

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

MEETING AGENDA
Monday, March 15, 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
- Cal Chamber 2010 Business Summit

Agenda

1. Approval of February 2010 Minutes **ACTION**
2. Approval of New Board Member **ACTION**
3. June 2010 Ballot Propositions **ACTION**
 - Proposition 13: Property Tax: New Construction Exclusion: Seismic Retrofitting
 - Proposition 14: Elections: Open Primaries
 - Proposition 15: California Fair Election Act
 - Proposition 16: Taxpayers Right To Vote Act
 - Proposition 17: Continuous Coverage Auto Insurance Discount Act
4. Legislative Report #3 **ACTION**
 - a. AB 1704 (Jeffries) Environment: CEQA: Exemption

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

- Next Meeting: April 19, 2010: Wildomar City Hall

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

Recent Action

March 15, 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

Hosted by Assembly Member Kevin Jeffries (R-Lake Elsinore), along with Assembly Members Bill Emmerson (R-Rancho Cucamonga), Jeff Miller (R-Corona) and Brian Nestande (R-Riverside), the Legislative Summit will consist of local employers and business leaders telling their stories about how regulatory and environmental burdens have hindered them from creating jobs in California and make it difficult for local companies to compete against other states, as well as globally.

Chair of the Southwest California Legislative Council, Roger Ziemer, has been included in the Summit.

This is a public meeting and all are welcome to come observe the discussion.

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.

“AB 1594 represents a serious threat to the future water reliability for Southern California and to the emerging plan to restore the Delta,” said Roger Ziemer, Chair of the Southwest California Legislative Council. “We just went through years of negotiations with all those who depend on the Delta and water coming from northern California. Now is not the time to mettle with the planned process of the agreement from last year,” continued Ziemer.

If passed, the legislation would revise a law that was passed just last year that addressed the prevention of water flow to other regions throughout the state. Furthermore, the Legislature explicitly added extensive safeguards to the agreement from last year, such as the requirement that the current plan has to comply with the highest environmental standard and review a variety of water conveyance options. The Chamber believes there is not a need for additional provisions as mandated by AB 1594.

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.

“2010 will be another busy year of ballot measures for our state. We will be diligent in our work as we consider each measure and how each will impact the Southwest California business community,” said Roger Ziemer, Chair of the Southwest California Legislative Council.

Proposition 13: Property Tax: New Construction Exclusion: Seismic Retrofitting

The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, "full cash value" is defined as the assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value" or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change of ownership has occurred. This measure would instead exclude from the definition of "newly constructed" the portion of an existing structure that consists of the construction or reconstruction of seismic retrofitting components. This measure would delete the existing exclusion for structures constructed of unreinforced masonry bearing wall construction, and the existing grant of authority to the Legislature to exclude certain seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies.

Proposition 14: Elections: Open Primaries

This proposed measure mirrors the development of the successful “open primary” election system that is in place in Washington State. This system allows the top two vote getters, regardless of party, to compete in the general election and has been validated by the U.S. Supreme Court. This measure would require the Legislature to provide for partisan elections for presidential candidates, political party committees, and party central steering committees. This measure would designate the Superintendent of Public Instruction as a nonpartisan office. If the measure is approved by the voters, it would become operative on January 1, 2011.

Proposition 15: Political Reform Act of 1974: California Fair Elections Act of 2008.

This initiative was placed on the ballot by legislation (AB 583/Hancock). AB 583 was signed by the Governor and became effective on January 1, 2009. It requires the California Secretary of State to place a ballot measure on the June 8, 2010 statewide primary election ballot which, if passed, 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 measure is currently the subject of litigation. A similar measure in Vermont was ruled to violate the U.S. Constitution. An Arizona court has also struck down lobbyist “fees” used to fund a public campaign financing program.

Proposition 16: New Two-Thirds Vote Requirement for Local Public Electricity Providers.

Initiative Constitutional Amendment. Proposition 16 would require local governments to obtain the approval of two-thirds of the voters before providing electricity to new customers or expanding such service to new territories if any public funds or bonds are involved. The measure would require the same two-thirds vote to provide electricity through a community choice program if any public funds or bonds are involved.

