



DATE: July 24, 2019  
MEMO TO: MROSD Board of Directors  
THROUGH: Ana M. Ruiz, General Manager *AMR*  
FROM: Joshua Hugg, Governmental Affairs Specialist  
SUBJECT: Legislative Actions Update to Board

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## BACKGROUND

Board Policy 1.11 titled “Positions on Ballot Measures and Legislative Advocacy,” Section 2.0b, provides the General Manager the ability to take a position on pending legislation in time-sensitive situations. More specifically:

- b. When time is so short that neither the full Board nor LFPAC can be convened to consider positions to support or oppose local, state or federal legislation, the General Manager is authorized to take a position on behalf of the District if the legislation:
  - i. Is related to the District’s mission; AND
  - ii. Would directly impact the District’s business, such as project delivery, operations, finances, legal authority, or other District responsibilities; AND
  - iii. The position being taken is consistent/inconsistent with existing District policy, past action, or District Strategic Plan; OR
  - iv. The legislation carries other considerations that make it contrary to the District’s interests.

In such instances, the General Manager or designee shall report to the Board any actions taken to support or oppose the legislation at or before the next Board meeting.

## DISCUSSION

On behalf of the District, the General Manager has taken the following time-sensitive action:

### 1. SB 5

**Action:** At the behest of State Senator Jim Beall, the District took a SUPPORT position on SB 5 (Beall): Affordable Housing and Community Development Investment Program. A letter was drafted and sent to the Chair of the Assembly Housing and Community Development Committee (June 26, 2019). Senator Beall has been a consistent supporter of the District and recently assisted with the term extension for the \$10 million budget appropriation for the SJWC land purchase.

### **Bill Summary:**

SB 5 allows local agencies to reduce contributions of local property tax revenue to schools (ERAF) to build affordable housing and related infrastructure.

**NOTE:** The District does not pay ERAF, so it is unaffected by this bill.

**State Fiscal Impact:**

General Fund impacts of up to \$2 billion annually for up to 30 years when fully implemented, to the extent the Legislature authorizes the allocation of funding at the maximum amounts specified in the bill each year. General Fund expenditures would be up to \$200 million in 2021-22, increasing by up to \$200 million annually through 2025-26, then increasing by up to \$250 million annually through 2029-30, to reach a cumulative annual impact of \$2 billion by 2029-30. The funding mechanism in this bill requires a specified committee to make awards, to the extent authorized, and direct county officials to allocate property tax revenues from county Educational Revenue Augmentation Funds (ERAFs) to specified local entities with an approved plan of projects each year. Each ERAF shift may have a duration of up to 30 years, as specified in the approved plans. The General Fund generally backfills any reductions in the school share of local property tax revenues, pursuant to the Proposition 98 minimum funding guarantees, including amounts transferred from ERAFs.

**Consistency with Legislative Program:**

- **Land Acquisition and Restoration #3** – Promotes the use of urban infill to reduce greenhouse gas generation and protect natural and working lands and enables a balance between jobs and housing
- **Land Acquisition and Restoration #8** – Ensures that urban growth boundaries do not expand further than their current limits.

**2. AB 916 (Muratsuchi): Pesticide Use: Pesticide**

**Action Taken:** In response to the introduction of a recent gut-and-amend bill by Assemblymember Muratsuchi, the District took a position of SUPPORT IF AMENDED. The suggested amendments are consistent with glyphosate use policies adopted by the University of California. These policies restrict use with the following exceptions: agricultural operations, fuel-load management programs to reduce wildfire risk, native habitat preservation or restoration activities, and research that requires glyphosate-based herbicides.

**Bill Summary:** This bill would, until January 1, 2025, prohibit a city, county, charter city, city and county, or a special district, as defined, from using any pesticide that contains the active ingredient glyphosate. The bill would not preclude a county, city, charter city, city and county, or a special district from adopting or enforcing stricter pesticide use policies.

**Consistency with Legislative Program:**

- **Natural Resources Protection and Restoration #6** – Promotes expedited tree and brush removals by public agencies for fire protection and public access.
- **Natural Resources Protection and Restoration #17** - Emphasizes the use of Integrated Pest Management (IPM) practices that aligns with the District’s program

**3. SB 268 (Wiener): Ballot Measures: Local Taxes**

**Action Taken:** At the behest of CSDA, the District contacted Assemblymember Berman’s office in SUPPORT of AB 268 (Wiener) in advance of the Assembly Elections and Redistricting Committee.

