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**MEMORANDUM**

FROM: Louie Brown  
George Soares  
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RE: 2018 Legislative Report

DATE: September 6, 2018

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The Legislature adjourned the second year of the 2017-2018 Legislative Session just before midnight Friday, August 31, 2018. Below are bills of particular interest that were dealt with during the second year of Session, which began January 3, 2018. Legislation that passed out of the Assembly and Senate were sent to the Governor and await his action. The Governor has until midnight September 30, 2018 to sign or veto legislation presented to him.

**2018 Legislation**

*AB 5: (Gonzalez-Fletcher): Employers: Opportunity to Work Act*

**Summary:** Would create the Opportunity to Work Act. The Act would require an employer with 10 or more employees to offer additional hours of work to an existing nonexempt employee before hiring an additional employee or subcontractor, would require an employer to post a notice of employee rights, and would require the employer to maintain certain documentation. The bill would authorize an employee to file a complaint for violation of these provisions with the division and to, in the alternative, bring a civil action for remedies under the Act.

**Outcome:** Held in the Assembly.

*AB 2447 (Reyes): California Environmental Quality Act: land use: environmental justice*

**Summary:** Would, except as provided, require a lead agency that is preparing an EIR or a negative declaration to provide certain notices required by CEQA to owners and occupants of property located within 1/2 mile of any parcel or parcels, and to any schools located within one mile of any parcel or parcels, on which is located a project involving an industrial or equivalent land use, as defined, within a disadvantaged community or within 1/2 mile of a disadvantaged community.

**Outcome:** Passed out of the Assembly 42-30; Passed out of the Senate 25-13.

*AB 2468 (Arambula): Bees: apiaries: registration: colony relocation: administrative civil penalty*

**Summary:** Would require every person who moves bees into the state or otherwise comes into possession of such an apiary to register the name of the owner and the number and location of colonies moved into the state or so acquired within 30 days after coming into possession of the apiary.

**Outcome:** Passed out of the Assembly 80-0; Passed out of the Senate 38-1.

*SB 100 (De Leon): California Renewables Portfolio Standard Program: emissions of greenhouse gases*

**Summary:** The Legislature previously established the California Renewables Portfolio Standard Program to attain a target of 50% of total retail sales of electricity by December 31, 2030. This bill would revise the goal of the program to

require that the 50% renewable resources target is achieved by December 31, 2026, and to achieve a new 60% target by December 31, 2030.

**Outcome:** Passed out of the Assembly 44-33; Passed out of the Senate 25-13.

*SB 623 (Monning): Water Quality: Safe and Affordable Drinking Water Fund*

**Summary:** Would establish the Safe and Affordable Drinking Water Fund in the State Treasury and imposes water, fertilizer and dairy fees to fund safe drinking water programs. Imposes a Safe and Affordable Drinking Water Fee (water fee) on each customer of a public water system; a \$0.005 per dollar of sale Fertilizer Safe Drinking Water Fee (fertilizer fee) on all fertilizer materials to be paid by licensees who sell or distribute bulk fertilizer until January 1, 2033 and \$0.002 per dollar of sale after; and a \$0.01355 per hundredweight of milk Dairy Safe Drinking Water Fee (dairy fee) by requiring every milk handler already subject to specified regulatory milk fees from January 1, 2020 through January 1, 2035, to deduct this amount from payments made to producers of milk. Requires the Secretary of CDFG to adopt regulations to implement and enforce dairy fee by January 1, 2020. Prohibits SWRCB or regional water quality boards from specified enforcement actions against agricultural operations for exceeding nitrate groundwater objectives or other groundwater pollution standards as specified if the operation demonstrates certain mitigation requirements are met, including the timely payment of the fertilizer or dairy fee until January 1, 2033.

**Outcome:** Held in the Assembly.

*SB 844 (Monning): Water Quality: Agricultural Safe Drinking Water Fees*

**Summary:** Would, during calendar years 2019 to 2033, require a licensee to pay to the Secretary of CDFG a fertilizer safe drinking water fee of \$0.008 per dollar of sale for all sales of fertilizing materials intended for farm use and \$0.004 per dollar of sale for all sales of fertilizing materials intended for noncommercial use. This bill would require, beginning January 1, 2021, until January 1, 2036, each milk handler subject to deduct from payments made to producers for market and manufacturing milk the sum of \$0.01355 per hundredweight of milk as a dairy safe drinking water fee. On and after January 1, 2036, the bill would reduce the fee to \$0.00678 per hundredweight of milk. This bill, during calendar years 2021 to 2035, inclusive, would require each producer owning a nondairy confined animal facility, as defined, to pay annually to the secretary a safe drinking water fee of \$1,000 for the first facility and \$750 per each facility thereafter owned by the same producer, not to exceed \$12,000. The bill, beginning calendar year 2036, would require the each producer owning a nondairy confined animal facility to pay annually to the secretary a safe drinking water fee of \$500 for the first facility and \$375 per each facility thereafter owned by the same producer, not to exceed \$6,000.

**Outcome:** Held in the Assembly.

*SB 845 (Monning): Safe and Affordable Drinking Water Fund*

**Summary:** Would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are continuously appropriated to the board. This bill, beginning January 1, 2020, would require a community water system with 200 or more service connections to provide an opportunity for each customer of a community water system to provide a voluntary remittance of \$1.00 per month either as part of the customer's regular water bill or by using a specified notification procedure, to advance the purposes of the fund.

**Outcome:** Held in the Assembly.

*SB 901 (Dodd): Wildfires*

**Summary:** Was amended in Conference Committee to do the following:

- Require the ARB to develop a standard approach to quantifying the direct carbon emissions from fuel reduction activities and a historic baseline of GHG emissions from California's natural fire regime before modern fire suppression.
- Create a new exemption in the Forest Practices Act called the Small Timberland Owner Exemption.
- Increase the maximum penalty to \$100,000, from \$50,000, for any violation of the Public Utilities Act. Prohibit an electrical corporation from recovering a fine or penalty through a rate approved by the CPUC.
- Require the CPUC to allow investor owned utilities to recover liability costs and expenses for the 2017 wildfires from ratepayers through the issuance of bonds after an analysis of the total amount a utility can pay while maintaining service.

- Authorize the CPUC, for wildfires occurring on or after January 1, 2019, in an application by an electrical corporation to recover costs and expenses arising from a catastrophic wildfire, to allow cost recovery if the costs and expenses are just and reasonable, based on the CPUC’s consideration of the conduct of the electrical corporation and relevant information submitted into the CPUC’s record, including, but not limited to, information regarding specified factors to determine whether the utility actions were reasonable.
- State that two separate appropriations, one for \$165,000,000 and one for \$35,000,000, shall be made in each Budget Act through the 2023–24 fiscal year from the GGRF to CalFire, each for separately identified purposes relating to forest health, fire prevention, and fuel reduction.

**Outcome:** Passed out of the Assembly 49-14; Passed out of the Senate 29-4.

*Budget Act of 2018*

**Summary:** In the Governor’s initial January budget, \$244 million was included for the agricultural community. In the May Revise, the Governor included an additional \$60 million in funds for the agricultural community, bringing the total funding to \$304 million. The specific breakdown is:

- \$132 million for agricultural diesel engine replacement and upgrades;
- \$64 million for food processors to implement greenhouse gas reducing projects;
- \$4 million for agricultural renewable energy projects;
- \$5 million for healthy soils projects; and
- \$99 million for dairy digester research, development, and alternative manure management projects.

**Outcome:** The full budget was passed out of the Assembly and Senate on June 14, 2018.

If you have any questions about the legislation summarized above, please do not hesitate to contact us.