

FRIDAY REVIEW

LEGISLATIVE AND GOVERNMENTAL UPDATE

July 16, 2021

Legislative Recess

The State Legislature, as of Thursday July 15th, has recessed for their Summer break and will return on August 15th. Prior to recessing, the Legislature met another deadline, requiring all substantive policy bills to pass policy committees before then heard in the Appropriations Committees. Each house also approved a series of budget bills before concluding—more information can be found below. Additional budget items will be taken up when they reconvene.

Budget

Governor Newsom signed three budget bills this week, [AB 161](#), [SB 160](#) and [SB 129](#).

AB 161 appropriates an additional \$28.4 additional General Fund dollars to California counties to facilitate the recall election. This brings the total allocated funds to \$243.6 million. It also provides an additional \$500 million General Funds, at Farm Bureau's request, for wildfire prevention and forest resilience work to occur this year.

SB 160 addresses changes to cannabis, specifically allowing provisional licenses (i.e. those where CEQA approval is in process) to be issued until September 30, 2022, under certain conditions. These include not exceeding 22,000 square feet in cultivation, approved information from the Department of Fish and Wildlife and identified approved water use and that the lead agency responsible for CEQA compliance has completed an initial study or a notice of exception. Provisional licenses are only active for one year and may not be issued after January 1, 2025.

SB 129 makes more substantive amendments to the State Budget Bill, AB 128 signed earlier this year in various sectors, including K-12 education, childcare, higher education, natural resources, health and support funding, housing, food assistance, general government, public safety, transportation and labor. Below are a series of items of note for the agricultural community:

- **HIGHER EDUCATION:** Maintains the line item for UCANR within the budget of the University of California's Office of the President and provide an additional \$32.1 million ongoing to UCANR, per Farm Bureau's request
- **CLIMATE:** Sets aside \$440 million General Fund for one-time funding for climate resilience with detail to be determined in future trailer bills
- **WILDFIRE:** Appropriate one-time \$258 million General Fund and \$75 million Greenhouse Gas Reduction Fund in 2021-2022, and \$500 million General Fund in 2022-2023 for wildfire resilience and prevention with more details to be provided in future trailer bills
- **AGRICULTURE:** Sets aside \$436 million General Fund for the agricultural package:
 - \$180 million to the San Joaquin Valley Air District for alternatives for ag burning; funds can only be expended for non-combustion incentives

- \$50 million for Healthy Soils
- \$5.4 million for technical assistance for underserved farmers
- \$500,000 for Senior Farmers Market Program
- The remaining \$200 million are to be determined in future trailer bills
- **WATER:** Appropriates \$2.4 billion General Fund and \$11 million special fund for:
 - \$1.3 billion for Water Board, \$650 million for drinking water, \$650 million for wastewater and \$85 million for groundwater cleanup and water recycling
 - \$60 million to DWR for SGMA
 - \$100 million to DWR for water conveyance
 - \$85 million to Water Board for groundwater cleanup/recycling
 - \$500 million to DWR for small community, urban community drought relief and multi-benefit projects
 - \$10 million to DWR for technical assistance on water conservation and supply
 - \$12 million to Water Board for drinking water emergencies
 - \$5 million to CDFA for agricultural technical assistance
 - \$91 million to DWR, \$1 million to CNRA, \$3 million to Water Board and \$2 million to CDFA for research, data and communications
 - \$33 million to DFW for fisheries and wildlife support
 - \$18 million to Water Board and \$18 million to DFW for drought permitting and compliance
 - \$25 million for drought control
 - \$33 million onetime and \$3 million ongoing for Water Board for water rights modernization
 - \$10 million to DWR for salinity barriers
 - Additional details to be determined in future trailer bills

As noted, there are many sections that have left to be determined in future negotiations between the Legislature and the Administration. The item denoted below is reflective of some of the "trailer bills" where future appropriations are to be determined. *Staff: Jim Houston, jhouston@cfbf.com or 916-446-467.*

