

To: East Contra Costa Fire Protection District
From: Townsend Public Affairs, Inc.
Date: July 8, 2021
Subject: Legislative Report for ECCFPD – June 2021

State Legislative Update

During the month of June, the Legislature primarily focused on moving legislation through Second House policy committees and approving the State's Budget for FY 2021-22. The beginning of the month, June 4th, marked the last day for bills to move out of their house of origin, serving as a filter for many measures that failed to garner consideration or votes from the floor of their original house. Given that the Assembly Speaker and the Senate pro Tempore had previously agreed to limit each Member to moving only 12 bills to the Second House, there were considerably fewer bills that moved out of their House of Origin this session, compared to previous sessions. After the passing of the House of Origin deadline, policy committees resumed meeting and will continue to do so until July 14th, which marks the last day for policy committees to meet and report bills. Following that, the Legislature will adjourn for summer recess, beginning July 16th and will return August 16th to complete the remainder of the legislative session.

Of the 2,708 bills introduced by the Legislature this year, the Governor has already signed 172 into law, which is expected to ramp up in the coming weeks. The next two months will quickly reveal the fate of many key measures. As the Legislature continues its process of advancing legislation to the Governor's desk, the Governor is still dealing with an upcoming recall election. Due to modifications of elections law recently approved by the Legislature, the recall election could be held as soon as August, but is likely to be held in September.

Fiscal Year 2021-2022 State Budget

To meet the constitutional deadline to pass a State Budget, the Legislature passed AB 128 on June 14th, to ensure the government remained in full operation and Members received pay. While this action satisfied the constitutional requirements, the bill did not reflect an agreement between the Governor's Office and the Legislature for a variety of policy issues that included drought and wildfire mitigation and healthcare funding. On Monday, June 28th, the Legislature passed an amended Budget bill, SB 129, which was the product of negotiations between the Administration and the Legislature. The Legislature also passed additional budget trailer bills on July 1st, which would implement portions of the overall budget agreement. The revised budget bill, as well as the trailer bills, are expected to be signed by the Governor.

Despite the amended Budget bill's passage and movement to the Governor's desk, the Governor and the Legislature were not able to reach an agreement on everything. Notably, no joint public statement announcing a broad Budget agreement has issued between the Governor and



Legislative leaders in the Assembly and Senate. To the frustration of some Legislators, the amended Budget bill has been touted as a “framework” and not a comprehensive budget deal. Key policy issues are still awaiting implementing language pending the passage of various budget trailer bills.

One of the key elements that was included in the budget package is a \$100 million appropriation for COVID-19 relief for independent special districts that can demonstrate fiscal impacts due to the public health emergency. Under the provisions of SB 129, the Department of Finance will administer the funding and will consult with the California Special Districts Association to develop a plan to distribute funding by September 1, 2021. The budget language also stipulates that the funding plan shall provide each qualifying district that applies for relief a prorated share of the funding, based on their proportionate share of revenue losses reported by all qualifying districts in the 2018-19 and 2019-20 fiscal years.

The key highlights are summarized below:

Overview

The FY 2021-22 Budget proposes \$262.6 billion in total expenditures. It includes a \$76 billion surplus and \$27 billion in federal aid as a result from the COVID-19 pandemic.

Climate Resiliency

- \$3.7 billion toward climate resiliency which includes watershed and coastal protection.
- \$1 billion Wildfire Package for projects related to forest management and fire prevention.
- \$3 billion for water quality and drought mitigation.
- \$3.7 billion to invest in zero emissions vehicles, dispersed over a three-year period.
- \$258 million wildfire prevention and forest resilience package, with appropriation subject to further legislation.
- \$730.7 million water and drought resilience package, with appropriation subject to further legislation.

