

TO: Members, County of Santa Barbara Legislative Committee

FROM: Cliff Berg, Legislative Advocate  
Kristina Gallagher

RE: 2019 June Update

DATE: June 24, 2019

On June 13<sup>th</sup> the Legislature passed the 2019-20 Budget Act, which was two days ahead of the constitutional deadline. The Budget Bill - AB 74 is now at the Governor's desk awaiting final signature. The legislature continues to work on finalizing the final trailer bills.

The County is interested in some of the last trailer bills, including AB/SB 97, which as amended on June 20<sup>th</sup>, would extend the repeal date for the provisional license provisions to January 1, 2022, and modify the applicant requirements to provide evidence of compliance with local ordinances, which in return will help allow some flexibility for individuals and businesses who are actively pursuing an annual license without removing any local jurisdiction. The Legislature, Administration and the environmental groups agreed to these amendments as a compromise. AB 97 passed the Senate Floor on June 24<sup>th</sup> with a 28-9 vote, and will need to go back to the Assembly for concurrence.

The other outstanding budget issue is funding for the Homeless Aid for Planning and Shelter Program. As proposed in the Governor's May Revision and adopted by budget subcommittees in the Senate and Assembly, the budget bill includes \$650 million for homeless emergency aid. While the Senate and Assembly versions of the proposal are relatively consistent with the Governor's homelessness framework outlined in the May Revision, they both differ in the allocation of homelessness funding directly to counties. The Senate and Assembly versions include the same total funding of \$650 million, however, the Senate and Assembly versions split funding between the largest 13 cities and the Continuums of Care, which would require counties to compete with cities and community-based organizations for the funding. Therefore, the County is advocating in strong support of the Administration's version of the homelessness budget framework. As of June 24<sup>th</sup>, we are still waiting for a deal to form through a trailer bill that will identify the allowable uses of the funds and the planning and application requirements. The compromise will likely take place in amendments to trailer bills - AB 101/SB 102.

The County is also supporting SB 96/AB 96 which would transition the existing 9-1-1 system to a Next Generation 9-1-1 infrastructure and enact funding language. The state has an outdated 9-1-1 system that uses pre-Internet and pre-cellphone era technology, and is prone to failure, especially during major disasters. During the recent wildfires, dispatch centers were unable to receive 9-1-1 calls and California's antiquated, analog microwave network must be upgraded to a digital network to maintain safety operations when the public needs it the most. This proposed change in the funding methodology will create a long-term, sustainable funding source for the 9-1-1 program in California and allows for the build-out of the Next Generation 9-1-1 system.

Without changes to the fee structure, there will be inadequate funding to support California's outdated, legacy 9-1-1 system, nor is there adequate funding to support the implementation of the Next Generation 9-1-1 system. Without new investment, the 9-1-1 system will deteriorate and inevitably cost lives. SB 96 passed the Assembly and the Senate and is now at the Governor's Desk.

The deadline to pass legislation that was introduced in the house of origin was on May 31st and Legislators are now hearing bills in policy committees in the second House. The fiscal bills that made it out of suspense in house of origin will now have to pass the other house's policy committees before the July 10<sup>th</sup> deadline which is the last day for policy committees to hear and report fiscal bills for referral to fiscal committees. All bills without a fiscal impact have to be out of policy committees by July 12<sup>th</sup>, which is when the Legislature breaks for Summer Recess. Legislators will reconvene from Summer Recess on August 12<sup>th</sup>.

### Emergency Response

The Administration's Wildfire Plan has been released but is not formally in print yet. The highlights include a new division in the PUC for wildfire safety, and a requirement that would make it necessary for IOUs to have a wildfire safety plan. In case of a wildfire, the PUC would need to determine if the IOUs followed their safety plan, if they have, the IOUs would be able to pass their costs to ratepayers. If the IOUs did not follow their safety plan, they would have to prove that there wasn't any negligence. The plan also includes a continued "DWR Charge" which was set to expire next year. In 2001, the California energy crisis prompted the state Department of Water Resources to buy power from the three investor-owned utilities. The Department issued more than \$10 billion in bonds and added a monthly "DWR charge" on customers' bills that was supposed to expire when the bonds are paid off next year but with the new plan, has now been extended for another fifteen years. Once the language is in print, we will distribute it to the County.

