

TO: Members, County of Santa Barbara Legislative Committee

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

DATE: February 28, 2018

The Legislature is now in session for the second year of the two-year session. The deadline for legislators to introduce bills was on February 16th, with more than 700 bills introduced on the last day of the deadline. There were 1,505 Assembly Bill introductions and 672 Senate Bill introductions this year, totaling to 2,177 number of introductions, not including constitutional amendments or resolutions, with a total of 4,672 bills for the 2017-18 session.

Our office has reviewed all of the introduced bills and will categorize them by subject, as well as determine how they fit into the County Platform. We will now work with staff and our delegation to see which bills to take to the legislative committee.

Fires and Floods

We continue to focus on ensuring maximum state assistance in the Legislature and in the state budget in result of the aftermath of the fires and floods that devastated the County. In result of the debris flow that generated from the Thomas wildfire and the mudslides in the beginning of January, the County submitted a letter to the California Office of Emergency Services (CalOES) and supporting documentation to the Department of Resources Recycling and Recovery (CalRecycle) for an emergency landfill expansion at the Tajiguas Resource Recovery Project and Sanitary Landfill in order to dispose of all of the disaster debris and mitigate mudflow from future rain events.

On February 22nd, CalRecycle corresponded in response to the County's letter stating that the request didn't support a waiver of state regulations under the authority provided in the Governor's executive order on the Thomas Fire, and the expansion doesn't appear necessary to expedite the current removal effort, stating that CalRecycle will instead work with the County to move the project through the normal permit process and will facilitate an expedited solid waste facilities permit, which would be complete within 30 days of completed application. We are currently working with our delegation and the Administration to work out a possible solution.

Cliff Berg and Assistant County Executive Officer Matt Pontes attended CSAC's second Disaster Recovery Summit and Roundtable that was attended by more than a dozen counties, as well as representatives from the Governor's Office, CalOES and FEMA, in order to go over updates and discuss disaster relief and recovery strategies from the 2017 wildfire disasters.

Meanwhile, the Legislators continue to focus on methods to improve aid and response to counties since fires have become a yearlong issue, rather than a seasonal burden. On February 27th, the Senate Governmental Organization Committee and Joint Committee on Emergency

Management held a hearing on California's mutual aid system which included speakers from CalOES, CalFIRE and local fire departments of the counties affected by the fires in order to ensure that fire departments are prepared to help each other fight wildfires year-round.

Insurance Commissioner Dave Jones issued a press release in late January stating a formal notice to all property and casualty insurance companies providing homeowners and commercial property insurance in the California fire-affected areas, reminding them of their duty to cover damages from the recent mudslide and debris flows if determined that the mudslides was a cause of the fire. The Insurance Commissioner stated that, "Preliminary indications are that the Thomas Fire burned vegetation which would otherwise have absorbed rainfall and held soils in place, which in turn resulted in the mudflows, mudslides, debris flows or landslides. If the evidence shows the Thomas Fire or another peril covered by a homeowner's insurance policy was the efficient proximate cause of mudflow damage, I expect insurance companies to step up and cover these financial losses." Meanwhile, the Insurance Commissioner is encouraging residents and business owners in the Santa Barbara County to file claims with their insurance companies.

The press release comes after the Insurance Commissioner Dave Jones and a group of lawmakers introduced six bills and two proposals in hopes to strengthen consumer protections for wildfire survivors making insurance claims.

The following bills include:

SB 894 (Dodd) After a declared disaster, this bill will allow an insured the option to combine unused primary structures, other structures, contents, and additional living expenses coverage amounts to rebuild their home - protecting insureds who may be underinsured for the Primary Structure yet have unused coverage in the Other Structures coverage or Contents coverage. Also, this proposal extends policy renewal protections for an insured from one renewal to two renewals or 24 months, whichever is greater. After a declared disaster, this bill extends the time to collect Additional Living Expenses (ALE) benefits from 24 months to 36 months. *The bill is referred to the Senate Committee on Insurance, Banking and Finance Committee.*

SB 897 (McGuire) This proposal clarifies the scope of ALE Coverage. After major events, unique situations arise that should be covered under ALE. For example after a wildfire there may be a lack of hotels or other traditional forms of housing, this proposal would require insurers to cover expenses for Airbnb, short-term rentals, or renting an RV while the policyholder's home is being rebuilt.

