

# SOUTHWEST CALIFORNIA LEGISLATIVE COUNCIL

The Regional Business Advocacy Coalition of the  
Temecula Valley Chamber of Commerce, Murrieta Chamber of Commerce,  
Lake Elsinore Valley Chamber of Commerce and Wildomar Chamber of Commerce  
[www.SouthwestCA.biz](http://www.SouthwestCA.biz)

**MEETING AGENDA**  
**Monday, April 19, 2010**  
**12:00pm**

**Wildomar City Hall**  
**23873 Clinton Keith Rd.**  
**Wildomar, CA 92595**

**Presiding: Roger C. Ziemer, Chair**

**2010 Strategic Initiatives**

*State Fiscal Reform and Responsibility / Invest In Statewide Infrastructure / Job Creation and Retention*

## Call to Order and Roll Call

### Chair's Report

- **Recent Action**
  - Southwest California Legislative Council Takes Action on June 8 Statewide Propositions!
  - Upcoming Event: April 14, 2010: California's Comprehensive Water Package Informational Forum
  - Proposed Legislation Seeks To Streamline CEQA Regulations
  - Support the Nostalgic and Kit Car Industry!

### Agenda

1. **Approval of March 2010 Minutes** **ACTION**
2. **June 2010 Ballot Propositions** **ACTION**
  - **Proposition 16: Taxpayers Right To Vote Act – *Tabled from last month's meeting***
3. **Legislative Report #4** **ACTION**
  - **AB 2138 (Chesbro) Product Management: Single-use Recyclable Packaging**
  - **ACA 31 (Jeffries) Floor Sessions: Appropriate Hours**
  - **SB 1010 (Correa) Environmental Quality Act (CEQA)**
  - **SB X6 5 (Hollingsworth) Sales and Use Tax Exclusion: Trade-in Motor Vehicle**

### Regional Legislators' Staff and Stakeholders' Updates

Federal (Senators Feinstein and Boxer, Representatives Issa and Bono Mack)

State (Governor Schwarzenegger, Senators Hollingsworth and Benoit, Assembly Members Jeffries, and Nestande)

Local (Temecula, Murrieta, Lake Elsinore and Wildomar), League of California Cities

Guests

### Chamber (Temecula Valley, Murrieta, Lake Elsinore Valley and Wildomar) and Board Member Announcements

### Adjourn

- **No Meeting in May due to Calchamber Legislative Summit**
- **Next Meeting: June 21, 2010: Wildomar City Hall**

#### **The Southwest California Legislative Council Thanks Our Partners:**

Southwest Riverside Country Association of Realtors  
Metropolitan Water District of Southern California  
Near-Cal Corporation  
Economic Development Corp of Southwest California  
Elsinore Valley Municipal Water District  
The Gas Company  
Abbott Vascular  
The Murrieta Temecula Group

Temecula Valley Chamber of Commerce  
Murrieta Chamber of Commerce  
Lake Elsinore Valley Chamber of Commerce  
Wildomar Chamber of Commerce  
Southern California Edison  
Loma Linda University Medical Center  
Ace Hardware of Wildomar

**Recent Action**

**April 6, 2010**

**Southwest California Legislative Council Takes Action on June 8 Statewide Propositions!**

The Southwest California Legislative Council (SWCLC) has reviewed and issued positions for the June 2010 statewide election. The following statewide Propositions are only the beginning of what is expected to be a busy election year with many more Propositions expected in November. The SWCLC will continue to be diligent in reviewing each Proposition and the impact each may have on the Southwest California business community.

**Proposition 13: Property Tax: New Construction Exclusion: Seismic Retrofitting**  
**Southwest California Legislative Council Position: SUPPORT**

Proposition 13 would prohibit tax assessors from re-evaluating new construction for property tax purposes when the new construction is consider earthquake safety improvements. Tax assessors would only be allowed to re-evaluate for property tax purposes after the building has been sold.

The SWCLC believes this would be a benefit to owners of existing structures that have complied with earthquake retrofitting laws. Proposition 13 would also ensure equal treatment of property owners who incorporate the seismic safety improvements.

**Proposition 14: Elections: Open Primaries**  
**Southwest California Legislative Council Position: NEUTRAL**

Proposition 14 would require that candidates run in a single primary open to all registered voters, with the top two vote-getters meeting in a runoff. This system would take place in the 2012 elections. This Proposition would not affect Presidential and political party leadership positions.

The SWCLC chose a "Neutral" position due to the belief that more research needs to be done on the Open Primary System. Voters in 2004 defeated a similar Proposition, however other states have similar systems in place which believe to allow candidates to take positions on issues that they feel are right for their constituents without fear of retribution from political parties or special interests.

**Proposition 15: California Fair Election Act**  
**Southwest California Legislative Council Position: OPPOSE**

This Proposition was placed on the ballot by legislation (AB 583/Hancock). Proposition 15 would institute a pilot program of publicly-financed elections for the office of California Secretary of State. The publically-financed election would be funded by taxing lobbyists, lobbying firms and lobbyist employers. The Proposition is currently the subject of litigation.

The SWCLC has historically opposed tax increases on any single industry. SWCLC believes that even though Proposition 15 is a pilot program aimed at only one particular political office, the ultimate goal would be to spread this effort to other political offices and increase the taxing of the lobby industry to pay for public-financed elections. A similar measure in Vermont was ruled to violate the United States Constitution.

