

Forest Landowners of California

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KP PUBLIC AFFAIRS

Legislative State of Play

- First year of a two-year session (2023-24)
- 35 new legislators
- Democratic supermajority in both houses; Gov Newsom in last term
- New chairs for some Senate and Assembly Committees
- **New Assembly Leader to be installed after June 30th – Assembly Member Robert Rivas**
- **2,600 bills introduced in the first year**
  - 1,700 Assembly bills
  - 900 Senate bills
  - About 40% (1,000) were “spot or placeholder bills” that have been recently amended or have been shelved as two-year bills

Key 2023 Legislative Dates

- ✓ **February 17th** Deadline to introduce new bills
- ✓ **April 28th** Deadline to pass bills from policy committee
- ✓ **June 2nd** **Deadline to pass bills from house of origin**
- ✓ **June 15th** **Deadline for Legislature to pass budget**
- **June 30th** Deadline for Governor to sign budget
- **July 14th** Deadline to pass bills from policy committee in second house
- **July 14th** Summer Recess Begins
- **August 14th** Legislature Returns
- **September 14th** **Deadline to pass all bills from Legislature**
- **October 14th** Deadline for Governor to sign/veto bills

Governor Newsom's Proposed 2023-24 Budget

- **Gov's January Budget** - proposed $224 billion in spending but with a **$23 billion budget deficit**
- **Priorities –**focused on health care, education and tackling the state's homelessness and housing crisis
- **Budget Problem Much Worse -** state facing a bigger budget deficit; **LAO forecasts deficit at $30-$35 billion**
- **May Revise** - Gov. will release May 12th with uncertainties – tax returns not due until October, capital gains are down, Silicon Valley job losses, high wage earners leaving state, and higher interest rates due to inflation
- **What about those reserves? - state has $35 billion in reserves**, but Gov does not want to use it; Assembly legislative leadership may force the issue
- **Delays, shifts and cuts** – reduces multiyear climate spending by $6 billion through deferrals, reductions, and trigger cuts; but this is only 11% from a $54 billion five-year plan climate change spending plan
- **"Trigger cuts" of $4 billion** could be restored if revenues increase or federal funding (i.e., Inflation Reduction Act) comes through

Governor Newsom's Proposed 2023-24 Wildfire Budget

- **Maintains $2.7 billion** of the $2.8 billion provided over the last four budget cycles – **wildfire and forest resilience funds**
- Proposes $117 million for Wildfire Prevention Grants
- **Biomass funding increase** – proposes $5 million more to fund transportation costs
- **Proposes $100 million cut from some wildfire programs** (i.e., maintaining state-owned land, conducting defensible space inspections, and workforce training)
- LAO recommends rejecting proposed $5 million cut for home hardening
- **G.O. Bonds in the works -** possible 2024 wildfire, flood, water, and climate change on on the table
- **Inflation Reduction Act funding?** – federal government has about $2 billion dedicated for "hazardous fuel reduction" across federal lands; how much will CA get and when?

Senate Democrats Budget Plan

- Promote clean, affordable, and reliable energy.
- Fight climate change and effectively reduce GHG emissions in all sectors of the economy.
- **Continue progress in reducing wildfire risk through a broad portfolio of actions.**
- Improve drought resiliency of the state's water supply.
- Improve Flood Protection in Central Valley and elsewhere.
- Protect the state's coastal and inland areas from sea level rise.
- **But Senate Dem Plan increases and shifts taxes** - California's corporate income/franchise tax rate would increase to 10.99% (from 8.84%) for corporations with taxable income over $1.5 million; smaller to medium size businesses could pay less
- Governor indicates initial opposition to the Senate tax plan

2023 Notable Legislation

LABOR ISSUES

- **AB 338 (Aguiar-Curry)** would make it more challenging and costly to reduce future catastrophic wildfires by expanding the definition of "public works" to include publicly funded fuel reduction work that is done under contract as part of a fire mitigation project and falls within an approved apprenticeship program in the building and construction trades. This would include the payment of prevailing wage for any fuel reduction work done under contract in excess of $100,000 that is paid in whole or in part out public funds as part of a fire mitigation project such as rural road fuel breaks, tree thinning, vegetation management, and fire breaks. Appropriations Suspense File. **OPPOSE**

- **State Fiscal Impact:** Potential significant costs to CALFIRE to ensure grantees comply with public works law, increase state General Fund costs, and put cost pressure on greenhouse gas reduction funds to fund more fuel reduction projects. **Governor vetoed similar bill last year but requested CALFIRE to work with author on reaching a possible solution.**

- **Opponents Include:** Forest Landowners of California, California Licensed Foresters Association, Associated California Loggers, California Forestry Association, Kern County, Mountain Counties Water Resources Association, Rural County Representatives of California (RCRC)

2023 Notable Legislation

BIOMASS STUDY

- **AB 998 (Connolly)** would require the CA Energy Commission to issue a comprehensive report by December 31, 2024, on utility-scale biomass combustion facilities still in operation as of January 1, 2024, including:

  - 1) an assessment of biomass facilities that are able to process forest biomass and material resulting from vegetation management and forest treatment projects;

  - 2) an assessment of the role that each biomass facility can play in achieving the state's forest health improvement and wildfire risk reduction objectives;

  - 3) a strategy to modernize or upgrade biomass combustion facilities while considering impacts to disadvantaged communities, rural forested or agricultural communities, and job creation; and

