

TO: Members, County of Santa Barbara Legislative Committee

FROM: Cliff Berg, Legislative Advocate
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RE: 2018 September Update

DATE: September 25, 2018

The 2017-18 Legislative Session concluded on the last day of August, and the Legislators have now returned to their districts for final recess. The 2019-20 Legislature will return on December 3rd after the November elections to swear in new members, elect leadership and begin bill introduction.

The Governor has until September 30th to sign, veto or pass legislation without his signature, therefore every piece of legislation that is before the Governor's desk will have to be acted upon by the end of September.

This year started with 1,671 bills left over from the 2017 session and another 2,637 new bills were introduced. By the end of September 24th, the Governor acted upon 1,166 bills this year, with 1,089 bills signed and 77 bills vetoed. The Governor still has 398 bills left on his Desk to be acted upon by midnight on Sunday, September 30.

SB 901 (Dodd) - Wildfire Legislation

On Friday, September 21st, Governor Brown announced that along with several other bills to strengthen wildfire prevention and recovery in California, he is signing SB 901 (Dodd), stating that, "Wildfires in California aren't going away, and we have to do everything possible to prevent them. This bill is complex and requires investment – but it's absolutely necessary."

SB 901 (Dodd) was one of the last remaining issues debated in the Legislature up until the final hour of session and was a part of extensive hearings and negotiations during the Wildfire Preparedness and Response Legislative Conference Committee. The bill no longer contains any change to inverse condemnation and will require utilities to implement comprehensive fire prevention plans - including improvements to utility infrastructure, expediting small landowner incentives and projects to reduce excess fuel and removing dead and dying trees and chaparral, facilitate access to property to carry out projects to improve overall forest health and resistance to wildfires, add a rigorous standard for the California Public Utilities Commission to oversee the allocation of utility wildfire costs and expenses – including the consideration of climate change impacts, authorize a financing mechanism so utilities can spread out wildfire costs to minimize impacts to ratepayers, add worker protections and prohibiting utilities from charging their customers for executive compensation. Senator Dodd, who was the Co-Chair for the Wildfire Preparedness and Response Legislative Conference Committee also commented stating that, "This new law is the most comprehensive wildfire prevention and safety package the state

has passed in decades...It will help prevent further loss of life and property while ensuring ratepayers aren't left holding the bag. By enacting this law, we've laid a solid base to build on as California continues adapting to the 'new normal' caused by climate change."

Some specific elements in SB 901 include:

Forestry and Landscape Management:

- \$1 billion over the next five years from the Greenhouse Gas Reduction Fund (GGRF) for improved forest management and fire prevention programs
- Requires CALFIRE to create the Wildfire Resilience Program (Program)
- Requires the Board of Forestry to develop criteria and maintain a "Fire Risk Adapted Community" list of local agencies that meet best practices for local fire planning, this prioritizes local agencies on the list for CALFIRE's local assistance fire prevention grants
- Creates the Forest Fire Prevention Exemption which allows two miles of temporary roads on slopes up to 30% per ownership in a single planning watershed for any five-year period
- Allows, until January 1, 2023, prescribed fire, thinning, or fuel reduction projects undertaken on federal lands to reduce the risk of high-severity wildfire that had been reviewed under the federal National Environmental Policy Act (NEPA), from the California Environmental Quality Act
- Expands eligible fuels and feedstocks from forest materials for 125 megawatts of biomass facilities in the state under five-year procurement contracts, modifies the monthly and annual fuel reporting requirements for those facilities, and requires an offer to extend current biomass contracts for an additional five years if those plants follow fuel stock requirements and are not in severe or extreme non-attainment areas

Improved Utility Fire Prevention:

- Allows for the advanced placement of firefighting resources and increased safety standards and planning requirements for utilities
- Expands the filing requirements of IOU wildfire mitigation plans to include: protocols for deenergizing electric lines, addressing risk drivers, actions to make the system safe, reliable and resilient including undergrounding, insulation of wires and pole replacement, public comment and review of the plans, cost review, CALFIRE review, and an independent evaluation of the IOU's subsequent compliance with the plan
- Authorizes the California Public Utilities Commission (CPUC) to assess penalties on an IOU that fails to substantially comply with approved wildfire mitigation plans
- Requires all local publicly owned utilities to review the necessity of wildfire mitigation plans and consider specified measures, as necessary, for strengthening the plans

2017 Wildfire Cost:

- Requires utilities to pay for negligent behavior, to the extent they can afford to do so without impacting ratepayers or their ability to provide service
- Includes a financial stress test to determine how much debt shareholders can afford, before any impact to ratepayers will be determined.

- Allows utilities to bond out their liability debt, minimizing ratepayer costs by spreading out repayment over long periods of time; helping to keep utilities financially solvent

Future Wildfire Cost Recovery:

- For wildfires occurring after January 1, 2019, the bill establishes a new standard of review to be used by the CPUC to determine whether those costs are just and reasonable; and authorizes, but does not require, the CPUC to order financing for costs and expenses deemed just and reasonable to be secured by a non-passable charge on distribution customers.

