



MEETING AGENDA  
Monday April 19, 2021  
Presiding: Adam Ruiz, Chair

<https://us02web.zoom.us/join/9118282021>

2021 Strategic Initiatives

*Budget, Tax Reform & Economic Recovery / Job Creation and Retention / Healthcare / Infrastructure & the Environment/ Public Safety*

Call to Order, Roll Call & Introductions: 12:00 p.m.

Chair Report

Approval of Minutes

Action

2021 Legislative Report #4

Action

1. [AB 297 \(Gallagher\) Fire prevention.](#)
2. [AB 927 \(Medina\) Public postsecondary education: community colleges: statewide baccalaureate degree pilot program.](#)
3. [AB 1192 \(Kalra\) Employment information: worker metrics.](#)
4. [AB 1249 \(Gallagher\) Income taxes: gross income exclusions: wildfires.](#)
5. [SB 467 \(Wiener\) Oil and gas: hydraulic fracturing, acid well stimulation treatments, steam flooding, water flooding, or cyclic steaming: prohibition: job relocation.](#)
6. [SB 527 \(Melendez\) Greenhouse Gas Reduction Fund: high-speed rail: Salton Sea restoration.](#)
7. [SB 606 \(Gonzalez\) Workplace safety: violations of statutes: enterprise-wide violations: employer retaliation.](#)
8. [SB 668 \(Bates\) Property taxation: change in ownership: inheritance exclusion.](#)
9. [SB 780 \(Cortese\) Local finance: public investment authorities.](#)

Guest Speaker **Michael Hestrin, Riverside County District Attorney**

Information

2021 Year-to-Date Bill Tracker

Information

Chamber Announcements

Information

Adjourn – Next Meeting May 17, 2021 (Tax Day)

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Southwest Healthcare Systems

Temecula Valley Hospital  
Economic Development Coalition  
The Murrieta Temecula Group  
Southern California Edison  
The Gas Company  
California Apartment Association

**AB 297, as introduced, Gallagher. Fire prevention.**

*Introduced by Assembly Members Gallagher, Bigelow, Megan Dahle, and Patterson  
(Coauthors: Assembly Members Choi, Cunningham, Flora, Fong, Kiley, Lackey, Mathis, Seyarto, Smith, Valladares, Voepel, and Waldron)  
(Coauthors: Senators Jones, Nielsen, and Ochoa Bogh)*

**Recommended action: SUPPORT**  
**Presentation: Gene Wunderlich**

**Summary:**

AB 297 provides homeowners the flexibility to increase the firebreak/fuelbreak distance around their home from 300' to 500'. It also exempts certain activities related to fire safety from CEQA oversight along with other fire mitigation/education efforts.

**Description:**

**The California Global Warming Solutions Act of 2006** designates the State Air Resources Board as the state agency responsible for monitoring and regulating sources of emissions of greenhouse gases. Existing law authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature. Existing law continuously appropriates 35% of the annual proceeds of the fund for transit, affordable housing, and sustainable communities programs and 25% of the annual proceeds of the fund for certain components of a specified high-speed rail project.

**This bill** would continuously appropriate \$480,000,000 and \$20,000,000 to the Department of Forestry and Fire Prevention and the California Conservation Corps, respectively, for fire prevention activities, as provided.

**The Z'berg-Nejedly Forest Practice Act of 1973** prohibits a person from conducting timber operations unless a timber harvesting plan prepared by a registered professional forester has been submitted to, and approved by, the Department of Forestry and Fire Protection. Existing law, until January 1, 2022, authorizes the State Board of Forestry and Fire Protection to exempt from the requirements of that act a person engaged in forest management whose activities are limited to the cutting or removal of trees on the person's property that eliminates the vertical continuity of vegetative fuels and the horizontal continuity of tree crowns for the purpose of reducing flammable materials and maintaining a fuelbreak for a distance of not more than 300 feet on each side from an approved and legally permitted habitable structure, when that cutting or removal is conducted in compliance with certain requirements.

**This bill** would extend the state board's authorization to provide for the above exemption indefinitely. The bill would extend the distance of the fuelbreak to not more than 500 feet.

**The California Environmental Quality Act (CEQA)** requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.

**This bill** would exempt from the requirements of CEQA projects or activities related to forest health and fuel reduction that involve thinning overgrown brushes or trees 10 inches or less in diameter by mechanical thinning, pile burning, prescribed fire, and grazing. Because a lead agency would be required to determine the applicability of this exemption, this bill would impose a state-mandated local program.

**The Personal Income Tax Law and the Corporation Tax Law** allow a credit against the taxes imposed under those laws, for each taxable year beginning on or after January 1, 2014, and before January 1, 2030, in an amount as provided in a written agreement between the Governor’s Office of Business and Economic Development and the taxpayer, agreed upon by the California Competes Tax Credit Committee, and based on specified factors, including the number of jobs the taxpayer will create or retain in the state and the amount of investment in the state by the taxpayer.

**This bill** would **require the California Competes Tax Credit Committee**, in determining whether to enter an agreement with a taxpayer, to **give priority to a taxpayer whose project or business enhances forest health and resiliency by utilizing timber harvested in California**, including materials from forest health and fuel reduction projects.

**Support: (Verified 4/12/2021)**

None on file

**Opposition: (Verified 4/12/2021)**

None on file

**Status:** Assembly Committees on Natural Resources, Revenue and Taxation

**Senate Floor votes:**

**Assembly floor votes:**

Legislative Item #2	Action
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[AB 927, as amended, Medina. Public postsecondary education: community colleges: statewide baccalaureate degree pilot program.](#)

**Recommended action:** **SUPPORT**

**Presentation:** Gene Wunderlich

**Summary:**

**AB 927 would indefinitely extend a successful pilot program that established a baccalaureate degree program at 15 community colleges.**

**Description:**

Existing law establishes the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, as one of the segments of public postsecondary education in this state. Existing law requires the board of governors to appoint a chief executive officer, to be known as the Chancellor of the California Community Colleges.

Existing law, until July 1, 2026, authorizes the board of governors, in consultation with the California State University and the University of California, to establish a statewide baccalaureate degree pilot program. Existing law requires that program to consist of a maximum of 15 community college districts, with one baccalaureate degree pilot program each.

Existing law requires those pilot programs to commence no later than the 2017–18 academic year, and requires students participating in those programs to commence the program by the beginning of the 2022–23 academic year.

Existing law requires the governing board of a community college district seeking authorization to offer a pilot program to submit certain items for review by the chancellor and approval by the board of governors, including documentation of unmet workforce needs specifically related to the proposed pilot program.

This bill would extend the operation of the statewide baccalaureate degree pilot program indefinitely. The bill would remove the requirements that the program consist of a maximum of 15 community college district programs and for a student to commence a program by the end of the 2022–23 academic year.

The bill would require a community college district seeking approval to offer a baccalaureate degree program to provide evidence of unmet workforce needs to the Chancellor of the California Community Colleges, as provided.

The bill would require, as part of the application and review process, the chancellor to ensure that a ~~district is provided with a minimum of 90 days to develop curriculum and compile application materials, community college is provided with 2 timelines in which to apply for a baccalaureate degree program and receive a response, as specified,~~ and that a minimum of 30 working days is taken to validate the submitted information and ~~access~~ assess the workforce value of the proposed ~~degree, baccalaureate degree program,~~ as specified.

The bill would require the chancellor to consult with and seek feedback from the *Chancellor of the* California State University and the *President of the* University of California on proposed baccalaureate ~~degrees, degree programs,~~ as specified.

**Support: (Verified 4/12/2021)**

Dr. Roger Schultz, Superintendent/President MSJC

**Opposition: (Verified 4/12/2021)**

None on file

**Status:** Assembly Committee on Higher Education

**Senate Floor votes:**

**Assembly floor votes:**

AB 1192, as amended, Kalra. ~~Worker Metrics Program~~. Employment information: worker metrics.

Introduced by Assembly Member Kalra  
(Principal coauthor: Senator Stern)

Recommended action: **OPPOSE**

Presentation: Gene Wunderlich

Summary:

Public Shaming of Employers. Places new onerous administrative burdens on employers by requiring annual reporting of wage and hour data and employees benefits on an employer's entire United States workforce that will publicly shame employers for lawful conduct by publishing that data on the Labor Development Workforce Agency's website, and will subject employers to frivolous litigation and settlement demands. Identified as a **JOB KILLER** by the CalChamber

Description:

**Existing law** establishes within the Labor and Workforce Development Agency the Department of Industrial Relations, one of the purposes of which is to foster, promote, and develop the welfare of the wage earners of California, to improve their working conditions, and to advance their opportunities for profitable employment.

**This bill** would establish ~~the Worker Metrics Program~~ a program in, and administered by the agency and would require employers with more than 1,000 employees in California to submit various statistics regarding those employees to the agency.