Transportation and Infrastructure

- \$3 billion in funding for transportation infrastructure across the State, including for active transportation projects and projects identified for completion prior to 2028.
- Civic Institutions
 - \$390 million for library support
 - \$250 for local park projects
- \$2 billion in special and federal funds for streets, roads, and highways.
- \$400 million for a State and Local Transportation Adaption program, dispersed over a two-year period.
- \$6 billion in broadband infrastructure, with several parts of the appropriation subject to further legislation

Local Public Safety

- \$151 million in 2022-23, \$130 million in 2023-24, and \$120 million in 2024-25 and ongoing to backfill the state and local revenue associated with eliminating additional criminal justice fees.



- \$200 million in one-time funding for the Board of State and Community Corrections to expand the California Violence Intervention and Prevention (CalVIP) program, dispersed over three years.
- \$10.3 million to fund local law enforcement agencies to reduce the number of individuals who are in illegal possession of firearms identified by the Armed Prohibited Persons Database.

Homelessness

- \$12 billion in new funding for homelessness programs to be dispersed over the next two years.
- Flexible local aid - Two years of a \$1 billion appropriation for local governments to address homelessness.
- Project Homekey - \$1.45 billion in 2021-22 and \$1.3 billion in 2022-23.
- CalWORKs Housing Support Program (HSP) - \$380 million dispersed over two years.
- \$50 million for homeless youth emergency services and housing programs.
- \$4 billion over two years for various programs operated out of the Department of Social Services.

Housing

- Affordable housing investments
 - \$1.75 billion to alleviate the backlog in affordable housing construction.
 - \$300 million for the preservation of existing affordable housing.
 - \$600 million for planning and implementation grants to help local governments plan for and meet their goals under their Sustainable Community Strategies.
- Homeownership
 - \$100 million in 2021-22 to expand CalHFA's homebuyer assistance program.
- Rental assistance and eviction protections
 - An additional \$2.6 billion in federal funds available for emergency rental assistance to California tenants and landlords affected by the COVID-19 pandemic.

Equitable and Broad-Based Recovery

- Golden State Stimulus II
 - \$8.1 billion in tax rebates to Californians making under \$75,000.
 - \$3.8 billion in additional stimulus for ITIN filers with dependents.
- Business grants
 - Additional \$1.5 billion in small business and non-profit grants
 - \$50 million in grants to micro-businesses

Eviction Moratorium Extension

On June 25th, the Governor and Legislative leadership announced an extension to the statewide eviction moratorium as well as an increase to the State's rent relief program. The signed bill, AB 832, will extend California's existing eviction moratorium from June 30, 2021 to September 30, 2021. This extension continues the requirement that tenants start paying at least 25 percent of their rent by September 30, 2021 when the moratorium is scheduled to end.



Furthermore, the bill makes several changes to the existing emergency rental assistance program that was established in previous versions of the eviction moratorium. Specifically, AB 832 increases the reimbursement percentages to 100 percent for both arrearage and prospective payments. The bill further allows payments to tenants to cover 100 percent of the renters arrearages in situations where landlords have refused to participate in the program.

Cal/OSHA Workplace Regulations

In June, the California Occupational Safety and Health Standards (Cal/OSHA) Board adopted revised COVID-19 Prevention Emergency Temporary Standards (ETS). A detailed summary of the revised standards from Cal/OSHA's ETS can be found below:

- Fully vaccinated employees without symptoms do not need to be tested or quarantined after close contacts with COVID-19 cases unless they have symptoms.
- No face covering requirements for workers outdoors (except during outbreaks), regardless of vaccination status.
- Employers may allow fully vaccinated employees not to wear face coverings indoors but must document their vaccination status.
- Employers must provide unvaccinated employees with approved respirators for voluntary use when working indoors or in a vehicle with others, upon request.
- Employers may not retaliate against employees for wearing face coverings.
- No physical distancing or barrier requirements regardless of employee vaccination status with few exceptions
- Employers must evaluate ventilation systems to maximize outdoor air and increase filtrations efficiency and evaluate the use of additional air cleaning systems.

Shortly after the ETS were adopted by Cal/OSHA, Governor Newsom signed Executive Order N-09-21 to allow the standards to take place right away.