The Senate and Assembly Budget Committees heard AB 148 this week and it has been sent to Governor Newsom for his signature or veto. AB 148 is a public resources bill that would create a new Climate Smart Agriculture Account at the Department of Food and Agriculture allowing private investors to allocate funds to the Department for their climate smart programs. It also specifies that funds available in the budget for alternative to agricultural burning in the San Joaquin Valley is not subject to the Administrative Procedures Act, as is the case for other Greenhouse Gas Reduction Funded Programs. *Staff: Jim Houston, jhouston@cfbf.com or 916-446-467.*

Agricultural Employment

Three Assembly bills of concern to agricultural employers passed the Senate Judiciary Committee just prior to the summer recess on July 14:

AB 364 (Freddie Rodriguez, D-Pomona) imposes duplicative registration, bonding and other regulatory requirements on farm labor contractors who employ H-2A temporary visa workers by designating them as foreign labor contractors for the ostensible purpose of addressing human and labor trafficking. Farm Bureau opposes. AB 364 passed the Senate Judiciary Committee on a 9-2 vote

and was referred to the Senate Appropriations Committee. *Staff: Bryan Little; 916-561-5622 or blittle@cfbf.com.*

AB 616 (Mark Stone, D-Monterey Bay) moved out of the Senate Appropriations Committee without consideration because the committee found it has no fiscal impact. AB 616 creates a new “ballot card” election option for labor unions seeking to unionize employees under the Agricultural Labor Relations Act (ALRA). The “ballot card” procedure amounts to “card check,” allowing union organizers to coerce, intimidate, or otherwise induce agricultural employees to sign “ballot cards.” AB 616 denies agricultural employees the right to an Agricultural Labor Relations Board-supervised secret ballot election that protects employees from intimidation from any party with an interest in the outcome (the reason secret ballot elections were strongly advocated by civil rights icon Cesar Chavez). Farm Bureau opposes *Staff: Bryan Little; 916-561-5622 or blittle@cfbf.com.*

AB 701 (Lorena Gonzalez, D-San Diego) establishes an entirely new regulatory regimen for warehousing and food processing employers with 100 or more employees at a site or 1000 or more statewide who use performance metrics, making such metrics difficult and legally hazardous to use. Farm Bureau opposes. AB 701 passed the Senate Judiciary Committee on a 9-2 vote and was referred to the Senate Appropriations Committee. *Staff: Bryan Little; 916-561-5622 or blittle@cfbf.com.*

AB 857 (Ash Kalra, D-San Jose) passed the Senate Judiciary Committee on an 8-2 vote and was referred to the Senate Appropriations Committee. AB 857 is a re-tread of SB 1102 (Monning, 2020), which was vetoed by Governor Newsom. AB 857 requires the DIR to create a duplicative notification requirement for H-2A employers and mandates a notification template the mis-characterizes the existing requirement for employers to compensate travel time at the employee’s regular rate of pay rather than the minimum wage. Farm Bureau opposes. AB 857 passed the Senate Judiciary Committee on an 8-2 vote and was referred to the Senate Appropriations Committee. *Staff: Bryan Little; 916-561-5622 or blittle@cfbf.com.*

SB 355 (Dave Cortese, D-San Jose) failed passage in the Assembly Insurance Committee on July 13 and is dead for the session. AB 335 would have severely restricted employers’ ability to control workers’ compensation costs by reducing the timeframe for investigation of claims from 90 to 45 days, giving an employer inadequate time to determine if a claimed injury is legitimate or work-related. SB 355 passed the Senate by a 29-10 vote on June 1. Farm Bureau opposed. *Staff: Bryan Little; 916-561-5622 or blittle@cfbf.com.*