**The bill** would further require the agency to collect the worker-related statistics annually and, after collection, to assign each employer to one of the 24 industries in the Global Industry Classification Standard system. The bill would require the Employment Development Department to provide the agency with specified employer information to promote compliance with the program.

**The bill** would require the agency, on or before June 30, 2023, and on or before June 30 of each year thereafter, to publish on its internet website all worker-related statistics submitted by all employers, classified by industry.

**The bill** would require that employer executive officers give certain information under penalty of perjury. Because this would expand the definition of a crime, this bill would impose a state-mandated local program.

*Existing law* authorizes the Director of Employment Development, except as specified, to permit the use of any information in the director's possession to the extent necessary for certain purposes, and to require reimbursement for all direct costs incurred in providing the information.

*This bill* would, to the extent permitted by state and federal law, authorize the director to provide the Labor and Workforce Development Agency with the names and relevant tax information, deemed appropriate by the agency secretary, of each private company that employs 1,000 or more employees in California for the purpose of complying with the program described above administered by the agency.

Argument in support

None on file.

Argument in opposition

AB 1192 requires employers to report wage and hour data according to race, ethnicity, and gender. There is no question that this data will show differences in compensation according to these categories, but that does

not mean that such differences are discriminatory, unequal, or in any way a violation of the law. For example, an employer with a majority of its employees in states with lower minimum wage laws or areas with lower costs of living, will have lower pay. And, if those states have a higher number of women or racial minorities in its workforce than another area of the country, it will impact the data reported.

Additionally, the equal pay laws in all states are not the same. California's equal pay law allows pay differences for bona fide reasons, such as seniority and experience. Other states have different standards or justifications for pay differences. Similarly, AB 1192 requires employers to identify the number of independent contractors it uses. Employers with a large workforce in California subject to AB 5 are likely to have different statistics than in a state that follows federal law or has a different standard. Even for those in California, whether the company uses independent contractors or not is likely determined by whether its industry was lucky enough to be included in one of the 100-plus exemptions to AB 5.

AB 1192 similarly requires an employer to report pay data and information about promotions that will give the false impression of pay disparity where none exists. Once the data is made public, a plaintiff's attorney would simply have to review the companies with reported pay disparities or disparities in promotions and send a settlement demand or threaten litigation. If a company reports high numbers of independent contractors as compared to other companies, an attorney is sure to file a misclassification claim even if the use of contractors is lawful.

Three of the metrics employers would be required to report are the percentage of workers who are offered 12 weeks of short-term disability insurance or paid medical leave, 12 weeks of paid parental leave, or 12 weeks of paid caregiving leave. **None of those leaves are required under California law.** The bill also requests information based on personnel data an employer is not allowed to require. An employer cannot require an employee to identify their race or gender.

In 2017, Governor Brown vetoed AB 1209 (Gonzalez) (**OPPOSED** by the SWCLC), which would have made similar pay data public. In his veto message he stated,

*"While transparency is often the first step to addressing an identified problem, it is unclear that the bill as written, given its ambiguous wording, will provide data that will meaningfully contribute to efforts to close the gender wage gap. Indeed, I am worried that this ambiguity could be exploited to encourage more litigation than pay equity."*

The version of this bill that eventually passed, SB 973 in 2020, intentionally did not include a publication provision. The DFEH may only publish that data in the aggregate, not data associated with specific companies.

In an article that year by Scott Rodd titled "Employer attorney concerned about lawsuits as wage data bill passes Legislature," published in the Sacramento Business Journal on September 13, 2017, a member of the plaintiff's bar stated:

*"By posting this on the Secretary of State's website, the government is basically giving us (plaintiff lawyers) the data we need to go in there and hammer companies," said Galen T. Shimoda, attorney owner at Shimoda Law Corp. Although the wage data cannot form the sole basis of a lawsuit, he believes the database will help set him "on the right track."*

*And while the purpose of the bill is not to spark litigation against large companies, Shimoda believes the government understands that litigation is a part of the corrective force needed to address wage disparity. "With AB 1209 providing true statistics, it's almost like the government is saying, 'Here's the basis, litigators — go for it, start filing,'" he said.*

**Support: (Verified 4/12/2021)**

None on file

**Opposition: (Verified 4/12/2021)**

CalChamber

**Status:** Assembly Committee on Labor & Employment

**AB 1249, as introduced, Gallagher. Income taxes: gross income exclusions: wildfires.**

*Introduced by Assembly Member Gallagher  
(Principal coauthor: Senator Nielsen)  
(Coauthors: Assembly Members Bigelow and Megan Dahle)  
(Coauthors: Senators Dahle and Dodd)*

**Recommended action: SUPPORT w/extension**  
**Presentation: Gene Wunderlich**

**Summary:**

AB 1249 provides that 'qualified taxpayers' shall receive an exclusion from gross income for amounts received for costs and losses associated with 'specified wildfires'.

**Description:**

The **Personal Income Tax Law and the Corporation Tax Law**, in conformity with federal income tax law, generally defines "gross income" as income from whatever source derived, except as specifically excluded, and provides various exclusions from gross income.

**This bill** would provide an exclusion from gross income for any qualified taxpayer, as defined, for amounts received for costs and losses associated with one or more specified fires from a settlement, as provided.

**Existing law** establishes the continuously appropriated Tax Relief and Refund Account and provides that payments required to be made to taxpayers or other persons from the Personal Income Tax Fund are to be paid from that account.

**This bill** would authorize the refund of overpayments of tax as a result of the above-described exclusion, in prior tax years, payable out of the Tax Relief and Refund Account. By authorizing new payments from a continuously appropriated fund, this bill would make an appropriation.

**Existing law** requires that any bill introduced on or after January 1, 2020, that would authorize certain tax expenditures, as defined, or tax exemptions contain, among other things, specific goals, purposes, and objectives that the tax expenditure or exemption will achieve, detailed performance indicators, and data collection requirements.

**This bill** would state the intent of the Legislature to apply these requirements with respect to the income exclusion allowed by the bill, as described above.

**This bill** would apply its provisions to taxable years beginning before, on, and after the effective date of this bill. The bill would make legislative findings and declarations regarding the public purpose served by this bill.

**This bill** would declare that it is to take effect immediately as an urgency statute.

**Argument in support:**

My only concern with this bill is in its narrow definition of a "Qualified taxpayer". Under AB 1249, that definition only includes:

- (A) Any taxpayer that currently owns or previously owned real property located in the County of Amador or Calaveras, who received amounts, incurred expenses, or received amounts from a settlement arising out of or pursuant to the 2015 Butte Fire.
- (B) Any taxpayer that currently resides or previously resided within the County of Amador or Calaveras, who received amounts, incurred expenses, or received amounts from a settlement arising out of or pursuant to the 2015 Butte Fire.
- (C) Any taxpayer that currently owns or previously owned real property located in the County of Napa, Sonoma, Lake, Butte, Mendocino, or Solano who received amounts, incurred expenses, or received amounts from a settlement arising out of or pursuant to one or more of the 2017 North Bay Fires.

- (D) Any taxpayer that currently resides or previously resided within the County of Napa, Sonoma, Lake, Butte, Mendocino, or Solano who received amounts, incurred expenses, or received amounts from a settlement arising out of or pursuant to one or more of the 2017 North Bay Fires.
- (E) Any taxpayer that currently owns or previously owned real property located in the County of Butte who received amounts, incurred expenses, or received amounts from a settlement arising out of or pursuant to the 2018 Camp Fire.
- (F) Any taxpayer that currently resides or previously resided within the County of Butte who received amounts, incurred expenses, or received amounts from a settlement arising out of or pursuant to the 2018 Camp Fire.

I suspect the author (representing those areas) has narrowly defined the applicable coverage in an effort to get passage. **The bill is great insofar as it goes and I would suggest that either thru amendment, or in a future bill perhaps submitted by a Southern California author, that an effort is made to extend the same benefits to victims of wildfires in Riverside, San Diego and Los Angeles Counties** which have also suffered devastating wildfires during the past 3 years.

**Support: (Verified 4/12/2021)**

None on file

**Opposition: (Verified 4/12/2021)**

None on file

**Status:** Assembly Revenue & Taxation

<b>Legislative Item #5</b>	<b>Action</b>
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**[SB 467, as amended, Wiener. Oil and gas: hydraulic fracturing, acid well stimulation treatments, steam flooding, water flooding, or cyclic steaming: prohibition: job relocation.](#)**

*Introduced by Senators Wiener and Limón  
(Coauthor: Senator Allen)  
(Coauthors: Assembly Members ~~Kalra and Stone~~ Kalra, Stone, Ward, and Wicks)*

**Recommended action: OPPOSE**  
**Presentation: Gene Wunderlich**

**Summary:**

Halts the issuance or renewal of permits for hydraulic fracturing (fracking), acid well stimulation treatments, cyclic steaming, and water and steam flooding starting January 1, 2022, and then prohibits these extraction methods entirely starting January 1, 2027. Eliminates thousands of high-paying California jobs and requires California to import even more foreign oil by shutting down approximately 95% of oil and gas production in California.

