

CALIFORNIA COASTAL COMMISSION

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DATE: June 7, 2017

TO: Coastal Commission and Interested Persons

FROM: John Ainsworth, Executive Director
 Sarah Christie, Legislative Director

SUBJECT: LEGISLATIVE REPORT FOR JUNE, 2017

CONTENTS: This report provides summaries and status of bills affecting the Coastal Commission and California's Coastal Program, and coastal-related legislation identified by staff.

Note: Information contained in this report is accurate as of June 1, 2017. Recent amendments are summarized in *italics*. Bill text, votes, committee analyses and current status of any bill may be viewed on the California Legislature's Homepage at <http://leginfo.legislature.ca.gov/>. This report can also be accessed through the Commission's Homepage at www.coastal.ca.gov

 2017 Legislative Calendar

Jan 1	Statutes take effect
Jan 4	Legislature reconvenes
Jan 10	Budget Bill must be submitted by Governor
Jan 15	Last day for committees to hear and report 2017 bills introduced in their house
Jan 20	Last day to submit bill requests to Office of Legislative Counsel
Feb 17	Last day for bills to be introduced
Feb 20	President's Day Observed
March 31	Cesar Chavez Day Observed
April 6	Spring Recess begins upon adjournment
April 17	Legislature reconvenes from Spring Recess
April 28	Last day for policy committees to hear and report fiscal bills
May 12	Last day for policy committees to hear and report non-fiscal bills out of house of origin
May 26	Last day for fiscal committees to hear and report bills to the Floor
May 29	Memorial Day Observed
May 30-June 2	Floor session only
June 2	Last day for each house to pass bills introduced house of origin
June 5	Committee meetings may resume
June 15	Budget Bill must be passed by midnight
July 14	Last day for Policy committees to hear and report fiscal bills
July 21	Last day for policy committees to meet. Summer Recess begins upon adjournment
Aug 21	Legislature reconvenes from summer recess
Sep 1	Last day for fiscal committees to meet and report bills to the Floor
Sep 8	Last day to amend bills on the Floor
Sep 15	Last day for Legislature to pass bills. Interim recess begins upon adjournment
Oct 15	Last day for Governor to sign or veto bill

PRIORITY LEGISLATION

AB 18 (Eduardo Garcia) California Clean Water, Climate, Coastal Protection and Outdoor Access For All Act of 2018

This bill would enact the above titled Bond Act, which, if adopted by the voters at the June 5, 2018 statewide election, would authorize the issuance of State General Obligation Bonds in the amount of \$3.1 billion, to finance specified programs. The sum of \$95 million would be allocated to the State Coastal Conservancy for coastal resource protection purposes and completion of the Coastal Trail; \$30 million would be allocated to the California Climate Resilience Account to assist coastal communities with adaptation measures, and \$600 million, subject to appropriation by the Legislature, would be available to plan, develop and implement climate adaptation projects that protect coastal and rural communities adapt to climate change impacts. *Amendments of 03/08 added \$100,000,000 to fund lower cost visitor serving projects on coastal public lands or coastal lands owned by non-profits.*

Introduced 12/05/16
Last Amended 03/08/17
Status Senate Rules.

AB 96 (Ting) Budget Act of 2017-18

This bill will make appropriations in support of the State of California for public purposes, including the California Coastal Commission's annual budget.

Introduced 01/10/17
Status Assembly Budget Committee.

AB 184 (Berman) Sea level rise planning: data base

This bill would repeal Section 30968 of the Public Resources Code, deleting the January 1, 2018 sunset date for agencies to regularly submit specified information to the Natural Resources Agency for inclusion in the state's Sea Level Rise Data Base. *Amendments of 05/23 extend sunset date to January 1, 2023.*

Introduced 01/19/17
Last Amended 05/23/17
Status Senate Natural Resources and Water Committee.

