DATE: June 30, 2004

TO: Coastal Conservancy

FROM: Julia McIver

SUBJECT: Legislative Report

Attached is the updated legislative report. Items of interest include:

• AB 105 and SB 694, our administration-sponsored bills, are still on ice. We hope to see movement on AB 105 in August, and very much hope to get a response from the Administration on SB 694 as soon as the budget is signed.

• AB 204 (Nation), which would create a new funding source for the San Francisco Bay Area Conservancy Program, will be heard in Senate Transportation on June 29.

• AB 2690 (Hancock), which addresses the use of volunteers in publicly funded projects, was double referred and will be heard in Senate Labor on June 23. Senator Wes Cheshbro and Assemblyman Joe Nation obtained a legal opinion from Leg Counsel that suggested that an administrative fix was possible. The two members promptly forwarded the opinion to the Governor with a request that he look into it. The Sac Bee quoted a member of the Governor’s staff as saying that the potential for administrative solutions had been investigated months ago and discarded, so at present the legislative resolution to the problem is still the preferred option.

• As of this writing, it is likely that SB 1319, one of the Burton bills that would establish the California Ocean Protection Act, will be substantially amended. Among the changes may be a larger role for the Conservancy as staff to the Ocean Protection Council. Both Burton ocean bills went on suspense in Assembly Appropriations on June 23. This means that they’re effectively in limbo until the Legislature reconvenes in August.

• SB 86 (Machado) would create the Delta Conservancy Program within the Coastal Conservancy, modeled after the San Francisco Bay Program. Senator Machado attempted this same idea two years ago, but it failed to clear its last fiscal committee. It’s going on suspense in Assembly Appropriations, which means it will be taken up again in August.

• The results of the California Performance Review are due to the Little Hoover Commission on June 30. The Commission has 30 days to review the report, which will mean it arrives at the Legislature just as the members are reconvening from summer break.

Please feel free to call me at 510-207-7513 or email me at jmciiver@scc.ca.gov if you have any questions.
Bills Directly Affecting the Conservancy

**AB 105* Wiggins Awaiting enrollment**

The Conservancy is a co-sponsor of this bill with the Department of Conservation, which repeals the Coastal Farmland Conservation Program (CFCP) and the EQIP loan program established in AB 52 last year, and appropriates $48M from the Prop. 40 agricultural money to DOC for the CFCP.

**AB 204* Nation Senate Transportation**

This bill would establish a consistent source of funding for projects to improve water quality in the nine-county San Francisco Bay Area through a fee on the registration of motor vehicles within that area. The resulting funds would be spent through the San Francisco Bay Area Conservancy program. The bill was double referred, so has one more policy committee to go before it gets to Appropriations.

**AB 1701 Laird Sen Approps, suspense**

These bills would require an acquisition agency, prior to approving the acquisition of conservation land for more than $25,000,000, to contract for at least one independent appraisal of the fair market value of the land, with certain specifications for the appraisal... The bill would require the acquisition agency to make available for public review, among other things, the independent appraisal review, a summary of the basis for the recommendation of approval for the acquisition of the land, and any relevant environmental studies, documents, or other information.

The bill would also prohibit, with a specified exception, conservation lands from being sold to another owner or having possession and control transferred to another agency, unless specified actions occur. The bill would require proceeds from the sale or transfer of conservation lands to be used solely for acquisition of conservation lands to achieve the same or equivalent objectives as the original acquisition of the property that was sold or transferred, or to further the purposes of the Coastal Conservancy.

**AB 2155 Kehoe Senate Approps**

This bill would enable the Conservancy to undertake projects and award grants for activities that attract tourists, encourage economic development that is compatible with preservation or restoration of coastal and watershed resources, or facilitate environmental education. Such projects could include development of tourist-oriented facilities, promotion of events emphasizing coastal, watershed, or ocean resources education, or maritime history and sailing ships, and development of amenities and infrastructure that will encourage private investment.

**AB 2690 Hancock Senate Labor**

This bill attempts to address a recent controversy regarding the validity of using volunteer labor *versus* paying prevailing wages for work on watershed projects. It has been substantially amended to exempt volunteers, as defined, from the prevailing wage requirement, along with employees of the California or Community Conservation Corps.
One provision of this omnibus committee bill would provide for creation of the Coastal Trust Fund, which would enable the Department of Finance to better track the non-state funds held by the Conservancy.

This bill would provide that funds allocated to the Conservancy and WCB from Prop. 50 might be used to protect ocean resources. Specifically, funds might be granted to the Ocean Protection Council (created in SB 1319) for purposes including:

- Acquisition, installation, and initiation of monitoring and enforcement systems.
- Acquisition of rights in coastal and submerged lands, vessels, equipment, licenses, harvest rights, permits, and other rights and property, to reduce threats to ocean ecosystems and resources.
- Mitigation costs related to the protection of coastal and ocean resources.
- Grants or expenditures, or both, may be made for mapping, planning, and research costs directly related to and required for the effective implementation of projects to protect coastal waters and ocean ecosystems.
- Grants or expenditures, or both, may be made for establishing revolving loan funds and other incentives to protect coastal waters and ocean ecosystems.