CALChamber **JOB KILLER**

## **UPDATE:**

"A proposed California law that would have eliminated most oil extraction in the state died Tuesday after failing to clear its first legislative hurdle.

SB467 would have banned the controversial practice of hydraulic fracturing, otherwise known as fracking, along with some other more common ways of removing fossil fuels from the ground. The bill fell one vote short of passing the state Senate's Natural Resources and Water Committee.

Had it become law, SB467 would have been one of California's most aggressive measures yet to combat climate change, and it won support from a wide range of environmental organizations and climate advocates."

## **Background:**

**Existing law** authorizes the Geologic Energy Management Division in the Department of Conservation to regulate the drilling, operation, maintenance, and abandonment of oil and gas wells in the state. Existing law requires an operator proposing to perform a well stimulation treatment to apply to the State Oil and Gas Supervisor or a district deputy for a permit to perform the well stimulation treatment and imposes other requirements and conditions on the use of well stimulation treatments. Under existing law, a person who fails to comply with this and other requirements relating to the regulation of oil or gas operations is guilty of a misdemeanor.

**This bill** would revise the definition of "well stimulation treatment" to include steam flooding and water flooding. The bill would prohibit the issuance or renewal of a permit to conduct hydraulic fracturing, acid well stimulation treatment, steam flooding, water flooding, or cyclic steaming for the extraction of oil and gas beginning January 1, 2022, and would prohibit new or repeated hydraulic fracturing, acid well stimulation treatments, steam flooding, water flooding, or cyclic steaming, except as conducted pursuant to a permit lawfully issued before that date. The bill would prohibit all hydraulic fracturing, acid well stimulation treatments, steam flooding, water flooding, cyclic steaming, or other well stimulation treatments beginning January 1, 2027. Because a violation of the prohibition on conducting hydraulic fracturing, acid well stimulation treatments, steam flooding, water flooding, cyclic steaming, or other well stimulation treatments, except pursuant to a permit issued before January 1, 2022, would be a crime, the bill would impose a state-mandated local program by creating a new crime. ~~This~~ *The* bill would, until January 1, 2027, authorize a local government to prohibit well stimulation treatments within its jurisdiction. The bill would also make conforming changes.

*This bill would, on and after January 1, 2023, prohibit the issuance of a new or modified permit related to oil and gas wells or production facilities within a health protection zone, as defined, except for certain activities. The bill would authorize the issuance of a variance, as provided, from the prohibition if a court determines that the prohibition would result in a taking of private property of an operator of an oil or gas well or production facility. The bill would provide that the above provisions become operative on July 1, 2022, if, by that date, the division has not promulgated a final rule that would create a health protection zone and prohibit the issuance of any new or modified permit related to oil and gas wells or production facilities within the health protection zone except for certain activities.*

**This bill** would require the division to develop and administer a program to identify workers in downstream, midstream, and upstream oil and gas operations who have lost their jobs and to provide incentives to oil and gas well remediation companies to hire those identified workers.

## **Argument in support:**

According to the author, "SB 467 will halt the issuance and renewal of permits for extreme oil and gas extraction methods by Jan. 1, 2022, including hydraulic fracturing (fracking), acid well stimulation treatment, cyclic steaming, and water and steam flooding. The bill also establishes a health protection zone of 2,500 feet around any residences, schools, and health-care and long-term care facilities where no oil and gas extraction

of any type will be permitted whatsoever. Lastly, the bill tasks the California Geologic Energy Management Division (CalGEM) to identify workers previously employed by the oil and gas industry and to offer incentives to well remediation corporations to hire said former workers.”

“The extraction practices prohibited by this bill, particularly fracking, can have extremely detrimental environmental and health impacts. While the effects range widely depending on method, the impacts often include: an increase in earthquakes and seismicity, air pollution, surface and ground water contamination, spillage of oil or contaminated wastewater, and increased occurrences of sinkholes. The majority of oil and gas operations in California take place in areas already impacted by poor air quality, meaning the pollution caused by extraction compounds this issue and can result in dangerously high levels of fine particulates, nitrogen oxides, and volatile organic compounds in the air. These pollutants have well established links to cancer, heart disease, endocrine disruption, adverse reproductive outcomes, and increased emergency room visits, hospitalizations, and premature death.”

“These often life-threatening health complications are far worse for those communities directly near oil and gas production. Studies in both California and in other states show a correlation between the distance a community resides near a well and increased rates of birth defects, premature birth, and low birth weights. Further, asthma rates increase closer to an active well, as do hospitalizations for heart failure, fatigue, stress, and other serious health complications. Nearly 7.5 million Californians live within one mile of an operational oil or gas well, while over 2 million live within 2,500 feet of an operational well – a majority of whom are low-income, and people of color. Over 350,000 students attend school within a mile of an active well, while over 120,000 students attend school within half a mile of an active well.”

“California cannot continue to have the image of an environmental beacon while we are actively poisoning our citizens and destroying our state. We can no longer allow for the risky practices of injecting unknown chemicals and pressurized liquids into our ground in the efforts to melt and crack away rock just to access oil. We can no longer allow fossil fuel corporations to disregard the health and wellbeing of our most vulnerable populations by drilling directly next to their homes and schools. SB 467 ensures that the most dangerous and destructive forms of oil and gas extraction, including drilling next to population centers, are no longer permitted and will not occur anywhere in the state.”

### **Argument in opposition:**

SB 467’s ban on in-state oil and gas production and new setback requirements fail to acknowledge the substantial unintended consequences of such policies. Reliable oil and gas operations in California are necessary to meet current and foreseeable in-state energy needs. By arbitrarily selecting 2027 to ban in-state oil and gas production, SB 467 will increase energy costs for California households and businesses, increase California’s reliance on foreign imports of oil and gas, reduce tax revenues for local and state governments, jeopardize the reliability of the state’s energy grid, and eliminate hundreds of thousands of good-paying California jobs.

The California Energy Commission (CEC), California Public Utilities Commission (CPUC) and California Air Resources Board (CARB) released a report on March 15, 2021 outlining a timeline to a 100% carbon-free energy grid by 2045. The report estimates that the state’s Renewables Portfolio Standard (RPS) will ensure 60 percent of California’s electricity is renewable by 2030. The report is consistent with the state’s renewable energy policy in SB 100 (De Leon).

SB 467 is more than just a ban on fracking – it is an almost complete shutdown of in-state oil and gas production on an arbitrary timeline that fails to ensure California will not suffer from insufficient supply that will lead California to higher prices and a less stable energy grid.

In 1991 California imported just 4.5% of the state’s total volume of crude oil. Today, California imports more than half of its crude oil supply from foreign entities such as Saudi Arabia (25.6%), Ecuador (18.22%) and Iraq (17.6%), to name just the top three. That means Californians are sending approximately \$25 billion dollars annually abroad to foreign countries to supply crude oil that could be produced domestically in California. Instead of destroying jobs, tax revenues and risking more tankers of crude oil sent from half-way around the world, California should be encouraging in-state production to meet its needs. With in-state production, you

subject the process to the most environmentally and labor protective regulatory regimes in the world. SB 467 instead puts a death knell to its own energy suppliers and workforce in favor of exporting our greenhouse gas (GHG) emissions and jobs abroad by importing foreign oil to meet California's energy needs.

The Western States Petroleum Association (WSPA) writing in opposition, states that this bill "would result in a nearly complete shutdown of California's oil and gas production industry, will cost the state billions in lost revenue and legal liability and will lead to massive job loss."

WSPA continues, "SB 467 would force the premature shut in of more than 95% of the state's oil production. [...] Because SB 467 is focused strictly on supply and does nothing to reduce demand, it is estimated that it would take an increase of 400 tanker vessels to offset the production loss attributable to the bill's prohibitions." According to WSPA there would be port infrastructure capacity concerns that could spike the price of a gallon of gasoline up considerably.

WSPA adds "[i]t is also important to note that the proposed prohibition on nearly all operations related to oil production by 2027 would result in a significant impairment of operators' property rights, requiring the payment of just compensation under the federal and state constitutions. [...] The proposed halt in permitting will result in substantial liability as operators have established vested rights in these permitted operations that cannot be taken without compensation in the absence of showing of nuisance."

The California Independent Petroleum Association (CIPA) echoes the points that WSPA makes and adds that SB 467 is bad for the state and local governments due to the loss of "billions" in tax revenues. CIPA also notes that "petroleum byproducts are used in thousands of consumer products, including health care" and cites the importance of "PPE and the life-saving equipment made from petroleum" and used by first responders and others during the COVID-19 pandemic.