Priority Legislation

The deadlines to for bills to pass out of the Second House policy committee is July 14th. Any bills that have not passed out of their Second House policy committee(s) by that date will become a two-year bill and will be ineligible for additional consideration until January 2022.

Below are the upcoming relevant dates for the Legislature:

July 14th – Last day for policy committees to pass bills in the Second House

July 16th – Legislative summer recess begins

August 16th – Legislature returns from Summer Recess

August 27th – Last day for fiscal committees to pass bills in the Second House

September 10th – Last day for Legislature to pass bills. Interim recess begins upon adjournment

Below are bills that have been introduced that may be of interest to the District.

AB 267 (Valladares) – CEQA: exemption: prescribed fire, thinning, and fuel reduction projects
Current law, until January 1, 2023, exempts from the requirements of CEQA prescribed fire, thinning, or fuel reduction projects undertaken on federal lands to reduce the risk of high-severity



wildfire that have been reviewed under the federal National Environmental Policy Act of 1969. Current law requires the Department of Forestry and Fire Protection, beginning December 31, 2019, and annually thereafter until January 1, 2023, to report to the relevant policy committees of the Legislature the number of times the exemption was used. This bill would extend the exemption from CEQA and the requirement on the department to report to the relevant policy committees of the Legislature indefinitely. CalChiefs/FDAC: Recommend Support. **This measure was approved by the Assembly (62-2) and has been referred to the Senate Natural Resources and Water Committee.**

AB 450 (Gonzalez) – Paramedic Disciplinary Review Board

The bill would create the Paramedic Disciplinary Review Board to take disciplinary actions previously granted to the Emergency Medical Services Authority against an EMT-P license holder and to hear appeals regarding the authority's denial of licensure, among other things. The bill would specify the composition and appointment of the 7-member board, which would be required to select a salaried executive officer to perform duties delegated to them by the board. The bill would require the employer of a paramedic to report to the director of the authority and the board regarding the suspension or termination of a paramedic for cause, and would require the board to consider employer-imposed discipline and other criteria to determine an appropriate licensure action. CalChiefs/FDAC: Support. **This measure was approved by the Senate Judiciary Committee (11-0) and has been referred to the Senate Appropriations Committee.**

AB 642 (Friedman) – Wildfires

This bill would require the Director of Forestry and Fire Protection to identify areas in the state as moderate and high fire hazard severity zones. The bill would additionally require the director classify areas into fire hazard severity zones based on additional factors, including possible lightning-caused ignition. The bill would require a local agency, within 30 days of receiving a transmittal from the director that identifies fire hazard severity zones, to make the information available for public comment. CalChiefs/FDAC: Support. **This measure was approved by the Senate Governmental Organization Committee (15-0) and has been referred to the Senate Appropriations Committee.**

ACA 1 (Aguar-Curry) – Affordable housing and public infrastructure: voter approval

The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions. This measure would create an additional exception to the 1% limit that would authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, or city and county, as applicable, and the proposition includes specified accountability requirements. CalChiefs/FDAC: Support. **This measure has been referred to the Assembly Local Government Committee. The measure has not yet been set for a hearing.**

SB 12 (McGuire) – Planning and Zoning: wildfires

Current law requires that the Office of Planning and Research, among other things, coordinate with appropriate entities, including state, regional, or local agencies, to establish a clearinghouse for climate adaptation information for use by state, regional, and local entities. This bill would



require the safety element, upon the next revision of the housing element or the hazard mitigation plan, on or after July 1, 2024, whichever occurs first, to be reviewed and updated as necessary to include a comprehensive retrofit strategy to reduce the risk of property loss and damage during wildfires and would require the planning agency to submit the adopted strategy to the Office of Planning and Research for inclusion into the above-described clearinghouse. CalChiefs/FDAC: Support. **This measure was approved by the Assembly Local Government Committee (6-0) and has been referred to the Assembly Housing and Community Development Committee.**