Animal Health

AB 888 (Marc Levine, D-Marin), was held on the suspense file in the Senate Appropriations Committee on Thursday. This Farm Bureau sponsored bill would allow for the mobile slaughter of goat, sheep and swine to occur on private ranches for individual customers. AB 888 would expand the utilization of on-farm slaughter by a registered mobile slaughter operator (MSO) to also include goats, sheep and pork. AB 888 provides an additional opportunity for goat, sheep and pork ranchers to utilize an MSO for custom exempt processing. The benefit to the rancher is that this potentially minimizes costs for transport, harvest and processing at a slaughter facility, and without the significant delays in scheduling. AB 888 does not allow for the commercial sale of any meat product from this framework and requires the meat to be consumed by the purchaser of the animal, members of their household, their employees and non-paying guests. According to the fiscal analysis conducted by CDFA, this bill would have exorbitant fees in order to ensure food safety protocols are followed. Farm Bureau has concerns with some of the costs identified in the analysis and will continue to work with the

Department and Assemblymember Levine to carry forward this solution for our membership. The bill will be reviewed after the Legislature's summer recess. *Staff: Katie Little at klittle@cfbf.com or (916) 446-4647.*

Farm Bureau supports AB 1103 (Megan Dahle, R-Bieber) which was heard in the Senate Appropriations Committee this past week. The bill was held on the suspense file since the Office of the State Fire Marshal has not conducted a fiscal analysis of the program, and therefore does not know the cost of implementation. This bill would establish an agricultural pass program (Ag Pass) in the event of a natural disaster – most notably wildfires. Ag Pass would provide immediate access to property for producers who can then evacuate livestock and utilize valuable resources such as water. Additionally, it would eliminate unnecessary delays and the diversion of vital emergency responders while waiting for a sheriff's escort onto the property. Farm Bureau has been working with the sponsors of this measure, the California Cattlemen's Association, and supports future amendments that will limit this program to livestock. Those amendments have not been published as of this week. *Staff: Katie Little at klittle@cfbf.com or (916) 446-4647.*

This week Farm Bureau submitted comments on the implementation of Proposition 12. The Department of Food and Agriculture distributed a Notice of Proposed Action (NOPA) in May which contained data and an informative digest breaking down the looming impacts of the initiative. Upon review, Farm Bureau had many concerns with the data and the implications contained within the NOPA. Our comments focused on the negative impacts to farmers, small businesses, and rural communities. Among these numerous impacts, Farm Bureau is concerned with the possible consolidation of food sources resulting from small farms being forced out of businesses due to increased husbandry costs. This cost increase will ultimately be borne by the farmer and the consumer; more than likely those in disadvantaged communities who already have limited access to fresh nutritious food. Farm Bureau supports food equity throughout this state and believes every Californian should have access to healthy food sources. Proposition 12 will create barriers and ultimately limit access according to their own data. The many negative ramifications of this initiative will be evident upon implementation which is January 1, 2022. Farm Bureau shared these concerns with the Department and hopes to continue to work with them through this implementation process. *Staff: Katie Little at klittle@cfbf.com or (916) 446-4647.*

Appointments

Nicole Elliott has been appointed Director of the new California Department of Cannabis Control. This Department will serve as the newly consolidated cannabis agency for the state replacing the roles of the Department of Food and Agriculture, Department of Public Health, and the Bureau of Cannabis Control. Mrs. Elliott has been the Governor's Senior Advisor on Cannabis at the Governor's Office of Business and Economic Development since 2019. *Staff: Taylor Roschen, troschen@cfbf.com or 916-446-4647.*

Biodiversity

In the interest of the State's 30x30 initiative (i.e. to conserve 30% of land and coastal waters by 2030), the California Natural Resources Agency will be holding two upcoming virtual workshops on August 10 and on August 17. The August 10th workshop is specific to conservation and lands whereas the August 17th workshop is related to conservation of coastal waters. Public comment during these workshops will be used to inform the development of the State's Pathways to 30x30 document and the mapping tool, CA Nature GIS. Information and registration for the events can be found below:

Advancing 30x30: Conservation of Lands
Tuesday, August 10, 2021; 3:00 – 6:00 p.m.