### Joint Legislative Audit Committee

On June 18<sup>th</sup>, the County was notified that the Joint Legislative Audit Committee received a request for an audit from Assemblymember Jones-Sawyer, related to the spending, decision-making, reporting, and evaluation of Juvenile Justice Crime Prevention Act (JJCPA) funds by the Santa Barbara County. After speaking to the Author's office, we understand that the County was chosen at random to complete a demographic sample, the Counties that were chosen along with Santa Barbara included the Counties of: Los Angeles, San Joaquin, Kern and Mendocino. In the audit request, the Author wrote that the proposed audit would help Legislators ensure that the JJCPA grant program implementation aligns with the bill's original intent to reduce youth crime and invest in local services that meet the diverse needs of the state's youth. Chief Probation Officer Tanja Heitman is planning on attending the JLAC hearing, which will take place on June 26<sup>th</sup> at 10:00AM at the State Capitol.

## State Budget

Governor Gavin Newsom submitted his 2019-20 “California for All” budget proposal to the Legislature on January 10<sup>th</sup> which proposed \$144 billion in state General Fund expenditures. The total proposal, including money earmarked for special purpose funds topped \$209 billion.

The May Revise came out on May 9<sup>th</sup>, with an overall budget of \$214 billion. Governor Newsom stated that the budget prioritizes savings for a rainy day – putting a record amount into the state’s reserves and making billions in fiscal pay downs of pension debt and one-time investments aimed at tackling the main issues driving California’s affordability crisis. On June 13<sup>th</sup>, the Legislature passed the 2019-20 Budget Act. The Budget Bill is now at the Governor’s Desk awaiting his final signature. Several important budget trailer bills will soon follow, some of which are still being finalized.

Since there were more requests than funds available, the two budget requests carried by Senator Jackson for the County regarding emergency systems and Santa Barbara County’s mental health and criminal justice projects were not included in the Budget Bill.

*Highlights in the Senate Budget Bill include:*

### *Infectious Disease Prevention*

The Governor included a one-time \$40 million General Fund investment to support local health departments in meeting the rising communicable disease needs of their communities, and the Legislature approved the expenditure. Of the \$40 million, \$4 million will be retained by the state Department of Public Health for administration of the funding as well as local grants to counties. Also, \$1 million will be earmarked for Tribal health entities. The funding will be available in a lump sum in the budget year, but counties will have three years to spend it. This proposal was championed by the County Health Executives Association of California and the Health Officers Association of California. The County is in support of the Governor’s May Revise Proposal.

### *AB 85 and Medi-Cal Expansion for Undocumented Young Adults*

The Administration withdrew their proposal to change the AB 85 diversion ratio to 75/25 for Article 13 counties. The Governor’s original plan was to change the AB 85 formula to pay for the expansion of Medi-Cal Coverage proposal, which would have redirected \$2.1 million dollars from the County’s core Public Health services. In regard to the CMSP Board, the Governor will divert all 1991 Realignment funding until the Board spends down their reserves to two years’ worth of operating costs, at which time the 60/40 ratio will be reinstated.

### *Investments in Emergency Readiness, Response and Recovery*

The Budget includes approximately \$184 million for emergency response. This includes funding for public safety power shutdowns; ongoing funding for the state’s mutual aid system; additional funds to build a statewide public safety radio system; funding for the final phase of the build-out for the California Earthquake Early Warning System; and funding to support disaster preparedness efforts.

### *Homelessness*

As proposed in the Governor's May Revision and adopted by budget subcommittees in the Senate and Assembly, the budget bill includes \$650 million for homeless emergency aid. However, the budget trailer bill that will identify the allocation of these funds has not been finalized and released. This trailer bill will also identify the allowable uses of the funds and the planning and application requirements.

The Budget also includes the following homelessness-related investments:

- \$120 million for county Whole Person Care to help provide housing options for participants and to expand to more counties
- \$25 million for the Bringing Families Home program
- \$14.6 million ongoing for the CalWORKs Homeless Assistance Program and trailer bill language to allow the use of assistance for up to 16 cumulative days
- \$8 million to provide housing support for older foster youth
- \$5 million to support housing navigators to help young adults aged 18 to 21 secure and maintain housing, with priority given to foster youth
- \$5 million for grants to limit barriers for homeless individuals with pets

### *In-Home Supportive Services*

The Legislature adopted the May Revision estimates for In-Home Supportive Services (IHSS) program costs. The Governor's May Revision maintains the January proposal to revise the County IHSS Maintenance of Effort (MOE) and includes additional State General Fund above the January amount to get counties to the new lowered MOE amount.

The In-Home Supportive Services (IHSS) program provides assistance and services to eligible older or disabled individuals to help them remain safely in their homes. For 2019-20, the Governor's January budget proposal includes \$12.7 billion for IHSS, of which \$4.3 billion is from the General Fund. This is a 15.2 percent increase in General Fund costs over the 2018-19 costs. The budget proposal estimates that average monthly caseload will increase by 4.5 percent over the prior year projection to a total of 564,000 recipients in 2019-20.

