MEMO

DATE: February 3, 2005

TO: The Regional Council
The Community Economic and Human Development Committee
The Energy and Environment Committee
The Transportation and Communications Committee (TCC)

FROM: Charlotte Pienkos, Government Affairs Analyst
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SUBJECT: State and Federal Legislative Matrix

The California State Legislature reconvened on January 3rd, launching the 2005-2006 Legislative Session. This is the first year of a two-year session; no bills or constitutional amendments have carried over from 2004. Since the 3rd, Governor Arnold Schwarzenegger has met the constitutional deadline of submitting his Fiscal Year 2005-06 Budget to the Legislature. Bill introduction during this early part of the session will be guided by two dates: January 21st is the last day to submit bill requests to the Office of Legislative Counsel, and February 18th is the last day for bill introduction.

SCAG Government Affairs staff is reviewing new bills as they are introduced for relevance to SCAG's jurisdictional areas of interest. As of this writing on January 13, 2005, fourteen bills or constitutional amendments have been flagged for further review. Attached to this memo, all fourteen are listed in a brief summary for the Regional Council. Each committee, however, will receive with this memo a more detailed look at bills within its field. Due to the congressional inaugural break, there is no federal legislation to review at this time.

CP#106802

SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

Private file: AirQuality

CA AB 17

AUTHOR: Koretz (D)
TITLE: Coastal Resources: Beaches: Prohibiting Smoking
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
LOCATION: Assembly Natural Resources Committee
CODE SECTION:

An act to add Section 516 to the Public Resources Code, relating to coastal resources.

SUMMARY:

Makes it an infraction for a person to smoke a pipe, cigar, or cigarette on a state coastal beach. Permits the state to develop and post signs at a state coastal beach to provide notice of the smoking prohibition.

DIGEST:

LEGISLATIVE COUNSEL'S DIGEST

AB 17, as introduced, Koretz. Coastal resources: beaches: prohibiting smoking.

Existng law makes it an infraction for a person to smoke a cigarette, cigar, or other tobacco-related product within 25 feet of a playground or tot lot sandbox area.

This bill would make it an infraction for a person to smoke, as defined, a pipe, cigar, or cigarette on a state coastal beach, as defined. The bill would establish a state-mandated local program by creating a new crime.

This bill would permit the state to develop and post signs at a state coastal beach to provide notice of the smoking prohibition, as specified.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

STATUS:

12/06/2004	INTRODUCED.
01/06/2005	To ASSEMBLY Committees on NATURAL RESOURCES and GOVERNMENTAL ORGANIZATION.
Subject:	AirQuality

CA AB 32

AUTHOR: Pavley (D)
COAUTHOR(S): Chan (D), Laird (D), Simitian (D)
TITLE: Greenhouse Gas Emissions: California Climate Registry
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
LOCATION: ASSEMBLY
CODE SECTION:

An act to amend Sections 42801 and 42823 of the Health and Safety Code, relating to air pollution.

SUMMARY:

Revises the functions and duties of the California Climate Action Registry. Requires the registry, in coordination with the California Environmental Protection Agency and the State Energy Resources Conservation and Development Commission, to adopt specified procedures and protocols both for monitoring, estimating, calculating, reporting, and certifying greenhouse gas emission reduction projects, and for monitoring emissions resulting from specified industrial sectors.

DIGEST:

LEGISLATIVE COUNSEL'S DIGEST

AB 32, as introduced, Pavley. Greenhouse Gas Emissions: California Climate Action Registry.

Existing law requires the Secretary of the Resources Agency to establish the California Climate Action Registry (hereafter registry) as a public benefit nonprofit corporation, and makes legislative findings and declarations relating to the registry. Existing law requires the registry to

perform various functions, including, among other things, the adoption of procedures and protocols for the reporting and certification of greenhouse gas emission reductions resulting from a project or an action of a participant in the registry.

This bill would revise the functions and duties of the registry by requiring the registry, in coordination with the California Environmental Protection Agency and the State Energy Resources Conservation and Development Commission, to adopt specified procedures and protocols both for monitoring, estimating, calculating, reporting, and certifying greenhouse gas emission reduction projects, and for monitoring, estimating, calculating, reporting, and certifying greenhouse gas emissions resulting from specified industrial sectors, as provided. This bill would require the registry to coordinate with state agencies to promote the development of harmonized reporting standards, as specified, and would require the registry, to the extent possible, to coordinate with other states and regions to ensure that businesses and organizations operating both in this state and out of state follow uniform protocols when reporting to multiple registries, states, or regions.

This bill would also make additional legislative findings and declarations.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

STATUS:

12/06/2004 INTRODUCED.