In addition to SB 901, the Governor signed the following bills related to wildfires and disasters on Friday, September 21st:

SB 30 (Lara) The bill requires the Insurance Commissioner to convene a working group to assess new and innovative investments in natural infrastructure and insurance products in light of California's worsening fire vulnerability due to climate change.

SB 821 (Jackson) The bill authorizes counties to enter into an agreement to access the contact information of public utility customers for the sole purpose of enrolling county residents in a county-operated public emergency warning system. *The County was in support of this bill.*

SB 824 (Lara) The bill prohibits an insurer from canceling or refusing to renew a homeowner's insurance policy for one year from the date of a declaration of emergency and requires insurers to report specified fire risk information to the Department of Insurance.

SB 833 (McGuire) The bill requires the Office of Emergency Services, in consultation with specified stakeholders, to develop voluntary guidelines for alerting and warning the public of an emergency.

SB 894 (Dodd) The bill provides assistance to survivors of major disasters or catastrophic events, including requiring insurers to renew a residential insurance policy for at least two renewal periods (24 months), requiring insurers to grant an additional 12 months of additional living expenses and allowing combined payments for losses to a primary dwelling and other structures so homeowners can apply those losses as they see fit, such as rebuilding the main home. This bill was sponsored by the California Department of Insurance.

SB 896 (McGuire) The bill extends the sunset date on the state's aggravated arson statute to help ensure law enforcement agencies maintain a valuable deterrent to prevent arson-caused wildfires.

SB 917 (Jackson) The bill requires insurers to cover a loss resulting from a combination of disasters (landslide, mudslide, mudflow or debris flow) if an insured disaster is the proximate cause of the loss or damage and would otherwise be covered. *The County was in support of this bill.*

SB 969 (Dodd) The bill requires residential automatic garage door openers manufactured for sale, sold, or installed in California to have a backup battery that is designed to operate during an electrical outage and prohibits replacement garage doors from being installed without backup batteries.

SB 1079 (Monning) The bill authorizes the California Department of Forestry and Fire Protection to make advance payments to grantees receiving funds from the healthy forest and local fire prevention grant programs.

SB 1181 (Hueso) The bill authorizes the Office of Emergency Services to enter into an agreement with one or more certified community conservation corps to perform emergency or disaster response services.

SB 1260 (Jackson) The bill authorizes federal, state and local agencies to engage in collaborative forestry management, creates new opportunities for private landowners to partner with public agencies to mitigate wildfire risk and enhances the Department of Forestry and Fire Protection's role in identifying wildfire hazards as local governments plan for new housing and neighborhoods.

SB 1261 (Nielsen) The bill ensures that one-time death benefits are provided to eligible survivors of pilots fighting an active California fire even if they fly their own aircraft or one owned by an entity other than the state.

AB 1772 (Aguiar-Curry) The bill extends from 24 months to 36 months the period of time within which an insurance policyholder is entitled to collect full replacement benefits under a replacement cost fire insurance policy. This bill was sponsored by the California Department of Insurance.

AB 1800 (Levine) The bill prohibits, in the event of a total loss, a residential property insurance policy from limiting or denying payment based on the fact that the policyholder has chosen to rebuild or purchase a home at a new location. This bill was sponsored by the California Department of Insurance.

AB 1875 (Wood) The bill connects consumers who need residential property insurance with agents and brokers to help ensure they obtain plans and coverage that suit their specific needs. This bill was sponsored by the California Department of Insurance.

AB 1877 (Limón) The bill requires the Office of Emergency Services to create a library of translated emergency notifications and translation style guide and requires authorities to consider using the library and translation style guide when issuing emergency notifications to the public.

AB 1919 (Wood) The bill expands the scope of criminal price gouging by including rental housing that was not on the market at the time of the proclamation or declaration of emergency and defines the rental price of housing for purposes of price gouging.

AB 1956 (Limon) The bill establishes a grant program to support fire prevention activities, including vegetation management, grazing, prescribed burns, creation of defensible space and retrofitting structures to increase fire resistance. *The County was in support of this bill.*

AB 1981 (Limon) The bill requires the Department of Forestry and Fire Protection and the Forest Management Task Force to coordinate with the California Environmental Protection Agency to promote the use of forestry material in compost.

AB 2091 (Grayson) The bill requires the Forest Management Task Force, in coordination with the California Department of Insurance, to develop recommendations to reduce the cost of conducting prescribed burns.

AB 2126 (Eggman) The bill requires the California Conservation Corps director to establish a Forestry Corps Program by July 1, 2019. The program would provide corps members with job training and placement in forest health projects.

AB 2380 (Aguiar-Curry) The bill requires the state to develop standards and regulations for privately contracted fire prevention operations that are conducted during an active fire incident.

AB 2518 (Aguiar-Curry) The bill requires the Department of Forestry and Fire Protection to explore markets for innovative forest products and mass timber consistent with the state's climate objectives.

AB 2551 (Wood) The bill allows the director of the Department of Forestry and Fire Protection to enter into agreements with landowners to conduct joint prescribed burning operations.