Proposition 17: Allows Auto Insurance Companies to Base Their Prices in Part on a Driver’s History of Insurance Coverage

Initiative Statute. This measure 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 continuous coverage discount would be based on the length of time the applicant or insured has been continuously covered. Children residing with a parent may qualify for the discount based on their parent’s eligibility.

CalChamber 2010 Business Summit

Monday, May 17, 2010 10:00 AM – Tuesday, May 18, 2010 9:15 AM (Pacific Time)

Location

Sacramento Convention Center
1400 J Street
Sacramento, CA 95814

Who Should Attend?

Business owners
CEOs
Public affairs staff
Local chamber of commerce staff, board members, committee members
Economic development, industry/trade and regional business organization representatives.

Register Early and Save!

Lower Early Bird Rate available until 4/16/10
Summit/Host Reception/Host Breakfast: \$220/\$275
Summit/Reception: \$195/\$250
Summit Only: \$165/\$220

Schedule

9:00 a.m.	Registration Opens Sacramento Convention Center, 3 rd Floor Ballroom
10:00 a.m.	Summit Opening CalChamber President Allan Zarembeg CalChamber Priorities Introduction of CalChamber Policy Advocates
10:30 a.m.	Discussion of Key Issues with Noted Experts
11:15 a.m.	Discussion of Key Issues with Noted Experts
12:00 p.m.	Break
12:15 p.m.	Summit Luncheon
12:45 p.m.	Introduction of Special Guests Local Chamber Recognition: President's Circle Political Partner of the Year Small Business Advocate of the Year Awards
1:15 p.m.	Special Guest Speaker: Howard Fineman Senior Washington Correspondent and Political Columnist for <i>Newsweek</i>
2:00 p.m.	Summit Adjourns
2:15 – 3:45 p.m.	Breakout Sessions (Optional) A. Legislative Advocacy Boot Camp 101 B. 2010 Ballot Measures C. What Labor's Federal Agenda Could Mean for Business D. International Trade Forum (CalChamber Office)
5:30 – 7:30 p.m.	Sacramento Host Reception (Optional) Sutter Club – 1220 Ninth Street

Post-Summit Events

Tuesday, May 18, 2010

6:30 a.m.	Sacramento Host Breakfast Registration Opens Sacramento Convention Center, 3 rd Floor Ballroom
7:30 – 9:00 a.m.	Sacramento Host Breakfast

Approval of February 2010 Minutes

SOUTHWEST CALIFORNIA LEGISLATIVE COUNCIL
www.SouthwestCA.biz

Temecula Valley Chamber of Commerce
Lake Elsinore Valley Chamber of Commerce
Murrieta Chamber of Commerce
Wildomar Chamber of Commerce
Meeting Minutes
February 22, 2010

Chamber Advocacy: Jeremy Harris (Present)

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, Kim Cousins – Lake Elsinore Valley Chamber of Commerce

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

Chair's Report – Roger Ziemer

Chair expressed the Southwest California Legislative Council (SWCLC) has voiced its opposition to AB 212, which imposes new standards and regulations on residential construction that would make development cost-prohibitive and ultimately result in job losses.

AB 212 would require new residential construction to utilize “zero net energy” by utilizing a combination of energy efficiency design features and on-site or near-site clean distributed generation, which results in no net annual purchases from the electricity grid and the production of sufficient electricity to offset energy use attributed to onsite use of purchased natural gas. The SWCLC believes in energy efficient production, however, it has been a long standing policy of the SWCLC to always support initiatives that show proof the technology exists first and is affordable for the business community.

Similar pieces of legislation to AB 212 have failed in years past because of opposition from the business community.

Approval of Minutes

A motion was made to approve the January 2010 minutes. Motion was made to table until an addition was made.

1. **ACA 29**

ACA 29 would enact a 2-year budget system. The first (odd) year of a session would be entirely devoted to passing a budget and reviewing all of spending priorities of the state. The second (even) year would be allowed for review of policies, programs and oversight of agencies. Motion was made to table until a clearer definition of ACA 29 could be brought before the council.