Writing in opposition, the State Building & Construction Trades Council state that they "oppose any effort to prevent California from meeting its own energy needs. Efforts to curtail oil production will negatively impact blue-collar workers, our mobility, and our collective economy – with little to no benefit to the environment."

The Building Trades continue, "California's refineries are supplied by California's oil fields. Because of a partnership with the oil and gas industry, the Building Trades have been able to increase California's apprenticeship program by a full third. [...] It bears mentioning that both California's oilfields and refineries are merely meeting the energy needs of the state as it exists today."

They close with "we ask you to stand with California's blue-collar families and stop enabling extremist politics at the expense of the livelihood of working families. Curtailing production here that will do nothing to impact California's dependence on fossil fuels but merely enrich foreign jurisdictions that do not share the values that we fight hard for every day in California."

### **Support: (Verified 4/13/2021)**

*Center on Race, Poverty & the Environment (CRPE) (sponsor)*  
*Voices in Solidarity Against Oil in Neighborhoods (VISION) (sponsor)*  
*350 Bay Area Action 350*  
*Conejo/San Fernando Valley 350*  
*Humboldt 350 Sacramento 350*  
*Santa Barbara 350 Silicon Valley*  
*350 South Bay Los Angeles 350*  
*Ventura County Climate Hub 1000*  
*Grandmothers for Future*  
*Generations ACCE Action*  
*ActiveSGV Alliance of Nurses for Healthy Environments*  
*American Academy of Pediatrics California*  
*American College of Obstetrics and Gynecology District IX*  
*Asian Americans Advancing Justice*  
*Asian Pacific Environmental*

*Network Azul Black Women for Wellness Breast Cancer Action*  
*Breast Cancer Prevention Partners*  
*California Alliance for Retired Americans California*  
*Environmental Justice Alliance*  
*California Green New Deal*  
*California Interfaith Power & Light*  
*California League of Conservation Voters California*  
*Nurses Association Castro Valley*  
*Democratic Club Center for Biological Diversity Center for Climate Change and Health Center for Community Action and Environmental Justice (CCA EJ)*  
*Center for Environmental Health*  
*Central California Asthma Collaboration Central California*

*Environmental Justice Network*  
*Central Coast Alliance United for a Sustainable Economy (CAUSE)*  
*Central Valley Air Quality Coalition*  
*Citizens Climate Lobby Citizens Climate Lobby Ventura Citizens' Climate Lobby West LA Chapter*  
*City of Santa Barbara Clean Water Action*  
*Climate 911 Climate Action Campaign – Public Health Advisory Council Climate Action Santa Monica Climate First: Replacing Oil & Gas (CFROG) Climate Health Now Climate Psychiatry Alliance*  
*Climate Tzedek Committee of Congregation Netivot Shalom*  
*Coalition for Clean Air Comite Progreso de Lamont Committee for a Better Arvin Committee for a*

Better Shafter Communities for a Better Environment Community Environmental Council Conejo Climate Coalition Consumer Attorneys of California Consumer Watchdog County of Santa Barbara Courage California Dayenu Delano Guardians Democrats of Rossmoor Drug Policy Alliance Earthjustice Environment California Environmental Defense Center Environmental Working Group Faith in the Valley Field 661 Food and Water Watch Fossil Free California FracTracker Alliance Friends Committee on Legislation of California Glendale Environmental Coalition Greenfield Walking Group Greenpeace USA Heal the Bay Holman United Methodist Church Indivisible CA: State Strong Indivisible California Green Team Indivisible South Bay LA Indivisible Ventura Interfaith Climate Action of Contra Costa County LandWatch Monterey County Latino Coalition for a Healthy California Leadership Counsel for Justice and

Accountability Leap Lab Live from the Frontlines Los Padres Forestwatch Mi Familia Vota Mothers Out Front NARAL Pro-Choice California National Parks Conservation Association Natural Resources Defense Council NextGen California Normal Heights Indivisible Northern California Recycling Association Pacoima Beautiful People Organizing to Demand Environmental and Economic Rights (PODER) Physicians for a National Health Program – California Physicians for Social Responsibility – Los Angeles Physicians for Social Responsibility – San Francisco Bay Chapter Plastic Pollution Coalition Progressive Democrats of Benicia Protect Monterey County Redeemer Community Partnership Religious Action Center of Reform Judaism Rooted in Resistance (Indivisible) Rootskeeper San Diego 350 San Diego Pediatricians for Clean Air San Francisco Bay Physicians for Social Responsibility San Francisco Baykeeper San Francisco Marin Medical Society

Santa Barbara County Action Network Santa Barbara Standing Rock Coalition Santa Barbara Women's Political Committee Save Our Shores Seventh Generation Advisors Sierra Club California Silicon Valley Youth Climate Action SoCal 350 Climate Action Social Eco Foundation Stand.earth STAND-LA Starr King Universalist Church Strategic Concepts in Organizing and Policy Education (SCOPE) Sunflower Alliance Sunrise Bay Area Sunrise Kern Sunrise Movement LA Sunrise Movement Sacramento Surfrider Foundation Temple Beth El Jewish Community Center The 5 Gyres Institute The Center for Oceanic Awareness, Research, and Education (COARE) The Climate Center UC Green New Deal Coalition University Professional & Technical Employees – CWA 9119 UPSTREAM Voices for Progress Wellstone Democratic Renewal Club Western Center on Law and Poverty

### **Opposition: (Verified 4/13/2021)**

African-American Farmers of California Agricultural Council of California Agricultural Energy Consumers Association American Chemistry Council American Legion, Department of California AMVETS, Department of California AMVETS California Service Foundation Associated Builders and Contractors of Central California Association of the US Army, Northern & Southern California Chapters Bakersfield Association of Realtors Black Business Association California African American Chamber of Commerce California Association of Black Pastors California Chamber of Commerce California Farm Bureau Federation California Hispanic Chambers of Commerce California Independent Petroleum Association California Landscape Contractors Association California Manufacturers & Technology Association California Poultry Federation California Professional Firefighters California State Association of Electrical Workers California State Commanders Veterans Council California State Council of Laborers California State

Pipe Trade Council California Teamsters Public Affairs Council Cal-Coast Acidizing Service, Inc. Camarillo Chamber of Commerce Cat Canyon Resources Central Valley Business Federation Central Valley Coalition for Jobs and Energy Independence Central Valley Latino Mayors Coalition City of Taft Coastal Energy Alliance County of Fresno CoLab Ventura County Concerned Mineral Owners of California Disabled American Veterans, Department of California EconAlliance Fresno Chamber of Commerce Fresno County Farm Bureau Gill Ranch Storage, LLC (unless amended) Greater Bakersfield Chamber of Commerce Halliburton Hispanics in Energy Hispanic 100 Independent Oil Producers Agency Industrial Environmental Association International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers International Association of Heat and Frost Insulators and Allied Workers International Association of Operative Plasterers and Cement Masons International Association of Sheet Metal Workers International

Brotherhood of Electrical Workers International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers & Helpers International Union of Bridgelayers and Allied Craftworkers International Union of Elevator Constructors International Union of Operating Engineers Kern Citizens for Energy Kern County Firefighters Local 1301 Union Kern County Hispanic Chamber of Commerce Kern Economic Development Corporation Kern County Taxpayers Association Key Energy Services Latin Business Association League of United Latin American Citizens – Council 3272 Lodi Gas Storage, LLC (unless amended) Los Angeles County Business Federation Marine Corps Veterans Association Milk Producers Council MTS Solutions National Association of Royalty Owners – California NISEI Farmers League Northern California Carpenters Regional Council OST Trucks & Cranes Oxnard Chamber of Commerce Painters and Allied Trades International Union Process Instruments, Inc. Reserve Organization of America, Golden

West Chapter Santa Barbara County Taxpayers Association Santa Barbara South Coast Chamber of Commerce Santa Maria Valley Chamber of Commerce San Diego Urban Sustainability Coalition Scottish-American Military Society Si Se Puede Southern Company Gas/Central Valley Gas Storage, LLC (unless amended) Southwest Regional Council of Carpenters State Building & Construction Trades Council Torrance Area Chamber of Commerce United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States, Canada (UA) United Brotherhood of Carpenters and

Joiners of America United Union of Roofers, Waterproofers & Allied Workers Valley Industry Commerce Association Veterans of Foreign Waters, Department of California Western State Council of Sheet Metal Workers Western States Petroleum Association Wild Goose Storage, LLC (unless amended) Wolseley Industrial Group Carlsbad Chamber of Commerce, Bret Schanzenbach Greater Bakersfield Chamber of Commerce, Nick Ortiz Greater Conejo Valley Chamber of Commerce, Adam Haverstock Greater High Desert Chamber of Commerce, Mark Creffield Lodi Chamber of Commerce, Pat Patrick Long Beach Area Chamber of Commerce, Jeremy Harris North