AB 2594 (Friedman) The bill extends the existing statute of limitations for a homeowner to sue an insurer from 12 to 24 months if the loss is related to a state of emergency. This bill was sponsored by the California Department of Insurance.

AB 2889 (Caballero) The bill requires the Department of Forestry and Fire Protection to provide assistance and develop guidance documents to reduce timelines for timber harvest plan review and approval.

AB 2911 (Friedman) The bill makes various changes to fire safety planning efforts, defensible space requirements and vegetation clearance requirements for electrical transmission and distribution lines to improve the fire safety of California communities.

AB 2990 (Low) The bill provides surviving dependents of a deceased firefighter or law enforcement officer free tuition and fees within the California Community College, State University and University of California systems.

CPUC

The Public Utilities Commission of the State of California will be holding a public hearing on September 27th that we will monitor. Among multiple items on their agenda, the CPUC will discuss the revision and consideration of alternatives to the power charge.

The proposed outcome in the CPUC agenda is listed as the following:

- Adopts revised market price benchmarks to be used in the calculation of the Power Charge Indifference Adjustment (PCIA.)
- Adopts a true-up mechanism, a collar with a floor and a cap that will limit the change of the PCIA from one year to the next, and a prepayment option for Direct Access customers and Community Choice Aggregations.
- A new phase of this Rulemaking is ordered to enable parties to continue working together to develop longer-term solutions regarding utility procurement portfolio optimization and cost reduction.
- This proceeding remains open.

Temporary Cannabis Licenses

As previously mentioned, the need to extend the deadline for temporary cannabis licenses at the state level was a last-minute issue in the Legislature. CSAC addressed this issue with the Legislature and the Administration and created a proposal amending into SB 1459 (Cannella), which allows state licensing agencies to issue provisional commercial cannabis licenses to businesses that are working their way through the licensing process at the state and local level.

The bill allows counties additional time to review pending commercial cannabis applications at the local level and complete the environmental review process. The time frame for this provisional annual license would only last for one year until January 2020. In the final week of session SB 1459 (Cannella) managed to pass both the Assembly and Senate Business and Professions Committee as well as both Houses of the Legislature. As of September 24th, the bill is still awaiting the Governor's action on the bill.

California Climate Investments Organics Grant Program

On June 19th, CalRecycle held a public meeting at CalEPA where they stated awards for the California Climate Investments Organics Grant Program (Greenhouse Gas Reduction Fund). Governmental Advocates, along with CSAC testified in strong support for the recommended \$4,000,000 in grant funds awards to the Santa Barbara County Public Works Department to develop an Anaerobic Digestion Facility at the County-owned and operated Tajiguas Landfill.

This project will be the single largest reducer of greenhouse gases for the Santa Barbara community and as such is vital for the jurisdictions to achieve the goals set out in their climate actions plans. This facility is expected to process over 80% of the organics that are currently landfilled into biogas. The digestate will be composted on the site, and the biogas will be used to generate electricity as per an agreement in place with Southern California Edison. This project has been over a decade in the making and during this time has increased in importance for the County. The grant awards were officially approved and signed by the Director of CalRecycle on July 2nd.

2018-19 State Budget

The Governor's January 2018-19 Budget proposed \$131.7 billion in state General Fund expenditures. The May Revise which was released on May 11, 2018, reflected the receipt of \$8 billion in higher revenues through 2018-19 compared to the January Budget.

On June 8th, Legislative Leadership along with the Administration announced that they reached a budget agreement for the 2018-19 state budget. On June 14th, the Legislature sent their \$138.6 billion General Fund budget package to the Governor along with 22 budget trailer bills. On June 27th, the Governor signed a \$201 billion state 2018-19 budget without any veto on the items in the budget.

Some key highlights specific to the County in the State Budget include:

Property Tax Backfill

The Budget included \$32.8 million General Fund to backfill the property tax revenue losses that cities, counties, and special districts will incur in 2017-18 and 2018-19 due to the 2017 wildfires and resulting mudslides in California. Of this amount, \$21.8 million is for Northern California jurisdictions and \$11 million for Southern California jurisdictions. The property tax losses in Santa Barbara County are \$2.62 million for FY 17-18 and \$5.64 million for FY 18-19, which were both funded by the May Revision.

Debris Removal Cost Share Waiver

The May Revision included \$29.1 million General Fund to waive the local match for only Northern California counties' costs of debris removal, but did not include Southern California counties. We were successful in receiving the waiver for debris removal that equates to \$3.2 million for the County in the final budget. The total for Southern California was \$5.5 million, which was based on CalOES' latest estimates.

Elimination of the 340B Program – Rejected

The Governor's January 2018-19 budget proposal eliminated the use of the 340B Drug Pricing Program in Medi-Cal. The federal program entitles eligible healthcare providers to discounts on outpatient prescription drugs. The elimination of the program would have directly affected the County because it could reduce revenues in the County's Public Health Department by \$5 million to \$6 million, effective July 1, 2019, and would have negatively impacted the County's health care safety net. The May Revision maintained the Administration's proposal to prohibit the use of federal 340B Drug Pricing Program reimbursements within the Medi-Cal program beginning July 1, 2019, to prevent duplicate discounts and overpayments, and reduce drug rebate disputes. The Administration estimated this proposal would have resulted in \$16.6 million General Fund savings annually beginning in 2020-21. This was a huge concern for the County since the 340B Program provides significant benefits to the Santa Barbara County Public Health Department and the patients served. Both houses of the Legislature rejected the Governor's proposal to discontinue the state's administration of the federal Medicaid 340B Discount Drug Pricing program.

