

**To:** East Contra Costa Fire Protection District  
**From:** Townsend Public Affairs, Inc.  
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## STATE LEGISLATIVE UPDATE AND OUTLOOK

The month of May saw numerous anticipated developments – such as the release of the Governor’s updated spending proposal and the progress and failure of hundreds of bills that needed to pass off the appropriations suspense file and adhere to the house of origin deadline. However, the month of May also saw several unanticipated developments – such as potential changes to the Assembly Speakership, with Assembly Member Robert Rivas announcing that he had secured enough votes from the Democratic Caucus to replace the Current Speaker, Anthony Rendon. Below is an overview of state legislative updates that transpired during the month of May.

### State Legislature

The month of May featured two major legislative deadlines that bills needed to pass in order to advance to the second house: the fiscal committee deadline, and the house of origin deadline.

On May 19<sup>th</sup>, both the Senate and Assembly Appropriations Committees held their “suspense file” hearings, wherein hundreds of bills were held under submission and will not move forward for the remainder of the Legislative Session. The appropriations suspense process was borne out of a desire for fiscal prudence, and essentially serves as a filter for the hundreds of bills introduced each year that are deemed to have a significant fiscal impact on the state’s finite resources. Bills may be held under submission for a number of reasons - their structure may be duplicative to existing budget spending proposals, bill authors may have identified other bills within their portfolio as having a greater priority, or a bill may be deemed politically unfeasible for a number of reasons.

Suspense file hearings are done in rapid speed, with Appropriations Chairs reading the outcomes of hundreds of bills. This year, the Assembly Appropriations Suspense file featured 601 bills, of which 175 were held under submission (29%). The Senate Appropriations Suspense file featured 358 bills, of which 48 bills were held under submission (13%).

Because May’s suspense file hearings mark the first iteration of two such hearings, more bills tend to pass out of their house of origin’s suspense file than the suspense file hearing in the second house. This can be somewhat attributed to political favorability of bills authored by colleagues within the same house.



Following the outcomes of the suspense file hearings, the last week of May featured another major legislative hurdle for bills – the house of origin deadline. The House of Origin deadline marks the last day for any bill introduced in the Senate or Assembly to pass off the floor and into the second house for consideration. Typically, most bills that advance out of the Appropriations Committees and to the Floor receive favorable consideration and this was the case again this year with only a handful of bills failing to pass out of their House of Origin.

With the passing of the House of Origin deadline, the Legislature will have a dual focus for the upcoming month, as they look to finalize the state budget, as well as advance policy bills through the Second House policy committee deadline. The Legislature needs to approve a state budget bill by June 15<sup>th</sup>, while moving bills through policy committees in advance of the July 1<sup>st</sup> committee deadline.

## State Budget

On May 13<sup>th</sup>, Governor Newsom released the May Revision of his budget proposal for the 2022-2023 fiscal year. The “May Revise” edition of the budget framework reflects revised revenue and expenditure estimates for both the current and budget years and allows the Administration and the Legislature to reconcile and reconfigure spending plans appropriately.

In total, the updated spending plan includes **\$300.7 billion in total spending**, reflecting a 5% increase from January’s total spending plan of \$286 billion. In the spirit of fiscal prudence, Governor Newsom iterated that 99% of new programs included in the May Revise would utilize one-time spending formulas because ongoing programs can be difficult to fund in the long-term.

In what was perhaps the most astonishing revelation from today’s May Revise presentation, the Governor announced that the state had a **\$97 billion-dollar projected surplus** – up over \$50 billion dollars from January’s projected surplus of \$45.7 billion. To put this into perspective, it was just 20 years ago that the state’s entire budget hit \$100 billion for the first time. Now, the surplus is almost that much, in an over \$300 billion spending plan. **Of the \$97 billion surplus, \$49.2 billion is marked for discretionary use.**

Regarding the state’s reserve accounts, today the Governor announced the May revise projects a total of \$37.1 in total reserves, broken down into the following accounts:

- \$23.3 Billion in the Rainy-Day Fund,
- \$9.5 billion in the School Stabilization Reserve,
- \$3.4 billion in the Operating Reserve; and
- \$900 million in the Safety Net Reserve.