**Proposition 17: Continuous Coverage Auto Insurance Discount Act**  
**Southwest California Legislative Council Position: SUPPORT**

Proposition 17 amends Proposition 103, passed by the voters in 1988, to authorize the use of an additional discount on premiums for automobile insurance policies. In particular, the act would allow an insurer to offer a "continuous coverage" discount to new customers who have maintained their coverage while they previously were customers of another insurer. Continuous coverage is defined to also include applicants who experienced up to a 90-day lapse in coverage in the past five years for any reason other than nonpayment of their insurance premiums.

The SWCLC supports this effort as many other states currently allow a discount for continuous coverage when switching between insurance companies. SWCLC also believes that this type of offer will lead to consumers having access to competitive or lower rates if an insured driver decides to change their insurance company.

SWCLC's position on Proposition 16, the Taxpayers Right to Vote Act, will be posted in the near future on this website.

**April 6, 2010**

**Upcoming Event: April 14, 2010**

**California's Comprehensive Water Package Informational Forum**

The California Legislature passed a far-reaching legislative package on water in November 2009.

In November, voters will consider a key element of the package – an \$11.14 billion water bond measure that would provide substantial funding for water supply reliability, surface and groundwater storage, Delta restoration, water recycling, conservation and groundwater protection in every region of the state.

With so many decisions on the horizon this year, Californians need as much information as possible about our water system and key processes under way to resolve the state's chronic water problems.

Plan to attend an informational forum that will discuss the comprehensive water package, which was passed by the legislature and signed by the Governor last year. The event is Wednesday, April 14, 2010 at the Riverside Municipal Auditorium in Riverside from 12:30pm to 3:30pm.

To ensure that local elected officials, opinion leaders and the general public understand the contents of the historic package, a series of informational forums are being held around the state. The forums include presentations by water experts and others well versed in the package, and a question and answer session.

Download the event information on our website at [www.SouthwestCA.biz](http://www.SouthwestCA.biz)

**March 29, 2010**

**Proposed Legislation Seeks To Streamline CEQA Regulations**

The Southwest California Legislative Council (SWCLC) is supporting proposed legislation, offered by local Assembly Member Kevin Jeffries, which allows the exemption of certain CEQA requirements for new infrastructure improvements of recycled water pipelines.

The California Environmental Quality Act (CEQA) requires a lead agency to prepare an environmental impact report (EIR) on a project that proposes to carry out or improve an existing project that may have a significant effect on the environment. Some of the requirements have found to be redundant and burdensome for local agencies to complete. This in affect wastes time and rate payer money when most projects are considered simple enough or existing infrastructure exists.

“This proposed piece of legislation is specifically critical for the Elsinore Valley Municipal Water District to install new water pipelines in a more cost efficient way,” said Roger Ziemer, Chair of the Southwest California Legislative Council. “All local agencies are trying to find ways to save on costs as the economy and California's budget deficit try to turn around. On behalf of the business community, we thank the Assembly Member for introducing this legislation,” continued Ziemer.

AB 1704 will allow local agencies, such as the Elsinore Valley Municipal Water District to save time and money on local water infrastructure projects. The SWCLC continues to support ways to alleviate burdensome regulations on business in the region.

**March 19, 2010**

**Support the Nostalgic and Kit Car Industry!**

In 2001, a law was enacted in California to provide for the emissions-system certification and model-year designation for specially constructed vehicles, including kit cars. Under that law, vehicle owners choose whether a smog test referee certifies the engine model year or the vehicle model year. To determine model year, inspectors compare the vehicle to those of the era that the vehicle most closely resembles. If there is no close match, it is classified as a 1960 vehicle. Only those emission controls applicable to the model year and that can be reasonably accommodated by the vehicle are required. The Department of Motor Vehicles (DMV) provides a new registration to the first 500 specially constructed vehicles per year that meet the criteria.

AB 1740 would eliminate the requirement that these registrations be limited to the first 500 vehicles per year.

Log onto [www.SouthwestCA.biz](http://www.SouthwestCA.biz) to send your letter today!

**Approval of March 2010 Minutes**

**SOUTHWEST CALIFORNIA LEGISLATIVE COUNCIL**

[www.SouthwestCA.biz](http://www.SouthwestCA.biz)

**Temecula Valley Chamber of Commerce**  
**Lake Elsinore Valley Chamber of Commerce**  
**Murrieta Chamber of Commerce**  
**Wildomar Chamber of Commerce**  
**Meeting Minutes**  
March 15, 2010

Chamber Advocacy: Shaun Lumachi (Present) for Jeremy Harris

2010 Chair: Roger Ziemer (Present)

Directors Attendance: See chart

Federal and State Reps: Tom Rogers – Senator Hollingsworth, Jennings Imel – Assemblyman Nestande

City Representatives: Tamara Middlecamp – City of Temecula

Council Guests: Dave Willmon – League of Cities, Norma Arias-Lee – MWD, Jolene Allred – EMWD, Bucky Weeks – Loma Linda University Medical Center, Steve Amante – Amante & Associates, Pamela Voit – Voit Management, Morris Meyers - EDC

Staff Present: Alice Sullivan and Laura Turnbow – Temecula Valley Chamber of Commerce, Rex Oliver – Murrieta Chamber of Commerce, Michele Thomas – Wildomar Chamber of Commerce

Meeting called to order at 12:02 pm by Chair Ziemer.

