitigation measures for additional permits into the THP process. *Staff contact: Robert Spiegel at rspiegel@cfbf.com or 916-446-4647.*

Water

Language in a budget trailer bill will designate 37 miles of the Mokelumne River as Wild and Scenic while protecting existing water rights and considering future water needs for local communities. Several years ago, Senator Loni Hancock authored a measure designating the Mokelumne as Wild and Scenic. Farm Bureau was opposed. In 2015 Assemblymember Frank Bigelow authored AB 142 that required a study of the Mokelumne and impacts to the local water users, water districts and water right holders. The Hancock measure would have designated stretches of the river as wild and scenic without regard for impacts to water users and landowners. The budget trailer bill breaks up a 37 mile stretch of the river into five segments and there are five provisions spelled out in detail addressing impacts in all five segments. The measure has the full support of the environmental community and the local communities, including the Amador Water Agency, Jackson Valley Irrigation District, Calaveras Public Utility District and Calaveras County Water District. The full study can be viewed at: http://resources.ca.gov/wp-content/uploads/2018/04/WS-Final-Report_033018.pdf Farm Bureau is in support. *Staff contact: Danny Merkley, 916-446-4647; dmerkley@cfbf.com*

Following passage of [AB 859](#) in 2017, U.C. Cooperative Extension is offering more classes for persons who wish to install their own water diversion measurement devices. Courses are offered as follows and more information can be found [here](#):

Date	Class Location
June 29	Humboldt County (Eureka, morning session)
June 29	Trinity County (Hayfork, afternoon session)
July 9	Modoc County (Cedarville)
July 10	Siskiyou County (Yreka)
July 11	Yolo County (Woodland)
August 29	Plumas/Sierra Counties (Taylorsville)
August 30	Glenn County (Elk Creek)

Wildlife

The Department of Fish and Wildlife (DFW) received funding to purchase the Shasta Big Springs Ranch in Siskiyou County this week. Over a decade ago The Nature Conservancy (TNC) purchased the ranch and in 2010 sold a conservation easement that included the water rights on the property and the right of first refusal if the property was sold to DFW. Fairly recently DFW exercised its right to the water on the property and kept it in-stream. This shift in water availability made the ranch operation financially unsustainable and TNC approached DFW to sell the ranch. The Wildlife Conservation Board (WCB) voted 4-0 this week to provide \$2.4 million to DFW for the purchase of the ranch. Farm Bureau testified in opposition to the sale and expressed concern over DFW's ability to properly manage the ranch and the importance of grazing to the county. As part of the vote WCB asked DFW to commit to

working with Siskiyou County to develop a management plan for the property and to ensure that grazing can continue. Staff contact: Noelle Cremers at (916) 446-4647 or ncremers@cfbf.com.