While January’s proposed budget framework focused on addressing what Governor Newsom referred to as “California’s five existential threats” which included addressing the COVID-19 crisis and investments in climate resiliency, the rising cost of living, homelessness, and public safety, the May Revise doubled down on the issues of the rising cost of living, infrastructure investments, and climate resiliency.

As global inflation and war in Europe drive up costs across the country, the Governor is proposing an \$18.1 billion inflation relief package to get money back into the pockets of Californians and



bring down costs for families. The package includes an additional \$2.7 billion in rental relief and utility bill assistance, \$400 rebates to offset the rising cost of gas, stipends to nursing and hospital staff, family fee waivers for childcare, and more.

In addition to the inflation relief package, another top spending adjustment was made to the Climate resiliency package, which the Governor now touts as comprising \$47.1 billion in total spending. The May Revise built upon recent investments and proposed increasing funding for drought mitigation, wildfire and forest protection, and energy storage and capacity.

Below is a high-level overview of proposed expenditures, organized by issue area:

**Climate Resiliency (Wildfire and Forest Protection: \$233 million in new proposed spending)**

- \$1.5 billion: 2021-22
- \$1.2 billion + \$648 million: January
- \$233 million: May
- \$233 million in additional May Revise funds for the following projects:
  - \$104 million: Fire crews – CA Conservation Corps and Military
  - \$83 million: 2022 Fire Season Augmentation
  - \$37 million: Mission Operations Support
  - \$9 million: Air Attack Staffing

**Climate Resiliency (Drought: \$1.3 billion in new proposed spending):**

- Total \$7.2 billion
  - \$5.2 billion: 2021-22
  - \$750 million: January
  - \$1.3 billion: May
- \$1.3 billion in additional May Revise funds for the following projects:
  - \$533 million: Drought Relief projects, food assistance for farmworkers
  - \$530 million: Water recycling, groundwater cleanup, clean water projects
  - \$280 million: habitat/nature-based solutions to address drought impacts on fish and wildlife, habitat, and water resilience projects
  - \$187 million: agricultural and water conservation practices

**Climate Resiliency (Energy: \$8 billion included in new spending in the May Revise)**

- \$5.2 billion: Strategic Electricity Reliability Reserve
- \$1.2 billion: Energy bill supports (utility arrearages)
- \$970 Million: Accelerate renewable energy development – residential solar and storage systems
- \$225 million: New Electricity transmission, including from Salton Sea

**Inflation Relief Package (\$18.1 billion total new investments)**

- \$11.5 billion: Tax Refunds
- \$2.7 billion: Emergency Rental Assistance (Bringing total amount of dispersed rental assistance to \$8.1 billion)
- \$1.4 Billion: Helping people pay utility bills
  - \$1.2 billion for electricity



- \$200 million for water
- \$933 million: Health care worker retention stipends
  - \$1,500 payments to hospital and nursing home staff
- \$750 million: Free Public Transit for three months
- \$439 million: 12 month pause on diesel tax
- \$304 million: Middle class health care subsidies
- \$157 million: Fee waivers for childcare (savings up to \$595 per month)

### **Housing and Homelessness**

- \$500 million: Adaptive re-use projects: Converting malls and office buildings into housing
- \$500 million in Encampment Clean Up Grants
- \$500 million: Crisis Response/Interim Housing (i.e., Tiny Homes)
- \$125 million: Additional Homekey funds
- \$3 million: Transitional housing to youth discharged from CDCR's Division of Juvenile Justice by the Board of Juvenile Hearings in 2022-23
- HHAP funding: No additional funds, however, pursuant to 2021 budget allocations, \$1 billion is currently available for 2022-23. The Governor wishes to see tangible “accountability data” revealing effective use of funds to extend HHAP allocations in future budget cycles.