2. ACA 30
ACA 30 will abolish the office of Lieutenant Governor, and consolidate the responsibilities and duties of the position into the Secretary of State's office. With little discussion the motion to support is made and seconded. **Motion was made and seconded and passed with no opposition**
3. ACA 31
ACA 31 would require all legislative sessions (except in limited emergency conditions) be conducted between the hours of 9am and 9pm. After considerable discussion a motion is made to table until the verbiage could be clarified.
4. AB 1671
AB 1671 would prevent the Governor from appointing a vacant seat to the County Board of Supervisors. Under current law, the Governor fills most vacancies on the local county Boards of Supervisors. With little discussion the motion to support is made and seconded. **The motion to support AB 1671 passes with no opposition.**
5. AB 1672
AB 1672 would make the California Air Resources Board (CARB) an entirely elected board. Currently, members of CARB are appointed by various ways through the legislature and Governor. All costs of the elections would come from existing funds in the agency. With little discussion the motion to support is made and seconded. **The motion to support AB 1672 passes with no opposition.**
6. AB 1645
AB 1645 would require the Governor to submit a report to the Legislature (at the same time the budget proposal is submitted) that outlines the state's key liabilities and recommendations for retiring the debt or liabilities. After considerable discussion a motion is made to table until the more information could be brought to the Council.
7. ACA 28
ACA 28 requires the Treasurer, within 3 days after a budget bill submitted to the Governor, to certify whether the budget bill meets certain requirements regarding appropriations from the General Fund. After considerable discussion a motion is made to table until the more information could be brought to the Council.
8. AB 1594
AB 1594 would prohibit the construction of a peripheral canal, as defined, that conveys water from a diversion point in the Sacramento River to a location south of the Sacramento-San Joaquin Delta, unless expressly authorized by the Legislature. With little discussion the motion to oppose is made and seconded. **The motion to oppose AB 1594 passes with no opposition.**
9. SB 518
SB 518 provides incentives for cities and counties to adopt certain measures that reduce or eliminate subsidies for parking. With little discussion the motion to oppose is made and seconded. **The motion to oppose SB 518 passes with no opposition.**
10. SB 657
SB 657 would require retail sellers and manufacturers doing business in the state to develop, maintain and implement policies related to their compliance with federal and state law regarding the eradication of slavery and human trafficking from their supply chain. With little discussion the motion to oppose is made and seconded. **The motion to oppose SB 657 passes with no opposition.**
11. SB 810
SB 810 would establish the California Healthcare System, an entity that would attempt to provide affordable and comprehensive healthcare coverage for all. With little discussion the motion to oppose is made and seconded. **The motion to oppose SB 810 passes with no opposition.**

Regional Legislators' Staff and Stakeholders' Updates

Senator Hollingsworth – Tom Rogers – Announced that the healthcare tort reform bill the Senator was working on didn't get passed. Stated that the Senator was working to have the State budget done by July, making it easier on California schools.

Assemblyman Nastande – Jennings Imel – Stated their office is focusing on the budget and getting the economy back on track. Discussed Sequa bill, focusing on 25 high priority projects in the state that will be exempt from further litigation after they have passed their initial environmental review.

EMWD- Jolene Allred – Water bond bill and ballot measure will be on the November 2010 ballot. Will need support from SWCLC in the coming months. Asked for the SWCLC support on SB 827. SWCLC advised that they had already sent a letter in support of SB 827 to the EPA.

League of Cities – Dave Willmon – Requested endorsement of the League’s ballot measure that is in the signature gathering stage. Cities within the SWCLC region have come out in support of the proposed ballot measure.

City of Temecula – Tamara Middlecamp – Asked for the Councils support in opposing SB 625, allowing travel agents to not charge TOT on hotel rooms.

EDC- Morris Meyers – the EDC is working with Youth Opportunity Program.

Wildomar Chamber of Commerce – Michele Thomas – Announced Installation Dinner February 26, 2010, Temeku.

Temecula Chamber of Commerce – Alice Sullivan – Offered congratulations to Chairman Roger Ziemer for Business of the Year Award, Dennis Frank, for Chairman’s Choice Award and Lynn Effinger From Oak Grove winner of Non-Profit of the Year. Announced Temecula State of the City Address, April 22nd at Pechanga.

Murrieta Chamber - Rex Oliver –Announced Upcoming Reverse Draw, March 4th.

Lake Elsinore Valley Chamber of Commerce – Kim Cousins – Announced a Conversation with Mayor Melendez at the Diamond Club, March 18th.