Risk-Based Pretrial Assessment and Supervision System

SB 10 (Hertzberg) This bill will create a risk-based non-monetary pre-arraignment and pretrial release system for people arrested for criminal offenses including preventative detention procedures for person's determined to be too high a risk to assure public safety if released. The bill was chaptered into law on August 28th.

On September 21st, the Judicial Council heard a report on how the judicial branch will help implement Senate Bill 10 (Hertzberg). Beginning to be effective on October 1, 2019, the law changes California's pretrial release procedures from a money-based system to a risk-based release and detention system that considers defendants' risk to public safety and their likelihood to return to court. The presentation reviewed the details of SB 10 and highlighted specific requirements placed on the council. Among other duties, the council will maintain a list of risk assessment tools for use by the courts, provide training on the use of those assessment tools, adopt new rules of court and forms, and submit annual reports on the new pretrial process to the Legislature. At the end of the presentation, Chief Justice Tani Cantil-Sakauye announced she

will create a new pretrial reform implementation workgroup. The workgroup will provide guidance and expertise to Judicial Council staff assigned to work on SB 10 implementation requirements. It will serve as a clearinghouse where stakeholders can discuss issues and propose ideas on improving the pretrial process.

After Governor Brown signed the bill into law, bail associations filed a voter referendum to attempt to block it. The American Bail Coalition, along with bail lobbying and crime victims groups, have about three months to submit to the secretary of state the estimated 366,000 signatures needed to qualify the referendum for the November 2020 ballot.

Qualified Ballot Initiatives

Proposition 1

Authorizes Bonds to Fund Specified Housing Assistance Programs.

The ballot measure would give the state permission to borrow \$4 billion to fund affordable housing construction and rental and home loan subsidies. The money would be used to build and renovate rentals, to offer home loan assistance to vets, to construct additional housing in dense urban areas and near public transit, to offer down payment assistance and other aid to low- and moderate-income homebuyers and to provide loans and grants for agricultural workforce housing development.

Proposition 2

Authorizes Bonds to Fund Existing Housing Program for Individuals with Mental Illness.

The ballot measure would give the state permission to borrow \$2 billion to fund supportive housing for those suffering with mental illness. That debt would be repaid with money previously set aside for county-run mental health services.

Proposition 3

Authorizes Bonds to Fund Projects for Water Supply and Quality, Watershed, Fish, Wildlife, Water Conveyance, and Groundwater Sustainability and Storage.

The ballot measure would give the state permission to borrow \$8.9 billion to fund watershed protection, water supply improvements including wastewater treatment, habitat restoration, groundwater management, flood protection projects, as well as upgrades and repairs to traditional water infrastructure, like canals and dams.

Proposition 4

Authorizes Bonds Funding Construction at Hospitals Providing Children's Health Care.

The ballot measure would give the state permission to borrow \$1.5 billion to fund renovations, expansions, and upgrades at hospitals that treat children. Most of the funding is reserved for the

state's eight private non-profit children's hospitals and the five hospitals run through one of the University of California campuses.

Proposition 5

Changes Requirements for Certain Property Owners to Transfer their Property Tax Base to Replacement Property.

The ballot measure would allow older or disabled homeowners to take a portion of their lowered property tax base with them if they sell their home and move. Ever since voters passed Proposition 13 in 1978, property taxes have been calculated based on a home's purchase price, rather than its current market value, which has kept property tax bills low for longtime homeowners despite high real estate prices. The proponents of the ballot claim this discourages people from moving, since property tax assessments are usually reset when you buy a new home.

Proposition 6

Eliminates Certain Road Repair and Transportation Funding. Requires Certain Fuel Taxes and Vehicle Fees be Approved by The Electorate.

The ballot measure would repeal a recent increase in the gas tax and other fuel and car fees and require voter approval for all transportation-related tax increases in the future. Taxes to be rolled back include a 12-cent hike in the gasoline excise tax, a 4 percent increase in the diesel sales tax, as well as a new annual vehicle fee based on the value of the car or truck.

Proposition 7

Conforms California Daylight Saving Time to Federal Law. Allows Legislature to Change Daylight Saving Time Period.

The ballot measure would repeal the 1949 law that created Daylight Savings Time. If passed, the Legislature would then be able to pass a law with a two-thirds majority eliminating the biannual tradition of moving clocks backward and forward every spring and fall.

Proposition 8

Regulates Amounts Outpatient Kidney Dialysis Clinics Charge for Dialysis Treatment.

The ballot measure would require companies operating dialysis clinics to payback any profits over 15 percent of qualifying business costs. Payments would be made to insurance companies.