Orange County Chamber of Commerce, Theresa Harvey Oceanside Chamber of Commerce, Scott Ashton Oxnard Chamber of Commerce, Nancy Lindholm Pleasanton Chamber of Commerce, Steve Van Dorn Rancho Cordova Area Chamber of Commerce, Diann H. Rogers San Gabriel Valley Economic Partnership, Brad Jensen Santa Maria Valley Chamber of Commerce, Glenn Morris Torrance Area Chamber of Commerce, Donna Duperron Tulare Chamber of Commerce, Donnette Silva Carter Yorba Linda Chamber of Commerce, Alex Hernandez

**Status:** Senate Committee on Natural Resources & Water, Environmental Quality

<b>Legislative Item #6</b>	<b>Action</b>
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[SB 527, as introduced, Melendez. Greenhouse Gas Reduction Fund: high-speed rail: Salton Sea restoration.](#)

**Recommended action:** **SUPPORT**  
**Presentation:** Gene Wunderlich

**Summary:**

**SB 527 seeks to redirect funding from the California HSR Authority to the Salton Sea Restoration Fund.**

**Description:**

**The California Global Warming Solutions Act of 2006** designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include in its regulation of those emissions the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund. Existing law continuously appropriates 25% of the annual proceeds of the fund to the High-Speed Rail Authority for certain components of a specified high-speed rail project.

**Existing law** establishes the Salton Sea Restoration Fund and requires the fund to be administered by the Director of Fish and Wildlife. Existing law requires the moneys deposited in the fund to be expended, upon appropriation by the Legislature, for various purposes relating to the restoration of the Salton Sea.

This bill would eliminate the continuous appropriation of 25% of the annual proceeds of Greenhouse Gas Reduction Fund to the High-Speed Rail Authority on June 30, 2022. The bill, beginning with the 2022–23 fiscal year, would annually transfer 25% of the annual proceeds of the Greenhouse Gas Reduction Fund to the Salton Sea Restoration Fund.

**Argument in support:**

**Argument in opposition:**

**Support: (Verified 4/13/2021)**

None on file

**Opposition: (Verified 4/13/2021)**

None on file

**Status:** Senate Committees on Environmental Quality, Transportation

<b>Legislative Item #7</b>	<b>Action</b>
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**[SB 606, as amended, Gonzalez. Workplace safety: violations of statutes: enterprise-wide violations: employer retaliation.](#)**

*Introduced by Senator Gonzalez  
(Principal coauthor: Assembly Member Lorena Gonzalez)*

**Recommended action: OPPOSE**

**Presentation: Daneen Ashworth**

**Summary:**

Significantly expands Cal/OSHA authority by creating new “egregious employer” category in Labor Code, creates a new category of “enterprise-wide” citations that face different appeal and abatement practices. Finally, creates multiple new presumptions of retaliation that are duplicative of existing protections and will generate litigation. Job killer tag removed due to March 25 amendments limiting certain overbroad provisions, but CalChamber remains opposed due to structural changes to Cal/OSHA enforcement.

This bill expands and fortifies the authority of the Division of Occupational Safety and Health (Cal/OSHA) to issue citations, require abatement, and seek court orders to address violations of workplace safety laws. The bill also establishes a presumption of unlawful retaliation if an employer takes adverse action against an employee within 90 days of when that employee tries to address unsafe working conditions

## **Description:**

**Existing law** gives the Division of Occupational Safety and Health, within the Department of Industrial Relations, the power, jurisdiction, and supervision over every employment and place of employment in this state, which is necessary to adequately enforce and administer all laws requiring that employment and places of employment be safe, and requiring the protection of the life, safety, and health of every employee in that employment or place of employment. Existing law requires the division to issue a citation for a violation of provisions relating to the spraying of asbestos, or any standard, rule, order, or regulation established pursuant to specified provisions of the California Occupational Safety and Health Act of 1973 if, upon inspection or investigation, the division believes that an employer has committed a violation. Existing law imposes penalties of certain maximum amounts depending on whether the violation is serious, ~~uncorrected~~, *uncorrected*, or willful or repeated. Existing law authorizes the division to seek an injunction restraining certain uses or operations of employment that constitute a serious menace to the lives or safety of persons, as specified.

**This bill**, instead, would require the division to issue a citation for a violation of provisions relating to the spraying of asbestos, certain employment safety related provisions of the Labor Code, or any standard, rule, order or regulation established pursuant to specified provisions of the California Safety and Health Act of 1973 or other safety related provisions of the Labor Code if, upon inspection or investigation, or upon evidence or documents obtained by the division in lieu of or in addition to an on-site inspection, the division believes that an employer has committed a violation. The bill would make conforming changes to the above-described penalty provisions, and would authorize the division to seek an injunction restraining certain uses or operations of employment if it has grounds to issue a citation pursuant for the above-described violations, as specified.

**This bill** would create a rebuttable presumption that a *violation committed by an employer that has multiple worksites is enterprise-wide if the employer has a written policy or procedure* ~~of an employer with multiple worksites that commits those violations constitutes a violation that is enterprise-wide, and would require that violates these provisions and~~ the division *has evidence of a pattern or practice of the same violation involving more than one of the employer's worksites. The bill would authorize the division* to issue an enterprise-wide citation requiring enterprise-wide abatement ~~based on that written policy or procedure. The bill would authorize the division to issue an enterprise-wide citation requiring enterprise-wide abatement based on evidence of a pattern of practices involving more than one location of the employer. if the employer fails to rebut such a presumption.~~ The bill would impose specified requirements for a stay of abatement for a serious enterprise-wide citation, including, among *other* requirements, that the Occupational Safety and Health Appeals Board finds that no employee is exposed to the unsafe or unhealthful condition and that the condition is not likely to cause death, serious injury or illness, or serious exposure to an employee. The bill would ~~require~~ *subject* an enterprise-wide violation to ~~be subject to~~ the same penalty provision as willful or repeated violations.

**This bill** would require the division to issue a citation to an egregious employer, as defined, for each willful ~~violation, and violation determined by the division, as provided. The bill would require~~ each employee exposed to that violation ~~would be required~~ to be considered a separate violation for purposes of the issuance of fines and ~~penalties, as provided. penalties.~~

**Existing law** prohibits an employer from retaliating against a worker for disclosing a positive Coronavirus (COVID-19) test, diagnosis, or order to quarantine or isolate.

**This bill** would establish a rebuttable presumption that an employer's actions are retaliatory if an employer takes adverse action against an employee within 90 days of the employee doing certain things, ~~including, but not limited to,~~ *including* disclosing a positive test or diagnosis of COVID-19 resulting from an exposure at the place of employment or worksite, requesting testing for COVID-19 as a result of an exposure at the place of employment or worksite, *requesting personal protective equipment that is legally mandated or currently recommended by official public health guidance*, and reporting a possible violation of an occupational safety or health standard.

### **Arguments in support:**

According to the author: Whether in grocery stores, meatpacking plants or agriculture fields, essential workers have suffered high rates of illness and death due to worksite exposure to COVID-19. Worse yet, the suffering this exposure has caused to workers and their families was often entirely preventable. These unnecessary outbreaks have in large part occurred because of widespread employer violations of basic workplace safety COVID-19 protections and guidelines. Thus, according to Cal/OSHA, COVID-19 “has killed hundreds of workers in California and sickened thousands, and workers will continue to become ill and die until the pandemic subsides. COVID-19 is an occupational health emergency causing more deaths in less time than any other workplace crisis in the nearly fifty-year existence of Cal/OSHA.”

We are now tragically aware that existing Cal/OSHA remedies have been provably insufficient to prevent many employers from flouting workplace safety, even when the consequences are deadly. There are two reasons for this: (1) Cal/OSHA remedies are woefully insufficient and (2) the kinds of workers who disproportionately died are the kind of workers who can least afford to complain and risk losing their jobs. SB 606 provides Cal/OSHA with the authority to impose minimum penalties per the number of exposed employees for willful violations and will serve as an incentive for large corporations to comply with the law.

SB 606 provides Cal/OSHA with the necessary tools to maximize the use of their limited resources so they are able to respond more effectively to health and safety violations by large employers that put workers' lives at-risk and protects those workers from retaliation for reporting unsafe working conditions related to COVID-19.

As sponsor of the bill, the **California Labor Federation and the United Food and Commercial Workers – Western States Council** writes: Cal/OSHA must have the tools needed to address workplace spread, prevent additional outbreaks, and hold violators accountable. Strong laws are critical but California workers desperately need aggressive enforcement to help recover from this pandemic and to keep themselves and their families safe.