This proposal also codifies the voluntary Expedited Claims/Billing Procedures triggered by a total loss to an insured. This proposal would automatically trigger and make mandatory expedited claims and billing procedures after a major wildfire to help policyholders facing total losses begin recovery sooner. Issues addressed include: payment of up to 4 months of advanced ALE, standard contents advance payment of at least 25% of policy limits without a completed inventory list, grouping categories of personal property instead of a detailed itemized list, contents coverage settlement where the policyholder could settle for 80% of the contents limit without having to compile a home inventory, and an insurance billing grace period. *The bill is referred to the Senate Committee on Insurance, Banking and Finance Committee.*

SB 1263 (Portantino) This legislation provides automatic additional replacement cost coverage after a declared disaster. The additional coverage would be equal to 50% of the actual coverage available under the insured's primary structure and other structures on the property. When insureds are not offered or do not have Extended Replacement Cost Coverage, and in some cases even when they do, they find themselves underinsured after a major event. This automatic additional replacement cost coverage, triggered only after a declared disaster by the Governor, will protect survivors from being underinsured.

SB 1291 (Dodd) There are three kinds of adjusters that help settle pending insurance claims: those that are employees of an insurance company, those that are "independent" but have a contract with an insurance company to help handle claims, and "public" adjusters that have a contract with a consumer to get a better settlement of a claim with an insurer. "Independent" adjusters are licensed in 35 states, including California; however we are the only state to overwhelmingly license independent adjusters on an organizational, as opposed to individual, basis. California currently issues independent adjuster licenses to both entities and individuals but for both licenses only one individual needs to be fingerprinted, pass a qualifying license exam and meet continuing education (CE) requirements. Other than this one individual, known as the qualified manager, no employees of the independent adjuster who adjust claims need to meet these requirements. This leads to professional gaps and consumers receiving incorrect or improper information, as happened most recently in California's devastating 2017 fires. There are at least 30,000 individuals currently adjusting claims that have not met fingerprinting, exam and CE requirements. This proposal would allow California to join 34 other states by implementing the same high standards enjoyed by consumers through an exam, fingerprint-based background check and CE requirements.

AB 1772 (Aguiar-Curry) The bill would extend the time to rebuild and collect full replacement cost from 24 to 36 months after a declared disaster. After a major event, there is often a shortage of qualified workers in the construction industry coupled with a demand surge for construction workers needed to rebuild structures. This law will give wildfire survivors additional time to rebuild and collect replacement costs from insurers. *The bill is referred to the Assembly Committee on Insurance.*

AB 1797 (Levine) The bill requires an insurer to conduct a Replacement Cost Estimate for new residential insurance policies and at each annual renewal. Currently insurers are not required to conduct replacement costs estimates or to update the estimates on a regular basis to keep up with the rising costs of construction over the life of the insurance policy. *The bill is referred to the Assembly Committee on Insurance.*

AB 1799 (Levine) The bill would require insurers to provide a copy of complete policy documents to insureds upon request, while also clarifying what documents are to be provided. *The bill is referred to the Assembly Committee on Insurance.*

AB 1800 (Levine) The bill clarifies an insured's right to collect the full replacement cost of their home in the event of a total loss, whether they decide to rebuild, replace at another location or purchase an already built home at a new location. It also ensures policyholders receive full

replacement costs, including additional Extended Replacement Cost coverage purchased by the insured, which is currently being withheld by insurers if an insured decides to purchase property in a new location. *The bill is referred to the Assembly Committee on Insurance.*

AB 1875 (Wood) The bill requires residential property insurers to provide a mandatory offer of extended replacement cost coverage of no less than 50% upon issue or renewal of a residential property insurance policy to ensure policyholders are adequately insured and protected from the dangers of being underinsured. *The bill is referred to the Assembly Committee on Insurance.*

AB 1923 (Limón) In order to expedite the debris removal process for the health and safety of the public, this proposal would add the Consolidated Debris Removal program to the insurance code, requiring insurers to participate after a declared disaster. The proposal also clarifies the two main types of property coverage and how the Consolidated Debris Removal program will work with each.