### **Public Safety**

Building off January Investments, the May Revise includes an additional \$193 million in Spending for the following programs:

- Fentanyl task force at DOJ
- Combatting cartel fentanyl trafficking
- Victim’s services
- Officer wellness
- Child sex trafficking/exploitation
- Missing and murdered indigenous persons
- Nonprofit security grants

### **Transportation:**

- \$500 million: Active Transportation Program
- \$750 million: incentive grants to transit and rail agencies to provide free transit for Californians for three months
- \$50 million (annually): To Caltrans to administer and implement the state and local transportation funding provided by the IIJA
- \$144 million: Add 626 positions to Caltrans to provide engineering and design support associated with the increased project workload

### **Jobs/Economy**

- \$2.1 billion: Grow and Relocate to California
  - \$1.05 billion: Clean Energy Grants (over a 4-year period)
  - \$1.02 Billion: Cal Compensates tax credits and grants (over 5-year period)
  - \$45 million: sales tax exemptions (over 3 years)
- \$500 million in small business grants



- \$450 in conformity expansion
- \$439 million: Diesel sales tax pause
- \$75 million: supporting agricultural businesses impacted by drought conditions

### **Assembly Member Robert Rivas Poised to Become Next Speaker**

On May 27<sup>th</sup>, Assembly Member Robert Rivas (D-Salinas) announced he secured enough votes from members of the Democratic Caucus to become the next Speaker of the California State Assembly. Assembly Member Rivas represents the 30<sup>th</sup> Assembly District, encompassing San Benito County and parts of Monterey, Santa Clara, and Santa Cruz counties. He has served as the Assembly Member for the 30<sup>th</sup> District since 2018. If elected, he would become the first California State Assembly Speaker in the modern era to represent a rural district.

Assembly Member Rivas' issue portfolio ranges from championing efforts to clean up waterways, securing relief funding for California farmworkers, and supporting efforts to build more affordable housing. Notably, in the interim time before the start of the 2022 Legislative Session, he and Assembly Member Grayson formed the first ever "Assembly Housing Working Group" to examine barriers and explore solutions to the state's housing production and affordability crisis. The Working Group toured areas throughout the state to meet with local officials and housing stakeholders to understand unique housing and affordability circumstances in various communities. The Working Group's findings transpired into many legislative proposals during the 2022 Session.

In order to become the next Speaker, a candidate must secure enough votes from the Democratic Caucus, which is then followed by an official vote of all members of the Assembly on the Assembly floor. It is typical for leadership changes to be negotiated in private and announced via a joint statement between the outgoing and incoming leader. In this particular case, Speaker Rendon did not acknowledge or accept Assembly Member Rivas' attempt at succession.

On Tuesday, May 31<sup>st</sup>, the Assembly convened in the chambers to go over the regular order of business. However, Members were quick to make motions to immediately break for closed session caucus meetings to deliberate the choice of the next Speaker. The Democratic Caucus then debated the course of the next speakership for six hours. Once they emerged, both Speaker Rendon and Assembly Member Rivas released the following joint statement:

*"I applaud Robert Rivas for securing the support of a majority of the current Democratic Caucus to succeed me as Speaker of the Assembly," said Speaker Anthony Rendon. "Assembly Member Rivas has brought together a broad and diverse coalition that reflects the high esteem in which he is held by our colleagues."*

*"Anthony Rendon is serving us well as Speaker and we have a lot of important business in front of us," said Assembly Member Robert Rivas. "I agree with the majority of our current caucus that Speaker Rendon should remain as Speaker for at least the rest of this legislative session. I look forward to working with him for the betterment of California and the unity of the Assembly Democratic Caucus."*



The statement points to Speaker Rendon maintaining his leadership position for the remainder of the 2022 legislative session. While Assembly Member Rivas is presumably now poised to succeed Rendon, the timing of the transition presents interesting challenges. For one, the beginning of next session will bring 13 new Assembly Democrats, based on those members that are either termed out or have opted not to seek re-election. This could sway the caucus position on the Speakership succession out of Rivas' favor.

A change in Assembly Speakership is also likely to result in changes to existing committee chairs, given that the Speaker has discretion over the appointment of Committee members and leadership. It is likely that Assembly Member Rivas may appoint other members within the Caucus to serve as chairs to powerful committees. The Assembly Speakership has often been referred to as the second most powerful position in California, behind the Governor. Unlike in the Senate where the Lieutenant Governor technically serves as the President, the Assembly Speaker is less constricted by higher office proceedings and has greater discretion to exercise power through various means – whether that be through committee appointments, agenda setting, and the order of business conducted on the floor.

### **State Water Board Moves to Increase Water Conservation Efforts**

Last month, the State Water Resources Control Board voted unanimously to implement a statewide ban on the watering of non-functional turf in the commercial, industrial, and institutional sectors, as well as regulations requiring local agencies to implement water use restrictions. These new regulations come amid projections that available water supplies may be 20% lower than average due to extreme weather conditions, which includes drought.