In support of the bill, **California Nurses Association/ National Nurses United** writes: Higher penalties for risking the safety of many employees will serve as a stronger incentive to comply with the law. Additionally, SB 606 gives Cal/OSHA the tools to respond more effectively and efficiently to health and safety violations by giving them the authority to issue companywide abatements and settlement agreements. Workers do not have months to wait for Cal/OSHA to overturn a corporate policy or procedure that is needlessly putting workers in harm's way. California's workers desperately need aggressive enforcement to help recover from this pandemic and to keep themselves and their families safe.

### **Arguments in opposition:**

In opposition to the bill, a coalition of 60 business and trade associations led by the **California Chamber of Commerce** writes: [SB 606] would greatly broaden Cal/OSHA's scope of enforcement into the Labor Code as well as the Health and Safety Code and create unnecessary anti-retaliation protections that will lead to meritless litigation against employers. Based on the August March 25th amendments, the California Chamber of Commerce is removing the Job Killer tag from SB 606. The amendments helped clarify the scope of the rebuttable presumptions and the scope of Cal/OSHA's enforcement as not including all of the Labor Code and Health and Safety Code. However, we remain concerned with SB 606's provisions on multiple fronts.

Employers across California are already struggling to comprehend and keep up with rapidly-changing state and local health guidelines related to COVID-19, as well as a new and rapidly evolving COVID-19 ETS. At the same time, Cal/OSHA is already working hard to educate, explain, and enforce the COVID-19 ETS, and is already staffing up due to support in the Governor's Budget. SB 606 will not improve Cal/OSHA's staffing difficulties or COVID-19 enforcement – it will only add confusion and duplication with its myriad of ill-considered changes, and catch well-intentioned employers in its net.

In further opposition to the bill, the **Construction Employers' Association** writes: This measure is so exceedingly vague and expansive that even the most well-intentioned employers would be subject to

significant penalties and the anti-retaliation provisions are ripe for abuse and run counter to disciplinary provisions in our respective Collective Bargaining Agreements.

**Support: (Verified 4/14/2021)**

*California Labor Federation, AFL-CIO (sponsor) United Food and Commercial Workers – Western States Council (sponsor) Worksafe (sponsor) Alliance of Californians for Community Empowerment Asian Americans Advancing Justice – California California Alliance for Retired Americans California Employment Lawyers Association California Federation of Teachers California Food & Farming Network California Immigrant Policy Center California Institute for Rural Studies California Nurses Association/ National Nurses United California*

*Professional Firefighters California Rural Legal Assistance Foundation Californians for Pesticide Reform Center on Policy Initiatives Central California Environmental Justice Network Central Coast Alliance United for Sustainable Economy Centro Binacional para el Desarrollo Indígena Oaxaqueño Ceres Community Project Comité Civico del Valle, Inc. Consumer Attorneys of California Courage California Ecology Center Environmental Working Group Equal Rights Advocates Fibershed Koreatown Immigrant Workers Alliance La Raza Centro Legal*

*Latino Coalition for a Healthy California Leadership Counsel for Justice and Accountability Legal Aid at Work Lideres Campesinas Marin Food Policy Council National Employment Law Project National Union of Healthcare Workers National Young Farmers Coalition Pesticide Action Network The Praxis Project Public Advocates Roots of Change SMART-Transportation Division, California State Legislative Board Transport Workers Union, California State Conference Warehouse Worker Resource Center Working Partnerships USA*

**Opposition: (Verified 4/14/2021)**

*Acclamation Insurance Management Services African American Farmers of California Allied Managed Care American Pistachio Growers American Staffing Association Associated General Contractors Association of California Healthcare Districts Auto Care Association California Apartment Association California Association of Health Facilities California Association of Joint Powers Authorities California Association of Sheet Metal and Air Conditioning Contractors California Association of Winegrape Growers California Attractions and Parks Association California Beer and Beverage Distributors California Builders Alliance California Building Industry Association California Business Properties Association California Business Roundtable California Cotton Ginners and Growers Association California*

*Farm Bureau California Framing Contractors Association California Fresh Fruit Association California Grocers Association California Hospital Association California League of Food Producers California Railroads California Restaurant Association California Retailers Association California Special Districts Association California Staffing and Recruiting Association California State Association of Counties California Travel Association CAWA - Representing the Automotive Parts Industry Cemetery and Mortuary Association of California Civil Justice Association of California Coalition of Small and Disabled Veteran Businesses Construction Employers' Association El Dorado County Chamber of Commerce El Dorado Hills Chamber of Commerce Elk Grove Chamber of Commerce Family Business*

*Association of California Family Winemakers of California Flasher Barricade Association Folsom Chamber of Commerce Housing Contractors of California National Electrical Contractors Association National Federation of Independent Business Nisei Farmers League Official Police Garages of Los Angeles Public Risk Innovation, Solutions, and Management Rancho Cordova Chamber of Commerce Residential Contractors Association Roseville Area Chamber of Commerce Sacramento Regional Builders Exchange United Chamber Advocacy Network United Contractors Western Agricultural Processors Association Western Carwash Association Western Growers Association Western Steel Council Yuba-Sutter Chamber of Commerce*

**Status:** Senate committee on Appropriations (already passed Judiciary, Labor, Public Employment & Retirement)

[SB 668, as introduced, Bates. Property taxation: change in ownership: inheritance exclusion.](#)

Recommended action: **SUPPORT**

Presentation: Gene Wunderlich

**Summary:**

SB 668 seeks to delay and clarify implementation specifically of the intergenerational transfer portion of Prop 19, passed last year by California voters, and **OPPOSED** by the SWCLC.

**Description:**

The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, "full cash value" is defined as, among other things, the appraised value of that real property when a change in ownership has occurred.

Existing property tax law provides that specified transfers are not deemed a change in ownership for which a claim is filed, including, in accordance with the California Constitution, the purchase or transfer between parents and children, and in certain circumstances between grandparents and grandchildren, of the transferor's principal residence and the first \$1,000,000 of full cash value of all other real property.

Under existing provisions of the California Constitution, adopted as Proposition 19 by the voters at the November 3, 2020, general election, the above-described exclusion is inoperative as of February 16, 2021. The California Constitution, beginning on and after that date, instead provides that a change in ownership does not include the purchase or transfer of a family home or a family farm, as those terms are defined, between parents and their children or, under certain circumstances, grandparents and their grandchildren. The California Constitution requires that the taxable value of a family home or family farm under these provisions is the sum of:

- (1) the taxable value of the property, determined as provided as of the date immediately prior to the transfer or purchase, and
- (2) the assessed value, if any, that exceeds \$1,000,000, subject to biannual adjustment by the State Board of Equalization. In the case of a transfer of a family home under these provisions, the California Constitution requires that the transferee claim the homeowner's exemption or disabled veterans' exemption allowed by specified provisions of the California Constitution within 1 year of the transfer.

This bill would provide that the above-described existing statutory provisions governing the purchase or transfer of real property between parents or grandparents and their children or grandchildren, as described above, are inoperative as of February 16, 2023, and repeal those provisions as of January 1, 2024.

Beginning on and after February 16, 2023, the bill would implement the above-described constitutional provisions enacted by Proposition 19, in a manner similar to existing law. The bill would require a person seeking to claim the exclusion under these new provisions to file a claim that includes certain information, certified under penalty of perjury. The bill would provide that the claim is not a public document and is not subject to inspection, except to specified parties. The bill would require the State Board of Equalization to design the claim form.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

By adding to the duties of local tax officials in administering the inheritance exclusion for purposes of property taxation, and by expanding the scope of the crime of perjury, this bill would impose a state-mandated local program.

#### SECTION 1.

Section 63.1 of the Revenue and Taxation Code is amended to read:

(a) Notwithstanding any other provision of this chapter, *until February 16, 2023*, a change in ownership shall not include the following purchases or transfers for which a claim is filed pursuant to this section:

(1) (A) The purchase or transfer of real property which is the principal residence of an eligible transferor in the case of a purchase or transfer between parents and their children.

(B) A purchase or transfer of a principal residence from a foster child to the child's biological parent shall not be excluded under subparagraph (A) if the transferor child received that principal residence, or interest therein, from a foster parent through a purchase or transfer that was excluded under subparagraph (A).

(2) The purchase or transfer of the first one million dollars (\$1,000,000) of full cash value of all other real property of an eligible transferor in the case of a purchase or transfer between parents and their children.

(3) (A) Subject to subparagraph (B), the purchase or transfer of real property described in paragraphs (1) and (2) ~~of subdivision (a)~~ occurring on or after March 27, 1996, between grandparents and their grandchild or grandchildren, if all of the parents of that grandchild or those grandchildren, who qualify as the children of the grandparents, are deceased as of the date of purchase or transfer. Notwithstanding any other provision of law, for the lien date for the 2006–07 fiscal year and each fiscal year thereafter, in determining whether “all of the parents of that grandchild or those grandchildren, who qualify as the children of the grandparents, are deceased as of the date of purchase or transfer,” a son-in-law or daughter-in-law of the grandparent that is a stepparent to the grandchild need not be deceased on the date of the transfer.