AB 2594 (Friedman) The bill would extend a consumer's right to sue their insurer following a declared disaster from 12 months to 24 months, given that it now takes longer to rebuild after California's fires in 2015 and 2017. Some insurers have refused consumer claims, citing the lack of a lawsuit within the 12-month timeframe.

The County's delegation introduced SB 917 (Jackson), which would clarify that under current law, an insurance policy will cover loss or damage resulting from a landslide if that landslide was attributable to a condition already covered by the policy, such as wildfires. The bill has been referred to the Senate Committee on Insurance, Banking and Finance Committee. Assemblymember Monique introduced AB 1877 (Limon) which would require the Office of Emergency Services to translate any emergency communication of the office into the language other than English that is spoken by a majority of the public in the impacted county or counties, and would make that translation available during the emergency communication. The bill is referred to the Assembly Governmental Organization Committee.

Other introduced legislation related to wildfires, disasters and insurance claims include:

SB 821 (Jackson) This bill would specify that the Office of Emergency Services may assist county jurisdictions in developing effective public emergency warning systems.

SB 824 (Lara) Current law requires an insurer to comply with procedures relating to cancellation of insurance policies in case of total loss to the primary insured structure - procedures such as an insurer may not cancel coverage while the primary insured structure is being rebuilt, nor use the fact that the insured structure is in damaged condition as a result of total loss as the sole basis for a decision to cancel policy, and must offer at least once to renew the policy if total loss insured structure was caused by a disaster. This spot bill would express the intent of the Legislature to clarify this provision is applicable to all insured properties located within a county for which a state of emergency has been declared. *The bill is referred to the Senate Committee on Insurance, Banking and Finance Committee.*

SB 833 (McGuire) The bill would require the red alert system to incorporate a variety of notification resources and developing technologies that may be tailored to the circumstances and geography of the underlying evacuation. The bill would require a local government agency or

state agency that uses the federal Wireless Emergency Alert (WEA) system to alert a specified are of an evacuation order to use the term “red alert” in the alert and notify OES of the alert. *The bill is referred to the Senate Committee on Governmental Organization.*

SB 896 (McGuire) The bill would extend the operation of the former aggravated arson offense until January 1, 2024 and would increase the threshold of property damage and other losses constituting an aggravation factor for arson to \$7,300,000. *The bill is referred to the Senate Committee on Public Safety.*

SB 901 (Dodd) The bill would require investor and municipal electric utilities to update their wildfire mitigation plans to include policies and procedures for determining if, when and where to temporarily de-energize a power line during extreme weather events for the purpose of preventing a wildfire. The utilities would have to assess meteorological conditions, mapping of fire risk zones, observations of vegetation conditions around and near power lines, and establish a protocol for notifying impacted customers. *The bill is referred to the Senate Committee on Energy, Utilities and Communications.*

AB 1740 (Daly) The bill would delete current provisions regarding actual cash value of an insurance claim of total loss to structure, and would instead require that the actual cash value of the claim, for either a total or partial loss to the structure, would be the amount it would cost the insured to repair the thing lost or injured less a fair and reasonable deduction for physical depreciation based upon its condition at the time of the injury or the policy limit, whichever is less. *The bill is referred to the Assembly Committee on Insurance.*

Budget

On January 10, 2018 the Governor released his 2018-19 Budget, which proposed \$131.7 billion in state General Fund expenditures. The Assembly and the Senate are going to break off into budget subcommittee hearings in the beginning of March to review the state budget by subject matter. The May Revise will be released around mid-May, after which the Assembly and Senate will then held their own budget hearings where they vote to adopt their own version of the budget, after which both versions of the budgets will go before the Budget Conference where the appointed Budget Conferees will vote on which version of the budget to send to the Governor. The Budget Bill must be passed by midnight of June 15th.