The regulation also requires all urban water suppliers to implement conservation actions under level two of their water shortage contingency plans. Level two water shortage contingency plans are meant to address up to a 20% shortage of water supplies. In addition to implementing level two actions, the regulation requires urban water suppliers to fast-track supply and demand assessments to plan for potential extended dry conditions. Level two actions often include limiting outdoor irrigation to certain days or hours, increasing patrolling to identify water waste, and increasing water conservation outreach communications. However, about half of the state's 436 water suppliers (both urban water retailers and wholesalers) have not yet activated level two, and 36 have not submitted drought plans. Thus, the emergency regulation will require those suppliers who have not yet activated level two requirements to do so once the regulation becomes effective.

The approved regulation will be submitted to the Office of Administrative Law, or OAL, for approval.

### **Legislative Leaders Address Gun Violence, Move Forward with Legislation**

Following the devastating school shooting in Uvalde, Texas, Senate Pro Tem Atkins and Assembly Speaker Rendon gathered with Governor Newsom in the Capitol last month to reaffirm their commitment to gun violence prevention and highlight California's success in reducing firearm deaths while vowing to expedite more than a dozen bills currently in the Legislature. One of the bills on the list is SB 1327 by Senators Hertzberg and Portantino, which employs the same legal mechanism used in a Texas abortion ban to create a private right of action against makers and distributors of certain firearms, in the event those weapons are used illegally. The Governor



announced he is working with the authors to add an urgency clause to the measure, which would make its provisions effective immediately. Other bills include AB 1621 by Assembly Member Gipson, which would crack down on ghost guns, AB 2571 by Assembly Member Bauer-Kahan which would restrict marketing of firearms to minors, and AB 1594 by Assembly Member Ting, which would allow the state attorney general and private citizens to sue manufacturers and sellers of firearms for the harm caused by their products.

## PRIORITY LEGISLATION

The legislative deadlines to introduce legislation in the new session was February 18<sup>th</sup>. The Assembly and Senate combined to introduce over two thousand bills for consideration in 2022. Over the coming weeks, the two Houses will hold numerous policy committee hearings to consider these new proposals.

Below are the upcoming relevant dates for the Legislature:

**June 15<sup>th</sup>** – Legislature must approve a budget bill by midnight

**July 1<sup>st</sup>** – Last day for Second House policy committees to pass bills

**July 2<sup>nd</sup> to August 1<sup>st</sup>** – Legislative Summer Recess

**August 12<sup>th</sup>** – Last day for Second House fiscal committees to pass bills

**August 31<sup>st</sup>** – Last day to pass bills. Final recess begins upon adjournment

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

### ***AB 1770 (Rodriguez) Ambulance patient offload time.***

Current law requires the Emergency Medical Services Authority to develop, using input from stakeholders and after approval by the Commission on Emergency Medical Services, and adopt a statewide standard methodology for the calculation and reporting by a local emergency medical services (EMS) agency of ambulance patient offload time (APOT). Current law defines APOT as the interval between the arrival of an ambulance patient at an emergency department and the time that the patient is transferred to an emergency department gurney, bed, chair, or other acceptable location and the emergency department assumes responsibility for care of the patient. Current law requires the authority to report twice per year to the commission the APOT by local EMS agency jurisdiction and by each facility in that jurisdiction. This bill would instead require the authority to report the APOT data to the commission every 6 months. ***This bill was approved by the Assembly Emergency Management Committee (7-0) on April 4<sup>th</sup>. The measure was referred to the Assembly Health Committee, but not considered. The measure is now inactive for the remainder of the session.***

### ***AB 2186 (Grayson) Housing Cost Reduction Incentive Program***

This bill would establish the Housing Cost Reduction Incentive Program, to be administered by the Department of Housing and Community Development, for the purpose of reimbursing cities, counties, and cities and counties for development impact fee reductions provided to qualified housing development and for the reasonable interest costs associated with impact fee deferrals. Upon appropriation, the bill would require the department to provide grants to applicants in an amount equal to 50% of the amount of development impact fee reduced for a qualified housing development and grants to applicants in an amount equal to the accrued interest on a deferred development impact fee. This bill would require the department to administer these grants by



issuing a Notice of Funding Availability before December 31 of the year that the program receives funding and accepting grant applications after the subsequent year. The bill would require a public entity that receives grant funds under the program to use those funds solely for those purposes for which the development impact fee that was reduced or deferred would have been used. ***This bill was approved on the Assembly Floor (74-0) on May 23<sup>rd</sup>. The measure is currently in the Senate Housing Committee awaiting a hearing.***