**Chair's Report – Roger Ziemer**

1. Chair Ziemer and Director Dennis Frank met earlier in the week with the Business Press regarding their publicizing a monthly article about the SWCLC meeting.
2. March 19, 2010, The Southwest California Legislative Council Invites You To The Legislative Summit on Jobs and Regulations in California, March 19, 2010, 9 a.m. to Noon, County of Riverside Administration Building, 4080 Lemon Street, Riverside.
3. March 5, 2010, Proposed Legislation Would Hamper Historic Water Agreement, The Southwest California Legislative Council is urging legislators to oppose a measure that would block the channeling of water from the Sacramento River to Southern California and undue the recent compromise of the Legislature, Delta and Environmental stakeholders and the business community from late last year.
4. CalChamber 2010 Business Summit, Monday, May 17, 2010 10:00 AM – Tuesday, May 18, 2010 9:15 AM Sacramento Convention Center, 1400 J Street, Sacramento, CA 95814.
5. February 28, 2010, Positions on June 2010 Ballot Measures Coming Soon! In the coming months the Southwest California Legislative Council will begin reviewing and taking positions on several 2010 ballot measures, many of which aim to impact business in one way or another.

**Approval of Minutes**

**A motion was made to approve the February 2010 minutes. Motion was made and passed with no opposition.**

**Approval of Board Member**

**A motion was made to approve the appointment of Temecula Valley Chamber of Commerce new Board Member, Steve Amante. Motion was made and passed with no opposition.**

1. **Proposition 13: Property Tax: New Construction Exclusion: Seismic Retrofitting**  
Proposition 13, a constitutional amendment, would prohibit tax assessors from re-evaluating new construction for property tax purposes when the point of the new construction is to seismically retrofit an existing building. With little discussion the motion to support is made and seconded . **Motion to support proposition 13 passed with no opposition**
2. **Proposition 14: Elections: Open Primaries**  
Proposition 14, a state constitutional amendment, would require that candidates run in a single primary open to all registered voters, with the top two vote-getters meeting in a runoff. With much discussion the motion to remain neutral is made and seconded, with one board member opposing. **The motion to remain neutral on Proposition 14 passes with one opposition.**
3. **Proposition 15: California Fair Election Act**  
Proposition 15 would lift the state ban on public funding for political campaigns and asses fees on registered lobbyists in California in order to fund candidates for the Office of the Secretary of State of California in 2014 and 2018. With much discussion the motion to oppose is made and seconded. **Motion to oppose proposition 15 passed with no opposition.**
4. **Proposition 16: Taxpayers Right To Vote Act**  
Proposition 16, a state constitutional amendment, would require a two-thirds voter approval before local governments can provide electricity service to customers or implement a community choice electricity program using public funds or bonds. **With much discussion a motion to Table was introduced and passed until more information can be brought to the board.**
5. **Proposition 17: Continuous Coverage Auto Insurance Discount Act**  
Proposition 17 amends Proposition 103 (1988) that authorizes the use of an additional discount on premiums for automobile insurance policies. With little discussion the motion to support is made and seconded. **Motion to support proposition 17 passed with no opposition.**
6. **AB 1704 (Jeffries) Environment: CEQA: Exemption**  
AB 1704, dealing with recycled water pipes, would exempt new recycled water pipelines from the CEQA process if they are being installed under existing paved roads or improved right-of-ways. With little discussion the motion to support is made and seconded. **Motion to support AB 1704 passed with no opposition.**

#### **Regional Legislators' Staff and Stakeholders' Updates**

**Senator Hollingsworth – Tom Rogers** – Reminded the board of the public safety Legislation authored by Senator Hollingsworth's some of which were lumped into "Jessica's Law".

**Assemblyman Jeffries - Jeff Green** – Announced that the Assemblyman Jeffries, authored legislation on a sexual predator bill that was killed. The Assemblyman is co-hosting a Legislative Summit on Jobs and Regulations in California on March 19<sup>th</sup>.

**League of Cities – Dave Willmon** – Requested endorsement of the League's ballot measure that is in the signature gathering stage, roughly ¾ of the required signatures have been collected. Cities within the SWCLC region have come out in support of the proposed ballot measure.

**EDC- Morris Meyers** – Announced March 25<sup>th</sup> quarterly luncheon with guest speaker Dr. Karen Hanes from Cal State University San Marcos and the South West California Business Summit April 28<sup>th</sup> at Southcoast Winery.

**Wildomar Chamber of Commerce – Michele Thomas** – Announced Business Networking Mixer at Links at Summerly March 18<sup>th</sup>, and Grand Opening of Baron's Marketplace on the 20<sup>th</sup>, Wake Up Wildomar Breakfast April 7<sup>th</sup> with guest speaker Morris Meyers.

**Temecula Chamber of Commerce – Alice Sullivan** – Announced the State of the City Address April 22<sup>nd</sup>, Microsoft seminar partnered with University of Redlands on April 1<sup>st</sup>, Wine Country Classic at Pechanga Journey on May 2<sup>nd</sup>.

**Murrieta Chamber - Rex Oliver** – Announced that the new Murrieta Chamber of Commerce web site should launch within the next thirty days.