### *IHSS MOE Proposal*

The Governor's proposal to revise the County IHSS Maintenance of Effort (MOE) was adopted by the Budget Conference Committee and is included in the Human Services omnibus budget trailer bill (AB 80/SB 80). The Governor's May Revision continues his January Budget proposal to revise the County IHSS Maintenance of Effort (MOE). This includes lowering the County IHSS MOE base, reducing the inflation factor to four percent, and stopping the redirection of 1991 Realignment VLF growth from the Health and Mental Health subaccounts to Social Services. The County IHSS MOE will be rebased in 2019-20 down to \$1.56 billion. Based on updated Realignment projections and increased IHSS caseload and cost projections, this will require an increased General Fund commitment above the January projection. The increased General Fund costs for IHSS would be \$296.7 million in 2019-20, a \$55 million increase from January, and growing to \$615.3 million in 2022-23, which is a \$68 million increase above the January estimate. This represents a total increased General Fund commitment for IHSS of \$1.86 billion over the first four years of this new structure.

### *IHSS Hours Restoration*

The Budget Conference Committee adopted a continued restoration of the seven percent reduction in IHSS service hours. This restoration will continue through December 31, 2021 as proposed by the Governor in the May Revision.

The Governor's May Revision provided an increase of \$15.3 million General Fund to reflect the updated costs to continue the restoration of the seven percent reduction in IHSS service hours. This restoration is proposed as a temporary restoration through December 31, 2021, due to lower than expected revenues in the coming years.

### *Continuum of Care Reform Group Home Extension*

AB 80/SB 80 would allow for the Department of Social Services to grant an extension for group homes for one year beyond the December 31, 2019 deadline. The process outlined requires county child welfare departments to submit a written request and meet certain requirements.

### *Payment at the Time of Placement*

The Legislature adopted and expanded upon the Governor's May Revision proposal related to emergency assistance payments to caregivers who are caring for children and nonminor dependents while awaiting approval as a resource family. The Governor proposed to extend the timeframe from three months to four months for these emergency assistance payments in 2019-20 and included \$21.7 million General Fund and federal Temporary Assistance for Needy Families (TANF) block grants in 2019-20 for this purpose. The Legislature included additional language in AB 80/SB 80 to allow for these payments to be extended for up to 365 days for good cause if the delay in resource family approval is outside of the county's control.

### *Foster Parent Recruitment, Retention, and Support*

The Legislature adopted the Governor's May Revision proposal for a one-time increase of \$21.6 million for Foster Parent Recruitment, Retention, and Support (FPRRS). This funding will help counties continue critical recruitment and retention efforts to build the capacity of caregivers and support the children and youth in their care.

### *CalWORKs Single Allocation*

The California Work Opportunity and Responsibility to Kids (CalWORKs) Single Allocation is funding provided by the state to counties to administer the CalWORKs program. The Legislature approved the Governor's May Revision proposal for an ongoing increase of \$41.4 million General Fund and federal TANF block grant funds. This reflects progress toward the adoption of a revised methodology to budget for the employment services component of the Single Allocation. The trailer bill requires the Department of Social Services to work with counties and CWDA to continue developing the budgeting methodology for the employment services component. The May Revision also proposed to separate the Stage One childcare component from the Single Allocation in 2019-20. The budget trailer bill will delay the separation of Stage One childcare from the Single Allocation until 2020-21.

### *Housing*

The Budget dedicates a total of \$750 million in one-time funding to local governments to increase housing production. It provides \$250 million for planning grants to help local

jurisdictions work through the Regional Housing Needs Assessment 6th Cycle. It includes \$500 million for housing-related infrastructure. The Budget also expands CalHFA's mixed-income loan program and the state's Low Income Housing Tax Credit program. It appropriates \$500 million in one-time funding for the mixed income loan program. The Budget provides a one-time investment of \$500 million to expand the state's Low Income Housing Tax Credit program.

#### *Judicial Branch*

The Budget includes increased funding for a variety of justice related priorities. First, the Budget invests a combination of federal reimbursements, which are estimated to be \$34 million, and \$20 million ongoing General Fund, totaling \$54 million, for dependency counsel. The total dependency counsel funding due to these augmentations will be \$190.7 million annually. The Budget additionally provides \$30.4 million General Fund in 2019-20, and \$36.5 million General Fund in 2020-21 and ongoing, to allocate 25 trial court judgeships. Finally, the Budget includes \$75 million General Fund to be allocated over a two-year period by the Judicial Council to fund the implementation, operation, or evaluation of programs or efforts in 8 to 10 courts related to pretrial decision-making.