Highlights include:

Disaster Relief

CalFire response costs will require a 2017-18 budget augmentation of \$469.3 million, which will be provided through the state’s Emergency Fund. The state is currently also seeking a federal supplemental disaster-related appropriations bill that would amount to \$4.4 billion to support disaster recovery efforts.

Rainy Day Fund

The budget proposes a \$3.5 billion supplemental payment in addition to the constitutionally required transfer to the Rainy Day Fund for 2018-19. The two payments would bring the total Rainy Day Fund to \$13.5 billion.

Courts

The budget proposal provides \$4.2 billion for the judicial branch that includes \$150 million in new funding to support efforts by the Judicial Council to improve and modernize trial court operations.

For 2018-19, the budget includes a \$150 million package out of the general fund for courts, which includes:

- Support for Trial Court Operations
The Budget includes an increase of \$122.8 million General Fund for trial court operations and an increase of \$25.9 million General Fund for trial court employee benefit costs.
- Trial Court Trust Fund Revenue
The Budget includes an increase of \$34.1 million General Fund to reflect a further reduction of fine and penalty revenues expected in 2018-19.
- Self-Help Centers in Trial Courts-The Budget includes an increase of \$19.1 million General Fund to expand self-help services in trial courts to assist the increasing number of self-represented litigants and achieve court efficiencies.
- Language Access-The Budget includes an increase of \$4 million General Fund to enable the continuation and expansion of interpreter services for civil matters in all courts.
- Pilot Project for Online Adjudication of Traffic Violations-The Budget includes \$3.4 million to establish an online adjudication system for traffic violations in five pilot courts.

Transportation Infrastructure

For 2018-19, the budget includes \$4.6 billion in new transportation funding, which includes:

- A focus on “fix-it-first” investments to repair neighborhood roads, state highways and bridges (\$2.8 billion).
- Making key investments in trade and commute corridors to support continued economic growth and implement a sustainable freight strategy (\$556 million).
- Matching locally generated funds for high-priority transportation projects (\$200 million).
- Investing in local passenger rail and public transit modernization and improvement (\$721 million).

Statewide Voting Systems Replacement

The budget includes \$134.3 million General Fund for the purchase of all necessary hardware, software, and initial licensing for the replacement of voting systems and technology in all of the 58 counties.

Libraries

For 2018-19, the budget includes \$9 million for libraries, which includes:

- Augmentation for Literacy Program—An increase of \$2.5 million General Fund ongoing to expand the existing California Library Literacy Services program.
- One-Time Funding for Broadband Grants—\$5 million General Fund one-time for broadband equipment grants, with the expectation that \$2 million would support connection for public libraries who lack access to the broadband network and \$3 million would expand capacity for libraries already connected.
- One-Time Funding for Online Service System—\$1.5 million General Fund one-time for online systems for use by public libraries to support efficient access to resources.

Public Safety Communications

The state budget proposes \$11.5 million in State Emergency Telephone Number Account (SETNA) funds to modernize the state’s system and improve public safety during emergency events.

Property Tax Backfill

The state budget provides \$23.7 million in backfill to counties and other local jurisdictions for lost property taxes in 2017-18 and 2018-19 resulting from the October 2017 fires. This is a preliminary number that will be updated to capture full losses in counties in both northern and southern California in the May Revision.

SB 5 - California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All Act (2017)

If approved by the voters, SB 5 will add \$4 billion in general obligation bonds to implement its provisions, including \$175 million for Coastal protection with \$85 million for state coastal conservancy. The state budget proposes \$1.02 billion for the first year of SB 5 implementation, should the measure be approved. The budget also allocates \$95.5 million from SB 5 for flood control projects that achieve public safety and fish and wildlife improvements.

State and Local Parks

The state budget allocates \$472 million in funding from SB 5 for various park programs and projects, which includes four million in grants for deferred maintenance projects to county fairgrounds and \$464 million for improving and increasing access to local neighborhood parks.

Groundwater Sustainability

The state budget proposal includes \$61.8 million in SB 5 funding for the Department of Water Resources to support SGMA Groundwater Sustainability Agency (GSAs) activities. The budget also proposes \$84 million to the State Water Board to support regional groundwater treatment and remediation activities, including \$10 million in technical assistance for drought and groundwater investments.