**Board Member Announcements – None**

Adjourn

*Meeting was adjourned at 1:29 pm*

**The Southwest California Legislative Council Thanks Our Partners:**

Southwest Riverside County Association of Realtors  
Metropolitan Water District of Southern California  
Near-Cal Corporation  
Economic Development Corp of Southwest California  
Elsinore Valley Municipal Water District  
The Gas Company  
Abbott Vascular  
The Murrieta Temecula Group

Temecula Valley Chamber of Commerce  
Murrieta Chamber of Commerce  
Lake Elsinore Valley Chamber of Commerce  
Wildomar Chamber of Commerce  
Southern California Edison  
Loma Linda University Medical Center  
Ace Hardware of Wildomar

**Southwest California Legislative Council Attendance 01/2010 - 12/2010**

**X=Present; E=Excused; Sorted by Alpha First Name**

| <b>Board Member</b>       | <b>Jan-2010</b> | <b>Feb-2010</b> | <b>Mar-2010</b> | <b>Apr-2010</b> | <b>May-2010</b> | <b>Jun-2010</b> | <b>Jul-2010</b> | <b>Aug-2010</b> | <b>Sep-2010</b> | <b>Oct-2010</b> | <b>Nov-2010</b> | <b>Dec-2010</b> | <b>PRESENT</b> | <b>EXCUSED</b> | <b>ABSENT</b> | <b>AVERAGE</b> |
|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|----------------|---------------|----------------|
| Alex Braicovich           | E               | X               | X               |                 |                 |                 |                 |                 |                 |                 |                 |                 | 2              | 1              | 0             | 100%           |
| Carl Johnson              | E               | E               | X               |                 |                 |                 |                 |                 |                 |                 |                 |                 | 1              | 2              | 0             | 100%           |
| Dennis Frank              | X               | X               | X               |                 |                 |                 |                 |                 |                 |                 |                 |                 | 3              | 0              | 0             | 100%           |
| Frank Casciari            | X               | X               | X               |                 |                 |                 |                 |                 |                 |                 |                 |                 | 3              | 0              | 0             | 100%           |
| Gary Thornhill            | X               | X               | X               |                 |                 |                 |                 |                 |                 |                 |                 |                 | 3              | 0              | 0             | 100%           |
| Gene Wunderlich           | X               | X               |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 | 2              | 0              | 1             | 66%            |
| Glen Diagle               | X               | X               | E               |                 |                 |                 |                 |                 |                 |                 |                 |                 | 2              | 1              | 0             | 100%           |
| Greg Morrison             | E               | X               | X               |                 |                 |                 |                 |                 |                 |                 |                 |                 | 2              | 1              | 0             | 100%           |
| Isaac Lizarraga           | E               | X               |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 | 1              | 1              | 1             | 66%            |
| Jeff George               | X               | E               | X               |                 |                 |                 |                 |                 |                 |                 |                 |                 | 2              | 1              | 0             | 100%           |
| Joan Sparkman             | X               | E               | E               |                 |                 |                 |                 |                 |                 |                 |                 |                 | 1              | 2              | 0             | 100%           |
| Karie Reuther             | X               |                 | X               |                 |                 |                 |                 |                 |                 |                 |                 |                 | 2              | 0              | 1             | 50%            |
| Lynn Effinger             | X               | X               | E               |                 |                 |                 |                 |                 |                 |                 |                 |                 | 2              | 1              | 0             | 100%           |
| Roger Ziemer - Chair      | E               | X               | X               |                 |                 |                 |                 |                 |                 |                 |                 |                 | 2              | 1              | 0             | 100%           |
| Steve Amante              |                 |                 | X               |                 |                 |                 |                 |                 |                 |                 |                 |                 | 1              | 0              | 0             | 100%           |
| Lake Elsinore Valley Seat |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                |                |               | 0%             |

**June 2010 Ballot Propositions**

**Presentation**

**Jeremy M. Harris**  
Legislative Counsel

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|--|
| <b>Proposition 16: Taxpayers Right To Vote Act</b> |
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**Recommended Action**

*Proposition 16: Taxpayers Right To Vote Act was tabled at the March 15 SWCLC meeting.*

**Summary**

1. Proposition 16 is a state constitutional amendment, if passed, would require a two-thirds voter approval before local governments can provide electricity service to customers or implement a community choice electricity program using public funds or bonds.

**Background**

2. Proposition 16 places new voter approval requirements on local governments before they can use “public funds” – defined broadly in the measure to include tax revenues, various forms of debt, and ratepayer funds – to start up electricity service, expand electricity service into a new territory, or implement a Community Choice Aggregation (CCA).
  - a. First, before an authorized local government entity can start up electricity service, it must receive approval by two-thirds of the voters in the area proposed to be served.
  - b. Second, before an existing publicly owned utility can expand its electric delivery service into a new territory, it must receive approval by two-thirds of the voters in the area currently served by the utility and two-thirds of the voters in the new area proposed to be served.
  - c. Third, the measure requires two-thirds voter approval for a local government to implement a CCA.
3. The measure provides three exemptions to local governments from these voter approval requirements:
  - a. If the use of public funds has been previously approved by the voters both within the existing local jurisdiction and the territory proposed for expansion;
  - b. If the public funds would be used solely to purchase, provide, or supply specified types of electricity from renewable sources, such as wind or solar power;
  - c. If the public funds would be used only to provide electric delivery service for the local government’s own use.