  - 4) recommendations on how to replace baseload power if these biomass facilities ceased operation. **SUPPORT**

2023 Notable Legislation

BIOMASS UTILIZATION

- **AB 625 (Aguiar-Curry)** among other things would codify recommendations in the state's *Forest Biomass Utilization Plan,* including the following:

  - Establishes the Forest Waste Biomass Utilization Program at the Board of Forestry to help increase the use of forest biomass waste and develop a workforce training program;

  - Requires the California Natural Resources Agency to integrate recommendations for forest biomass waste utilization in state climate adaptation plans;

  - Requires the CA Air Resources Board to include emissions from wildfires, pile burning and forest management activities in the GHG emissions inventory;

  - Requires CA Energy Commission to submit a report to the Legislature that evaluates innovative bioenergy technologies that use forest biomass; and

  - Requires the CPUC to indefinitely extend the BioMAT program beyond the 2025 sunset until the allotted 250 MW are procured. **SUPPORT**

2023 Notable Legislation – continued

FOREST and LAND MANAGEMENT

- **AB 297 (Fong)** would extend from January 1, 2024, to January 1, 2034, the CalFire Director's authority to use advance payments from a grant program to fund fire prevention and home hardening education activities. Appropriations Suspense File. **SUPPORT**

- **AB 692 (Patterson)** would, until January 1, 2030, exempt from CEQA an egress route projects undertaken by a public agency to improve emergency access to and from a subdivision without a secondary egress route if the Board of Forestry and Fire Protection has recommended the creation of a secondary access to the subdivision and certain conditions are met. CAL FIRE estimates a one-time cost of approximately $1 million for staff resources and equipment in year one and ongoing annual costs of approximately $858,000; CDFW estimates costs of approximately $1.7 million in fiscal year (FY) 2023-24 and $1.6 million in FY 2024-25 and a need for seven positions. Appropriations Suspense File. **SUPPORT**

- **AB 1554 (Patterson)** would expressly exempt from CEQA a fuels reduction projection in areas within moderate, high, and very high fire hazard severity zones. **POSSIBLE SUPPORT**. **TWO-YEAR BILL**

2023 Notable Legislation – continued

FOREST and LAND MANAGEMENT

- **AB 388 (Connolly)** would require CALFIRE Director to establish a roadmap for developing and deploying larger landscape level projects to achieve the goals outlined in the Wildfire and Forest Resilience Action Plan, and authorizes CALFIRE to award regional forest health and fire resilience block grants. Suspense File. **POSSIBLE SUPPORT**

- **SB 620 (McGuire)** would provide a framework for low impact camping and allow landowners to provide recreational opportunities for economic purposes by allowing low impact camping (less than 9 sites) to avoid duplicative state regulations in return for more local government oversight, including compliance with fire safety and public health ordinances. Suspense File. **POSSIBLE SUPPORT**

- **SB 841 (Dahle)** would expand definition and boundaries of Sierra Nevada Conservancy. **WATCH**

2023 Notable Legislation – continued

MISCELLANEOUS

- **SB 436 (Dodd)** would require the Office of Energy Infrastructure (Office) to prepare a Wildfire Risk Baseline and Forecast for the state by April 1, 2025, and every 3 years thereafter; would also require the forecast to establish key risk metrics for wildfire risk for the entire state; and would require OES to prepare a Wildfire Risk Mitigation Planning Framework by January 1, 2025, and every 3 years thereafter, that quantitatively evaluates wildfire risk mitigation actions. The wildfire mitigation plan would be used to hold electrical corporations accountable for reducing wildfire risks. OES estimates costs of approximately $3 million annually to comply with the bill. Suspense File. **WATCH CLOSE**

- **AB 1159 (Aguiar-Curry)** would prohibit natural and working lands projects and actions that receive state funding from being eligible to generate credits under any market-based compliance mechanism for any GHG emissions reduced or removed as a result of the state funding. Goal is to prevent double counting of emission reductions. Suspense File. **WATCH CLOSE**

- **SB 12 (Stern)** would require the state board to ensure that statewide greenhouse gas emissions are reduced to at least 55% below the 1990 level by no later than December 31, 2030. **WATCH CLOSE**

Water / Wildfire / Climate Change Bonds

WILDFIRE, FLOOD, WATER and CLIMATE CHANGE BONDS

- **SB 638 (Eggman)** would enact a $6 billion general obligation bond known as the Climate Resiliency and Flood Protection Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds for flood protection and climate resiliency projects. **WATCH**

- **SB 867 (Allen)** would enact a $15.5 billion general obligation bond known as the Drought, Flood, and Water Resilience, **Wildfire, and Forest Resilience**, Coastal Resilience, Extreme Heat Mitigation, Biodiversity, and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024. If approved by voters, it would fund projects for drought and water resilience, wildfire and forest resilience, coastal resilience, extreme heat mitigation, biodiversity and nature-based climate solutions, climate smart agriculture, park creation and outdoor access programs, and clean energy. **$3 billion would be dedicated to wildfire prevention. WATCH**

- **AB 1567 (Garcia)** would enact the $15 billion Safe Drinking Water, **Wildfire Prevention**, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2024, which, if approved by the voters at the March 5, 2024, statewide primary election, would authorize the issuance of bonds to finance projects for safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, and workforce development programs. **$2 billion would be dedicated to forest health. WATCH**



QUESTIONS?