(B) A purchase or transfer of a principal residence shall not be excluded pursuant to subparagraph (A) if the transferee grandchild or grandchildren also received a principal residence, or interest therein, through another purchase or transfer that was excludable pursuant to paragraph (1) of subdivision (a). The full cash value of any real property, other than a principal residence, that was transferred to the grandchild or grandchildren pursuant to a purchase or transfer that was excludable pursuant to paragraph (2) of subdivision (a) and the full cash value of a principal residence that fails to qualify for exclusion as a result of the preceding sentence shall be included in applying, for purposes of paragraph (2) of subdivision (a), the one million dollar (\$1,000,000) full cash value limit specified in paragraph (2) of subdivision (a).

(b) (1) For purposes of paragraph (1) of subdivision (a), “principal residence” means a dwelling that is eligible for a homeowners’ exemption or a disabled veterans’ exemption as a result of the transferor’s ownership and occupation of the dwelling. “Principal residence” includes only that portion of the land underlying the residence that consists of an area of reasonable size that is used as a site for the residence.

(2) For purposes of paragraph (2) of subdivision (a), the one-million-dollar (\$1,000,000) exclusion shall apply separately to each eligible transferor with respect to all purchases by and transfers to eligible transferees on and after November 6, 1986, of real property, other than the principal residence, of that eligible transferor. The exclusion shall not apply to any property in which the eligible transferor’s interest was received through a transfer, or transfers, excluded from change in ownership by the provisions of either subdivision (f) of Section 62 or subdivision (b) of Section 65, unless the transferor qualifies as an original transferor under subdivision (b) of Section 65. In the case of any purchase or transfer subject to this paragraph involving two or more eligible transferors, the transferors may elect to combine their separate one-million-dollar (\$1,000,000) exclusions and, upon making that election, the combined amount of their separate exclusions shall apply to any property jointly sold or transferred by the electing transferors, provided that in no case shall the amount of full cash value of real property of any one eligible transferor excluded under this election exceed the amount of the transferor’s separate unused exclusion on the date of the joint sale or transfer.

#### **Arguments in support:**

As you may recall, **Prop 19 was a two part measure** in which most people – including promoters and voters, focused on part 1, the **expansion of existing Prop 60 and 90 processes** allowing citizens over the age of 55 to transfer their Prop 13 tax base to any county in the state; to purchase a property of lesser, equal, or greater value; and to exercise the option more than once.

Part two **limited the ability of a parent or grandparent to bequeath a property to the child or grandchild** who would inherit that property with the stepped-up Prop 13 tax basis (currently limited to the first \$1,000,000 of property value), unless that inheritor moved into the property as their principle residence. As the state and counties moved to implement Prop 19, property owners discovered this second aspect of the proposition with some consternation. What happens if you leave the property to multiple family members – who qualifies as principle resident, why is the state trying to raise an estimated \$1 billion a year on the backs of our children and grandchildren?

SB 668 seeks to delay and clarify the implementation of Part two, return the prior \$1 million transfer allowance and eliminate the mandate to make the property a principle residence.

**Arguments in opposition:**

**Support: (Verified 4/13/2021)**

None on file

**Opposition: (Verified 4/13/2021)**

None on file

**Status:** Senate Committee on Governance and Finance

Legislative Item #9	Action
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**[SB 780, as amended, Cortese. Local finance: public investment authorities.](#)**

**Recommended action: SUPPORT**

**Presentation: Patrick Ellis**

**Summary:**

**SB 780 seeks to reform, revitalize and improve a legislative body’s ability to implement and/or utilize Enhanced Infrastructure Finance Districts (EIFD’s) and Community Revitalization Investment Authorities (CRIA’s).**

**Description:**

**Existing law** establishes enhanced infrastructure financing districts to finance public capital facilities or other specified projects of communitywide significance. Existing law provides for the membership of the governing body of the district, referred to as the public financing authority. If a district has only one participating affected taxing entity, existing law requires the public financing authority’s membership to consist of 3 members of the legislative body and 2 members of the public chosen by the legislative body. If a district has 2 or more participating affected taxing entities, existing law requires the public financing authority’s membership to consist of a majority of members from the legislative bodies of the participating entities, and a minimum of 2 members of the public chosen by the legislative bodies of the participating entities.

**This bill** would authorize the legislative bodies to appoint ~~designees~~ *an alternate member* to the public financing authority ~~in their stead. who may serve and vote in place of a member who is absent or disqualifies themselves from participating in a meeting of the authority.~~ If a district has more than 3 participating affected taxing entities, the bill would authorize the legislative bodies of the taxing entities to, upon agreement, appoint only one member of their respective legislative bodies, ~~or their designees,~~ *and one alternate member*, in addition to the public members.

**Existing law** authorizes the legislative body of a city or a county to designate a proposed enhanced infrastructure financing district by adopting a resolution of intention to establish the proposed district which, among other things, is required to state that an enhanced infrastructure financing district is proposed and describe the boundaries of the proposed district. Existing law requires the public financing authority to direct the preparation of and adopt an infrastructure financing plan consistent with the general plan and consisting of, among other things, a financing section including a plan for financing the public facilities, a limit on the total number of dollars of taxes that may be allocated to the district pursuant to the plan, and a date, not more than 45 years from the date on which the issuance of the bonds is approved for the plan on which the district will cease to exist, by which time all tax allocation to the district will end. Existing law provides that the infrastructure plan together with any report required by the California Environmental Quality Act be sent to each landowner within the proposed district, the public financing authority, the planning commission, and the legislative body. Existing law requires the public financing authority of an enhanced infrastructure financing district to hold 3 public hearings on a proposed infrastructure financing plan, as provided, requires mailed notice to each landowner, each resident, and each taxing entity, as specified, and requires the infrastructure financing plan to be adopted by ordinance in specified circumstances. Existing law requires the public financing authority to review the infrastructure financing plan at least annually and make any amendments that are necessary and appropriate. Existing law specifies the division of taxes used to finance an enhanced infrastructure financing district.

**This bill** would authorize the legislative body to divide the district into multiple project areas, and require the resolution to form the district to state any project area proposed within the district. Where the district is divided into ~~multiple~~ project areas, the bill would authorize the financing section of the infrastructure financing plan to provide a date on which the infrastructure financing plan will cease to be in effect and all tax allocations to the district will end, and a date on which the district's authority to repay indebtedness with incremental tax revenues will end, as provided, and would authorize separate and unique time limits applicable to each project area. The bill would require the infrastructure financing plan to be consistent with the specific plan, if applicable. *The bill would require the legislative body to include any project areas, if proposed, in the infrastructure financing plan.* The bill would authorize an alternative procedure to the mailed notice requirements and would authorize the infrastructure financing plan to be adopted by resolution rather than by ordinance. The bill would specify vote thresholds, notice, and public hearing requirements for amendment of the infrastructure financing plan. The bill would specify the division of taxes for a taxing entity approving an infrastructure financing plan after the district formation, as provided.

**Existing law** establishes community revitalization and investment authority to carry out a community revitalization plan within a community revitalization and investment area. Existing law authorizes a city, county, or city and county to adopt a resolution creating an authority consisting of 3 members of the legislative body of the city, county, or city and county that created the authority and 2 public members. Existing law authorizes a city, county, city and county, and special district, as defined, to create an authority by entering into a joint powers agreement, consisting of a majority of members from the legislative bodies of the public agencies that created the authority and a minimum of 2 public members.

**This bill** would authorize the legislative bodies to appoint ~~designees~~ *an alternate member* to the community revitalization and investment authority ~~in their stead. who may serve and vote in place of a member who is absent or disqualifies themselves from participating in a meeting of the authority.~~ If an authority has more than 3 participating affected taxing entities, the bill would authorize the legislative bodies of the taxing entities to, upon agreement, appoint only one member of their respective legislative bodies, ~~or their designees,~~ *and one alternate member*, in addition to the public members.

**Existing law** provides that an authority may carry out a community revitalization plan within a community revitalization and investment area and requires that at least 80% of the land calculated by census tracts, census block groups, as defined, or a combination of both that meet certain requirements regarding income, unemployment, crime rates, deteriorated infrastructure, residential structures, or commercial structures; or as an alternative, if the census tracts or census block group are within a disadvantaged community, as defined.

**This bill** would lower that percentage to 70% and would add, as an alternative, ~~census tracts or census block groups, as defined, within a federal Qualified Opportunity Zone, and vacant or underutilized residential or commercial parcels designated in a local housing element's inventory of land suitable for residential development,~~ *sites identified in the inventory of land in a city or county's housing element that are suitable for residential development that are zoned to allow transit priority projects*, as provided. The bill would make various conforming changes.