AB 250 (Gonzalez) State Coastal Conservancy: Lower Cost Coastal Accommodations Program

This bill would direct the State Coastal Conservancy to work with State Parks and the Coastal Commission to prepare and implement a Lower Cost Visitor Serving Accommodations plan within and adjacent to the coastal zone. The bill would authorize the Conservancy to identify and test various measures that support the identification, development, improvement and operation of lower cost accommodations by private entities. *Amendments of 05/30 authorize in lieu fees that have been assessed but not expended by January 1, 2018 to be expended by the Conservancy for projects meeting the criteria of this bill, upon appropriation by the Legislature or allocation by a local public agency to the Conservancy.*

Introduced 01/30/17
Last Amended 05/30/17
Status Senate Rules Committee.

Commission Position Support

AB 336 (Oberholte) Water supply: new residential development: building permits

This bill would allow the issuance of a building permit where the source of the water supply is delivered from a legal source by a licensed hauler. Existing law prohibits new residential development where the water supply would be provided by bottled water, a vending machine or a water hauler.

Introduced 02/08/17
Last Amended 03/27/17
Status Senate Rules Committee.

AB 388 (Mullin) Greenhouse Gas Reduction Fund: wetland restoration projects

This bill will authorize the use of GGRF moneys for the beneficial reuse of dredged materials for wetland restoration projects.

Introduced 02/09/17
Last Amended 03/23/17
Status Senate Rules Committee.

AB 457 (Cunningham) Saline water conversion: Diablo Canyon Nuclear Plant

This bill would require the Public Utilities Commission to contract with an independent third party to study of the feasibility of utilizing Diablo Canyon's existing desalination facility for local water use as part of the decommissioning process.

Introduced 02/13/17
Last Amended 05/26/17
Status Senate Rules Committee.

AB 494 (Bloom) Land use: accessory dwelling units

This bill makes minor clarifications to Government Code Section 65852.2, related to accessory dwelling units (ADUs). The bill clarifies that ADUs may be rented separately from the main house, defines “tandem parking” and clarifies that a studio, pool house, or other similar structure may be converted to an ADU consistent with the requirements of the section. *Amendments of 03/28 provide that parking requirements for ADUs cannot exceed one space per unit or per bedroom, whichever is less, and that no setback is required for an existing garage that is converted to a portion of an ADU.*

Introduced 02/13/17
Last Amended 03/28/17
Status Senate Rules Committee.

AB 498 (Harper) Fire rings: beaches

This bill states the intent of the Legislature to enact legislation related to public beaches and fire rings.

Introduced 02/13/17
Status Assembly Rules Committee.

AB 554 (Cunningham) Desalination: statewide goal

This bill would establish a statewide goal of desalinating 300,000 acre-feet per year of drinking water by 2025, and 500,000 acre-feet per year by 2030. *Amendments of 03/27 make non-substantive changes to the findings portion of the bill.*

Introduced 02/14/17
Last Amended 03/27/17
Status Assembly Appropriations Committee. Held Under Submission.

AB 663 (Bloom) Coastal resources: housing

This bill would reinstate the Coastal Act affordable housing policies that were repealed in 1981. The bill would also repeal language precluding the Commission from requiring local governments to include affordable housing policies in their LCPs. *Amendments of 04/19 add a 5 year sunset provision.*

Introduced 02/14/17
Last Amended 04/19/17
Status Assembly Inactive File.

Commission Position Support

AB 684 (Stone) California Coastal Commission: ex parte communications: data base

This bill would require the Commission, by July 1, 2018, to develop and implement an online data base for the reporting of ex parte communications. *Amendments of 04/17 specify that the database must be publicly searchable, and that all ex-parte communications must be posted on line within 7 days of the communication. Communications taking place less than 7 days prior to the hearing must be posted on line prior to the beginning of the meeting at which the matter is to be discussed.*

Introduced 02/15/17
Last Amended 04/17/17
Status Senate Rules Committee.