**Historical Overview of Electricity Services**

4. Californians generally receive their electricity service from one of three types of providers: investor-owned utilities (IOUs), local publicly owned electric utilities, or electric service providers (ESPs).
5. These provide 68 percent, 24 percent, and 8 percent, respectively, of retail electricity service in the state.

**Investor-Owned Utilities**

6. The IOUs are owned by private investors and provide electricity service for profit.
7. The three largest electricity IOUs in the state are Pacific Gas and Electric (PG&E), Southern California Edison, and San Diego Gas and Electric.
8. Each IOU has a unique, defined geographic service area and is required by law to serve customers in that area.

9. The California Public Utilities Commission (CPUC) regulates the rates charged by IOUs and how they provide electricity service to their customers.

### **Public-Owned Utilities**

10. Publicly owned electric utilities are public entities that provide electricity service to residents and businesses in their local area.
11. While not regulated by CPUC, publicly owned electric utilities are governed by locally elected boards which set their own terms of service, including the rates charged to their customers.
12. Electricity service is currently provided by local governments through several different governmental structures authorized under state law, including:
  - a. Utility departments of cities, such as the Los Angeles Department of Water and Power.
  - b. Municipal utility districts, such as the Sacramento Municipal Utility District (SMUD).
  - c. Public utility districts, such as the Truckee Donner Public Utility District.
  - d. Irrigation districts, such as the Imperial Irrigation District.

### **Electric Service Providers**

13. The ESPs provide electricity to customers who have chosen not to receive electricity from the IOU or publicly owned utility that would otherwise serve their geographic area.
14. Under this approach, an electricity customer enters into what is termed a “direct access” contract with an ESP that delivers electricity to the customer through the local utility’s transmission and distribution system.

### **Community Choice Aggregation**

15. In addition to the ESP arrangements discussed above, state law allows a city or a county, or a combination of the two, to arrange to provide electricity within their jurisdiction through a contract with an electricity provider other than the IOU that would otherwise serve that local area.
16. This is referred to as “community choice aggregation.” Although only one community choice aggregator (CCA) currently exists to provide electricity in California, several communities are exploring this option.
17. A CCA could get its electricity from an ESP, using the transmission and distribution system of the IOU serving that local area.
18. Electricity customers within that area would automatically get their electricity from the CCA unless they elected to “opt” out of the service from the IOU.

### **Proposals to Create and Expand Public Electricity Providers**

19. In recent years, a limited number of local governments in the state have explored the idea of creating new public providers of electricity or expanding publicly owned utilities into new territory currently served by an IOU.
20. For example, the City and County of San Francisco has considered creating a CCA that would include territory currently served by PG&E.
21. As another example, Yolo County explored having SMUD provide electricity service to territory within the county currently served by PG&E.
22. In some cases, these proposals have been put before the voters for their approval, under provisions of state law discussed below.

### **Voter Approval Requirements for Publicly Owned Electricity Providers**

23. As noted above, publicly owned utilities can be organized under several different types of government structures.
24. Each type of local government entity that is authorized to provide electricity service and that is considering either the start-up of electricity service or the expansion of existing service beyond its current service area is subject to certain state requirements.
25. Under state law, if a local government intends to *expand* its electricity service into a new territory, that new area must be annexed and, in certain cases, a majority of the voters in the area proposed for annexation must approve the expansion.
26. In such cases, however, no vote of the public is generally required within the existing service territory of the local governmental entity that is proposing the expansion. (In some cases, a local commission requires such a vote as a condition of approving the annexation.) In contrast, local agency action to establish a CCA may be undertaken upon a vote of the local agency governing board and does not require local voter approval.
27. According to the Legislative Analysis Office (LAO) the fiscal impact of Proposition 16: Unknown net impact on state and local government costs and revenues—unlikely to be significant in the short run—due to the Proposition’s uncertain effects on public electricity providers and on electricity rates.

### Arguments in Support

28. PG&E says a constitutional amendment is needed to protect taxpayers and ratepayers from possible losses incurred by inexperienced local governments entering the risky power wholesaling business.
29. According to former Sacramento County Sheriff, Lou Blanas "As local governments struggle to fund the most essential and basic services, local leaders in several communities are working to spend millions of public dollars or debt to get into the retail electricity business. And they do not want the people to vote on it. In tough times like these, voters deserve a voice in this decision."

### Arguments in Opposition

30. According to Mark Toney, Executive Director of The Utility Reform Network (TURN), a nonprofit consumer advocacy group, Proposition 16 takes self-interest in a ballot initiative to a new level, by rewriting the constitution to protect a private corporation from competition from public entities.
31. Elisabeth Brinton, Director of Communications for the Sacramento Municipal Utility District, a public utility, has said that Proposition 16 reduces the ability of people to choose between private and public utility companies. Holding local elections where people vote on whether to have a private or public utility company would be expensive.