[Register Here](#)

An advisory panel that has been assembled and public participants will be asked to speak on the following questions:

1. How might the State define 'conservation for the purposes of 30x30. What types of lands and bodies of water could be considered conserved and under what conditions?
2. The IUCN defines "other effective area-based conservation" as "a geographically defined area other than a Protected Area, which is governed and managed in ways that achieve positive and sustained long-term outcomes for the in-situ conservation of biodiversity, with associated ecosystem functions and services and, where applicable, cultural, spiritual, socioeconomic, and other locally relevant values." What kinds of other effective area conservation might be considered conserved for the purposes of 30x30 in California and under what conditions?
3. How might the State quantify other effective area-based conservation lands? How might we efficiently improve our ability to consistently assess and count lands, uses, and benefits not easily delineated on maps?
4. Just as critical to the question of what will count as conserved lands is the question of how will the myriad federal, state, local agencies, Tribal entities, nonprofits, and private parties work together to achieve 30x30 conservation in the next ten years. What efficient, effective, diverse, and equity-driven tools, strategies, partnerships, and approaches are available or need to be refined and developed to reach 30x30 in a way that is publicly supported and sustainable?

Farm Bureau staff will provide additional information to County managers as the event date is closer. Additional information about the workshops, topics and advisory panel members is available at www.CaliforniaNature.ca.gov. Staff: *Taylor Roschen, troschen@cfbf.com* or 916-446-4647.

Climate Change

Governor Newsom announced late last Friday that he has asked the Air Resources Board and Public Utilities Commission to accelerate its progress on climate change. Prior to his announcement, the Air Resources Board has been charged to achieve carbon neutrality by 2045. This announcement asks ARB to instead, seek pathways to carbon neutrality by 2035, including a significant reduction in fossil fuel use. The Public Utilities Commission, upon his request, will create an emissions reduction target for electricity procurement by 2030. It is unclear how this request will be incorporated into the update to the Cap and Trade Scoping Plan or other regulatory actions by the agencies. Staff: *Taylor Roschen, troschen@cfbf.com* or 916-446-4647.

[AB 1395](#) (Al Muratsuchi, D-Torrance) passed the Senate Environmental Quality Committee this week on party lines and is now on to be heard in the Senate Appropriations Committee. This bill, recently amended, would replace the state's 40% emissions reductions goal by 2030 with a 90% emissions reductions goal by 2045. This is an incredibly aggressive increase to the state's climate goals that would likely require abandonment of all existing emissions from every sector of the state's economy. The bill also includes constraints on the carbon dioxide removal, carbon capture and storage, and carbon sequestration practices. Namely, these practices would need to be permanent, a challenge that has plagued agriculture's access to use the Air Resources Board's existing offset program. The bill also requires the Air Resources Board to develop criteria for carbon sequestration practices on natural and working lands, rather than the Department of Food and Agriculture and the Natural Resources Agency, who are responsible for managing incentive programs now. All of these bill provisions will disincentivize private investment in carbon sequestration technologies on farms and ranches and will cause misalignment with state and federal programs. Farm Bureau is a member of a large coalition in opposition to the bill. Staff: *Taylor Roschen, troschen@cfbf.com* or 916-446-4647.

[AB 284](#) (Robert Rivas, D-Salinas), a Farm Bureau opposed bill, passed the Senate Natural Resources committee this week. The bill requires the Air Resources Board, in updating the Cap and Trade Scoping Plan, to include a goal for greenhouse gas emissions reduction and carbon sequestration on natural and working lands. Farm Bureau has suggested amendments since the bill's inception that because agricultural operations are not subject to the restrictions of Cap and Trade, any goal setting by the Air Resources Board should be based on voluntary action and that they be evaluated for technological and economic feasibility. Thus far, amendments have not been accepted by the author. This bill will now be heard in the Senate Appropriations Committee when the Legislature reconvenes. Staff: Taylor Roschen, troschen@cfbf.com or 916-446-4647.