The bill provides that this change to the purposes of Prop. 50 would have to be approved by the voters, presumably on the November 2004 ballot. This bill is also linked to the passage of SB 1319 (it will not become operative unless SB 1319 becomes law).

This bill would create the California Ocean Protection Act, and establish the Ocean Protection Council in state Government. The Council would consist of the Secretary of the Resources Agency, the Secretary for Environmental Protection, and the Chair of the State Lands Commission. The bill would require the participation (undefined) of three members of the Senate and three members of the Assembly.

The bill would require the council to coordinate activities of state agencies that are related to the protection of coastal waters and ocean ecosystems, to improve the effectiveness of state efforts to protect ocean resources and identify and recommend to the Legislature and the Governor any needed changes in law and policy to meet that goal.

The bill would establish the California Ocean Protection Trust Fund and authorize moneys deposited in the fund, upon appropriation by the Legislature, to be expended through grants, loans, or direct expenditure, to:

- Eliminate or reduce threats to coastal and ocean ecosystems, habitats, and species.
- Create incentives for sustainable fisheries, including revolving loan programs, fishing capacity reduction, and socioeconomic transition projects.
- Improve coastal water quality.
- Allow for increased public access to, and enjoyment of, ocean and coastal resources, consistent with sustainable, long-term protection of those resources.
• Improve management and protection of coastal waters and ocean ecosystems.
• Provide monitoring and scientific data to improve state efforts to protect ocean resources.
• Protect and restore coastal waters and ocean ecosystems, including any of the following:
  • Acquisition, installation, and initiation of monitoring and enforcement systems.
  • Acquisition of rights in coastal and submerged lands, vessels, equipment, licenses, harvest rights, permits, and other rights and property, to reduce threats to ocean ecosystems and resources.
• Mitigation costs related to the protection of coastal and ocean resources.

SB 1567 Sher Assembly Approps
This bill would permit the San Francisco Bay Conservancy to enter into Joint Powers agreements pursuant to the Joint Exercise of Powers Act.

Propositions 40 and 50

AB 1300 Laird Senate Ag and Water
This bill would require the Secretary for Resources to prepare an annual report summarizing expenditures made from Prop 40 and make that information available on the Internet.

New Conservancies or Commissions

AB 496 Correa Senate Nat Res
This bill, which would create the Santa Ana River Conservancy, just resurfaced with some differences from last year’s version. It was put over from its first Natural Resources hearing and will be heard again June 29.

AB 1788 Leslie Assembly floor
AB 2600 Laird Assembly floor
These bills would establish the Sierra Nevada Conservancy. The authors are working together to come up with a single version, but significant differences remain to be resolved, among them the issue of local control. The local control issue has been resolved in the Laird bill with Legislative intent language.

SB 86 Machado Assembly Approps
This bill has also just reappeared; the concept was attempted two years ago in SB 1854 (Machado). The bill would establish a Delta Conservancy Program in the Coastal Conservancy, on the model of the San Francisco Bay Conservancy Program. The bill provides that no action need be taken by the Conservancy until new funding is provided, and ties the Conservancy’s prospective projects in to the resource management plan done by the Delta Protection Commission several years ago.

AB 2476 Wolk Senate Local Gov’t
This bill would change the membership of the Delta Protection Commission and slightly revise its duties regarding the secondary zones of the Delta. Recent amendments include the directive
to the Commission to “review” its existing resource management plan and report back on potential impacts to the primary zone of the Delta from development activity in the secondary zone.

Of interest

AB 2514  
Asm Committee on Natural Resources  
Assembly Trans

This bill would raise the fee for an “environmental” vehicle license plate, and would require that the section of the Governor's Budget for the California Environmental Protection Program (the Environmental License Plate Fund, or ELPF) include a statement of the purpose and benefits to be realized for each project or program proposed for funding; and that with the submittal of the Governor's Budget for the 2006-07 fiscal year and every third FY thereafter, the Secretary for Resources report to the Governor and the Legislature on how the mix of funding sources, from the ELPF and other funds, was appropriate for each project or program in relationship to its benefits.

AB 2631  
Wolk  
Senate Nat Res

This bill would establish the Invasive Species Council, which would advise the administration on issues related to non-native invasive species in the state, among other activities related to the control of such species.

AB 2635  
Canciamilla  
Senate Approps

Existing law requires the Wildlife Conservation Board to annually report to the Legislature and the Governor concerning the activities and expenditures of the Oak Woodlands Conservation Fund. This bill would instead require the board to report to the Legislature and the Governor once every two years.

AB 3039  
Asm Committee on Env Safety and Toxic Materials  
Senate Nat Res

This bill would require the Secretary of Cal EPA and the Secretary of the Resources Agency to jointly conduct a review of the regulatory programs under their respective jurisdictions in light of the recommendations of the report of the Pew Oceans Commission. The bill has been amended to require the secretaries to report to the Legislature on or before April 1, 2005, on that review and to provide an assessment of what structural or budgetary changes the Legislature should evaluate in order to ensure a coordinated coastal and marine program.

SB 1479  
Sher  
Asm Approps

This bill would reduce the number from nine to seven and alter the qualifications of the membership of the Regional Water Quality Control Boards.

To Watch

SB 1753  
Denham and Battin  
Surplus land, DGS

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* Denotes a two year bill.