AB 725 (Levine) State beaches and parks: smoking ban

This bill would make it a civil misdemeanor to smoke cigars or cigarettes on state coastal beaches, punishable by fines up to \$250. The bill would authorize the State Parks Director to post signs regarding smoking restrictions, as well as to designate areas within a state park unit that is exempt from the ban.

Introduced 02/15/17
Status Senate Rules Committee.

AB 816 (Kiley) Webcasts of public meetings and workshops

This bill would require all boards and commissions within the Natural Resources Agency and the Environmental Protection Agency provide a live webcast of all public meetings in a manner that allows for listeners and viewers to provide public comment. The bill does not apply to meetings held at “non-agency” sites as defined: “A location other than agency headquarters or state government buildings or facilities where the primary operations of the agency...take place.”

Introduced 02/15/17
Status Senate Rules Committee.

AB 1077 (O'Donnell) Off-highway vehicles

This bill would indefinitely extend the authorization for the Department of State Parks' authorization to administer the Off-Highway Motor Vehicle Recreation Program. Amendments of 04/05 extend the sunset date to *January 1, 2019, unless a specified report is not received by the Legislature by January 1, 2018, in which case the act would be repealed on July 1, 2018.*

Introduced 02/16/17
Last Amended 04/05/17
Status Assembly Appropriations Committee. Held Under Submission.

AB 1129 (Stone) California Coastal Commission

This bill would require that shoreline protective devices and would amend PRC 30235 to define “existing structure” as structures built prior to January 1, 1977, and to specify that shoreline protective devices must be approved consistent with Coastal Act policies protecting public access, shoreline ecology, natural landforms and other impacts on coastal resources. The bill would specify that emergency permits issued for shoreline protective devices are intended to allow the minimum amount of temporary development necessary to address the emergency situation. The bill would also amend PRC 30821 to allow for the imposition of administrative penalties for unpermitted shoreline protective devices.

Introduced 02/17/17
Last Amended 02/09/17
Status Assembly Inactive File.
Commission Position Support

AB 1151 (Gloria) Vaquita-harmful fish and fish products

This bill would make it unlawful to sell, offer for sale, trade or distribute fish or fish products whose capture methods are harmful to the critically endangered vaquita, the world's smallest and most rare cetacean, found only in the northern Gulf of Mexico. This bill would prohibit the sale of fish species which are caught through the use of gill nets in vaquita habitat. *Amendments of 05/30 would require the Department of Fish and Wildlife to adopt regulations to enforce the prohibition by January 1, 2019, and prohibit the Department from taking any enforcement actions pursuant to the regulations prior to July 1, 2019.*

Introduced 02/17/17
Last Amended 05/30/17
Status Senate Rules Committee.

AB 1281 (Limon) State parks: climate change: study

This bill would require the Department of Parks and Recreation to conduct a study that includes recommendations for actions needed to address the impacts of climate change at state parks by July 1, 2018.

Introduced 02/17/17
Last Amended 03/30/17
Status Senate Rules Committee.

AB 1282 (Mullin) Transportation Permitting Task Force

This bill would require the Natural Resources Secretary to establish an interagency Transportation Task Force consisting of specified agencies including the Coastal Commission, for the purpose of establishing early engagement practices and deadlines for permitting transportation projects. The Secretary would prepare and submit a report to the Legislature on the taskforce's findings.

Introduced 02/17/17
Last Amended 04/04/17
Status Senate Rules Committee.

AB 1594 (Bloom) Ocean protection: plastic pollution

This bill would require the Ocean Protection Council on or before March 1, 2018, to complete exiting data on the primary sources of plastics pollution in the ocean, as determined by an analysis of coastal cleanup efforts in the state. The report would include recommendations to the Legislature regarding possible legislative actions or other measures to reduce plastics pollution in coastal beaches and ocean waters. The bill would also require the Council to report to the Legislature on the status of the OPC's 13-point plan to prevent and reduce marine debris, as outlined by the Council's 2007 resolution.

Introduced 02/17/17
Last Amended 04/17/17
Status Senate Rules Committee.