Cap and Trade Funding

In result of the extension of the cap and trade program, the state will have \$1.25 billion in cap and trade funds available for appropriation in 2018-19.

In-Home Supportive Services (IHSS)

The state budget contains no changes to the structure of the new county In-Home Supportive Services (IHSS) maintenance of effort (MOE) that was negotiated last year.

Health Care Expansion

California continues to implement the optional expansion of ACA with nearly 3.9 million Californians covered in 2018-19.

2011 Realignment

The state budget updates revenue assumptions for 2011 Realignment programs. For the Community Corrections Subaccount (AB 109) the 2017-18 statewide base remains \$1.241 billion, with growth funding estimated at \$84.3 million. The 2011 Realignment estimates will be revisited and revised in the Governor's May Revision.

Proposition 47

Proposition 47, which was passed in November of 2014, requires misdemeanor rather than felony sentencing for certain property and drug crimes and permitted inmates previously sentenced for these reclassified crimes to petition for resentencing. Based on fall projections, the Department of Finance (DOF) currently estimates a net savings of \$64.4 million when comparing 2017-18 to 2013-14, an increase of \$18.8 million over the estimated 2016-17 savings.

Community Corrections Planning (CCP) Grants

The state budget continues with a round of Community Corrections Planning (CCP) grants totaling \$7.9 million for Community Corrections Partnerships (CCPs) to support work associated with ongoing AB 109 implementation efforts.

Affordable Housing

The timing of SB 2 (Chapter No. 364, Statutes of 2017) appropriations is still unclear, but the state budget does project that \$258 million in tax revenues will be generated through SB 2's recording fee in 2018-19.

Sexual Harassment

In response to allegations made last fall, Senator Tony Mendoza resigned on February 22nd after Senate Pro Tem Kevin de Leon introduced a resolution to expel Senator Mendoza from the State Senate after the Senate Rules Committee released a summary of the investigative findings that Senator Mendoza likely engaged in unwanted behavior toward multiple women. Before the Senate floor vote, Senator Mendoza sent a letter to the Legislature resigning from office. These events occurred after Senator Tony Mendoza filed a lawsuit in the beginning of February asserting that the Senate violated his constitutional rights of due process after he was forced to take a leave of absence at the beginning of the session. The former Senator has announced that he will seek re-election of his seat even though he was rejected an endorsement by the local delegates at the California Democratic Party convention.

In the meanwhile, Assemblymember Cristina Garcia (D-Bell Gardens) has placed herself on unpaid leave after the Assemblywoman was accused of sexual misconduct by a former

legislative aide at an off-site event. Assemblymember Garcia has denied any allegations and is currently being investigated by an outside law firm.

The Joint Committee on Rules Subcommittee on Sexual Harassment Prevention and Response is continuing to hold multiple hearings on best practices and reporting. On February 15th the Committee held a hearing on defining sexual harassment in order to identify challenges in the current anti-harassment policies. The next committee hearing will be held on March 6th in order to go through the investigation and response to sexual harassment allegations.

Legislators continue to respond by proposing multiple pieces of legislation, including unanimously passing a bill which was killed four times since 2014 - AB 403 (Melendez), which expands protections for whistleblowers in the Legislature. The bill was chaptered into law on February 2nd. Among some bills introduced include:

AB 1750 (McCarty) which would require the California State Senate and the California State Assembly to seek reimbursement for any sexual harassment settlements paid by the Legislature when there is clear evidence of wrongdoing by a legislator.

AB 1867 (Reyes), which would require employers to maintain records of employee complaints of sexual harassment for ten years after the date of filing

AB 1870 (Reyes) that was introduced by a bi-partisan group of female lawmakers, which would give victims up to three years after workplace harassment occurs, to file a complaint with the California Department of Fair Employment Housing.

AB 3081 (Gonzalez Fletcher) which would establish a hotline for any employee seeking guidance after being sexually harassed or witnessing sexual harassment. The bill would also create a way for workers to file reports anonymously.

SB 224 (Jackson), which would add investor, elected official, lobbyist, director and producer among those listed persons who may be liable to a plaintiff for sexual harassment.