Subject: AirQuality

CA SB 44

AUTHOR: Kehoe (D)

TITLE: General Plans: Air Quality Element

FISCAL COMMITTEE: yes

URGENCY CLAUSE: no

LOCATION: SENATE

CODE SECTION:

An act to amend Section 65302.1 of the Government Code, relating to general plans.

SUMMARY:

Requires the legislative body of each city and county, other than those in the San Joaquin Valley Air Pollution Control District, to amend the appropriate elements of its general plan to include data and analysis, comprehensive goals, policies, and feasible implementation strategies to improve air quality no later than one year from the date specified for the next revision of its housing elements.

DIGEST:

LEGISLATIVE COUNSEL'S DIGEST

SB 44, as introduced, Kehoe. General plans: air quality element.

Existing law requires the legislative body of each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city, and of any land outside its boundaries that bears relation to its planning. The law requires the plan to include a specified land use element that designates the proposed general distribution and general location and extent of the uses of the land for housing, business, industry, open space, and other categories of public and private uses of land. Existing law specifically requires the legislative body of each city and county within the jurisdictional boundaries of the San Joaquin Valley Air Pollution Control District to amend appropriate elements of its general plan to include specified information to improve air quality.

This bill would make legislative findings and declarations regarding air pollution problems in this state. The bill additionally would require the legislative body of each city and county, other than those in the San Joaquin Valley Air Pollution Control District, to amend the appropriate elements of its general plan to include data and analysis, comprehensive goals, policies, and feasible implementation strategies to improve air quality no later than one year from the date specified for the next revision of its housing element.

The bill would also require each city and county, at least 45 days prior to the adoption of air quality amendments to a general plan, to send a copy of the draft document to the air quality management district or air pollution control district in which it is located for review and comment, as specified. By increasing the duties of local public officials, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts

for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

STATUS:

01/04/2005 INTRODUCED.

Subject: AirQuality, LandUse

Private file: Energy

CA SB 1

AUTHOR: Murray (D)
COAUTHOR(S): Campbell (R)
TITLE: Energy: Renewables Portfolio Standard Program
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
LOCATION: SENATE
CODE SECTION:

An act to amend Section 25744 of, and to add Sections 25407, 25744.4, and 25744.5 to, the Public Resources Code, and to amend Sections 399.6, 399.8, and 2827 of, and to add Section 379.8 to, the Public Utilities Code, relating to energy, and making an appropriation therefor.

SUMMARY:

Establishes the Solar Homes Peak Energy Procurement Subaccount within the Emerging Renewable Resources Account to fund the Solar Homes Peak Energy Procurement Program. Requires the Energy Commission to award rebates. Authorizes the Commission to provide incentives, to support the installation of solar energy systems on existing and new residential construction. Requires that amounts collected to fund such alternative energy and research and development be set by the PUC.

DIGEST:

LEGISLATIVE COUNSEL'S DIGEST

SB 1, as introduced, Murray. Energy: renewable energy resources: California Renewables Portfolio Standard Program.

(1) Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission) to expand and accelerate development of alternative sources of energy, including solar resources. Existing law requires the Energy Commission, until January 1, 2006, and to the extent that funds are appropriated for that purpose in the annual Budget Act, to implement a grant program to accomplish specified goals, including making solar energy systems cost competitive with alternate forms of energy.

The existing Public Utilities Act requires the Public Utilities Commission (PUC) to require Pacific Gas and Electric Company, San Diego Gas and Electric, and Southern California Edison to identify a separate electrical rate component to fund programs that enhance system reliability and provide in state benefits. This rate component is a nonbypassable element of local distribution and collected on the basis of usage. The funds are collected to support cost-effective energy efficiency and conservation activities, public interest research and development not adequately provided by competitive and regulated markets, and renewable energy resources. Existing PUC resolutions refer to the nonbypassable rate component as a "Public Goods Charge" (PGC). Existing law requires that the PGC not exceed, for any tariff schedule, the level that was in effect on January 1, 2000. Existing law requires that the PGC be adjusted annually at a rate equal to the lesser of the annual growth in electric commodity sales or inflation, as defined. Existing law requires the Energy Commission to transfer funds collected by electrical corporations for in state operation and development of existing and new and emerging renewable resources technologies into the Renewable Resource Trust Fund, to fund specified programs.

Existing law requires that 17.5% of the money collected under the renewable energy public goods charge be used to fund the Emerging Renewable Resources Account within the Renewable Resource Trust Account, for the purpose of a multiyear, consumer-based program to foster the development of emerging renewable technologies in distributed generation applications.