***AB 2377 (Muratsuchi) Deputy Director of Community Wildfire Preparedness and Mitigation***  
Current law establishes within the Office of the State Fire Marshal a Deputy Director of Community Wildfire Preparedness and Mitigation who is responsible for fire preparedness and mitigation missions of the Department of Forestry and Fire Protection. Current law requires the deputy director to be responsible for specified programs and activities, including implementation of fire safety standards. This bill would expand the deputy director's responsibilities to include, among other things, prioritizing acres for fire and fuels treatment and executing those treatments. ***This bill was approved on the Assembly Floor (76-0) on May 25<sup>th</sup>. The measure is currently in the Senate awaiting referral to a policy committee.***

***SB 12 (McGuire) Planning and zoning: wildfires***

Current law requires the housing element to be revised according to a specific schedule. Current law requires the planning agency to review and, if necessary, revise the safety element upon each revision of the housing element or local hazard mitigation plan, but not less than once every 8 years to identify new information relating to flood and fire hazards and climate adaptation and resiliency strategies applicable to the city or county that was not available during the previous revision of the safety element. 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, 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. The bill would also require the planning agency to review and, if necessary, revise the safety element upon each revision of the housing element or local hazard mitigation plan, but not less than once every 8 years, to identify new information relating to retrofit updates applicable to the city or county that was not available during the previous revision of the safety element. ***This bill was approved by the Senate in June 2021 and has been in the Assembly Housing and Community Development Committee awaiting a hearing since that time. The measure was recently amended, which may be an indication that the author is working with the Committee to have the bill heard in advance of the July 1<sup>st</sup> policy committee deadline.***

***SB 896 (Dodd) Wildfires: defensible space: grant programs: local governments.***

This bill requires the Department of Forestry and Fire Protection when reviewing applications for the local assistance grant program, to award a 5 percent scoring bonus to any local government entity qualified to perform defensible space assessments in very high and high fire severity zones for using the common platform to report that information. ***This bill was approved on the Senate Floor (32-0) on May 16<sup>th</sup>. The measure is currently in the Assembly Natural Resources Committee awaiting a hearing.***

***SB 1062 (McGuire) Fixing the Firefighter Shortage Act of 2022***

This bill would require the Department of Forestry and Fire Protection to increase its existing firefighter fuel crews. The bill would require the department, on or before January 1, 2024, to





provide to the Legislature a long-term staffing plan to meet the new era of wildfire firefighting. ***This bill was approved on the Senate Floor (39-0) on May 25<sup>th</sup>. The measure is currently in the Assembly awaiting referral to a policy committee.***

### ***SCA 8 (Nielsen) Wildfires: funding***

The California Constitution establishes the California Fire Response Fund and requires the Controller to transfer from the General Fund to the California Fire Response Fund a specified amount. The California Constitution requires moneys in the California Response Fund to be appropriated by the Legislature in each fiscal year exclusively for specified fire prevention purposes. The California Constitution establishes the Special District Fire Response Fund as a subaccount in the California Fire Response Fund, to be appropriated to special districts that provide fire protection services. This measure would, contingent upon voter approval of an additional specified proposition at a statewide general election, revise and recast the California Fire Response Fund and the Special District Fire Response Fund, by among other things, requiring the Treasurer to annually transfer an amount equal to 1% of specified state revenues from the General Fund to the California Fire Response Fund. ***This bill was approved by the Senate Natural Resources and Water Committee (5-0) on April 5<sup>th</sup>. The measure is currently in the Senate Elections and Constitutional Amendments awaiting consideration.***

## FEDERAL LEGISLATIVE UPDATE AND OUTLOOK

While the month of April saw fewer updates, which can partially be attributed to the two-week Spring Recess Congress took from April 8<sup>th</sup> through April 25<sup>th</sup>, May was a bustling month for progress on numerous policy fronts, including efforts to support affordable housing construction, easing the supply chain impacts on the formula shortage, and responding to the uptick in mass shootings across America. Below is an overview of federal legislative updates that transpired during the month of May.