### Supporting

(Partial Listing as of March 30, 2010)

|   |   |  |
|---|---|--|
| Alameda County Taxpayers Association                    | El Dorado County Joint Chambers Commission  | International Brotherhood of Electrical Workers (IBEW), Local 1245 |
| Antioch Chamber of Commerce                             | Fresno Area Hispanic Chamber of Commerce  | Lincoln Area Chamber of Commerce                                   |
| Bay Area Business Roundtable                            | Friends of San Leandro Creek  | Livermore Chamber of Commerce                                      |
| Bay Area Council  | Greater Concord Chamber of Commerce   | Long Beach Area Chamber of Commerce                                |
| Brentwood Chamber of Commerce                           | Greater Los Angeles African American Chamber of Commerce  | NAACP East County Branch   |
| Building Owners & Managers Association of San Francisco | Hispanic Chamber of Commerce Alameda County   | Neighborhood Market Association                                    |
| California Alliance For Consumer Protection             | Inland Empire Chamber Legislative Alliance: <i>Chino Valley, Fontana, Highland, Montclair, Ontario, Rancho Cucamonga, Rialto, &amp; Upland Chambers of Commerce</i> | Oakland African-American Chamber of Commerce                       |
| California Chamber of Commerce                          |   | Oakland Builders Alliance  |
| California Metals Coalition                             |   | Oakland Chinatown Chamber of Commerce                              |
| California Taxpayer Protection Committee                |   | Oakland Jobs and Housing Coalition                                 |
| California Taxpayers’ Association                       |   | Oakland Metropolitan Chamber of Commerce                           |
| Contra Costa Taxpayers Association                      |   |  |

Palm Desert 5 Star Chamber of Commerce  
Pleasant Hill Chamber of Commerce  
Pleasanton Chamber of Commerce  
Redwood Empire Business Association  
Sacramento County Law Enforcement Managers Association (LEMA)

San Diego Tax Fighters  
San Francisco Chamber of Commerce  
San Francisco Committee on Jobs  
San Leandro African American Business Council  
San Leandro Chamber of Commerce  
San Leandro Industrial & Technology Roundtable

Silicon Valley Black Chamber of Commerce  
South & West Area Business Association  
The Central California Black Chamber of Commerce  
Waste Watchers, Inc.

### **Opposing**

*(Partial Listing as of March 30, 2010)*

350.org  
AARP  
Bay Localize  
Burbank Water & Power  
California Association of Realtors  
California Manufacturers & Technology Association  
California Nurses Association  
California Sierra Club Read their letter to the state legislature  
California Tax Reform Association  
California Young Democrats  
Citizens Against Pollution  
City of Alameda  
City of Berkeley  
City of Burbank  
City of Davis  
City of Glendale  
City of Gridley  
City of Healdsburg  
City of Palo Alto  
City of Redding  
City of Roseville  
City of Santa Clara  
City of Sebastopol  
City of Tulare  
CleanPowerSF  
Climate Protection Campaign

CMUA Board of Governors  
Consumer Federation of California  
County of Marin  
Ecological Options Network  
Fremont Chamber of Commerce  
Global Exchange  
Go Solar Marin  
Harvey Milk LBGT Democratic Club  
League of California Cities  
League of Women Voters of California  
Local Clean Energy Alliance  
Local Power  
Mainstreet Moms  
Marin Clean Energy  
Marin County Council of Mayors and Councilmembers  
Marin Energy Authority (representing 8 cities and the County of Marin)  
Northern California Power Agency Commission  
Our City  
Planning and Conservation League  
Redondo Beach Chamber of Commerce & Visitors Bureau  
Sacramento Municipal Utility District (All 7 members oppose)

Sacramento Municipal Utility District Board of Directors  
San Francisco Local Agency Formation Commission  
San Joaquin Valley Power Authority  
Sierra Club  
South San Joaquin Irrigation District  
Taxpayers to Stop the PG&E Power Grab  
The Modesto Irrigation District Article  
The Utility Reform Network (TURN)  
Town of Fairfax  
TURN (The Utility Reform Network)  
Women's Energy Matters

*(Following individuals sent a letter rejecting PG & E's sponsorship of the measure; urging to rescind the Proposition)*

State Senator Darrell Steinberg  
State Senator Mark Leno  
State Senator Jenny Oropeza  
State Senator Lois Wolk  
State Senator Christine Kehoe  
State Senator Alan Lowenthal  
State Senator Gilbert Cedillo  
State Senator Dean Florez

**Legislative Report #4**

**Presentation**

**Jeremy M. Harris**  
Legislative Counsel

|  |
|--|
| <b>AB 2138 (Chesbro) Product Management: Single-use Recyclable Packaging</b> |
|--|

**Recommended Position**

*Oppose*

**Summary**

1. AB 2138 enacts the Plastic Ocean Pollution Reduction, Recycling, and Composting Act, (Act) which prohibits a food provider from distributing disposable food packaging (including take-out bags) unless the packaging is compostable or recyclable.

**Background**

2. AB 2138 defines terms used in the Act, to include:
  - a. "Compostable packaging" as a material that meets the compostability standard established by the American Society for Testing Materials; is accepted back for composting by the food provider, is accepted for composting in a residential collection program available to at least 75% of the households; and is recovered for composting at a rate of 25% or more.
  - b. "Recyclable packaging" as a material that is accepted for recycling in residential curbside collection programs available to at least 75% of the households in the state; is accepted back for recycling by the food provider; or is recovered for recycling at a rate of 25% or more.
  - c. "Food provider" as any establishment that provides prepared food for public consumption on or off premises.
  - d. "Prepared food" as any ready-to-consume food or beverage prepared on the food provider's premises.
3. AB 2138 prohibits, on an after July 1, 2011 until July 1, 2013, a food provider from distributing disposable food service packaging, including bags, to a consumer unless it is either compostable or recyclable, as defined.
4. AB 2138 would then on and after July 1, 2013, prohibit a food provider from distributing disposable food service packaging, including bags, to a consumer, unless the Department of Resources Recycling and Recover determines the disposable food service packaging is recovered for composting or recycling at a rate of 25% or more.