AB 1642 (Caballero) California Coastal Commission: ex parte communications: disclosure

This bill would require the Director of the Coastal Commission to post all written ex parte communication disclosures on the Commission’s internet website.

Introduced 02/17/17
Status Assembly Rules Committee.

SB 5 (De Leon) California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All Act of 2018

This bill would enact the above titled Bond Act, which, if adopted by the voters at the June 5, 2018 statewide election, would authorize the issuance of State General Obligation Bonds in the amount of \$3 billion, to finance specified programs. Half of the funding would go toward investments in park, trails and other projects that promote social and environmental equity and enhance disadvantaged communities, and half would be spent on clean drinking water and drought preparedness projects. Of the \$400 million for climate adaptation and resiliency projects, unspecified amounts would be allocated to the Ocean Protection Trust Fund, the San Francisco Bay Area Conservancy Program and the State Coastal Conservancy. *Amendments of 05/26 direct agencies receiving funding from this measure to conduct outreach to diverse populations, and take actions to increase visitation and access by diverse and minority populations.*

Introduced 12/05/16
Last Amended 05/26/17
Status Assembly Rules Committee.

SB 42 (Hill) Public lands: Martins Beach: property acquisition

This bill would create the Martins Beach Subaccount within the Land Bank Fund, and make an appropriation \$360,000 from the General Fund to the subaccount to enable the State Lands Commission (SLC) to purchase of a public right-of-way to Martins Beach in San Mateo County. The bill would authorize the SLC to transfer up to \$1 million for expenditure to secure said access, either through eminent domain or negotiated settlement. This bill requires a 2/3 vote. Amendments of 05/26 authorize the SLC to deposit funds from San Mateo County into the Subaccount.

Introduced 12/05/16
Last Amended 05/26/17
Status Assembly Rules Committee.

SB 44 (Jackson) Coastal Oil Well Cleanup Act

This bill would require the State Lands Commission (SLC) to conduct a statewide assessment of improperly abandoned “legacy” oil wells along the coast for which there is no responsible party; identify those with a high priority for remediation; survey and monitor natural oil seeps in state waters, begin remediation efforts in cooperation with the Department of Oil Gas and Geothermal Resources, and allocate \$2 million per year from State Tidelands Revenue to support the program. *Amendments of 5/26 require the SLC to report annually to the Legislature and specified committees on the activities and effectiveness of the program.*

Introduced 12/05/16
Last Amended 05/26/17
Status Assembly Appropriations Committee
Commission Position Support

SB 96 (Committee on Budget and Fiscal Review) Budget Act of 2017-18

This bill will make appropriations in support of the State of California for public purposes including the California Coastal Commission’s annual budget.

Introduced 01/10/17
Status Senate Budget Committee.

SB 188 (Jackson) State lands: leasing; oil and gas

This bill would prohibit the State Lands Commission from entering into any new lease or other conveyance that authorizes the exploration, development or production of oil and natural gas on state tidelands. The bill would prohibit the commission from entering into any lease renewals, modifications or extensions that authorize the lessee to engage in new or additional exploration, development, or production of oil and natural gas.

Introduced 01/25/17
Last Amended 05/18/17
Status Assembly Natural Resources Committee

SB 249 (Allen) Off-highway motor vehicle recreation

This bill would extend the existing January 1, 2018 sunset of the Off-Highway Motor Vehicle Recreation Act of 2003 to January 1, 2023; require the department to update the 2008 Soil Conservation Guidelines and Standards; implement a monitoring program to better measure the conditions of habitat, wildlife, soils and vegetation; identify and protect sensitive natural, cultural and archeological resources, and make revisions to gasoline tax calculations and funding restrictions. *Amendments of 05/26 delete the requirement to form a science advisory team, adds reporting requirements to the Natural Resources Agency, requires the division to develop protocols and practices to assure management measures are met, and makes further revisions to the gas tax and other fee collections.*