Board Member Announcements

Dennis Frank – Announced that there would be 10 visitors from the Vista Chamber at the March SWCLC meeting. Asked the council to look into AB1704.

Adjourn

Meeting was adjourned at 1:35 pm

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

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

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

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

Approval of New Board Member

Presentation

Roger C. Ziemer
SWCLC Chair

Alice Sullivan
President/CEO
Temecula Valley Chamber of Commerce

Recommended Action

Review and approve the Temecula Valley Chamber's appointed member to the SWCLC board of directors.

Background

The SWCLC has two vacancies currently on its board of directors. One (1) vacancy from the Temecula Valley Chamber of Commerce and one (1) vacancy from the Murrieta Chamber of Commerce.

Chair Ziemer, in consultation, with the Temecula Valley President /CEO Alice Sullivan and the SWCLC Executive Committee, recommended the approval of:

Steve Amante
Amante and Associates, Insurance Solutions, Inc.
(Temecula Valley Chamber of Commerce)

June 2010 Ballot Propositions

Presentation

Jeremy M. Harris
Legislative Counsel

Proposition 13: Property Tax: New Construction Exclusion: Seismic Retrofitting

Recommended Position

Support

Summary

1. 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.
2. Earthquake safety improvements made to unreinforced masonry (such as brick) buildings would not result in higher property taxes until the building is sold.

Background

3. Current law determines how local property taxes are assessed.
4. Local property taxes are based on each property's assessed value and when a property is purchased, it is generally given an assessed value equal to its purchase price.
5. As long as a property has the same owner and there is no new construction on the property, its assessed value generally remains the same, except for a small annual increase for inflation.
6. "New construction" generally causes a reassessment if it adds a building, adds space, converts a building to a new use, or renovates the building to make it like new.
7. The property's assessed value is increased to reflect the value added by the new construction. In contrast, the assessed value is not increased for normal maintenance and repair.
8. Currently, there are several specific exclusions in the State Constitution from the "new construction" rule.
9. Among them are two separate provisions regarding earthquake safety modifications on existing buildings.
10. The first one excludes earthquake safety upgrades on "unreinforced masonry buildings" (such as those made of brick or cement blocks) that are required by local ordinances.
11. Such upgrades are excluded from reassessments for a period of 15 years.
12. The second excludes from reassessment other earthquake safety modifications to any type of building and has no time limit. Both exclusions apply only until the property is sold.
13. Proposition 13 deletes both of the existing exclusions and replaces them with a single exclusion for all earthquake safety upgrades.
14. The exclusion would not be time-limited and would last until the property is sold.

Arguments in Support

15. Proposition 13 would benefit the owners of existing structures who are facing the expiration of the 15-year exclusion period under as stated in Proposition 23 (1984) and would ensure equal treatment of property owners who incorporate seismic safety improvements into existing buildings, regardless of the type of the buildings.

Arguments in Opposition

16. The California School Employees Association wrote in opposition to SCA 4, the State Constitutional Amendment that is now Proposition 14, because the bill does not provide for state backfill of lost local property tax revenues, thereby reducing property tax revenues available to schools.

Supporting

California Assessor's Office (Supported original bill that is now Proposition 14)
California Chamber of Commerce
Howard Jarvis Taxpayers Association

Opposing

California School Employees Association (Opposed SCA 4 in 2007)

Proposition 14: Elections: Open Primaries
--

Recommended Position

Support

Summary

1. 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.
2. The new system would take effect in the 2012 elections.

Background

3. Proposition 14 would provide for a "voter-nominated primary election" for each state elective office and congressional office in California.
4. This Proposition does not affect Presidential and political party leadership positions.
5. Voters could vote in the primary election for any candidate for a congressional or state elective office without regard to the political party affiliations of either the candidate or the voter.
6. Candidates are able to choose whether or not to have their political party affiliation displayed on the ballot.
7. The Proposition also prohibits political parties from nominating candidates in a primary, although political parties would be allowed to endorse, support or oppose candidates.
8. Elections for presidential candidates and for members of political party committees and party central steering committees would not fall under the "top two" system.
9. Historical Perspective: Californians defeated Proposition 62 in 2004, a similar measure, by 54-46%. State of Washington voters approved a very similar measure, Initiative 872, in 2004, while Oregon voters rejected Measure 65, also a similar measure, in 2008.