This bill would establish the Solar Homes Peak Energy Procurement Subaccount within the Emerging Renewable Resources Account and would make the moneys therein available, upon appropriation by the Legislature, to fund the Solar Homes Peak Energy Procurement Program,

which the bill would establish. The bill would require the Energy Commission to award rebates, and would authorize the Energy Commission to provide incentives, to support the installation of solar energy systems, as defined, on existing and new residential construction. The bill would require that the amounts collected to fund energy efficiency, renewable energy, and research, development, and demonstration be set at the levels established by the PUC for 2005, and would require that any moneys collected above those 2005 levels during 2006 and 2007 be transferred to the Solar Homes Peak Energy Procurement Subaccount.

This bill would require that the PUC, on or before February 1, 2006, and in consultation with the Energy Commission, issue an order initiating an investigation and opening a ratemaking proceeding, or to expand the scope of an existing proceeding, to adopt and implement a program to invest in residential solar energy systems. The bill would require the PUC to complete its investigation and proceeding and adopt the program no later than January 1, 2008. The bill would require every local publicly owned electric utility, as defined, to establish a solar homes program consistent with the program adopted and implemented by the PUC, within a reasonable time after the PUC establishes any program for electrical corporations. Each local publicly owned electric utility would be required to report, on an annual basis, to its customers and to the Energy Commission, information relative to the utility's solar homes program and would authorize the Energy Commission to establish guidelines for the information to be included in the annual report.

(2) Under the Reliable Electric Service Investments Act, the Energy Commission was required to hold moneys collected for renewable energy and deposited in the Renewable Resource Trust Fund until further action by the Legislature. The act requires the Energy Commission to create an initial investment plan, in accordance with specified objectives, to govern the allocation of funds in the Renewable Resource Trust Fund collected between January 1, 2002, and January 1, 2007, in order to ensure a fully competitive and self sustaining California renewable energy supply. Existing law requires the Energy Commission, on or before March 31, 2006, to prepare an investment plan proposing the application of moneys collected between January 1, 2007, and January 1, 2012.

This bill would delete the requirement that moneys collected for renewable energy and deposited in the Renewal Resource Trust Fund be held until further action by the Legislature. The bill would require the Energy Commission, on or before March 31, 2006, to prepare a report, rather than an investment plan, describing the application of moneys collected between January 1, 2007, and January 1, 2012, and to describe the use of any funds applied toward program activities during the period January 1, 2002, through March 31, 2006.

(3) Existing law authorizes a local government to develop and administer a program to encourage the construction of buildings that use solar thermal and photovoltaic systems meeting certain standards and requires that any program recognize owners and builders who participate in the program by awarding these owners and builders a "Sunny Homes Seal."

This bill would require that beginning January 1, 2008, a seller of production homes, as defined, offer the option of a solar energy system, as defined, to all customers negotiating to purchase a new production home and to disclose certain information.

(4) Existing law requires every electric service provider, as defined, to develop a standard contract or tariff providing for net energy metering, and to make this contract available to eligible customer generators, upon request. Existing law requires every electric service provider, upon request, to make available to eligible customer generators contracts for net energy metering on a first-come-first-served basis until the time that the total rated generating capacity used by eligible customer generators exceeds 0.5% of the electric service provider's aggregate customer peak demand.

This bill would require that every electric service provider, upon request, make available to eligible customer generators contracts for net energy metering on a first-come-first-served basis until the time that the total rated generating capacity used by eligible customer generators exceeds 5% of the electric service provider's aggregate customer peak demand and would delete certain provisions of existing law relative to the annualized net metering calculation.

(5) Under existing law, a violation of the Public Utilities Act or an order or direction of the PUC is a crime.

Because various provisions of this bill are within the act and require action by the PUC to

implement the bill's requirements, a violation of those provisions would be a crime thereby imposing a state-mandated local program by creating a new crime.

(6) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.

STATUS:

12/06/2004 INTRODUCED.

Subject: Environment

Private file: Water

CA SB 31

AUTHOR: Florez (D)
TITLE: Water Fees
FISCAL COMMITTEE: yes
URGENCY CLAUSE: yes
LOCATION: SENATE
CODE SECTION:

An act to amend Sections 1528, 1530, 1540, 1552, and 13160.1 of, to add Sections 1526 and 1527 to, to add and repeal Article 5 (commencing with Section 1565) of Chapter 8 of Part 2 of Division 2 of, and to repeal and add Section 1525 of, the Water Code, relating to water, and declaring the urgency thereof, to take effect immediately.

SUMMARY:

Revises provisions for making water rights filings with the Water Resources Control Board. Changes the listing of applications subject to the board's schedule of fees. Denominates the fees as transaction fees. Limits the fees to processing costs. Requires adjustments of individual transactional fees. Requires the annual permit or license fees to be imposed based upon the number of acre-feet of water covered by the permit or license.

DIGEST:

LEGISLATIVE COUNSEL'S DIGEST

SB 31, as introduced, Florez. Water fees.