Proposition 9

On July 18, 2018, Proposition 9 was removed from the ballot by order of the California Supreme Court. The ballot would have required the state to petition Congress to divide the state of California into three states: California, Northern California, and Southern California.

The state unanimous order stated that Proposition 9 was removed "because significant questions have been raised regarding the proposition's validity and because we conclude that the potential harm in permitting the measure to remain on the ballot outweighs the potential harm in delaying the proposition to a future election."

Proposition 10

Expands Local Governments' Authority to Enact Rent Control on Residential Property.

The ballot measure would allow cities to introduce new restrictions on market rents or expand existing rent control policies.

Proposition 11

Requires Private-Sector Emergency Ambulance Employees to Remain On-Call During Work Breaks. Eliminates Certain Employer Liability.

The ballot measure would continue to allow private ambulance services to require their emergency medical service employees to remain on call during meal and rest breaks. Also guarantees technicians additional training and some paid medical health services.

Proposition 12

Establishes New Standards for Confinement of Specified Farm Animals; Bans Sale of Noncomplying Products.

The ballot measure would place specific size requirements on the coops and cages used to contain breeding pigs, veal calves, and egg-laying hens. It would also require all egg-laying hens be raised in specified "cage-free" conditions by 2022. California businesses would be prohibited from selling any food products that come from animals not raised in compliance with this law, even if they come from out of state.

Cannabis

In June 2017, California Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), which creates one regulatory system for both medicinal and adult-use cannabis. Under MAUCRSA, the California Department of Food and Agriculture (CDFA) was designated as the state agency responsible for issuing licenses to commercial cannabis cultivators in California. CDFA's emergency regulations were released on November 17, 2017. CalCannabis began issuing state cannabis cultivation licenses on January 1, 2018 and is currently accepting applications for temporary and annual cannabis cultivation licenses for cultivators, nurseries and processors.

On June 6, 2018, the California Department of Food and Agriculture (CDFA) readopted emergency regulations for cannabis cultivation licensing in the state of California. The emergency regulations are effective for 180 days, and during this time CDFA must propose and adopt permanent regulations. CDFA released the proposed permanent regulations for cannabis cultivation licensing on July 13, 2018, which starts the formal rulemaking process and initiates

the official 45-day public comment period. The proposed permanent regulations include changes from CDFA's current emergency regulations based on public comments and further analysis by CDFA. The last public hearing was held on August 28, 2018. The licensing authorities will review each comment received and will respond to all comments in documents filed during the final stages of the rulemaking process.

On September 5th, the California Department of Food and Agriculture's (CDFA) CalCannabis Cultivation Licensing Division announced that they will hold six public workshops throughout California in September to receive input on establishing a framework for the CalCannabis Appellations Project. CDFA is required to develop a process allowing licensed cultivators to establish appellations of standards, practices, and varieties applicable to cannabis grown in a certain geographical area in California. The purpose of this first round of workshops is to get input from cultivators and other stakeholders on how the cannabis appellations process should be developed. The last scheduled workshop will be held on September 26th.

Discussion surrounding banking the cannabis industry will likely remain a priority for the California Legislature next year. SB 930 (Hertzberg) would have helped mitigate several of the problems resulting from cannabis businesses' access to banking services. SB 930 (Hertzberg) was held on the Assembly Appropriations Committee Suspense File on August 8th and is now dead. The bill would have created limited purpose charter banks and credit unions licensed and regulated by the Department of Business Oversight (DBO), and would have authorized the limited purpose banks and credit unions to provide depository services and issue special checks to cannabis-related businesses, it would have also authorized the limited purpose banks and credit unions to obtain private depository insurance, as authorized by the DBO, in lieu of FDIC insurance, and would have created an oversight Board with the State Treasurer, Controller and the Chief of the Bureau of Cannabis Control as members and the Director of the Department of Finance as an ex-officio member. We expect this issue to come up again next year.

Assemblymember Jones-Sawyer's AJR 28, a measure that urges the Congress and the President to pass legislation that would allow financial institutions to provide services to the cannabis industry, was chaptered into law on June 14th.

SB 1459 (Cannella) was gutted and amended on August 24th to establish a provisional cannabis license that may be issued at the sole discretion of a licensing authority, as specified, until January 1, 2020. As of September 25th, the bill has not been acted upon by the Governor.

Bills and Budget Proposals of Interest to the County

AB 334 (Cooper) Federal VAWA legislation passed in 2011 mandated the provision of free sexual assault forensic medical exams for patient/victims who do not want to cooperate with law enforcement agencies. The original California statute passed in 1977 mandating that local law enforcement agencies pay for sexual assault exams was amended after 35 years to comply with VAWA. The amended statute specified that law enforcement agencies could be reimbursed \$300 by Cal OES out of their State VAWA appropriation for exams involving the non-cooperative patient/victim. The bill never moved out of the Senate Policy Committee therefore is now dead. The County was in support of the bill.