Arguments in Support

10. Supporters state that Proposition 14 would free candidates to take positions on issues that they feel are right for their constituents (or districts) without fear of retribution from political parties or special interests.

Arguments in Opposition

11. Opponents argue that Proposition 14 will increase the cost of campaigns, because it requires major party members to run two separate election campaigns in which each must reach out to the full electorate.

Supporting

Abel Maldonado (Sponsor of legislation to put Proposition 14 on the ballot)

Allan Hoffenblum, (Publishes the California Target Book)

California Chamber of Commerce

Governor Arnold Schwarzenegger

Latin Business Association

Silicon Valley Leadership Group

Steve Westly (Former controller of California)

Tom Campbell (Candidate for U.S. Senate)

Opposing

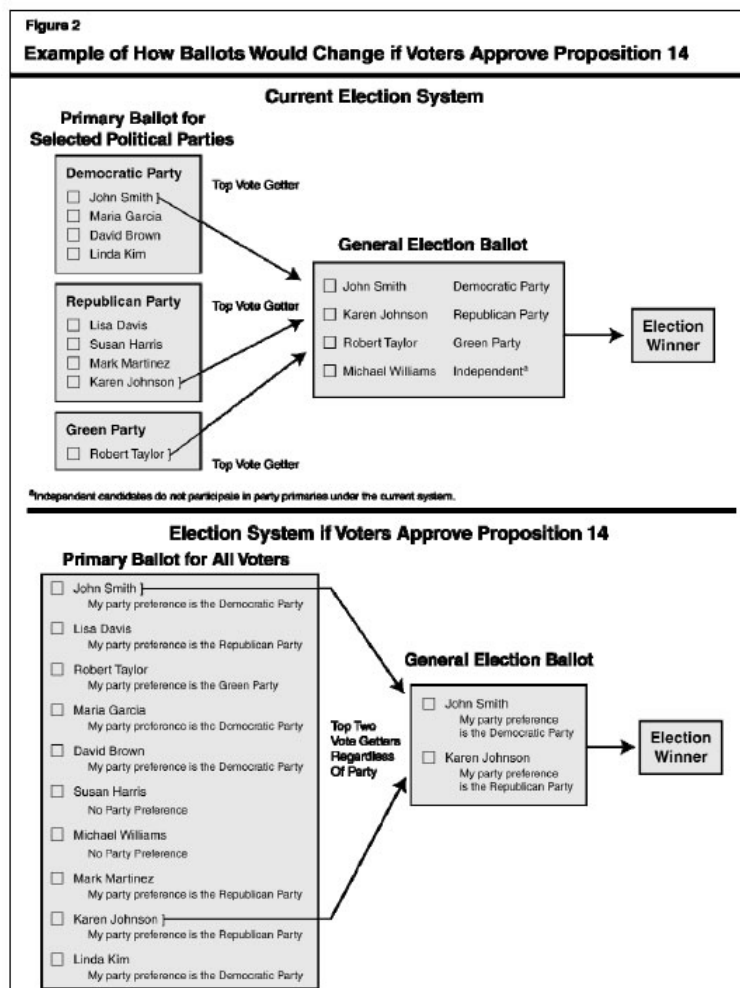
ACLU of Northern California

Assembly Member Manuel Perez

Assembly Member Sandre Swanson

California's Green Party

State Senator Loni Hancock



Proposition 15: California Fair Election Act

Recommended Position

Oppose

Summary

1. Proposition 15 would lift the state ban on public funding for political campaigns and assess 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.

Background

2. Proposition 15 was initially sponsored by Loni Hancock, a Democratic State Senator in the Berkeley area.
3. Proposition 15 is a pilot project that will only apply to political campaigns for the Office of Secretary of State in 2014 and 2018 and would expire January 1, 2019 unless the Legislature extended the expiration date.
4. To receive public funds for a primary election campaign, a candidate for Secretary of State would have to collect a certain number of \$5 contributions (“qualifying contributions”) from registered voters.
5. Candidates seeking a nomination from a major party (a major party defined as one that earned at least 10 percent of the votes in the last gubernatorial or Secretary of State election) must collect 7,500 qualifying contributions (a total of \$37,500).
6. Candidates in other parties must collect 3,750 qualifying contributions (a total of \$18,750). (The Democratic Party and the Republican Party currently count as major parties under this measure. Other parties now count as “minor parties,” but could become major parties based on performance in future elections.)
7. Candidates choosing not to participate would fund campaigns from private sources under existing rules.