SB 63 (Stern) – Fire prevention: vegetation management: public education grants

This bill makes multiple changes in state law to enhance fire prevention efforts by the California Department of Forestry and Fire Prevention, including, among other things, improved vegetation management and expanding the area where fire safety building standards apply. CalChiefs/FDAC: Support. **This measure was approved by the Assembly Natural Resources Committee (11-0) and has been referred to the Assembly Housing and Community Development Committee for consideration.**

SB 109 (Dodd) – Office of Wildfire Technology Research and Development

Would, until January 1, 2029, establish the Office of Emergency Technology Research and Development within the Office of Emergency Services under the direct control of the Director of the Office of Emergency Services. The bill would make the office responsible for receiving, researching, developing, testing, evaluating, and making recommendations to state and local agencies on proposals and tools to improve the state's ability to prepare and plan for emergencies, incident response, and command and control regarding potential emergencies and threats facing the state, through specified activities. The bill would require the Office of Emergency Technology Research and Development to, to the extent necessary and reasonable, consult and coordinate with the Department of Forestry and Fire Protection to forward the goals of the office. CalChiefs/FDAC: Support. **This measure was approved by the Assembly Emergency Management Committee (7-0) and referred to the Assembly Appropriations Committee.**

Federal Legislative Update

June was another busy month in Washington, DC. A bipartisan group of Senators reached an agreement on an infrastructure framework with President Biden while the House of Representatives moved forward on a \$715 billion surface transportation and water infrastructure bill of its own. Negotiators continued to debate federal police reform legislation and the Biden Administration released a plan of action to curb gun violence. Meanwhile, the House Committee on Appropriations began its work on Fiscal Year 2022 spending bills which included earmarks for the first time in over a decade.

Infrastructure

On June 24th President Biden and a group of bipartisan US Senators struck a deal on a bipartisan infrastructure framework. The approximately \$1.2 trillion framework would:

- Improve healthy, sustainable transportation options for millions of Americans by modernizing and expanding transit and rail networks across the country, while reducing greenhouse gas emissions. The Plan is the largest federal investment in public transit in history and is the largest federal investment in passenger rail since the creation of Amtrak – a larger investment than all 50 years of Amtrak funding combined.



- Repair and rebuild our roads and bridges with a focus on climate change mitigation, resilience, equity, and safety for all users, including cyclists and pedestrians. The Bipartisan Infrastructure Framework is the single largest dedicated bridge investment since the construction of the interstate highway system.
- Build a national network of electric vehicle (EV) chargers along highways and in rural and disadvantaged communities. The largest investment in EV infrastructure in history, the Bipartisan Infrastructure Framework will accomplish the President's goal of building 500,000 EV chargers.
- Electrify thousands of school and transit buses across the country to reduce harmful emissions and drive domestic manufacturing of zero emission vehicles and components. The Plan is the largest investment in clean buses and transit in history.
- Eliminate the nation's lead service lines and pipes, delivering clean drinking water to up to ten million American families and more than 400,000 schools and child care facilities that currently don't have it, including in Tribal nations and disadvantaged communities. The Plan is the largest investment in clean drinking water and waste water infrastructure in American history.
- Connect every American to reliable high-speed internet, just as the federal government made a historic effort to provide electricity to every American nearly one hundred years ago. The Framework will also drive down prices for internet service and close the digital divide.
- Upgrade our power infrastructure, including by building thousands of miles of new, resilient transmission lines to facilitate the expansion of renewable energy, including through a new Grid Authority. The Plan is the single largest investment in clean energy transmission in American history.
- Create a first of its kind Infrastructure Financing Authority that will leverage billions of dollars into clean transportation and clean energy.
- Make the largest investment in addressing legacy pollution in American history, a cleanup effort that will create good-paying union jobs and advance environmental justice.
- Prepare more of our infrastructure for the impacts of climate change, cyber attacks, and extreme weather events. The Framework is the largest investment in the resilience of physical and natural systems in American history.