AB 427 (Muratsuchi) The bill would have enacted the California Aerospace and Aviation Act of 2018, which establishes the 17-member California Aerospace and Aviation Commission (Commission) for the purpose of serving as a central point of contact for related industries and supporting the health and competitiveness of these industries in California. The County was in support of this bill. The bill went to the Governor's Desk but was vetoed on September 23rd with a statement that said, "While the value of the aviation and aerospace industry is critical to the economy of this state, this bill would create a new bureaucracy that replicates many of the things the state is already doing. I think the goals of this bill can be easily handled under current law by the Governor's Office of Business and Economic Development."

AB 626 (Garcia) The bill establishes "microenterprise home kitchens (MHKs)" as a new category of retail food facility. AB 626 expands California's cottage food laws that currently allow the sale of non-potentially hazardous foods, such as baked goods, jams and vinegars, to include potentially hazardous foods, such as meats, poultry and fish. The County was opposed to this bill. The bill was chaptered on September 18th.

AB 653 (Ridley-Thomas) On June 21st the bill was gutted and amended to authorize nonprofit hospitals in Santa Barbara County to enter into joint powers agreements with a public agency. This authority is intended to allow Santa Barbara Cottage Hospital and Lompoc Healthcare District to form a partnership for the purposes of opening primary and specialty care clinics in underserved parts of the region. This bill was sponsored by the Lompoc Healthcare District and was carried by Assemblymember Jordan Cunningham. The bill was signed by the Governor on September 23rd. The County did not take a position on the bill.

AB 726 (Holden) The legislation would have created a freeze on any new forming Community Choice Aggregation (CCA) organizations and restricted the ability to expand existing Community Choice Energy (CCE) programs. The County of Santa Barbara was opposed to AB 726 unless CalCCA's amendments were adopted. AB 726 became a two-year bill and did not move since 2017. The bill is now dead.

AB 813 (Holden) was gutted and amended on March 8, 2018 and amended lastly on August 24th. This bill would have established a pathway for the California Independent System Operator (CAISO) to transform its governance structure to operate as a multistate regional transmission system organization should certain requirements be met. The bill didn't affect the County, therefore we monitored it in case of any amendments that would affect the County. The bill did not pass out of the Senate Appropriations Committee Suspense File and therefore is now dead.

AB 1250 (Jones-Sawyer) The County was in strong opposition to the bill. The bill would have created specific conditions and requirements that would apply when a county enters into a new contract or renews or extends an existing contract, and would have specified the conditions that must be met in order to permit a personal services contract. The Chair of the Senate Appropriations Committee claimed that there needs to be more negotiations on the bill. The bill was held in the Senate Rules Committee and became a two-year bill. There was no action on the bill since 2017. The bill is now dead.

AB 1775 (Muratsuchi) The Santa Barbara County Board of Supervisors approved a resolution opposing new offshore oil and gas leases in Federal waters off of the California Coast. The bill prohibits the State Lands Commission (SLC) or a local trustee from entering into any new lease authorizing new construction of oil-and-gas-related infrastructure upon tidelands and submerged lands within state waters associated with Pacific Outer Continental Shelf (POCS) leases issued after January 1, 2018. The bill was signed by the Governor on September 8th.

AB 1956 (Limon) The bill creates a local assistance grant program to improve fire prevention in California and ensure that fire prevention activities happen year-round. Specifically, the bill requires Department of Forestry and Fire Protection (CalFIRE) to establish a local assistance grant program for fire prevention activities in and nearby fire threatened communities. The bill will require local agencies, resource conservation districts, fire safety councils, the California Conservation Corps, certified local conservation corps, University of California (UC) Cooperative Extension, Native American tribes, and qualified nonprofit organizations to all be eligible for grants. The bill also authorizes, until January 1, 2024, for CalFIRE to make advanced payments for local assistance grants of up to 25% of the total grant award. The Board of Supervisor's adopted a 2018 Legislative Platform that supports efforts to generate new intergovernmental revenues. The bill was signed by the Governor on September 21st. The County was in support.

The County also supported Assemblymember Limon's request for the appropriation for the local assistance grant program in the State Budget. The program would intend to ensure that there is both a state and community based robust fire prevention effort. \$10M was approved in the State Budget to CalFire for "community-based fire prevention work."

AB 2534 (Limon) The bill establishes the Outdoor Equity Grant Funding Program, at the Department of Parks and Recreation, to increase the ability of underserved and at-risk populations to participate in outdoor environmental educational experiences at state parks and other public lands where these activities take place. The bill creates two sub-accounts for ensuring that public, private and nonprofit funds are solely used to facilitate coastal access at Hollister Ranch in Santa Barbra County, which was originally approved in 1982. Any future action would be dependent on legislative appropriation. The County did not have a position on this bill. As of September 25th, the bill is still on the Governor's Desk.

AB 3194 (Daly) The bill will require cities and counties, under existing planning and zoning law, to prepare and adopt a general plan, including a housing element, to guide the future growth of a community. The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, objectives, financial resources and scheduled programs for the preservation, improvement, and development of housing. CSAC went neutral on this legislation. The County remained in opposition. The bill was chaptered into law on August 28th.