Lobbyists Charges:

8. Proposition 15 requires charges for lobbyists, lobbyist firms, and lobbyist employers of \$700 every two years.
9. These charges will be adjusted by the rate of inflation in the future and will serve as the main source of money for the public funding program.
10. As of January 2010, over 4,300 individuals and groups were registered as lobbyists, lobbying firms, or lobbyist employers.
11. If similar numbers of registrations were to occur in the future, this source of revenue would raise about \$6 million every four-year election cycle.

Proposition 14 and Proposition 15 Connection:

12. If approved, Proposition 14 – a constitutional amendment also on the June 2010 ballot – would change the primary and general election system for state offices, including Secretary of State.
13. Proposition 14 makes changes that could conflict with the proposed statutory provisions of the public campaign funding system under Proposition 15.
14. For example, a potential conflict of Proposition 15’s linking of certain funding decisions to participation in a partisan primary election, which would no longer exist if Proposition 14 were to pass.
15. If both measures pass, conflicting provisions of these two measures would have to be reconciled through additional legislation, judicial action, or a future ballot measure.

Arguments in Support

16. Supporters argue Proposition 15 aims to change the way elections are financed, allowing politicians to stay focused on the job we sent them to accomplish.

Arguments in Opposition

17. Opponents point to court rulings in Arizona and Vermont that have struck down similar statutes that required lobbyists to pay fees to fund political campaigns on the grounds that placing these requirements on lobbyists was an "impermissible burden" on their First Amendment rights.

Supporting

(Partial Listing)

SENIORS

AARP

California Alliance of Retired Americans

REFORM

League of Women Voters of California

California Clean Money Campaign

California Common Cause

Change Congress

Demos: A Network For Ideas & Action

Ella Baker Center for Human Rights

Equal Justice Society

Maplight.org

New America Foundation, Political Reform Program

Public Campaign

Southern California Federation of Scientists

LABOR

American Federation of State, County, and Municipal Employees (AFSCME)

California Nurses Association (CNA)

Golden State Jobs Coalition

Dolores Huerta, Co-Founder, United Farm Workers of America, AFL-CIO*

ENVIRONMENTAL

California Coastal Protection Network

Planning and Conservation League

Sierra Club

Dan Silver, Executive Director, Endangered Habitat League*

HEALTH

California Physicians Alliance

California Primary Care Association

Health Care for All – California

Health Care for All of Santa Clara County

CONSUMER

Consumers for Auto Reliability and Safety

Consumer Federation of California

ELECTED OFFICIALS

Congressmember Bob Filner
Congressmember John Garamendi
Congressmember Jackie Speier
Congressmember Lynn Woolsey
State Senate President Pro Tem Darrell Steinberg
State Assembly Speaker Karen Bass
Senator Elaine Alquist
Senator Gilbert Cedillo
Senator Ellen Corbett
Senator Mark DeSaulnier
Senator Dean Florez
Senator Loni Hancock
Senator Christine Kehoe
Senator Mark Leno
Senator Alan Lowenthal
Senator Jenny Oropeza
Senator Fran Pavley
Senator Curren Price
Senator Gloria Romero
Senator Patty Wiggins
Senator Lois Wolk
Senator Leland Yee
Assemblymember Tom Ammiano
Assemblymember Jim Beall
Assemblymember Marty Block
Assemblymember Julia Brownley
Assemblymember Joan Buchanan
Assemblymember Anna Caballero
Assemblymember Charles Calderon
Assemblymember Joe Coto
Assemblymember Mike Davis
Assemblymember Hector De La Torre