Existing law requires the State Water Resources Control Board, by emergency regulation, to establish fees for making specified water rights filings with the board. The total amount of these fees is required to equal the amount required to recover the board's costs incurred to issue, administer, review monitor, and enforce permits, licenses, certificates, and registrations to appropriate water, water leases, and orders approving changes in point of discharge, place of use, or purpose of use of treated wastewater.

Existing law also requires the board to establish annual fees for holders of permits or licenses to appropriate water and for specified lessors of water.

This bill would substantially revise and recast the provisions for making water rights filings with the board, among other things, to change the listing of applications subject to the board's schedule of fees, to denominate the fees as transactional fees, to limit the fees to processing costs, to require adjustment of individual transactional fees that exceed or are less than average processing cost, to require prescribed fees for parties and entities participating in an evidentiary hearing.

This bill would require the annual permit or license fees to be imposed based upon the number of acre-feet of water covered by the permit or license. The bill would preclude charging duplicate annual permit or license fees to holders of multiple diversion or use licenses or permits, and would require the board to ensure comparable fees per acre foot as to all payors. The bill would place prescribed total annual revenue caps on these fees and would limit the board to expending these fees only for specified activities authorized for expenditure from the Water Rights Fund. The bill would require the board to adopt these fees by emergency regulation.

The bill would require the transactional and annual fees to be imposed upon, or allocated to, lawful users of the water. The bill would preclude imposition of these fees with respect to riparian and pre-1914 water rights. The bill would authorize the board to waive all or a portion of the

transactional and annual fees if offsetting appropriations are provided from the General Fund.

The bill would require the state board to convene an advisory group or groups, comprised of specified persons, to assist the evaluation of water rights fee requirements. The bill would require the board to provide public notice on its Web site and, upon request, written notice to interested parties, of meetings of the advisory group or groups and to take other actions to facilitate the participation of the public. The bill would repeal these provisions concerning an advisory group or groups on January 1, 2007.

The bill would require the board by July 1, 2006, to perform a specified audit of the activities of the Division of Water Rights and to file a summary report of the results with the Legislature.

Existing law requires the board to establish a fee schedule for persons filing a proof of claim to surface water rights, so that the fees are sufficient on average to pay the administrative expenses of the board in processing, reviewing, and preparing a report on the claims submitted to the board.

This bill would denominate those application fees as transactional fees and would require those fees to be sufficient on average to pay the actual cost incurred by the board in processing, reviewing, and preparing that report.

Existing law authorizes the board's regulations establishing water rights fees to include provisions for administration and collection. Existing law also requires the schedules of fees to be graduated in accordance with the number of diversions or amount of water involved.

This bill would delete those provisions.

Existing law specifies that if the United States or an Indian tribe otherwise required to pay a fee or expense imposed by the board will not pay it due to sovereign immunity, the board may allocate the fee or expense to those who have contracts for the delivery of the water.

This bill would instead authorize the board to make allocations of these fees and expenses to persons or entities that directly receive a benefit from, or impose a burden on, the board due to the permit or license held by the sovereign entity. The bill would also authorize these allocations in cases where the sovereign pays a portion of the fee or expense. The bill would require these allocations to be based upon the quantity of water that the payor is entitled to use.

Existing law authorizes money in the Water Rights Fund to be used by the board, upon appropriation, for prescribed purposes.

This bill would preclude use of the fund for investigating or processing administrative complaints involving water rights or for investigations or proceedings commenced by other than the water right holder for the protection of fish, wildlife, water quality, or other natural resources.

Existing law authorizes the board to establish reasonable fees to cover costs incurred by its and by regional water quality control boards in connection with certificates required or authorized by federal law with respect to the effect of any existing or proposed facility, project, or construction work upon the quality of waters in the state. Under existing law these fees may be imposed as a single fee or as periodic or annual charges. Existing law specifies the persons upon whom the fee may be imposed.

This bill would substantially revise and recast these provisions and would, among other things, preclude periodic or annual fees. The bill would require the fees to be based upon the board's estimate of its average annual cost in conducting the actions or proceedings listed in the schedule of fees. The bill would require the fees to be developed assuming allocation to the parties and entities involved in the proceeding. The bill would require the board to impose prescribed additional fees in any proceeding involving an evidentiary hearing. The bill would require refund of the portion of fees that exceed the board's costs and would require the board to maintain records of costs determined as specified. The bill would authorize the board to waive fees to the extent moneys therefore are made available to the Division of Water Rights from the General Fund. The bill would specify that, if board staff participates in a hearing through introduction of evidence or cross-examination, proportionate costs shall be allocated to the board.

The bill would declare that it would take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

STATUS:

12/09/2004	INTRODUCED.
Subject:	Water

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