The path forward for this bill is uncertain. According to Speaker Nancy Pelosi, Democrats in the House of Representatives will not go along with this deal unless the Senate also passes another major bill via budget reconciliation (to avoid a filibuster) with other aspects of President Biden's human infrastructure proposals from the American Families Plan. Senate Republican Leader Mitch McConnell has been quiet about his position on the deal. His support will be necessary to get the at least ten if not more Republican Senators necessary to pass the deal out of the Senate. If he sees moving this bipartisan deal as a way to shore up support for vulnerable Republican Senators in 2022, or make it harder for Democrats to pass a budget reconciliation bill, then he will likely back the deal. However, if he makes the calculation that blocking a bipartisan deal is in his political advantage, we expect him to oppose it and force Democrats to try and move an infrastructure bill on their own through budget reconciliation which only requires a simple majority in the Senate.

The White House is claiming a political victory, calling the infrastructure framework historic and calling for its passage before the end of the federal fiscal year on September 30.



Meanwhile, the House considered H.R. 3684, the *INVEST in America Act*, a \$715 billion surface transportation and water and wastewater bill. Included in the bill are approximately \$6 billion worth of transportation earmarks submitted by Representatives for their communities.

The bill would provide:

- \$343 billion for roads, bridges, and safety
- \$109 billion for transit
- \$95 billion for passenger and freight rail
- \$45 billion to replace lead service lines
- \$53 billion for the Drinking Water State Revolving Fund
- \$5 billion to provide assistance to systems with PFAS contamination
- \$40 billion for the Clean Water State Revolving Fund

House Transportation and Infrastructure Committee Chair Peter DeFazio (D-OR) said his hope is to use this bill to negotiate with the Senate over whatever infrastructure bill the bipartisan group of Senators can pass. DeFazio said the funding numbers are almost even, and where there is disagreement he believes negotiations can find a compromise.

Fiscal Year 2022 Appropriations

The House Committee on Appropriations began to release and work on their FY22 appropriations bills in June. The process will continue into July with consideration of all twelve appropriations bills in the House of Representatives during the final two weeks of July.

On June 25th, the Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies approved its bill, totaling \$26.55 billion. Funded programs include the Supplemental Nutrition Assistance Program (SNAP), known as CalFresh in California, child nutrition programs, rural development programs including broadband, and additional funds for FDA inspectors.

On June 28th, the Appropriations Subcommittee on Interior, Environment, and Related Agencies approved their bill. The legislation includes \$43.4 billion, an increase of \$7.3 billion from FY2021, including an additional \$2.45 billion for wildfire suppression efforts.

Additional appropriations bills will be released prior to the July 12th subcommittee action on Commerce, Justice, Science, and Related Agencies; Energy and Water Development, and Related Agencies; Labor, Health and Human Services, Education, and Related Agencies; Transportation, and Housing and Urban Development, and Related Agencies. The Homeland Security Subcommittee will move its bill on July 13. All bills will include earmarks submitted by Representatives on behalf of their communities.

Senators spent June vetting and submitting earmark requests to the Senate Committee on Appropriations, with the final deadline coming on July 9th. We anticipate disclosure of Senate earmarks in the early weeks of July.



The FY22 appropriations process is running historically behind and we can expect a long path into the fall and winter before the process wraps up with a long-term FY22 spending agreement signed into law. There are still no budget caps deal in place, and the two parties are fighting over potentially trillions of dollars in new infrastructure spending. There will need to be a stopgap funding bill passed by Sept. 30—a Continuing Resolution, or CR—to avoid a government shutdown. A CR simply continues funding from FY21 at the same level for a designated period of time. For earmarks to be implemented a full, FY22 spending bill needs to be agreed to by both the House and Senate and signed by the President.

All 12 appropriations bills will be through their full committees by July 16th with consideration in the full House during the last two weeks of July, presuming House Democrats secure enough votes for passage with their slim four-seat majority. Historically contentious appropriations bills like Homeland Security, Defense, Legislative Branch (Member and staff salaries), and Labor-Health and Human Services, might be put on hold if there aren't enough votes for passage. Earmark heavy bills like Transportation-Housing and Urban Development, and Interior and Environment should hopefully increase their chances of passage as members will want to see their projects approved by the House before going home for the August recess.