Assemblymember Kevin De Leon
Assemblymember Mike Eng
Assemblymember Noreen Evans
Assemblymember Mike Feuer
Assemblymember Paul Fong
Assemblymember Felipe Fuentes
Assemblymember Warren Furutani
Assemblymember Mary Hayashi
Assemblymember Ed Hernandez
Assemblymember Jerry Hill
Assemblymember Jared Huffman
Assemblymember Dave Jones
Assemblymember Ted Lieu
Assemblymember Fiona Ma
Assemblymember Bill Monning
Assemblymember Pedro Nava
Assemblymember Manuel Perez
Assemblymember Anthony Portantino
Assemblymember Ira Ruskin
Assemblymember Mary Salas
Assemblymember Lori Saldana
Assemblymember Nancy Skinner
Assemblymember Sandre Swanson
Assemblymember Alberto Torrico
Assemblymember Tom Torlakson
Assemblymember Mariko Yamada
State Board of Equalization Chair Betty Yee
Former United States Senator George McGovern
Former State Senator Liz Figueroa
Former State Senator Sheila Kuehl
Former Assemblymember Sally Lieber
Former Assemblymember Keith Richman

POLITICAL ORGANIZATIONS

California Democratic Council
Progressive Democrats of America
Progressive Democrats of California

POLITICAL LEADERS

John Burton, Chair, California Democratic Party*
Eric Bauman, Vice Chair, California Democratic Party*
Alexandra Gallardo-Rooker, Vice Chair, California Democratic Party*
Barry Hermanson, Co-Chair, Green Party of California*
Chris Stampolis, Democratic National Committee*

*Organization name is for identification purposes only

Opposing *(Partial List)*

The Institute of Governmental Advocates
The California Chamber of Commerce
The California Fair Political Practices Commission

Proposition 16: Taxpayers Right To Vote Act

Recommended Position

The Chair will lead a discussion after staff gives a report on the Proposition.

Summary

1. 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.

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.

Publicly 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

- | | |
|--|---|
| Alameda County Taxpayers Association | Oakland Builders Alliance |
| Antioch Chamber of Commerce | Oakland Chinatown Chamber of Commerce |
| Bay Area Business Roundtable | Oakland Jobs and Housing Coalition |
| Brentwood Chamber of Commerce | Oakland Metropolitan Chamber of |
| California Chamber of Commerce | Pacific Gas & Electric (Sponsor of the Proposition) |
| California Metals Coalition | Pleasant Hill Chamber of Commerce |
| California Taxpayer Protection Committee | Pleasanton Chamber of Commerce |
| California Taxpayers’ Association | Redwood Empire Business Association |
| Committee on Jobs | Roundtable |
| Contra Costa Taxpayers Association | San Diego Tax Fighters |
| Fresno Area Hispanic Chamber of Commerce | San Leandro African American Business Council |
| Friends of San Leandro Creek Labor | San Leandro Chamber of Commerce |
| Greater Concord Chamber of Commerce | San Leandro Industrial & Technology |
| Hispanic Chamber of Commerce Alameda County | South & West Area Business Association |
| International Brotherhood of Electrical | The Central California Black Chamber of Commerce |
| NAACP East County Branch | Waste Watchers, Inc. |
| Neighborhood Market Association | Workers, Local 1245 |
| Oakland African-American Chamber of Commerce | |

Opposing

- The Utility Reform Network (TURN)
- Sacramento Municipal Utility District (All 7 members oppose)

(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 |
|---------------------------------|-------------------------|

Proposition 17: Continuous Coverage Auto Insurance Discount Act

Recommended Position

Support

Summary

1. Proposition 17 amends Proposition 103 (1988) that authorizes the use of an additional discount on premiums for automobile insurance policies.
2. Proposition 17 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.

Background

3. Automobile insurance is one of the major types of insurance purchased by Californian residents.
4. It accounted for about \$19.7 billion (36 percent) of all premiums collected by California insurers in 2008.
5. Among the types of automobile insurance coverage available is bodily injury liability, which provides protection in the event a motorist physically injures someone else.
6. Proposition 103 (1988) requires the Insurance Commissioner to review and approve rate changes for certain types of insurance, including automobile insurance, before changes to the rates can take effect.
7. Proposition 103 also requires that rates and premiums for automobile insurance policies be set by applying the following rating factors in decreasing order of importance:
 - (1) the insured’s driving safety record;
 - (2) the number of miles they drive each year; and
 - (3) the number of years they have been driving.
8. Furthermore, Proposition 103 (1988) contains a provision related to individuals who were previously uninsured.
9. Specifically, Proposition 103 prohibits insurance companies from using the information that an individual did not previously have automobile insurance to determine whether the individual is eligible for coverage or decide the premiums charged for coverage.