**Existing law** requires an authority to adopt a community revitalization and investment plan that may include a provision for the receipt of tax increment funds consisting of certain required provisions, including a provision that the repayment of all of the authority's debts and obligations, fulfillment of all of the authority's housing obligations, and dissolution must occur in no more than 45 years, at which time no further taxes shall be allocated to the authority. Existing law requires the authority to review the plan at least annually and to make amendments that are necessary and appropriate according to specified procedures.

**This bill** would revise these provisions to require the community revitalization and investment plan to include project areas and require that dissolution occur in no more than 45 years from the date upon which the issuance of debt is approved for a plan, or approved for a project area, as specified. The bill would authorize the plan to provide a date on which the plan will cease to be in effect and all tax allocations to the district will end and a date on which the district's authority to repay indebtedness with incremental tax revenues will end, as provided, and would authorize separate and unique time limits applicable to each project area. The bill would specify vote thresholds, notice, and public hearing requirements for amendment of the plan.

**Existing law** requires the authority to hold a protest proceeding every 10 years to consider whether the property owners and residents within the plan area wish to present oral or written protests against the authority.

**This bill** would remove that requirement.

### **Arguments in support:**

According to the author, "After the elimination of redevelopment agencies, the state has tried to find effective solutions to spur economic development and build affordable housing in local communities. Enhanced Infrastructure Finance Districts (EIFD's) and Community Revitalization Investment Authorities (CRIA's) have shown promise, yet have proven to be overly cumbersome to establish and operate. SB 780 will successfully revitalize these tools, empowering local agencies to leverage their tax increment to spur the development of affordable housing and public infrastructure in their communities."

**Redevelopment agencies.** From the early 1950s until they were dissolved in 2011, California redevelopment agencies (RDAs) used property tax increment financing to pay for economic development projects in blighted areas pursuant to the provisions of the Community Redevelopment Law. Generally, property tax increment financing involves a local government forming a tax increment financing (TIF) district to issue bonds and use the bond proceeds to pay project costs within the boundaries of a specified project area. To repay the bonds, the district captures increased property tax revenues that are generated when projects financed by the bonds increase assessed property values within the project area. To calculate the increased property tax revenues captured by the district, the amount of property tax revenues received by any local agency participating in the district is "frozen" at the amount it received from property within a project area prior to the project area's formation. In future years, as the project area's assessed valuation grows above the frozen base, the resulting additional property tax revenues—the so-called property tax "increment" revenues—flows to the TIF district instead of other local agencies. After the bonds have been fully repaid using the incremental property tax revenues, the district is dissolved, ending the diversion of tax increment revenues from participating local agencies.

Citing a significant State General Fund deficit, Governor Brown's 2011-12 budget proposed eliminating RDAs and diverting billions of dollars of property tax revenues back to schools, cities, and counties to fund core services. Among the statutory changes that the Legislature adopted to implement the 2011-12 budget, AB X1 26 (Blumenfield, 2011) dissolved all RDAs. The California Supreme Court's 2011 ruling in California Redevelopment Association v. Matosantos upheld AB X1 26, but invalidated AB X1 27 (Blumenfield, 2011), which would have allowed most RDAs to avoid dissolution.

RDAs' dissolution deprived many local governments of the primary tool they used to eliminate physical and economic blight, finance new construction, improve public infrastructure, rehabilitate existing buildings, and increase the supply of affordable housing.

**Enhanced Infrastructure Financing Districts.** After RDAs were dissolved in 2011, local officials sought other ways to use tax increment financing to raise the capital they need to fund public works projects. In response, the Legislature enacted SB 628 (Beall, 2014) to allow local officials to create Enhanced Infrastructure Financing Districts (EIFDs), which augment the tax increment financing powers available to local agencies under existing infrastructure financing district statutes. City or county officials can create an EIFD to finance public capital facilities or other specified projects of communitywide significance that provide significant benefits to the district or the surrounding community. An EIFD is governed by a public financing authority with three members of each participating taxing entity's legislative body and a minimum of two public members.

To create an EIFD, the legislative body of a city or county must adopt a resolution of intention to establish the financing district. The resolution must state a time and place for a hearing on the proposal, the proposed district's boundaries, the types of facilities and development to be financed, the need for the district, the goals the district proposes to achieve, and that incremental property tax revenues may be used to finance the EIFD's activities. The city or county must create the public financing authority at the same time it adopts the resolution of intention.

**Arguments in opposition:**

None on file

**Support: (Verified 4/13/2021)**

*California Association for Local Economic Development;*  
*California Forward Action Fund;*  
*City of West Sacramento;*  
*Edison International and Affiliates;*  
*Keyser Marston Associates, INC.;*

*Rsg, INC.;*  
*S Squared Consulting;*  
*San Francisco Bay Area Planning and Urban Research Association.*

**Opposition: (Verified 4/13/2021)**

None on file

**Status:** Senate Committee on Housing, Governance & Finance

SWCLC						
2021 Bill Tracker						
Month	Bill #	Author	Party	Intent	Position	Status
1	ACA1	Aguiar-Curry	D	Reduce vote threshold	O	LPT
1	AB 5	Fong	D	HSR\$\$ to K-12	S	LPT
1	AB 12	Seyarto	R	SS #'s - last 4	S	LPT
1	AB 15	Chiu	D	Tenant relief	O	LPT
1	AB 24	Waldron	R	Unemp notice time	W	L
1	AB 62	Gray		Income tax/CV costs	S	LPT
1	AB 71	Luz Rivas	D	tax increase/homeless	O	LPT
1	AB 95	Low	D	Bereavement leave	O	LPT
1	AB 115	Bloom	D	P&Z - comm-housing	O	LPT
1	SB 19	Glazer		wine tasting rooms	S	LPT
1	SB 39	Grove	R	EDD fraud-inmates	S	LPT
1	SB 62	Durazo	D	Garment mfg	O	LPT
1	SB 102	Melendez	R	ABC limit	S	LPT
1	SB 218	Jones	R	Corp paperwork	S	LPT
2	AB 20	Lee	D	Clean Money Act	O	LPT
2	AB 48	Gonzalez	D	Law enforcement	O	LPT
2	AB 76	Kiley	R	Interdistrict transfer	S	LPT
2	AB 248	Choi	R	Income tax/CV costs	S	LPT
2	AB 395	Lackey	R	Vehicle breakin	S	LPT
2	AB 513	Bigelow	R	HR clarification/CV	S	LPT
2	SB 30	Cortese	D	Decarbonization	O	LPT
2	SB 37	Cortese	D	Cortese List	O	LPT
2	SB 220	Skinner	D	Craft distillers	S	LPT
2	SB 238	Melendez	R	Employment/political afil	S	LPT
2	SB 249	Melendez	R	Education/political afil	S	LPT
2	SB 285	McGuire		Tourism recovery act	S	LPT
2	SB 314	Wiener	D	Restaurants/recovery	S	LPT
2	SB 389	Dodd	D	take-out drinks	S	LPT
3	AJR 1	Kalra	D	Abolish ICE	O	LPT
3	AB 93	Budget Cmte		Waive ABC renewals	S	
3	AB 84	Ting	D	More sick leave	O	LT
3	SB 95	Skinner	D	More sick leave	O	LT
3	AB 946	Lee	D	Eliminate 2nd mtg	O	LPT
3	AB 1028	Seyarto	R	Telework flexibility	S	LPT
3	AB 1084	Low	D	Gender neutral retail	O	LPT
3	AB 1199	Gipson	D	Tax on rentals	O	LPT
3	AB 1400	Kalra	D	Single payer healthcare	O	LPT
3	SB 10	Wiener	D	Housing Density	S	LPT
3	SB 87	Caballero	D	Small bsn grant	S	Chaptered
3	SB 238	Dodd	D	Discontinue water sbv	O/a	LPT
3	SB 336	Ochoa Bogh	R	72 hr notice	S/a	LPT
3	SB 358	Jones	R	Porch pirates	S	LPT
3	SB 657	Ochoa Bogh	R	electronic documents	S	LPT
3	SB 772	Ochoa Bogh	R	DHS minor violations	S	LPT
3	SB 761	Bates	R	Road Construction	O	P
4	SB 314	Cortese	D	Decarbonization	O	LPT
4	AB 286	Gonzalez	D	Cap on dine delivery	O	LPT



**2021 Meeting Schedule  
w/ Guest speakers**

~~1/25 Open~~

~~2/20 Open~~

~~3/15 Open~~

**4/19 Open – DA Mike Hestrin**

**5/17 Open – Matt Jennings, RivCo Treasurer/Tax Collector**

**6/21 Open**

**7/19 Open**

**8/16 Open**

**9/20 Open**

**10/18 Open**

**11/15 Closed**

**12/16 Dark**