Gun Control

In response to the tragedy of the high school shooting in Parkland, Florida, a group of Democratic Assemblymembers held a press conference on February 26th in order to discuss the issue of gun violence and the impact it has on families and the community. The Legislators introduced a package of gun control bills in order to increase public safety.

The legislation includes:

AB 2382 (Gipson) The bill seeks to reduce the flow of unregistered weapons by establishing a definition for “incomplete” lower receivers and adding it to a list of items that cannot be obtained without passage of a background check.

AB 2222 (Quirk) The bill would require all law enforcement agencies to submit data on recovered firearms into the Department of Justice’s Automated Firearms System, in order to help

synchronize law enforcement and the DOJ's efforts in recognizing patterns in gun trafficking and preventing criminals from possessing firearms.

AB 1927 (Bonta) The bill would require the Department of Justice to develop and launch a secure Internet-based platform to allow a person who resides in California to voluntarily add his or her own name to the California Do Not Sell List.

AB 1968 (Low) The bill would restrict firearm possession for people at risk of harming themselves or others. The bill permanently removes the firearms of an individual who has been placed on a 5150 hold twice in one year, with the option to petition the court for a hearing to have them returned. This also prohibits the admitting facility from filling out the petition form on the individual's behalf, and the petition would include an authorization for the release of the person's medical and mental health records to the appropriate district attorney. This bill also, extends the length of time for a hearing to take place from 30 days to 60 days from receipt of petition.

AB 2781 (Low) The bill would harness the power of existing technology and systems to quickly solve gun crimes and identify crime gun shooters. By mandating the collection and submission of eligible casings and guns, we exponentially increase the ability for shooters to be identified. This law seeks to affect violent crime rates by identifying shootings and shooters, so they may be brought to justice.

AB 2526 (Rubio) The bill bolsters public safety by ensuring time-sensitive restraining orders are issued efficiently and effectively when there is immediate and present danger to the public, as well as families and their loved ones. This bill clarifies procedures for law enforcement and the courts to follow when issuing emergency temporary gun violence restraining orders.

AB 3129 (Rubio) The bill will prohibit defendants convicted of misdemeanor domestic violence violations from owning or possessing firearms. AB 3129 will better protect victims of domestic violence by imposing a lifetime ban on firearms for individuals with a history of domestic abuse.

AB 1903 (Lorena Gonzalez- Fletcher) The bill prohibits public agencies who host gun buy-back programs from issuing gift cards to retailers who sell guns.

Assemblymember Philip Ting will move proposed legislation to expand current law to allow an employer, a co-worker, a mental health worker, or school employee to request the courts to issue a gun violence restraining order. Under current law, only a law enforcement officer or an immediate family member may petition the court for a gun violence restraining order. There is no bill number for this proposal yet.

Assemblymember David Chiu also spoke about his bill that was held in committee in 2016. AB 1663 (2016) sought to amend the definition of an assault weapon as it pertains to rifles and defines "detachable magazines" and "fixed magazines" to address the assault weapons loophole.

Other Legislation and Information

Legislative language is currently being proposed by Assemblymember Tony Thurmond that would prevent and place restrictions on counties from contracting out with eligibility workers that would find citizens that are eligible for the following services – CalFresh, CalWORKS, Medi-Cal, IHSS and various programs for the elderly and disabled. Although it is not clear yet whether SEIU is a sponsor or a supporter of the legislation, this language has similar intent of AB 1250 (Jones-Sawyer), which the County heavily opposed last year. There is no bill number yet, but the language will most likely be amended into a current spot bill.

Another piece of legislation, SB 1160 (Hueso) would make it a misdemeanor to commit a trespass by entering a gaming facility on the Indian lands of a federally recognized Indian tribe after receiving an order of exclusion from the designated agency of the tribal government. The bill would possibly create a local control issue for the County since it will create a mandated local program that would possibly force the County to incarcerate and/or prosecute a trespassing person.