The California Department of Food and Agriculture has decided to include several new practices eligible for funding under the Alternative Manure Management Program (AMMP). This program offers alternative measures for dairy and livestock operators to manage manure to reduce greenhouse gas emissions, specifically methane. More information on each practice and their specifics can be found [here](#). The Department will work with the California Air Resources Board to develop methodologies to account for methane emissions and update future requests for grant applications. Staff: Taylor Roschen, troschen@cfbf.com or 916-446-4647.

Commodities

[AB 535](#) (Aguiar-Curry, D-Winters) was recently amended and passed Senate Health Committee and will now be heard by the Senate Appropriations Committee when the Legislature returns from recess. The amendments simply remove the reference to the term "containing" and the bill requires any bottled olive oil with the term "California" on its label, to include in equal sized font, a notation of the percent of olives used that are derived from California. Staff: Taylor Roschen, troschen@cfbf.com or 916-446-4647.

Grants

The Department of Food and Agriculture has announced that they are now accepting applications for the 2021 Specialty Crop Block Grant Program. These grants are intended to enhance the competitiveness of California specialty crops. Specialty crops include fruits and vegetables, tree nuts, dried fruits, horticulture, and nursery crops (including floriculture). Applicants are required to complete and submit their grant proposal using the required templates found [here](#). This is a two-step process with a concept submission and the highest ranked applicants will be invited to submit a full proposal. The Department anticipates awarding up to \$10 million with grant amounts ranging from \$250,000 to \$1 million. Eligible grant recipients include non-profit and for-profit organizations; local, state, federal, and tribal government entities; and public and private colleges and universities. Grant proposals can be submitted electronically to grants@cdfa.ca.gov by August 8, 2021. Staff: Taylor Roschen, troschen@cfbf.com or 916-446-4647.

Land Use

[AB 252](#) (Robert Rivas, D-Salinas) recently passed the Senate Natural Resources and Water Committee. This bill would create the Multi-benefit Land Repurposing Program at the Department of Conservation to fund costs for irrigated agricultural operations with lack of groundwater access due to SGMA to plan and transition to alternative uses, including but not limited to dryland farming, pasture, groundwater recharge, habitat restoration, etc. The recent amendments specify that such activities are compatible uses under the Williamson Act so as not to threaten contracts. Because of these amendments, the bill has been assigned to be heard in the Senate Governance and Finance Committee when the Legislature returns from recess. Farm Bureau staff is in the process of reviewing

and providing feedback to the author and sponsors on the measure. *Staff: Danny Merkley at dmerkley@cfbf.com or Taylor Roschen at troschen@cfbf.com or 916-446-4647.*

Pest Management

The state has instituted an exterior quarantine to prohibit the introduction of the spotted lanternfly into California. The Spotted Lanternfly feeds on at least 103 species of plants (mostly trees), including the tree of heaven and grapes, maples, birches, hickory, beech, ash, apple, stone fruit, honeydew, oaks, and willows. Spotted lanternfly was first detected in North America in 2014 in Pennsylvania and has now spread to nine states. The quarantine prohibits the entry into California, its host plants, and a variety of articles, including conveyances, originating from any area where an infestation exists. Articles and commodities covered by the quarantine include all plants and plant parts including firewood, if exposed; outdoor industrial and construction materials, equipment, and waste; shipping and storage containers; outdoor household articles; vehicles, boats, and trailers; and agricultural equipment. All the articles and commodities covered above are prohibited entry into California from areas under quarantine unless they meet the exception criteria:

- Certificate of Treatment issued by an agricultural official
- Items in an enclosed vehicle or conveyance or completely covered
- Proof by GPS that the item didn't travel through a Spotted Lanternfly infested area
- Indoor articles not exposed
- Items with a permit, phytosanitary certificate, Compliance Agreement, or checklist

More information on the quarantine can be found [here](#). *Staff: Taylor Roschen, troschen@cfbf.com or 916-446-4647.*