Insurance Premium Tax

10. Insurance companies doing business in California currently pay an insurance premium tax instead of the state corporate income tax.
11. The tax is based on the amount of insurance premiums earned in the state each year for automobile insurance as well as for other types of insurance coverage.
12. For example in 2008, insurance companies paid about \$247 million in premium tax revenues on automobile policies in California. These revenues are deposited into the state General Fund.
13. Proposition 17 amends Proposition 103 (1988) to allow an insurance company to offer a “continuous coverage” discount on automobile insurance policies to new customers who switch their coverage from another insurer.

14. If an insurance company chooses to provide such a discount, it must be based on the length of time the customer continuously had bodily injury liability coverage.
15. Customers would generally be eligible for this discount so long as their coverage had not lapsed for more than 90 days in the past five years, except if any lapse was the result of a failure to pay the premium.
16. Also, customers would still be eligible for this kind of discount under the measure if a lapse in coverage was due to military service in another country.
17. Children residing with a parent could qualify for the discount based on their parent's eligibility.

Arguments in Support

18. Supporters state that Proposition 17 will align California with the vast majority of other states allowing insurers to offer this discount to all drivers who maintain ongoing auto insurance coverage and will also allow consumers to access competitive or lower rates if an insured changes their insurer.

Arguments in Opposition

19. Opponents state that Proposition 17 guts current California law (Proposition 103) which currently prohibits insurance companies from charging customers more just because they didn't have auto insurance coverage in the past and this unfair practice was common prior to Proposition 103.

Supporting

(As of 02/23/2010)

CONSUMERS

California Alliance for Consumer Protection
 Consumers Coalition of California
 Consumers First

CULTURAL

Asian Business Association, Los Angeles
 Asian Business Association, San Diego
 Black Business Association, Los Angeles
 California Black Chamber of Commerce
 California Hispanic Chambers of Commerce
 California League of United Latin American Citizens
 California Mexican-American Chamber of Commerce
 Gold Coast Hispanic Chamber of Commerce

TAXPAYERS

California Taxpayer Protection Committee
 League of Placer County Taxpayers
 Marin United Taxpayers Association
 San Diego Tax Fighters
 Ventura County Taxpayers Association

SENIORS

60 Plus Association
 California Senior Advocates League

VETERANS

American GI Forum of California
 American GI Forum, Modesto Chapter
 California Republican Veterans of America

BUSINESS

Alliance of Insurance Agents and Brokers
American Association of Business Persons with Disabilities
Beaumont Chamber of Commerce
California Chamber of Commerce
Carpinteria Chamber of Commerce
Greater Lakewood Chamber of Commerce
Hollywood Chamber of Commerce
Independent Broker Network
Los Angeles County Business Federation
Mercury Insurance
Oxnard Chamber of Commerce
San Diego East County Chamber of Commerce
Santa Clara Chamber of Commerce
Small Business Action Committee
Small Manufacturers Association of California
Valley Industry and Commerce Association

Opposing

(As of March 1, 2010)

Campaign for Consumer Rights (CCR)

Consumer Watchdog (Group of Consumer advocates based in Santa Monica)

Legislative Report #3

Presentation

Jeremy M. Harris
Legislative Counsel

AB 1704 (Jeffries) Environment: CEQA: Exemption
--

Recommended Position

Support

Summary

1. 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.

Background

2. Current law states that the California Environmental Quality Act (CEQA) requires a lead agency to prepare, or cause to be prepared, and certify the completion of, an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect.
3. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.
4. CEQA exempts specified pipeline projects from the above requirements.
5. AB 1704 additionally exempts projects of CEQA requirements for the replacement of an existing pipeline for the distribution of water within an improved public street, highway, or right-of-way.
6. AB 1704 would also extend to the repairing of existing water pipelines in similar locations.

Arguments in Support

7. AB 1704 will allow local agencies, such as the Elsinore Valley Municipal Water District to save time and money on local water infrastructure projects.

Arguments in Opposition

None on file

Supporting

Elsinore Valley Municipal Water District

Opposing

None on file