District Legislative Priorities

TPA works to further the mission of the East Contra Costa Fire Protection District in Sacramento and Washington DC. In addition to providing feedback on the priorities of the State and Federal government, the District has its own priorities that we continue to advance.

Legislative Priority 1 – Chapter 13 EMS System Modifications

California operates on a two-tiered emergency medical services (EMS) system. EMSA is the lead agency and centralized resource to oversee emergency and disaster medical services. The California Emergency Medical Services Authority (EMSA) is charged with providing leadership in developing and implementing local EMS systems throughout California, and in setting standards for the training and scope of practice of various levels of EMS personnel. California has 33 local EMS systems that provide EMS for California's 58 counties.

Local EMS agencies are responsible for planning, implementing, and managing local trauma care systems, including assessing needs, developing the system design, designating trauma care centers, collecting trauma care data, and providing quality assurance.

In late 2019, EMSA issued proposed Chapter 13 regulations that would have aimed to define the standards, policies, and procedures for all local EMS systems. Additionally, the proposed regulations would have clarified and made specific criteria for determining whether a city or fire district that has contracted for, or provided prehospital EMS as of June 1, 1980, has consistently provided that service without any reduction in the level of service since that time. The regulations would have also made specific criteria for the determining when an exclusive operating area may be created without a competitive process and the process to be used when awarding an exclusive operating area via a competitive process.

The EMSA proposed regulations garnered opposition from numerous entities. Additionally, CFCA's legal counsel requested that EMSA withdraw the proposed Chapter 13 regulations for



failure to comply with certain substantive and procedural requirements for rulemaking under the Administrative Procedures Act. Ultimately, in August 2020, EMSA gave notice that it decided not to proceed with the rule making action related to Chapter 13.

While EMSA has withdrawn its previous regulatory proposal, it is possible that they could re-initiate the rule-making process or pursue statutory changes through the Legislature. TPA is coordinating efforts with the District to be prepared in the event of future legislative or regulatory action. TPA has provided the District with more detailed background information on this subject and possible avenues for action. Additionally, TPA has working to coordinate with industry partners to educate legislators and staff on this issue, as well as to prepare for any potential legislative or regulatory action.

There is one bill introduced in the current legislative session directly related to local EMS agencies, AB 389 (Grayson). AB 389 would authorize a county to contract for emergency services with a fire agency that is governed by the county's board of supervisors and provides those services through a written subcontract with a private ambulance provider. This bill was also recently amended to prohibit, after January 1, 2022, a county from entering into, or renewing, these contracts unless the county board of supervisors has adopted a written policy setting forth issues to be considered for inclusion in the county contract for emergency services and requires the contract to be awarded through a competitive bidding process. AB 389 is sponsored by Contra Costa County. AB 389 was approved by the Assembly (67-0) and is currently awaiting consideration in the Senate Health Committee.

Legislative Priority 2 – Job Order Contracting

Job order contracting is a procedure that allows for the awarding of contracts based on prices for specific construction tasks, rather than bids, for a specific project. A catalog or book identifies all work that could be performed, typically maintenance or modernization, and the unit prices for each of those tasks. The tasks are based on accepted industry standards and process include the cost of materials, labor, and equipment for performing the work, but exclude overhead and profit. A contractor, who has been prequalified, rather than bid a total price for the project, will bid an adjustment factor, which reflects specified costs, to the preset unit prices.

The State Legislature first authorized job order contracting on a pilot basis at Los Angeles Unified School District from 2004 through 2007. The Legislature later extended and modified the pilot program. Based on the results of the pilot program, legislation was approved in 2015 that authorized all school districts that have entered into a project labor agreement to utilize job order contracting. Additional legislation was approved in 2017, which further authorized community college districts that have entered into a project labor agreement to utilize job order contracting.