The County's Assemblymember Monique Limon (D-Santa Barbara) has introduced AB 2077 (Limon) which would add counties to the definition of "eligible customer generator." The current meaning defines an "eligible customer generator" in the following way: "Eligible customer-generator" means a residential customer, small commercial customer as defined in subdivision (h) of Section 331, or commercial, industrial, or agricultural customer of an electric utility, who uses a renewable electrical generation facility, or a combination of those facilities, with a total capacity of not more than one megawatt, that is located on the customer's owned, leased, or rented premises, and is interconnected and operates in parallel with the electrical grid, and is intended primarily to offset part or all of the customer's own electrical requirements. This would allow counties to aggregate meters from adjacent properties to be offset by a single renewable energy system.

On February 9th, the PUC unanimously approved resolution – E-4907 after being substantially revised from the original resolution per the request of the Community Choice Aggregators. The County opposed the original version of the resolution.

The revisions extend the submission date of Resource Adequacy Implementation Plans to March 1, 2018, in order for prospective or expanding Community Choice Aggregators to serve customers in 2019.

Second the revisions creates two waiver options by which any new or expanding Community Choice Aggregator may request a waiver from the timelines in the proposal in order to begin service in that new or expanded territory prior to January 1, 2019:

1. Under the first waiver option, the Community Choice Aggregator and utility in whose service territory the Community Choice Aggregator intends to begin service must jointly submit a Tier 1 Advice Letter to us no later than 75 days prior to the Resource Adequacy compliance month in which the Community Choice Aggregator wishes to begin service. This Advice Letter must provide notification that the utility and Community Choice Aggregator mutually agree (via payment, allocation of Resource Adequacy, or a combination thereof) that they have addressed Resource Adequacy requirements and cost responsibility.

2. Under the second waiver option, if no agreement is reached, the Community Choice Aggregator must file a Tier 1 Advice Letter with us no later than 75 days prior to the Resource Adequacy compliance month in which the Community Choice Aggregator wishes to begin service. This Advice Letter must provide notification that the utility and the Community Choice Aggregator are unable to reach agreement to address the Resource Adequacy requirements and cost responsibility concerns, and must state that the Community Choice Aggregator agrees to be bound by a future CPUC determination in the Resource Adequacy proceeding regarding cost responsibility.

AB 653 - Tribal Tax Issues

AB 653 (Ridley-Thomas) was legislation sponsored by the Chumash Tribe, which passed the Assembly last year and was set for hearing in the Senate Governance and Finance Committee on August 30, 2017. After lengthy discussions between the sponsors, the County, our legislative delegation, CSAC and the rural counties, the sponsors and author decided to cancel the hearing. The bill is now a two-year bill, but the author of the bill, Sebastian Ridley-Thomas (D-Los Angeles) resigned due to health reasons.

We have been in contact with the sponsors of the bill, and we understand that there is still some interest, but if there will be any movement, it won't be until later in the year.

Cannabis

The passage of Prop 64 allowed the recreational use of marijuana in California which created a number of cannabis policy, trailer bill language and regulations by the Bureau of Marijuana Control, CalCannabis and the Department of Public Health this session. In addition to Prop 64, which was approved in 2016, the Governor signed into law the Medical Cannabis and Regulatory Safety Act (MCRSA) in 2015. These two laws contained several differences; therefore in addition to the \$94.6 million appropriated in the budget to implement California's cannabis laws, the budget package included trailer bill SB 94 that merged provisions of MCRSA together with Prop 64.

Most of the cannabis issues this year were worked through a compromised deal by the Assembly, Senate and Administration through the cannabis trailer bill language in SB 94 and the clean-up cannabis trailer bill AB 133, with a majority of policy bills becoming either two-year bills or receiving a veto from the Governor.

Although the CalCannabis Cultivation Licensing program, the Bureau of Cannabis Control, and the Department of Public Health published their proposed draft regulations for implementing MCRSA in the Spring, SB 94 and changed current law. In order to be consistent with changes in the law, the Bureau had to withdraw proposed regulations and has released new emergency regulations on November 16th, and became effective in December of 2017.

Meanwhile, the CalCannabis Cultivation Licensing program prepared a Draft Program Environmental Impact Report in accordance to CEQA, which provided information of potential environmental effects associated with the implementation of cannabis cultivation regulations.