#### *Cap & Trade Expenditure Plan*

The Budget includes a total of \$1.4 billion in Greenhouse Gas Reduction Fund (GGRF) also known as Cap-and-Trade spending, and include a compromise to fund clean drinking water programs, for a total of \$100 million, and \$26 million for short lived climate pollutants, a funding category critical for organic waste diversion and infrastructure. In addition, this year's GGRF plan also includes \$60 million to the Strategic Growth Council for the Transformative Climate Communities program. This program supports integrated, community-scale housing, transit-oriented development, and neighborhood projects that reduce emissions in some of the state's most disadvantaged areas. This year's expenditure plan also includes \$2 million to the Strategic Growth Council for technical assistance for disadvantaged communities.

#### *Next Generation 9-1-1 Trailer bill language*

AB 96/SB 96 would transition the existing 9-1-1 system to a Next Generation 9-1-1 infrastructure and enact funding language. This legislation creates a flat-rate fee structure and will allow California to sustain the existing 9- 1-1 system while transitioning to Next Generation 9-1-1. This new system will utilize digital rather than analog, offering additional paths for calls to reach 9-1-1 operators if cables are damaged by a natural disaster. This legislation also allows revenue generated to be utilized to fund "subsequent technologies, and interfaces needed to send information, including, but not limited to, alerts and warnings, to potential 9-1-1 callers." Finally, the Budget included \$60 million General Fund to begin improvement in the 9-1-1 system. The bill is at the Governor's desk.

#### *Cannabis Trailer Bill*

AB/SB 97, which as amended on June 20<sup>th</sup>, would extend the repeal date for the provisional license provisions to January 1, 2022, and modify the applicant requirements to provide evidence of compliance with local ordinances, which in return will help allow some flexibility for individuals and businesses who are actively pursuing an annual license without removing any local jurisdiction. AB 97 passed the Senate Floor on June 24<sup>th</sup> with a 28-9 vote, and will need to go to the Assembly for concurrence.

## Cannabis and Public Banking

In June 2017, former 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.

CDFA released the proposed permanent regulations for cannabis cultivation licensing on July 13, 2018, which started the formal rulemaking process and initiated the official 45-day public comment period. On October 19, 2018, the California Department of Food and Agriculture posted the proposed permanent regulations. The proposed changes were in response to comments received during the notice of proposed rulemaking that closed on August 27, 2018, and the regulatory hearings that took place from July through August.

On December 7, 2018, California's three state cannabis licensing authorities announced the release of the proposed cannabis regulations currently under review by the California Office of Administrative Law (OAL). The rulemaking action regarding these regulations, initially noticed on July 13, 2018, was submitted to OAL for review on December 3, 2018. The proposed regulations have now been officially approved OAL as of January 16<sup>th</sup>.

On December 11, 2018, the California Department of Tax and Fee Administration (CDTFA) has adopted proposed emergency Cannabis Tax Regulation 3702, California Cannabis Track-and-Trace, to require the wholesale cost and retail selling price of cannabis and cannabis products to be recorded in the California Cannabis Track-and-Trace (CCTT) system. Pursuant to Revenue and Taxation Code section 34013, proposed section 3702 is effective for two years from the date the regulation is filed with the Secretary of State (effective until December 27, 2020).

In 2018, CDFA established the CalCannabis Appellations Project to expand on county of origin regulations and create a statewide appellations system. An appellation is a certified designation that identifies the geographical origin of a product and how that product was produced. A county-of-origin designation and, once it's fully established, the CalCannabis Appellations Project, will together promote regional products and local businesses, prevent the misrepresentation of a product's origin, and support consumer confidence about a product's origin and characteristics.

To gain stakeholder feedback and input, CalCannabis hosted six public outreach sessions across the state last fall, and are continuing to collaborate with experts and industry associations as they develop the CalCannabis Appellations Project.

CalCannabis anticipates the formal rulemaking process for California's appellations will begin in late 2019 and are required by law to develop by January 1, 2021, the process by which state-licensed cannabis cultivators may establish appellations.

On the Legislative front, SB 51 (Hertzberg) was amended on June 13<sup>th</sup>. SB 51 provides for the licensure and supervision of cannabis limited charter banks and credit unions authorized to offer limited depository services to cannabis businesses. The bill also restricts the activities of cannabis limited charter banks and credit unions to accepting deposits and issuing and redeeming special purpose checks and prohibits a cannabis limited charter bank or credit union from

engaging in banking activity with any other financial institution that lacks a limited purpose charter. If approved by the Legislature, the bill will go into effect immediately. The bill passed the Senate Floor and is now set to be heard in the Assembly Banking and Finance Committee on June 24<sup>th</sup> and the Assembly Business and Professions Committee on July 9<sup>th</sup>.

