



## **2022 Legislative Outcomes September 30, 2022**

To meet the September 30 deadline to sign or veto bills, Governor Gavin Newsom made final decisions on legislation significant to Ag Council's members. Read more about Ag Council's advocacy work on key legislation and the outcomes of those bills below.

### **BUY AMERICAN**

#### **SB 490 (Caballero) Buy American Food Act**

##### **SIGNED INTO LAW BY GOVERNOR NEWSOM**

Ag Council's sponsored measure, SB 490, supports California farmers, food processors and workers by ensuring taxpayer funds are used to procure food aligned with our strong environmental and labor standards. SB 490 passed both chambers of the Legislature by wide margins.

SB 490 requires that state public institutions - receiving federal reimbursement funds to provide prepared meals - include in their bids and contracts that they will only purchase agricultural food products grown and processed in the U.S. unless the imported product is 25 percent or more cheaper than a domestic product. Other exceptions also apply, such as food products not grown in the U.S. in sufficient quantities (bananas are an example).

California's agricultural community achieves exceptional standards to ensure environmental, labor and food safety. SB 490 supports those achieving California's ambitious laws and regulations to produce and process food by helping ensure billions in taxpayer funds are used to purchase food in compliance with our standards and aligned with California's values.

Ag Council appreciates Governor Newsom for recognizing the need for this measure and for signing SB 490 into law on September 27.

### **LABOR**

#### **AB 2183 (Stone) Ag labor relations**

##### **SIGNED INTO LAW BY GOVERNOR NEWSOM**

Among the provisions in AB 2183, it eliminates the right to a secret ballot for farmworkers in a vote regarding whether to unionize, otherwise known as card check. In addition, the bill contains labor neutrality provisions, which raise serious First Amendment concerns about an employer's ability to have an opinion about a union. AB 2183 also has a right to access provision that sidesteps the U.S. Supreme Court's *Cedar Point* decision relating to the taking of property.

Ag Council opposed the bill and requested a veto along with other agricultural and business organizations. However, the governor signed the bill into law on September 28.

#### **SB 1162 (Limon) Pay data reports**

##### **SIGNED INTO LAW BY GOVERNOR NEWSOM**

An amendment was adopted in August to remove the mandate in SB 1162 that pay data reports be publicly posted onto a state website. This was a substantial change given the reports would have

included each employer's business name. Ag Council lobbied with a coalition to urge this critical amendment be adopted, and it is in the final bill.

Ag Council remained opposed to the measure given it requires the release of employee pay data to other employees upon request for businesses with 15 or more employees, in addition to other provisions. Such information will likely sow discord among employees without truly alleviating pay discrepancies.

### **AB 2243 (Garcia, E.) Cal/OSHA Wildfire smoke and heat illness standards**

#### **SIGNED INTO LAW BY GOVERNOR NEWSOM**

This measure requires changes to Cal/OSHA wildfire smoke and heat illness regulations that are not needed. A regulation regarding wildfire smoke became permanent in 2020. The same goes for heat illness where an outdoor standard already exists in California and a thorough stakeholder process has taken place for a soon-to-be released indoor heat illness standard.

Ag Council opposed AB 2243 and requested a veto because it is unnecessary and would subvert the existing regulatory process. Unfortunately, the governor signed the bill into law.

### **SB 1044 (Durazo) Employers: emergency condition**

#### **SIGNED INTO LAW BY GOVERNOR NEWSOM**

Ag Council opposed SB 1044, which allows an employee to leave work or refuse to come to work if the employee has a reasonable belief the worksite is unsafe. An employee is required to notify the employer of the emergency condition requiring the employee to leave or refuse to report to the worksite.

Amendments to the bill in August clarify the bill is not intended to apply when emergency conditions posing an imminent and ongoing risk of harm to the workplace, the worksite, the worker, or the worker's home have ceased.

Another amendment provides the employer with a "right to cure" under the bill in the event an employee files a legal action against the employer.

## **PESTICIDES**

### **AB 2146 (Bauer-Kahan) Neonicotinoid pesticides, prohibited nonagricultural use**

#### **VETOED BY THE GOVERNOR**

AB 2146 would have required the director of Department of Pesticide Regulation (DPR) to prohibit the sale, possession, or use of neonicotinoid pesticides, except for use on an agricultural plant, as defined. The bill allows DPR to authorize the use of these pesticides if the director finds that it would address a valid environmental emergency and there are no other, less harmful alternatives.

Ag Council appreciates that agricultural use would have been allowed to continue under this bill and that the author accepted amendments in August to make it feasible to address pest and disease infestations in fruit and nut trees in non-agricultural areas.