Current law does not provide special districts with the ability to utilize job order contracting and legislation would be needed to grant this permission. Since job order contracting utilizes accepted industry standards to form the basis of the preset unit prices for work to be performed, it is likely that legislation would need to apply to a class of special districts, such as fire protection districts, to make practical sense.

As noted above, previously approved bills related to job order contracting has limited its use to those to those that have entered into a project labor agreement that applies to all public works in



excess of \$25,000. Given the politics surrounding the previous legislative efforts, it is unlikely that future job order contracting legislation will be successful unless it contains the existing provisions related to project labor agreements. As such, the District may wish to consider the potential benefits of job order contracting, in conjunction with other actions it that may be required to take in order to utilize job order contracting.

Earlier this year, Assembly Member Low introduced AB 846, related to job order contracting. This bill would extend the current December 31, 2021 sunset date that allows school districts and community colleges to utilize job order contracting until January 1, 2027. Additionally, the bill modifies the job order contracting provisions to specify that any entity awarded a contract in excess of \$25,000 shall provide an enforceable commitment that the entity and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the job order contract that falls within an apprenticeable occupation in the building and construction trades. AB 846 was approved by the Senate Education Committee (5-2) and is currently awaiting consideration in the Senate Appropriations Committee.

Legislative Priority 3 – Mitigation Fee Act

Under existing law, the Mitigation Fee Act authorizes local agencies to impose fees to offset the impacts of new development in the form of new services and/or facilities required. The Mitigation Fee Act also imposes a variety of administrative requirements on the fees collected. No voter approval is required to impose impact fees. The same does not apply to a District board, who is prohibited from charging a fee on new construction or development.

Last year, numerous bills were introduced that attempted to modify the Act in ways that would have resulted in a decreased ability for public agencies to collect impact fees. The aim of these legislative efforts has been to reduce the overall cost of housing in California and provide more opportunities for home ownership or for people to be able to afford to rent housing near employment centers.

This year there have not been nearly as many bills introduced dealing with mitigation fees as there were last year. Building on the roundtable discussions that were held early last year, Assembly Member Grayson has introduced two measures, AB 602, and AB 678, to continue the conversation around mitigation fees.

AB 602 includes provisions related to nexus studies, including best practices and standards for transparency, assessment based on proportional square footage, and cleanup on posting fee schedules. The measure was approved by the Senate Governance and Finance Committee (5-0) and has been referred to the Senate Housing Committee for consideration.

Legislative Priority 4 – Professional Services

Under existing law, the Public Contract Code provides that contracts over \$25,000 must be awarded to the lowest bidder. In addition to be a low threshold, Section 20812 is inconsistent with the requirements for many public agencies, and inconsistent with other laws pertaining to Professional and Special Services.



This session legislation has been introduced by Assembly Member Gallagher, AB 577, which would establish a \$50,000 threshold amount for county drainage districts, levee districts, and reclamation districts for the requirement to award to the lowest bidder. AB 577 was referred to the Assembly Local Government Committee for consideration, but was not set for hearing by the committee, and as such, the measure is now a two-year bill.

Legislative Priority 5 – Parcel Tax

Currently, a parcel tax requires a two-thirds vote to pass and must be applied to all parcels equally. This means that a residential property, a commercial property, and an undeveloped property would have to be assessed the same amount for fire service even though they place different levels of demand for service on the Fire District.

On December 7th, Assembly Member Aguiar-Curry reintroduced ACA 1 which would create an exception to the 1% limit that would authorize a city, county, or special district to levy an ad valorem tax to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, if the proposed tax measure is approved by 55% of voters. For purposes of the bill, “public infrastructure” includes public safety buildings or facilities, equipment related to fire suppression, emergency response equipment, or interoperable communications equipment for direct and exclusive use by fire, emergency response, police, or sheriff personnel.

Last year, ACA 1 was supported by a coalition of individual public agencies and associations, including: California Special Districts Association, League of California Cities, California State Association of Counties, East Bay MUD, and East Bay Parks. The measure also received significant support from labor, including from California Professional Firefighters.