AB 3248 (Committee on Judiciary) This bill was a conversion from SB 1511. The Santa Barbara County Department of Child Support Services' recommended clarifying amendments that are listed in section 7643 of the Family Code. This language is most helpful in establishing parentage and enforcing child support orders by providing better access to the local departments

of child support services. The content of the bill was previously in SB 1511, which was converted into AB 3248. The bill was signed by the Governor on September 18th.

SB 212 (Jackson) This bill requires entities that sell drugs or sharps in the state to individually, or with other entities, develop and implement a statewide home-generated drug stewardship plan, or a home-generated sharps waste stewardship plan, or both for the collection and proper disposal of home-generated drug and sharps waste. Requires the Department of Resources, Recycling and Recovery (CalRecycle) to oversee and enforce each stewardship plan (Plan). As of September 25th, the bill is still on the Governor's Desk. The County is in support of this bill.

SB 237 (Hertzberg) This bill will direct the California Public Utilities Commission (CPUC) to make changes to the existing direct access (DA) service program, which authorizes direct energy transactions between electricity suppliers and retail end-use customers. Among the proposed changes is a requirement to increase the annual maximum allowable limit of the DA service program by 4,000 gigawatt hour (GWH) for non-residential customers. This bill also directs the CPUC to provide recommendations to the Legislature, with specified findings, on the adoption and implementation of a second direct service transactions reopening schedule. The County was opposed to this bill. The bill was signed by the Governor on September 20th.

SB 349 (Lara) This bill was completely gutted and amended on August 24th. This two-year bill would have required minimum staffing ratios for dialysis clinics and a minimum transition time between dialysis patients, as follows, commencing January 1, 2020. The bill was on the inactive file since last year but was heavily amended to codify and specify that judicial officers have the power to prevent activities that threaten access to state courthouses and court proceedings, and to prevent interruption of judicial administration, including protecting the privilege from civil arrest at courthouses and court proceedings. As of September 25th, the bill is still on the Governor's Desk. The County did not take a position on the current version of the bill.

SB 588 (Hertzberg) This bill would have substantially revised the existing state rigs-to-reefs program that allows for the partial removal of oil and gas platforms in state or federal waters if the remaining portion is converted into an artificial reef and certain conditions are met. The bill passed the Assembly Water, Parks and Wildlife Committee on June 29, 2017 with a 12-2 vote, and then was referred to the Assembly Natural Resources Committee but didn't meet the policy deadline, and became a two-year bill. The bill was amended on May 7, 2018 and would continue to exclude the removal of drilling muds and shell mounds as well as limiting the criteria used to determine full versus partial removal is likely to result in increased risks to public health and safety. The bill was set to be heard in the Assembly Natural Resources Committee on June 25th but the hearing was cancelled at the request of the author. The bill never moved out of the Assembly Policy Committee therefore is now dead.

SB 821 (Jackson) The bill allows a county to enter into an agreement to access the contact information of resident accountholders through the records of a public utility or other agencies, for a property address for the sole purpose of enrolling county residents in a county operated public emergency warning system. This bill specifies that any county that enters into an agreement pursuant to this bill is required to include procedures to enable any resident to opt-out of the warning system, and a process to terminate the receiving agency's access to the contact

information of the resident. The bill was signed by the Governor on September 21st. The County was in support of this bill.

SB 827 (Wiener) The bill would have required the County to grant housing development projects, in key transit corridors, a “bonus” by exempting the project from certain local development requirements such as density, maximum floor area, parking requirements and height restrictions. This would have effectively negated development standards for housing along the State Street/Hollister Avenue transit corridor as well as in already crowded Isla Vista. On April 17th, the bill died in the Senate Transportation and Housing Committee with a 4-6 vote and therefore is now dead. The County was in opposition to the bill.

SB 828 (Weiner) This bill would make several changes to the regional housing needs allocation (RHNA) process. The recent amendments delete the requirement for a city’s or county’s inventory of land suitable for residential development to meet 125% of its RHNA requirement; delete the requirement for a city or county, if its inventory is not sufficient to meet 125% of its RHNA requirement, to identify zoning and other actions it will take to accommodate the unmet portion; authorize, rather than require, HCD, in determining the RHNA, to grant allowances to adjust for specified factors; and delete a requirement for the final allocation plan to assign additional weight to jurisdictions that meet specified criteria related to job centers and transit availability. CSAC went neutral on the legislation. The County remained in opposition. As of September 25th, the bill is still on the Governor’s Desk.

SB 833 (McGuire) This bill will require the Office of Emergency Services (OES), in consultation with specified stakeholders, to develop voluntary guidelines for alerting and warning the public of an emergency and requires OES to develop an alert and warning training. The County originally had a support if amended position on this bill. The bill was signed by the Governor on September 21st.

SB 834 (Jackson) The Santa Barbara County Board of Supervisors approved a resolution opposing new offshore oil and gas leases in Federal waters off of the California Coast. Senate Bill 834 would bar the State Lands Commission (commission) or a local trustee of public trust lands from entering into any new lease or conveyance to authorize new construction of oil- and gas-related infrastructure upon state tide and submerged lands associated with federal Pacific Outer Continental Shelf leases issued after January 1, 2018. The bill was signed by the Governor on September 8th. The County was in support of the bill.