Introduced 05/26/17
Status Assembly Rules Committee

SB 290 (Jackson) Marine mammals and sea turtles: entanglement and stranding: emergency rescue services: grants

This bill would require the Wildlife Health Center at UC Davis to provide grants to qualified organizations to respond to marine mammal or sea turtle entanglement or stranding events. *The May 1 amendments make changes to the Findings Section of the bill, eliminate the reference to the Sea Turtle Stranding and Salvage Network, and adds the Large Whale Entanglement Response Program as a “qualified organization.”*

Introduced 02/09/17
Last Amended 05/01/17
Status Assembly Rules Committee

SB 386 (Glazer) State beaches and parks: smoking ban

This bill would make it a civil misdemeanor to smoke cigars or cigarettes on state coastal beaches, punishable by fines up to \$250. The bill would authorize the State Parks Director to post signs regarding smoking restrictions, as well as to designate areas within a state park unit that is exempt from the ban.

Introduced 02/14/17
Status Assembly Rules Committee.

SB 503 (Newman) Personal income taxes: voluntary contributions: minimum contributions

In relevant part, his bill would set the minimum contribution level for all voluntary tax contributions, including the Coastal Commission’s “Protect Our Coast and Ocean” fund, at \$0 for 2017. This will prevent any voluntary tax contribution fund from being dropped from the 2018 income tax returns for failure to meet the minimum contribution threshold. Due to an unanticipated change in personal income tax software, voluntary contributions are significantly lower for the 2016 tax year. This measure has an urgency clause, and would take effect immediately if enacted.

Introduced 02/16/17
Last Amended 05/09/17
Status Senate Rules Committee

Commission Position: **Recommend Support, analysis attached**

SB 588 (Hertzberg) Marine resources and preservation

This bill would substantially revise the Marine Resources Legacy Act (aka the “Rigs to Reefs” program) in the Fish and Game Code, related to the regulatory process of offshore oil and gas facilities conversion to artificial reefs. The bill designates the State Lands Commission as the lead agency for environmental review under CEQA for an application to partially remove an offshore structure. The bill requires the Department to determine the cost savings of partial removal compared with full removal, as well as make the determination of whether partial removal provides a net environmental benefit. The bill includes consideration of greenhouse gas emissions as part of the analysis of net environmental benefit. The bill makes changes to the application process, and changes to the timing of the distribution of funds; requires the applicant to provide sufficient funds for all agencies to perform the responsibilities proscribed by the bill, and gives the Ocean Protection Council the responsibility of determining the appropriate weight to be given to adverse impacts to the marine environment versus greenhouse gas emissions. The bill would allow the first applicant to partially remove an offshore platform to pay startup and other costs associated with processing the application as determined by the department.

Introduced	02/17/17
Last Amended	03/23/17
Status	Assembly Rules Committee

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**BILL ANALYSIS**
SB 503 (Newman)

As Amended 05/09/17

RECOMMENDED MOTION

"I move the Commission support SB 503, and I recommend a yes vote."

SUMMARY

SB 503 would set the minimum contribution level for voluntary tax contribution funds for the 2017 calendar year at \$0 for any fund appearing on the 2016 personal income tax return forms. This bill has an urgency clause, and would take effect immediately.

PURPOSE OF THE BILL

The purpose of the bill is to prevent the repeal of any voluntary tax contribution fund that would otherwise be subject to statutory repeal for not meeting its minimum contribution level for the 2016 tax year.

EXISTING LAW

Vehicle Code Section 5067 establishes of the Whale Tail[®] License Plate, and designates how funds are to be distributed and expended. Upon annual appropriation of the Legislature, a portion of the funds received from Whale Tail License Plate is made available to the Coastal Commission for distribution as grants to non-profit organizations and local governments. Vehicle Code Section 5067 (b)(1) establishes the California Beach and Coastal Enhancement Account (CBCEA). Funds deposited into the CBCEA from the Environmental License Plate Account are made available, upon appropriation by the Legislature, to the Coastal Commission and the State Coastal Conservancy.