ACA 1 has been referred to the Assembly Local Government Committee, which is chaired by the bill’s author, Assembly Member Aguiar-Curry. Since constitutional amendments are not subject to the same legislative timelines as regular bills, so the measure may still be considered by the Assembly Local Government Committee despite being past the deadline for policy committees to consider bills in their House of Origin. Last session, ACA 1 was approved by the committee on a 5-2 vote.

Legislative Priority 6 – Proposition 218

Proposition 218 restrict local governments’ ability to impose assessments and property-related fees, as well as requires elections to approve many local government revenue raising methods. Over time, the responsibilities expected of local fire districts have grown, however, their share of local tax revenue has not grown to meet the increased demand.

Every few years, efforts have failed to modify the State Constitution to reduce the vote threshold for parcel tax measures to 55%. That included an effort earlier in the 2019-20 legislative session, ACA 1 (Aguiar-Curry). While that measure was unsuccessful, the Legislature was able to approve a measure, ACA 11 (Mullin), for the November ballot, which appear on the ballot as Proposition 19. Proposition 19 was approved at the November 2020 General Election and allows homeowners who are over 55, disabled, or victims of wildfire or natural disaster to transfer their primary residence’s property tax base value to a replacement residence of any value, anywhere



in the state. An individual could use these rules up to three times in their lifetime. The measure would also limit the ability of new homeowners who inherit properties to keep their parents' or grandparents' low property tax payments. The measure would allocate most resulting state revenue to fire protection services and reimbursement to local governments for taxation-related changes.

SB 539 (Hertzberg) has been introduced this year to assist with the implementation of Proposition 19. SB 539 provides statutory detail for taxpayers to claim base year value transfers under Proposition 19, as well as implements the proposition's limitations on parent-child/grandparent-grandchild change of ownership exclusions. SB 539 was recently approved by the Assembly Revenue and Taxation Committee (10-0) and is awaiting consideration in the Assembly Appropriations Committee.

Legislative Priority 7 – Building a Coalition

With the assistance of the California Special District's Association and the California Fire District's Association, TPA is working to build a coalition with other special fire districts in California that are impacted by Proposition 13 allocations, and growth since Proposition 13 was enacted. This coalition will also provide support for the long-term priorities listed above, as well as future priorities. A coalition will support efforts to show the long-term implications of Proposition 13 are a statewide issue and not unique to the District.

TPA continues to work with the California Special Districts Association in efforts to further strengthen the relationship between CSDA and the District, as well as to ensure alignment on issues of importance to fire districts. To that end, CSDA has included the District on their "Secondary List" for the CSDA Legislative Committee. This list provides the District with access to all of the materials that are prepared for the CSDA Legislative Committee and will also allow the District to participate in the Legislative Committee meetings as a non-voting participant. Additionally, CSDA has encouraged the District to consider applying for a full voting position on the CSDA Legislative Committee for 2022. TPA is working with CSDA and the District to complete the CSDA process for applying for a position on the Legislative Committee.

In addition to participation in the CSDA Legislative Committee, TPA and ECCFPD staff have been working closely with CSDA to generate support for the inclusion of funding, within the state budget, to reimburse special districts for costs incurred in response to the COVID-19 pandemic. These efforts have included working with CSDA to directly advocate for funding with the District's representatives, generating support for funding from Contra Costa County, as well as cities within the County, and publishing an op-ed outlining the important role that special districts have in their communities and the need to direct coronavirus response funding to special districts. These efforts, along with the efforts of other stakeholders, resulted in the Legislature including \$100 million in their proposed budget to reimburse independent special districts for costs incurred in response to COVID-19. TPA is in the process of coordinating with CSDA, the Department of Finance, and other stakeholders, to determine the method for distributing the budget funding. The budget has required the Department of Finance to work with CSDA to develop a plan so that funding can be distributed to impacted agencies by September 1st.