SB 914 (Dodd) This bill expands the tools counties have to plan and deliver infrastructure projects by extending construction manager at-risk (CMAR) authority to other types of infrastructure projects beyond buildings. The bill was chaptered into law on July 16th. The County was in support of this bill.

SB 917 (Jackson) This bill provides that if loss or damage results from a combination of perils, one of which is a landslide, mudslide, mudflow, or debris flow, an insurer shall provide coverage if an insured peril is the efficient proximate cause of the loss or damage and coverage would otherwise be provided for the insured peril. The bill provides that this is declaratory of existing law. The bill was signed by the Governor on September 21st. The County supported the bill.

SB 933 (Allen) The bill would have established the Arts for Every Student Incentive Grant Program, to be administered by the California Department of Education (CDE), to encourage and maintain the delivery of high-quality visual and performing arts education programs. This bill would have required funding from the Budget Act. SB 933 (Allen) passed the Assembly Floor with a 75-3 vote, and was concurred in the Senate, but was vetoed by the Governor on September 23rd. The Governor stated, “Nurturing creativity is certainly one of the most important responsibilities of teachers and local schools. But under our philosophy of local control, this is a matter best handled by individuals at the school level, not at state headquarters.” Meanwhile, \$41 million is still in the budget that is eligible for both visual and performing arts education programs and school health centers. The County was in support of both the budget proposal and the bill.

SB 1026 (Jackson) The bill would have repealed statutes that establish the Senior Housing Information and Support Center and the Program for Injury Prevention, and required the California Department of Aging (CDA) to develop materials on aging in place, and instead establish the Dignity at Home and Fall Prevention Program and require CDA to provide grants to area agencies on aging (AAAs) for injury prevention services, as specified. The bill passed the Senate Floor on consent, and then passed the Assembly Aging and Long-Term Care Committee with a 6-0 vote, but was held in the Assembly Appropriations Committee Suspense File, therefore the bill is now dead. The County was in support of the bill.

SB 1088 (Dodd) – This bill would have required each electrical corporation or gas corporation (IOU), to submit a safety, reliability, and resiliency plan to the California Public Utilities Commission (CPUC) every two years, requires the CPUC to approve the submitted plan within 18 months and authorize recovery of the costs of implementing the plan through rates. Additionally, this bill prohibits an electrical IOU from delegating, transferring, or contracting out any of its distribution safety or reliability performance obligations, and also required the Office of Emergency Services (OES) to adopt standards for reducing risks from a major event and requires the office to update the standards at least once every two years. The bill passed the Senate Floor with a 34-2 vote, and then passed the Assembly Utilities and Energy Committee 8-2. The bill was sent to the Assembly Rules Committee but never moved out of the Senate Policy Committee process therefore is now dead. The County was in support of the bill.

SB 1090 (Monning) The bill will require the California Public Utilities Commission (CPUC) to approve collection of ratepayer funds for previously denied elements of a Pacific Gas and Electric Company (PG&E) application related to the retirement of the Diablo Canyon Nuclear Power Plant. The bill was signed by the Governor on September 19th. The County was in support of the bill.

SB 1333 (Wieckowski) As amended on August 24th, the bill applies specified provisions in the Government Code pertaining to local planning and zoning requirements to charter cities, it would specify that specified provisions of the Planning and Zoning Law regarding general plans, specific plans, and the adoption and review of housing elements apply to charter cities. The County became neutral on the bill. As of September 25th, the bill is still on the Governor’s Desk.

SB 1331 (Jackson) Although the County does not have a position on this bill, this bill is supported by the County’s District Attorney’s office. This bill requires the Commission on Peace

Officer Standards and Training (POST) to include procedures and techniques for assessing signs of lethal violence in domestic violence situations in the existing training course for law enforcement officers in the handling of domestic violence complaints. The bill passed Assembly Floor and was chaptered into law on July 18th.

SB 1459 (Cannella) This bill allows the California cannabis licensing authorities, (the Department of Food and Agriculture (CDFA), Department of Public Health (DPH), and the Bureau of Cannabis Control (BCC), to issue a provisional license for commercial cannabis activity if specified conditions are met, most notably, that the applicant has submitted application for a license, permit, or other authorization. As of September 25th, the bill is still on the Governor's Desk. The County is in support of the legislation.

Conclusion

The Legislature adjourned on August 31st and is now back in their districts. The Governor has until September 30th to sign, veto or pass legislation without his signature, which means every piece of legislation that is before the Governor's desk will have to be acted upon on the midnight of September 30th or it will become law.

The County had a very successful year, including supporting the passage of many critical pieces of legislation on wildfire prevention. A new Legislature will convene on December 3, 2018 to begin the 2019-20 Legislative Session. November elections will determine the make up of the Legislature and a new governor who will be sworn in on January 7, 2019. The County will need to continue to develop its priorities for 2019 before the Legislature returns in December.

We look forward to discussing future priorities in the 2019-20 Legislative Session and will continue to work with staff and keep the committee and Board updated. As always, should you or your staff have any questions, please don't hesitate to let us know.