AB 286 (Bonta) would temporarily reduce California's cannabis excise tax from 15 percent to 11 percent and suspend the cultivation tax altogether through 2022. The bill was held on the Assembly Appropriations Committee Suspense File and dead for the year.

AB 857 (Chiu) would authorize local agencies to form public banks, subject to approval by the Department of Business Oversight and the Federal Deposit Insurance Corporation. The bill passed Assembly Floor and then went to pass the Senate Banking and Financial Institutions Committee on June 19<sup>th</sup>. The bill has been referred to the Senate Governance and Finance Committee.

*AB 1356 (Ting)* would require that if more than 50 percent of the voters of a local jurisdiction voted in favor of Proposition 64, these local jurisdictions must issue a minimum number of licenses authorizing retail cannabis activity within that jurisdiction. AB 1356 would mandate that local communities issue retail cannabis permits in spite of clear and unambiguous promises to voters in the Control, Regulate, and Tax Adult Use of Marijuana Act (Proposition 64) that local communities would have the right to decide how and when to adopt local legal regulatory frameworks for adult use cannabis business. The County believes that AB 1356 would fundamentally erode local control as provided in Proposition 64, therefore is opposed to the bill. The bill is on the inactive file at the request of the Author.

SB 67 (McGuire) would extend a temporary cannabis licenses until September 15, 2019, issued by the California Department of Food and Agriculture if the temporary license holder submitted an application and fees for an annual license before the temporary license's expiration date. The County currently has 1,200 temporary license that will be expiring by September 15<sup>th</sup>, and has significant concerns that SB 67 (McGuire) would become a disincentive for applicants who have been following the rules up until this point. The bill passed the Senate Floor and was set to be heard in the Assembly Agriculture Committee on June 5<sup>th</sup>, but the bill was pulled out of the Committee. The County is opposed to the bill.

### Bills of Interest to the County

#### *AB 138 (Bloom) California Community Health Fund*

The bill would impose a tax on every distributor, as defined, for distributing bottled sugary drinks and concentrate in this state, at a rate of \$0.02 per fluid ounce. The hearing was cancelled at the request of the author and became a two-year bill. The Author says he plans to pursue it again next year. The County is in support of the bill.

#### *AB 141 (Cooper) Trial Costs: Joseph James DeAngelo, Jr.*

AB 132 (Cooper) was amended into AB 141 (Cooper). Over a span of 14 years the Golden State Killer (GSK) was suspected of committing multiple murders, rapes, kidnappings, robberies and burglaries throughout California. Last year Joseph DeAngelo was arrested as the GSK suspect. The trial of the GSK is going to place an unexpected financial burden on the counties responsible

for trying this case. AB 141 will provide some cost recovery to the district attorneys and public defenders responsible for the prosecution and defense of the GSK. The bill was held on the Assembly Appropriations Committee Suspense File, and is now a two-year bill. The County is in support of this bill.

*AB 245 (Muratsuchi) CA Aerospace and Aviation Commission: Establishment*

The bill would enact the California Aerospace and Aviation Act of 2019, which establishes the 17-member California Aerospace and Aviation Commission for serving as a central point of contact for related industries and supporting the health and competitiveness of these industries in California. The County is in support of this bill. The bill passed Assembly Floor, and then passed the Senate Business, Professions and Economic Development on June 17<sup>th</sup>. The bill has been referred to the Senate Governmental Organization.

*AB 255 (Limon) Coastal Resources: oil spills: grants*

The bill would include Native American tribes and other public entities to be eligible for grants authorized by the Lempert-Keene-Seastrand Oil Spill Prevention and Response Act. Existing law provides that the Lempert-Keene-Seastrand Oil Spill Prevention and Response Act may offer spill response equipment grants to local governments with jurisdiction over waters of the state. The bill would clarify this existing grant program in the code and ensure this program continues to provide these specified grants to local government, Native American Tribes or other public entities that have jurisdiction over or are directly adjacent to waters of the state. The bill passed the Assembly Committee on Natural Resources on March 25<sup>th</sup>, and then passed the Assembly Committee on Appropriations on April 3<sup>rd</sup>. The bill passed Senate Natural Resources and Water Committee on June 11<sup>th</sup>, and has now been referred to the Senate Appropriations Committee. The County is in support of this bill.