**Arguments in Support**

5. By encouraging recycling and composting, AB 2138 may reduce the amount of solid waste entering the state's landfills. According to EPA, marine debris has become a problem along shorelines, coastal waters, estuaries, and oceans throughout the world. Marine debris can be life threatening to marine organisms and can adversely affect coastal communities and the fishing industry.
6. In general, there are two types of marine debris that pollute our ocean and coastline in California. The first is from ocean sources, and includes waste discharged by ships, recreational boaters and fishermen, and offshore oil and gas exploration and production facilities. The second, and by far more environmentally destructive, type of marine debris is from the land.

This type of debris includes stormwater runoff, solid waste, floating structures, and poorly maintained garbage bins and is transmitted to the marine environment by waterways. Land based litter constitutes nearly 80% of the marine debris found on our beaches and oceans, and 90% of it is plastic.

**Arguments in Opposition**

- 7. Opponents argue that AB 2138 would impose new and costly mandates on California’s food service industry by imposing an unworkable framework aimed at reducing marine debris. California’s economy is currently in the deepest recession in decades, unemployment is at 12.5%, and we (business groups, including the CalChamber) believe that California should focus on implementing policies that will make California more competitive rather than imposing costly new regulatory burdens on the companies that do business in our state.
- 8. AB 2138 also requires food providers to “recover” the disposable food service packaging or single-use carryout bags for composting or recycling at a rate of 25% or more. If the Department of Resources Recycling and Recovery (DR3) is unable to determine that a food provider has met this 25% recovery rate, that food provider would be prohibited from distributing such packaging or bags until DR3 can determine that the 25% recovery rate has been achieved.
- 9. These requirements mean that restaurants, grocery stores, convenience stores, cafeterias, mobile food trucks, and more would have to create the infrastructure to take back disposable food service packaging and single-use carryout bags, separate the packaging and bags from the trash, and then recycle or compost the recovered materials.

**Supporting**

City and County of San Francisco  
Planning and Conservation League  
Sierra Club California

**Opposing**

American Chemistry Council  
American Federation of State, County and Municipal  
Employees, AFL-CIO  
Biodegradable Products Institute  
California Chamber of Commerce  
California Film Extruders and Converters Association

California Grocers Association  
California Restaurant Association  
California Retailers Association  
Cereplast Heritage Bag Company  
Metabolix Pactiv Corporation

**ACA 31 (Jeffries) Floor Sessions: Appropriate Hours**

**Recommended Position**

*Support; ACA 31 was tabled at the February 22, 2010 SWCLC Meeting.*

**Summary**

- 1. ACA 31 requires all legislative meetings and votes to take place between the hours of 9am and 9pm, when the public can more fully participate in the legislative process.

**Background**

- 2. ACA 31 allows legislation to be considered outside the above times due to legislation related to an emergency created by a natural disaster.
- 3. ACA 31 provides that any legislation passed by a house during a floor session occurring outside of those hours that is not necessary to consider legislation relating to an emergency created by a natural disaster would have no effect.

**Arguments in Support**  
*None on file at this time*

**Arguments in Opposition**  
*None on file at this time*

**Supporting**

*None on file at this time*

**Opposing**

*None on file at this time*

**SB 1010 (Correa) Environmental Quality Act (CEQA)****Recommended Position**

*Support*

**Summary**

1. SB 1010 would allow twenty-five (ten of which have to be in Southern California) public and private projects to apply for a "safe haven" from time consuming litigation if they have completed the California Environmental Quality Act (CEQA) process after public hearings are held in the region that the project is proposed and, upon approval of the Secretary of Business Transportation and Housing Agency.

**Background**

2. Current law states that CEQA requires lead agencies with the principal responsibility for carrying out or approving a proposed discretionary project to prepare a negative declaration, mitigated declaration, or environmental impact report (EIR) for this action, unless the project is exempt from CEQA.
3. SB 1010 would, under CEQA, enact the CEQA Litigation Protection Pilot Program of 2010 and prohibits court review of a lead agency's certification of an EIR or adoption of a mitigated negative declaration, as well as a lead or responsible agency's project approval, for 125 projects that are selected by the Business, Transportation and Housing Agency (BT&H) over a five-year period.
4. For a project to qualify for the exemption, the lead agency must certify to BT&H that there is an expectation that an EIR will be certified for the project within 12 months. BT&H's selection of projects is also exempt from judicial review.
5. SB 1010 provides that the 25 projects selected each year from 2010 to 2014 must be located in the following areas: 1) 10 projects in Imperial, Los Angeles, Orange, Riverside, San Bernardino, and San Diego counties; 2) 5 projects in Alameda, Contra Costa, Marin, Napa, San Francisco, Santa Clara, Solano, and Sonoma counties; 3) 5 projects in Fresno, Kern, Kings, Madera, Merced, Sacramento, San Joaquin, Stanislaus, and Tulare counties; 4) 5 projects located in remaining state areas.
6. Procedures are set for selecting projects if a lead agency does not certify an EIR within 12 months.
7. SB 1010 requires BT&H to hold at least one public hearing in each region to consider public comments on the selected projects in each region.
8. The Legislature may provide "formal comments" to BT&H through legislative committees designated by the Senate Rules Committee and the Assembly Speaker for the respective houses.
9. SB 1010 requires BT&H to consider the following when selecting a project: 1) number and quality of jobs to be created by the project, 2) amount of capital investment made by the project, and 3) a balance between projects sponsored by public and private entities.
10. Furthermore, SB 1010 requires BT&H to submit an annual report on the pilot program to the Governor and Legislature by December 31 summarizing the designation of projects, job creation, and investment attributable to the designated projects.
11. SB 1010 would sunset on January 1, 2016.