However, AB 2146 raised serious concerns about legislative intervention to whittle away the authority of DPR and the California Department of Agriculture's (CDFA) to make science-based decisions relating to pest and disease outbreaks. Any steps that make it more difficult to fight pests in California frankly leaves agriculture more vulnerable.

For those reasons, we thank the governor for vetoing this bill.

## **CLIMATE**

### **AB 2133 (Quirk) Global Warming Solutions Act**

#### **FAILED IN ASSEMBLY**

AB 2133 would have mandated that the California Air Resources Board (CARB) designate a statewide greenhouse gas emissions (GHG) reduction standard of at least 55 percent below 1990 levels by 2030, which far exceeds the current standard of 40 percent below 1990 levels by 2030.

Ag Council opposed this measure because advancing the GHG reduction target unravels the cap-and-trade agreement negotiated just a few years ago and would set an unachievable mandate for our members in the cap-and trade program.

### **SB 260 (Wiener) Climate Corporate Accountability Act**

#### **FAILED IN ASSEMBLY**

Businesses subject to SB 260 would have been required to report GHG emissions data from throughout the entire supply chain, known as scope three emissions, which are emissions not controlled by the business itself, including waste, water use, employee commutes, and other activities. There is currently not an accurate mechanism to account for scope three emissions.

Ag Council opposed SB 260 due to the scope three emissions reporting mandate in the bill, the civil lawsuit provision, and the fact that California already has the most aggressive climate goals in the nation.

### **SB 1391 (Kamlager) Price Ceiling in Cap-and-Trade Law**

#### **FAILED IN THE ASSEMBLY**

The bill would have undermined the significant cost containment mechanisms in cap-and-trade by forcing CARB to review and potentially change allowances and offsets. These cost containment provisions under cap-and-trade are needed to prevent market volatility. This measure was not needed because cap-and-trade is regularly evaluated by CARB.

Ag Council opposed the bill and is pleased it failed because it threatened to dismantle the price ceiling and offset provisions in cap-and-trade, which are necessary to contain costs.

### **AB 1727 (Garcia, C.) Natural and working lands emissions goals**

#### **SIGNED INTO LAW BY GOVERNOR NEWSOM**

Though this measure eliminated the overreaching carbon removal requirements that were in a prior version, the bill is not necessary because there is already a stakeholder process taking place at CARB within the Natural and Working Lands Climate Smart Strategy to set goals. Among its provisions, AB 1727 creates an expert committee to advise CARB on natural and working lands, and the committee would not include one farmer or rancher.

Ag Council opposed this measure because it is not needed. However, it is part of the governor's climate package, and he signed it on September 16.

## **AB 1279 (Muratsuchi) California Climate Act**

### **SIGNED INTO LAW BY GOVERNOR NEWSOM**

AB 1279 sets the policy of California to achieve net-zero GHG emissions no later than 2045. It requires CARB, by December 2035, to evaluate the feasibility of achieving an 85 percent emissions reduction goal relative to alternative scenarios to attain the net zero emissions goal. This bill is contingent upon enactment of SB 905 (Caballero), and that bill is described below.

Ag Council did not support this measure. However, it is part of the governor's climate package, and he signed it into law on September 16.

## **SB 905 (Caballero & Skinner) Carbon sequestration**

### **SIGNED INTO LAW BY GOVERNOR NEWSOM**

SB 905 requires CARB to establish a Carbon Capture, Removal, Utilization, and Storage Program. The bill also mandates CARB to adopt a unified permit application for CO<sub>2</sub> projects, including measures to minimize certain environmental and seismic impacts, in addition to monitoring and reporting of seismic activity and air pollution.

SB 905 is part of the governor's climate package, and he signed it into law on September 16.

## **AB 2550 (Arambula) San Joaquin Valley Air Pollution Control District (SJVAPCD)**

### **VETOED BY THE GOVERNOR**

Ag Council is pleased the governor vetoed AB 2550 because it would have mandated more bureaucracy at the state level without reducing any emissions or benefitting human health. This bill would have required CARB to hold at least one public hearing regarding SJVAPCD's attainment plan, data, and enforcement practices. It also would have required CARB to create a report and intervene to develop regulations the SJVAPCD must follow to meet federal air standards, adding more regulatory layers without actual air quality benefits.

Ag Council opposed AB 2550, along with other organizations and the SJVAPCD, and thanks the governor for vetoing this measure. Instead of bills like AB 2550, the state should continue to incentivize emissions reductions through existing programs, rather than creating more obstacles and red tape within regional and state entities.