*AB 398 (Chu) School accountability: local control and accountability plans: visual and performing arts*

The bill will help the State better understand the quality of and disparities in arts education by extending State data collection regarding course enrollment and completion to grades K-6, requiring that such data are analyzed at the state-level and that school districts emphasize the importance of visual and performing arts curricula in their local educational planning. The bill passed the Assembly Appropriations Committee and the Assembly Floor, it is now set to be heard in the Senate Education Committee on July 3<sup>rd</sup>. The County is in support of the bill.

*AB 409 (Limon) Climate Change: agriculture: grant program*

This bill requires the Strategic Growth Council (SGC) to establish and administer a competitive grant program to develop planning tools for adapting to climate change in the agricultural sector, conduct pilot projects with tools developed in specified regions of the state, and hold training programs on tools developed for technical assistance providers. The bill passed the Assembly Floor, and will be heard in the Senate Natural Resources on June 25<sup>th</sup>. The County is in support of the bill.

*AB 486 (Limon) Disaster preparedness: local government: animal wildfire evacuation plan*

The bill would, if a city or county requires a permit to keep an animal within its jurisdiction, require an animal owner as a condition for obtaining the permit to create and submit to the city or county an animal wildfire evacuation plan for any animal covered by the permit. By imposing a

new duty on local government, this bill would impose a state-mandated local program. The bill was held on the Assembly Appropriations Committee Suspense File, and is now a two-year bill. The County is in support of the bill.

*AB 510 (Cooley) Local government records: destruction of records*

The bill would modernize the Government Code to allow local public agencies to adopt records retention policies designed for modern digital recording technologies, while ensuring the proper retention of any records in which an incident may have occurred. The bill was referred to the Assembly Local Government Committee but was not heard and is now a two-year bill because it did not make the first policy deadline. The County is in support of the bill.

*AB 516 (Chiu) Authority to remove vehicles*

The bill would prevent lower-income Californians from permanently losing their cars because of towing conducted for non-public safety reasons by local governments seeking to collect minor debts. The bill passed the Assembly Floor and is going to be heard in the Senate Transportation Committee on June 25<sup>th</sup>. The County is in support of this bill.

*AB 585 (Limon) Public Lands: oil, gas, and mineral leases*

The bill would authorize the State Lands Commission (Commission), when considering the approval of an assignment, transfer, or sublet of an oil and gas lease, to consider whether a proposed assignee is likely to comply with the provisions of the assigned, transferred, or sublet lease for the duration of the lease term. Additionally the bill will require a lessee, assignee, transferee, sublessee, or operator to submit to the commission, in writing, a notarized affidavit of liability for the decommissioning of production facilities and related infrastructure under the jurisdiction of the commission within six months after the date on which a lease terminates or expires, and require the lessee, assignee, transferee, sublessee, or operator to also covenant in the notarized affidavit, to commence the process of decommissioning the production facilities and related infrastructure within one year after the date on which the lease terminates or expires. The bill passed the Assembly Floor, and the Senate Natural Resources and Water Committee on June 11<sup>th</sup>. The bill has been referred to the Senate Appropriations Committee. The County is in support of the bill.

*AB 764 (Bonta) Sugar-sweetened beverages: non-sale distribution incentives*

This bill would prohibit a beverage company, manufacturer, or distributor, from giving or offering a distributor or retailer a non-sale distribution incentive for a sugar-sweetened beverage (SSB) or SSB product. The bill would state that these provisions do not preempt or prohibit the adoption and implementation of local ordinances related to promotional and marketing activities for sugar sweetened beverages that are consistent with these requirements, including ordinances that impose additional or more restrictive requirements on those activities. The bill passed out of the Assembly Appropriations Committee Suspense File and was not taken up on the Assembly Floor before deadline, therefore the bill is now a two-year bill. The County is in support of the bill.

*AB 765 (Wicks) Health Checkout Aisles for Healthy Families Act*

The bill would establish the California Healthy Checkout Aisles for Healthy Families Act, which prohibits stores from making available sugar sweetened beverages (SSBs) in the checkout area.

The Assembly Health Committee hearing was cancelled at the request of the author and is now a two-year bill. The County is in support of the bill.

*AB 1057 (Limon) Oil and gas: wells and facilities: indemnity bonds and remediation: additional security: civil penalty*

The bill authorizes the Supervisor to require an individual indemnity bond or a blanket indemnity bond to provide an additional amount of security acceptable to the Supervisor in an amount not to exceed the reasonable costs of plugging and abandoning all of the operator's wells and for remediating environmental damages caused by the well, requires the Supervisor to provide the operator with an opportunity to submit a cost estimate for consideration by the Supervisor, requires the Supervisor to consider specified, applicable factors when setting the amount of the additional security, and eliminates the sunset date on the Oil and Gas Environmental Remediation Account. The bill passed the Assembly Floor, and is set to be heard in the Senate Natural Resources and Water Committee on July 9<sup>th</sup>. The County is in support of the bill.