Revenue and Tax Code Section 18745 authorizes an individual to contribute amounts in excess of his or her tax liability for the support of specified voluntary tax contribution funds, including the "Protect Our Coast and Ocean Fund (POCO), which supports the Commission's Whale Tail Grants Program. Existing law requires the POCO to equal or exceed the minimum contribution amount of \$250,000 annually, adjusted for inflation, in order for the fund to remain on the returns for the following tax year. The minimum amount required for tax year 2016 is \$258,568. If the fund fails to raise the minimum amount by December 1, 2017, the fund will not appear on the 2018 tax forms for the 2017 tax year.

PROGRAM BACKGROUND

Voluntary tax contributions, or "tax check offs," are a popular way for some state agencies and public/private programs to receive additional revenues. When California taxpayers are filing their returns, they have the option to donate to one or more of the listed programs of their choice. These contributions are reported by the Franchise Tax Board and collected by the State Controller for deposit in the specified fund.

In 2013, Assemblyman Al Muratsuchi introduced and Governor Brown signed AB 754, creating the “Protect Our Coast and Oceans Fund” (POCO) within the California Beach and Coastal Enhancement Account. The fund appears on annual state income tax forms as one of 20 voluntary contribution options for tax payers to consider supporting. Contributions to the fund support the Commission’s Whale Tail Grants Program.

Like most voluntary tax contribution funds, POCO is required to raise a minimum amount of support annually, adjusted for inflation, in order to remain on the income tax forms the following tax year. In 2017, POCO would need to raise a minimum of \$258,568 in order to remain viable for 2018.

Earlier this year, the Franchise Tax Board (FTB) noted that all voluntary contribution funds were significantly lower than normal, and none were on track to meet their minimum thresholds. After some initial investigation, the FTB determined that the cause was due to changes in the way that personal income tax software was displaying the voluntary contribution fund information. Instead of appearing automatically, the 2017 software required users to “opt in” to view the various funds and contribution options.

ANALYSIS

The Protect Our Coast and Oceans Fund has successfully met its annual contribution thresholds per the Voluntary Contribution program since it was created in 2013. It has consistently been one of the best supported funds by California taxpayers, raising more than \$950,000 since its inception. In 2016 alone, the Protect Our Coast and Oceans fund raised provided \$321,000 for grants to non-profits and public schools.

These grants have been awarded to fund the purchase of beach wheel chairs, bilingual summer programs providing hands-on coastal and marine activities, school programs emphasizing stewardship of the coast and ocean, Adopt-a-Beach assembly programs, beach clean ups, ocean science classes for inland students, and transportation to the beach for children from inland and underserved communities.

The Commission’s Whale Tail® program receives annual grant requests far in excess of its available funding. The Commission’s 2016 competitive grant cycle received applications totaling over 500% more than the Commission’s available funds. On average, the competitive grant cycle has been able to award only 15% of the total amount requested. Many excellent projects must be turned down for funding, even though the staff believes they would be a good match for the grant program’s goals and priorities. The Protect Our Coast and Ocean Voluntary Tax Contribution Fund provides critical support to the Whale Tail® Grants Program.

Due to the dramatic drop-off in donations related to changes made to tax preparation software, the Protect Our Coast and Ocean Voluntary Tax Contribution Fund and all other funds face the prospect of being discontinued.

As amended, SB 503 would set the minimum contribution for all current Voluntary Tax Contribution Funds at zero, in order to prevent them from being disqualified from next year’s tax forms. This is necessary in order to give the affected agencies and organizations the opportunity

SB 503 Analysis

to draft legislation and/or work with the personal tax return software companies to toward a long term solution.

SUPPORT

California Arts Advocates, California Arts Council, California Association of Food Banks.

OPPOSITION

None on file.

RECOMMENDED POSITION

Staff recommends the Commission **Support** SB 503.