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. The Bureau of Cannabis Control will host a public licensing workshop in Ukiah on March 1st, and will focus on licensing information that is needed and resources that are available for people planning to apply for state commercial cannabis licenses.

Banking the cannabis industry remains a priority for California with the State Treasurer announcing steps to a potential public bank in California to bank the cannabis industry. The Treasurer has issued an RFI in order to gather information from experts about the method of examining the establishment of a public bank, as well as gather information from the Attorney General's office on the legal issues surrounding the regulation of a state bank for cannabis. The last day to submit a response to the RFI is March 2nd. On the legislative side, Assemblymember Jones-Sawyer introduced AJR 28, a measure that would urge the Congress and the President to pass legislation that would allow financial institutions to provide services to the cannabis industry, while Senator Hertzberg introduced SB 930 on January 25th, attempting to work around federal law that restricts financial institutions from conducting transactions with cannabis businesses. The bill is currently located in the Senate Rules Committee.

Bills 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 legislation passed the Senate Judiciary Committee with a 6-1 vote, but the author pulled the bill out of the Senate Public Safety Committee, therefore the bill is now a two-year bill. The County is in support of the bill.

AB 653 (Ridley-Thomas) The legislation is sponsored by the Chumash Tribe, and was amended on August 23rd to state that beginning the 2018-19 fiscal year, property owned in fee or held in trust by a federally recognized Indian Tribe, or owned in fee or held in trust by a charitable nonprofit organization is exempt from taxation if the following conditions are met: The tribe has submitted an initial written request or trust application to the US Department of the Interior and the department has determined that the initial written request trust application is complete, and that the tribe has submitted both of the following to the assessor: documents establishing that the tribe is federally recognized and documents establishing that the initial written request or trust application is under consideration by the US Department of the Interior. The property is used primarily for tribal housing, an essential governmental function, or other charitable purposes including but not limited to, tribal religious, education, museum, hospital, and cemetery facilities or for the preservation of agriculture and open space. The author of the bill cancelled the Committee hearing, and the bill is now a two-year bill. The County opposed the legislation.

AB 726 (Holden) and AB 813 (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 and AB 813, unless CalCCA's amendments were adopted. The bills were held in the Senate Rules Committee and are now two-year bills.

AB 1250 (Jones-Sawyer) The County is in strong opposition to the bill. The bill creates specific conditions and requirements that would apply when a county enters into a new contract or renews or extends an existing contract, and also specifies 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 is now a two year bill.

AB 1603 (Ridley-Thomas) This bill provides that persons who are employed jointly by a public agency and any other employer (e.g., a private staffing agency or registry) at specified public clinics or hospitals are public employees subject to the Meyers-Milias-Brown Act. The bill was ordered to the inactive file, and is now a two-year bill. The County will wait until next year to take a position on the bill.

SB 349 (Lara) This bill would require minimum staffing ratios for dialysis clinics and a minimum transition time between dialysis patients, as follows, commencing January 1, 2020. The bill increases the likelihood of quality care for individuals with End Stage Renal Disease by reducing the risk of infections, cardiac related and other causes of death. The author of the bill announced that this will be a two-year bill on September 8th. The County is in support of the legislation.

SB 588 (Hertzberg) This bill substantially revises 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 29th with a 12-2 vote, and then was referred to the Assembly Natural Resources Committee but didn't meet the policy deadline, therefore is now a two-year bill. County opposes the bill.

Conclusion

February 16th was the last day for bills to be introduced, with over 2,100 bills introduced this year. Policy committees will soon begin to meet since legislation had to be in print for 30 days before they were eligible to be heard. Please be advised of the Legislative calendar and the budget process, Legislators will travel back to their districts for a week during the Spring Legislative Recess on March 22nd, and will reconvene on April 2nd. April 27th will be the last day for policy committees to hear and report to the fiscal committees the fiscal bills that are introduced in the house of origin, while May 11th will be the day for policy committees to hear and report to the Floor the non-fiscal bills that are introduced in the house of origin.

We look forward to discussing priorities in the Legislature 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.