*AB 1356 (Ting) Cannabis: local jurisdictions: retail commercial cannabis activity*

The bill would require that if more than 50 percent of the voters of a local jurisdiction voted in favor of Proposition 64, these local jurisdictions must issue a minimum number of licenses authorizing retail cannabis activity within that jurisdiction. AB 1356 would mandate that local communities issue retail cannabis permits in spite of clear and unambiguous promises to voters in the Control, Regulate, and Tax Adult Use of Marijuana Act (Proposition 64) that local communities would have the right to decide how and when to adopt local legal regulatory frameworks for adult use cannabis business. The County believes that AB 1356 would fundamentally erode local control as provided in Proposition 64, therefore is opposed to the bill. The bill passed out of the Assembly Appropriations Committee Suspense File but was not taken up on the Assembly Floor before deadline, and is on the inactive file.

*AB 1550 (Bonta) Crisis stabilization units: psychiatric patients*

The bill permits a certified crisis stabilization unit (CSU) designated by a county mental health plan (MHP), at the discretion of the MHP, to provide medically necessary crisis stabilization (CS) services to individuals beyond the service time of 24 hours when the individual needs inpatient psychiatric care or outpatient care and inpatient psychiatric beds or outpatient services are not reasonably available. Requires a CSU that provides medically necessary crisis stabilization services to individuals for more than 24 hours to provide the basic services required to be provided by a psychiatric health facility (psychiatry, clinical psychology, psychiatric nursing, social work, rehabilitation, drug administration, and appropriate food services for those persons whose physical health needs can be met in an affiliated hospital or in outpatient settings), to ensure that a psychiatrist is available at all times to address psychiatric emergencies, and to provide the individual a room with a suitable mattress. The bill passed the Assembly Floor, and is set to be heard in the Senate Health Committee on June 26th.

*SB 46 (Jackson) State government: emergency services*

This bill expands on last year's SB 821 (Jackson, Ch. 615, stats. 2018) by helping to ensure that more California residents will receive critical emergency alerts by expanding California's opt-out emergency notification program to include cities and universities, and by clarifying that alerting authorities may use mobile telephone subscriber data to enroll residents in local alerting systems. The bill would also require a local government that enters into an agreement to access

information of resident accountholders to, upon receipt of that information, notify residents that they have been entered into the public emergency warning system, and require a local government that enters into an agreement to access information 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 from a public utility. The bill was held on the Senate Appropriations Committee Suspense File, and is now a two-year bill. The County is in support of this bill.

*SB 50 (Wiener) Planning and zoning: housing development: incentives*

The bill would reduce or waive certain local zoning standards in jobs and transit-rich areas when development meets specified criteria. We understand there were going to be forthcoming amendments to the bill, that would exclude smaller counties, which would include the County of Santa Barbara in the category and therefore reduce the burden on the County, but the bill was held on the Senate Appropriations Committee Suspense File, and is now a two-year bill. The County currently does not have a position on the bill.

*SB 67 (McGuire) Cannabis: temporary licenses*

The bill would extend a temporary cannabis licenses until September 15, 2019, issued by the California Department of Food and Agriculture if the temporary license holder submitted an application and fees for an annual license before the temporary license's expiration date. The County currently has 1,200 temporary license that will be expiring by September 15<sup>th</sup>, and has significant concerns that SB 67 (McGuire) would become a disincentive for applicants who have been following the rules up until this point. The bill passed the Assembly Agriculture Committee on June 5<sup>th</sup>, and then was set to be heard in the Assembly Business and Profession Committee but was pulled from the Committee File. The County is opposed to the bill.

*SB 144 (Mitchell) Fees: criminal administrative fees*

The bill would eliminate numerous criminal justice fees. Removal of specified fees for probation services alone, for example, would likely result in the loss of tens of millions of dollars in probation funding, funding that currently supports vital programs and practices as well as probation positions. The loss of positions would mean impacts on court related services we provide, an increase in caseload sizes, and impacts on evidence-based program delivery. In line with CSAC, the County is opposed to SB 144 (Mitchell), unless sustainable funding is provided to back-fill the loss of revenue resulting from eliminating counties' ability to charge criminal justice related fees and shifting a variety of costs from the offender to the counties. The bill passed the Senate Floor, and is set for hearing in the Assembly Public Safety Committee on July 9<sup>th</sup>.