### **President Biden Announces New Housing Supply Action Plan**

The White House [announced](#) actions they are taking with the goal of lowering housing costs. The Housing Supply Action Plan aims to create thousands of affordable housing units in the next three years. The complete announcement from the White House is included in the White House fact sheet below, with details on the actions being taken through executive action and actions being requested of Congress.

Highlights of the action plan include the following:

- The Administration urges local governments to dedicate more of their American Rescue Plan funds to build affordable housing
- Biden officials will reward jurisdictions that have reformed zoning and land-use policies with higher scores when they apply for certain federal grants
- The Administration wants to make it easier to re-use federal properties as housing for the homeless. New regulations will be issued this summer



- HUD, which oversees code for manufactured housing, will try to resolve inconsistencies with local codes by issuing waivers or by updating the code
- By the end of September, the administration will finalize “income averaging” regulations in the Low-Income Housing Tax Credit program to allow developers take the average of the income for some households in the property, as opposed to requiring each household to meet the same threshold

The announcement and fact sheet from the White House are linked [here](#).

### **Democratic Legislators Move to Pass Gun Reform Legislation**

In response to the massacre at a Texas school, discussion of red-flag laws has been revived as a potential compromise between Democrats and Republicans. Red-flag laws allow law enforcement officials or family members to ask a court to temporarily remove firearms to prevent their purchase by someone deemed a danger. There is still division as to how the specifics of the law would work, raising concerns about whether a compromise can be reached. In October, the House Judiciary Committee approved a bill on a party-line vote that would create a federal red-flag law. House Majority Leader Steny Hoyer (D-MD) said the house will debate this bill, and Democrats could use their majority to pass it. However, once sent to the Senate, the bill will need at least 10 Republican votes to move it forward. Several Senate Republicans have said they support providing incentives for states to enact red-flag laws. Also, about 60% of voters said they support stricter gun control laws, but deep partisan distrust is likely to block cooperation.

### **White House Releases Bipartisan Infrastructure Law Technical Assistance Guide**

The White House released a technical assistance guide to the Bipartisan Infrastructure Law to assist state and local governments navigate the law’s resources. The guide provides a list of more than 65 technical assistance resources and programs across the federal government to help communities deliver infrastructure projects. The goal of the guide is to assist communities that may lack the resources to apply for grants and programs access these new funding sources. The guide is organized by categories of infrastructure investments such as transportation, clean energy and power, high-speed internet, water, resilience, and environmental remediation. While some of the programs identified in the guide offer hands-on and intensive planning and delivery support for communities, others are more self-directed resources and tools such as webinars and websites, or funding that can support project planning.

The Bipartisan Infrastructure Law Technical Assistance Guide is [linked here](#) . The announcement from the White House is [linked here](#).

### **Update on 2022 Water Resources Development Act (WRDA)**

Last month, the House Transportation and Infrastructure Committee advanced their 2022 Water Resources Development Act (WRDA) to authorize improvements to the nation’s waterways and investments in flood control and coastal resiliency projects. A section by section summary can be found [here](#). The biennial legislation is popular with both Democrats and Republicans as most have Corps projects within their states and districts.



Earlier in May, the Senate Environment and Public Works Committee advanced its WRDA legislation unanimously. It is likely the Senate will take up this legislation this summer, according to a staffer familiar with the negotiations.

The House and Senate bills are similar but not identical. Both seek to provide more assistance and resources to tribal communities and underserved community harbors to complete important water projects.

- The House bill does not create an advisory committee to provide advice and recommendations to the Corps on water resources projects, unlike the Senate bill.
- The House bill would direct the Army Corps of Engineers to conduct 72 new feasibility studies to begin assessing projects' risk and opportunities. It would also direct 8 studies to modify existing projects and authorize construction of 16 pending proposed projects.
- The Senate bill would direct 36 new feasibility studies by the Army Corps of Engineers and authorize or modify 21 projects for construction.

The House will likely take up their bill this summer which will kick off a conference between the House and the Senate. Final passage is likely to occur during the lame duck session between the November election and the end of 2022.