## **ENERGY**

## **SB 846 (Dodd) Diablo Canyon Nuclear Power Plant**

### **SIGNED INTO LAW BY GOVERNOR NEWSOM**

The legislation provides a mechanism to relicense Diablo Canyon Nuclear Power Plant (DCPP) as a carbon-free source of electricity in California. The bill invalidates the retirement of DCPP and instead creates new retirement dates of 2029 for Unit 1 and 2030 for Unit 2.

DCPP supplies California with nearly nine percent of its electricity supply and 17 percent of its carbon-free electricity supply. SB 846 was negotiated with Governor Newsom, and he signed the bill on September 2.

## **SB 1020 (Laird) – Renewable Energy & Zero Carbon Mandate**

### **SIGNED INTO LAW BY GOVERNOR NEWSOM**

This bill mandates that renewable energy from zero carbon sources must supply 90 percent of all retail sales of electricity to California end-use customers by December 2035 and 95 percent by December 2040, as the state moves toward its existing 100 percent clean electricity goal by 2045.

The governor supported SB 1020 as part of his climate package, and he signed it into law on September 16.

## **PACKAGING**

### **AB 2784 (Ting) Thermoform plastic containers**

#### **VETOED BY THE GOVERNOR**

This bill would have required thermoform plastic containers to contain specified amounts of postconsumer thermoform recycled plastic.

Though amendments were added to the bill to address policy issues, Ag Council opposed this measure given that SB 54 – the statewide single-use packaging measure – was recently signed into law in June. The state should focus implementation of SB 54, which is a substantial piece of legislation, and not add new mandates, such as those in AB 2784.

Ag Council appreciates the governor’s veto of AB 2784.

### **SB 54 (Allen) Plastic Pollution Producer Responsibility Act**

#### **SIGNED INTO LAW BY GOVERNOR NEWSOM**

SB 54 passed the Legislature on June 30 and signed into law by Governor Newsom. For Ag Council’s overview of this significant statewide packaging law, please go to Ag Council’s July 1, 2022 blog post on our website, or paste the following in your web browser:

<https://agriculturalcouncil.com/governor-signs-statewide-packaging-measure-into-law/>

## **SUPPLY CHAIN**

### **AB 2406 (Aguiar-Curry) Protection against excessive demurrage fees**

#### **SIGNED INTO LAW BY GOVERNOR NEWSOM**

This bill protects California businesses from being charged excessive and unfair fees (detention/demurrage) by intermodal marine equipment providers (Equipment Providers authorizing delivery or receipt of a container) for reasons outside the control of the business by clarifying and modernizing current state law.

Specifically, the bill expands state law to protect against unfair demurrage fees by: modernizing the reference of “intermodal marine terminal” to include Equipment Providers who rent out export containers, extends protections to new types of fees being imposed by Equipment Providers, adds canceled vessels and unilaterally delayed early return dates to conditions for waiving late return charges (per diem/demurrage), and adds lack of appointments and appointment restrictions to conditions for waiving late return charges (per diem/demurrage).

Ag Council supported AB 2406 and thanks the governor for signing it into law.

## **TAX CREDIT**

### **AB 1951 (Grayson) – Manufacturing tax credit**

#### **VETOED BY THE GOVERNOR**

Ag Council and others in the business and manufacturing communities supported AB 1951 to implement a sales and use tax exemption for the purchase of manufacturing and R&D equipment.

The measure would have helped expand investment and production opportunities in California by broadening the current partial exemption, which is narrow and currently provides only a minimal exemption.

Unfortunately, Governor Newsom vetoed AB 1951 stating it would “result in substantial revenue loss to local governments.”

## **WATER**

### **AB 2201 (Bennett) Groundwater well permit requirements**

#### **NOT CONSIDERED DUE TO OPPOSITION IN THE ASSEMBLY**

AB 2201 would have interfered with the right to beneficially use groundwater, added costly technical requirements to groundwater permit applicants, and farmers seeking to replace an existing well would have been subjected to the provisions in the bill. Legal challenges were likely given that the 30-day website posting requirement in AB 2201 may have triggered the California Environmental Quality Act (CEQA).

Further, AB 2201 was not needed given Governor Newsom issued a March 2022 Executive Order to increase transparency for groundwater permits during the drought emergency.

Ag Council worked with a coalition to oppose AB 2201 and is pleased the bill was not considered on the last day of session because the author could not garner the votes needed.

***Please note, this document is a snapshot of legislation primarily related to the end of the legislative session, and it is not a comprehensive overview of all bills considered in 2022.***