**Arguments in Support**

12. SB 1010 is part of Governor Schwarzenegger's proposals to "foster a more business-friendly economy and create new jobs." According to the Governor's office, "The Governor's proposal would grant the Business, Housing and Transportation

Agency the right to select a specified number of projects that have completed [EIRs] and deem those projects as approved and not subject to legal challenge - expediting the ground breaking of these projects and creating jobs...The new NFL stadium in Los Angeles County is an example of such a project."

13. According to the author, "The purpose of this bill is to establish a pilot program whereby a small number of projects may be protected from CEQA litigation in an effort to bring those projects to build faster, creating jobs for California."

### Arguments in Opposition

14. Opponents argue that by eliminating the ability to enforce California's premier public health and environmental law could lead to the siting of new polluting power plants and waste facilities located next to schools and neighborhoods and much more.
15. Other controversial projects noted by opponents to SB 1010 include: the peripheral canal; the siting of new energy facilities in spectacular and sensitive areas of the state; new onshore oil facilities and pipelines to support offshore oil development promoted by the Administration; roads through state parks; new residential subdivisions on contaminated soil; and the siting and construction of nuclear power plants, new dams for water storage, new prisons in cities and counties could all get a pass from the necessary scrutiny that ensures the right projects are built in the right location."

### Supporting

American Council of Engineering Companies of California  
Associated Builders and Contractors of California  
Associated General Contractors  
California Apartment Association  
California Building Industry Association  
California Business Properties Association  
California Chamber of Commerce

California Manufacturers & Technology Association  
Civil Justice Association of California  
Garden Grove Chamber of Commerce  
Los Angeles Area Chamber of Commerce  
Orange County Board of Supervisors  
Western Electrical Contractors Association

### Opposing

American Planning Association (CA Chapter)  
Born Free USA  
Breathe California  
California Audubon Society  
Cal Coast  
California Coastal Coalition  
California Coastal Protection Network  
California Coastkeeper Alliance  
California Council of Land Trusts  
California League of Conservation Voters  
California Native Plant Society  
California Native Plant Society (Sacramento Valley Chapter & San Diego Chapter)  
California State Parks Foundation  
Center for Biological Diversity  
Center on Race  
Law and Poverty  
Clean Water Action  
Coalition for Clean Air  
Communities for Clean Ports  
Community Coalition on High Speed Rail  
Consumer Attorneys of California  
Defenders of Wildlife  
Endangered Habitats League  
EndOil/Communities for Clean Ports  
Environment California

Environmental Defense Fund  
Friends of the Earth  
Friends of the Los Angeles River  
Friends of the River  
Friends of Rose Creek  
Food & Water Watch  
Forest Forever  
Heal the Bay  
Health Officers Association of California  
City of La Canada Flintridge  
League of Women Voters of California  
Monterey Coastkeeper  
National Parks Conservation Association  
Natural Resources Defense Council  
Nichols Berman Environmental Planning  
Pacific Forest Trust  
Planning and Conservation League  
Russian Riverkeeper  
Sacramento Audubon Society  
San Diego Audubon Society  
Save the Bay  
Sierra Club California  
Surfrider Foundation  
The Otter Project  
Union of Concerned Scientists

**Recommended Position**

*Support*

**Summary**

1. SBX6 5 would deduct the value of a trade-in vehicle from the “sales price” of a new vehicle or motorcycle purchase on which the state sales tax is imposed.

**Background**

2. Current law allows for certain exemptions from the state sales tax including: cash discounts offered by retailers, the value of product installation, the value of other taxes imposed on sales, and certain transportation costs.
3. Many states provide trade-in exceptions from state sales tax and by providing for this exemption, these states have created a more equitable tax structure for consumers.
4. Currently, California taxpayers are expected to pay sales tax on the full price of a new vehicle purchase, even when they are providing a trade-in vehicle in lieu of a total cash payment.
5. SB X6 5 would bring California’s tax code in line with other states and will provide incentive for more dealers to locate to California.

**Arguments in Support**

6. SBX6 5 would infuse new life into auto and motorcycle sales and model California after more than 20 other states that provide for a trade-in exemption.

**Arguments in Opposition**

7. Passage of SB X6 5 would result in less sales tax collected at the time of a purchase of a new vehicle when a trade-in used, however this may be offset by increase sales due to offering the trade-in exemption.

**Supporting**

*None on file*

**Opposing**

*None on file*