*SB 160 (Jackson) Emergency Services: Cultural Competence*

The bill would require a county to integrate cultural competence into its emergency plan, upon the next update to its emergency plan, and would require counties to provide a forum for community engagement in geographically diverse locations in order to engage with culturally diverse communities. The bill passed the Senate Floor, and has been referred to the Assembly Governmental Organization Committee. The County is in support of this bill.

*SB 224 (Grove) Grand theft: agricultural equipment*

This bill creates a separate grand theft statute for agricultural equipment and requires the proceeds of the fine imposed following a conviction of the new provision to be allocated to the Central Valley Rural Crime Prevention Program or the Central Coast Rural Crime Prevention Program. The County is in support of this bill. The bill passed the Assembly Public Safety Committee and is set to be heard in the Assembly Appropriations Committee on June 26<sup>th</sup>. The County is in support of this bill.

*SB 276 (Pan) Immunizations: Medical Exemptions*

The bill would require the California Department of Public Health (CDPH) to develop and make available for use by licensed physicians and surgeons an electronic standardized, statewide medical exemption request that would be transmitted using the California Immunization Registry and which commencing January 1, 2021 would be the only documentation of a medical exemption. The County is in support of the bill. The bill passed the Assembly Health Committee on June 20<sup>th</sup> and has been referred to the Assembly Appropriations Committee.

*SB 346 (Jackson) After school programs: Distinguished After School Health Recognition Program Reauthorization*

The bill reestablishes the Distinguished After School Health (DASH) Recognition Program, a certification for on school-site after school youth programs that meet specific healthy eating and physical activity standards that have been determined to help children lead healthier, more productive lives. Through DASH certification, these youth programs are recognized for having program curriculum that match the DASH standards for nutrition and physical activity for youth. Before it sunsetted in 2018, over 200 after school programs in California were recognized for meeting the DASH standards. The bill passed Senate Floor, and passed the Assembly Education Committee on June 19<sup>th</sup>. The bill has been referred to the Assembly Appropriations Committee. The County is in support of this bill.

*SB 528 (Hueso) California Infrastructure and Economic Development Bank*

The bill would establish a task force to examine whether the California Infrastructure and Economic Development Bank could become a bank that not only makes loans but could also receive deposits. Becoming a full-service bank may allow government agencies to achieve reduced bank fees and reduced borrowing costs compared to commercial banks. The Board believes that an alternative to commercial banks ought to be studied, and if the I-Bank is economically viable, established to reduce the cost of banking services to the public sector if an entity chooses to use the services of the I-Bank. The bill was held on the Senate Appropriations Committee Suspense File, and is now a two-year bill. The County is in support of the bill.

*SB 551 (Jackson) Oil and gas: decommissioning, cleanup, and remediation: costs*

This bill requires the Division of Oil, Gas, and Geothermal Resources to develop a mechanism, as specified, to assess the full cost of decommissioning, cleanup, and remediation of infrastructure related to the oil and gas industry, including pipelines facilities, pump facilities, and storage facilities. The bill passed the Senate Floor, and is set to be heard in the Assembly Natural Resources Committee on June 24<sup>th</sup>. The County is in support of this bill.

*SB 573 (Chang) Homeless Emergency Aid Program: funding*

This bill which would continuously appropriate funding to the Homeless Emergency Aid Program (HEAP) was amended on May 21<sup>st</sup>, to change the funding flow to now go through COC's to Cities, so Counties won't directly receive the funding. The bill passed out the Senate Floor and is set to be heard in the Assembly Housing and Community Development Committee on July 3rd. The County is no longer in support of this bill.

*SR 12 (Jackson) Relative to the 50<sup>th</sup> anniversary of the Santa Barbara oil spill*

The Senate Resolution would resolve that the Senate encourage its members to urge their constituents to participate in beach clean-up and other community efforts to bring citizen action and involvement to the protection of our environment and further honor the tireless efforts and important accomplishments of California's environmental leaders stretching from the time of the Santa Barbara oil spill 50 years ago up to the present day. The bill passed the Senate 30-1 on January 28<sup>th</sup> and is chaptered into law. The County supported this Senate Resolution.

Conclusion

May 31st was the last day for each house to pass bills that were introduced in their house of origin. The Legislature is now hearing bills in the other house's policy committees before the July 12th deadline for policy committees to meet and report bills, concurrent to when the Legislature goes on their Summer Recess. The Legislature will reconvene from Summer Recess on August 12<sup>th</sup>.

The Legislature passed the 2019-20 Budget Act on June 13<sup>th</sup>. The Budget Bill is now at the Governor's desk awaiting final signature. He will have the authority to "blue pencil" any appropriation contained in the budget that he disagrees with. There are still outstanding trailer bills left for the Legislature to considerate.

We look forward to discussing priorities in the Legislature. We 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.