## 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.

On February 2<sup>nd</sup>, Assembly Member Rodriguez, the Chair of the Emergency Management Committee, introduced AB 1770 which would increase the reporting frequency of APOT data to the state. AB 1770 received positive consideration by the Assembly Committee on Emergency Management and has since been referred to the Assembly Committee on Health. The bill was scheduled to be considered in the committee on April 26<sup>th</sup>, but was pulled from consideration by the author. As such, the bill is now ineligible for additional consideration during the current legislative session.

#### Legislative Priority 2 – 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.

In 2020, 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. However, once the coronavirus pandemic hit, and there was concern about declining revenues for local governments, the Legislature did not consider many significant bills in 2021 related to the Mitigation Fee Act.

In February, Assembly Member Grayson introduced AB 2186, which attempts to reduce the overall cost of housing by reducing the cost associated with mitigation fees, but in a manner that would not be harmful to local agencies. The Assembly Member's bill would call on the Department of Housing and Community Development to reimburse local agencies 50% for any reduction or elimination of mitigation fees that they provide to qualified rental housing developments. While this measure does propose to provide state funding to offset the loss of impact fees, the bill would only backfill half of the impact fee reduction. The District has worked closely with CSDA, and other impacted entities, to share concerns related to AB 2186. As a result, the bill has been amended to clarify that impact fees directed to independent special districts can only be reduced if the special district agrees, as well as to clarify that any funding received through the proposed grant program must be directed to the entities and accounts that would have otherwise received funding through the impact fees that were reduced.

In addition to AB 2186, another impact fee related bill that is being closely monitored in AB 2063 (Berman). This measure would prohibit the charging of impact fees on a housing development's



density bonus units. Currently, cities and counties are prohibited from collecting impact fees on a housing development's affordable housing units, and when combined with this proposal, could result in local governments only being able to charge a fraction of the impact fees that would otherwise be necessary to support a specific housing development. AB 2063 was approved by the Assembly Housing and Community Development Committee and the Assembly Local Government Committee, but ultimately the measure was held in the Assembly Appropriations Committee and is ineligible for further consideration.

### Legislative Priority 3 – 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 was introduced last year 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 4 – 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 7<sup>th</sup>, 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 5 – 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.

In addition to any efforts to legislatively modify the Prop 218 voter thresholds, there has also a counter initiative effort underway that would impact the ability for local governments to raise revenue for government services. The proposed initiative, the Taxpayer Protection and Government Accountability Act, would limit the ability of the state and local governments to enact, modify, or expand taxes, assessments, fees, and property-related charges.

Last month, the California Business Roundtable (CBRT) announced they will not get the "Taxpayer Protection and Government Accountability Act" on the November 2022 ballot. Instead, they will try again for 2024.

The Taxpayer Protection and Government Accountability Act would have amended the California Constitution to restrict the ability of the state, local governments, and the electorate to approve or collect taxes, fees, and other revenues. It would have required voter approval of all state taxes, further restrict local fee authority by limiting it to the "minimum amount necessary" to provide government services and would have required voter approval for local measures such as franchise fees. Its provisions would have also made it easier to challenge local revenue measures by increasing the burden of proof on local agencies while disallowing an agency's characterization of a measure from being considered in court.

The measure would also have prohibited city charter amendments that provide for any revenue whatsoever from being submitted to the electorate. It would also have prohibited local agencies from placing advisory measures on the same ballot as any general revenue measure and would raise the threshold for voter approval of local revenue measures proposed by initiative to two-thirds.

To be placed on the November 2022 ballot, the measure needed to garner more than 997,139 valid signatures by August 2, 2022. On March 16, 2022, the Secretary of State's Office reported that the measure gathered 25% of its required signatures, signaling the proponent's campaign funding stability and momentum. However, with the announcement from the proponents in May, the measure will no longer appear on the ballot for voter consideration.

## Legislative Priority 6 – Building a Coalition

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. TPA has worked with CSDA and the District to advocate for the District to be represented on the CSDA Legislative Committee. The District has been in close coordination with CSDA, and their legislative representatives, and has been working to establish a regularly occurring meeting with the District and FDAC/CalChiefs so that all organizations can be updated on priority items. These meetings will allow for additional collaboration and focus on



items of mutual importance, as well as ensure that all organizations are aware of the full complement of efforts that each is undertaking on behalf of its membership.