**Bill Summary:** This bill expands transparency for local tax measures while addressing recently enacted ballot label requirements that have proven to be problematic for bonds and

tiered tax rate measures. Existing law creates significant voter confusion and limits the ability for public agencies to meet the educational, housing, health, flood protection, and other needs of California residents.

**Consistency with Legislative Program:**

- **General/Midpen-wide Support of Mission #3** – Maximizes funding flexibility for use within the designated programs

Attachments:

1. University of California memo: Temporary suspension of the use of glyphosate-based herbicides (May 14, 2019)
2. Sign-on letter for SB 268 (Wiener): Enhanced Transparency for Local Tax Measures (June 19, 2019)

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May 14, 2019

CHANCELLORS  
VICE PRESIDENT HUMISTON  
DIRECTOR WITHERELL  
MEDICAL CENTER CEOS

**SUBJECT: Temporary suspension of the use of glyphosate-based herbicides**

Dear Colleagues:

Following our discussion at the Council of Chancellors meeting earlier this month, I am hereby issuing a temporary suspension (with several exceptions) of the use of glyphosate-based herbicides at all UC locations due to concerns about possible human health and ecological hazards, as well as potential legal and reputational risks associated with this category of herbicides. The University is currently considering long-term approaches to the use of glyphosate-based herbicides, as well as other pesticides, and may alter or terminate this temporary suspension after expert review. Toward this end, I am separately initiating the UC Herbicide Taskforce to provide me with guidance in the near future.

All UC locations shall suspend the use of glyphosate-based herbicides starting on June 1, 2019, subject to the following exceptions only:

- Agricultural operations;
- Fuel-load management programs to reduce wildfire risk;
- Native habitat preservation or restoration activities; and
- Research that requires glyphosate-based herbicides.


If a UC location determines that alternatives to glyphosate-based herbicides are either technically infeasible or ineffective in situations other than the four aforementioned exceptions, that location may submit a request to the UC Herbicide Taskforce for a specifically tailored exception. Such requests may be granted within the sole discretion of the taskforce,

Chancellors et al.  
May 14, 2019  
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balancing the objective of this temporary suspension against the location's demonstration of infeasibility or ineffectiveness.

Where UC staff continue to use glyphosate-based herbicides pursuant to an exception, two restrictions shall apply to such operations. First, UC staff applying these herbicides shall either possess a valid license or certificate (applicable to the operation in question) from the California Department of Pesticide Regulation or receive appropriate training and/or direct supervision by a person thus licensed or certified. Second, UC staff applying these herbicides shall follow all applicable personal protective equipment recommendations of the herbicide's manufacturer and of that UC location's environment, health and safety department.

Yours very truly,



Janet Napolitano  
President

cc: Executive Vice President and Chief Operating Office Rachael Nava  
Executive Vice President John Stobo  
General Counsel Charles Robinson  
Interim Vice President Craig Leasure  
Associate Vice President Cheryl Lloyd  
Director Peggy Fiedler



Attachment 2  
CALIFORNIA'S  
COALITION  
for ADEQUATE  
SCHOOL HOUSING<sup>SM</sup>



Valley Water



June 19, 2019

The Honorable Scott Wiener  
Senator, 11<sup>th</sup> District

State Capitol, Room 5100  
Sacramento, CA 95814



**RE: SB 268 (Wiener) Enhanced Transparency for Local Tax Measures**

Dear Senator Wiener:

On behalf of the undersigned organizations, including labor, counties, schools, special districts, and hospitals, we would like to express our support for your bill, SB 268, which will expand transparency for local tax measures while addressing recently enacted ballot label requirements that have proven to be problematic for bonds and tiered tax rate measures. The existing law is creating significant voter confusion and threatening our ability to meet the educational, housing, health, flood protection, and other needs of California residents.

Background

Elections Code Section 13119 has been amended in recent years to modify the local ballot label requirements for measures that impose a tax or raise the rate of a tax. The ballot label is the 75-word question that voters see on their ballot. The Elections Code now requires local tax and bond measures to state on the ballot label:

- The amount of money to be raised annually;
- The rate of the tax to be levied; and
- The duration of the tax to be levied.

While these provisions were enacted with the intention of increasing transparency to voters regarding the costs of proposed ballot measures, they actually have resulted in less transparency because of voter confusion. The requirements have and will continue to have a detrimental effect on the ability of communities to pass local bonds and other local revenue measures by the required super majorities, including any tiered tax rates that incorporate social justice or other important public policy goals.

### The Problem

These new ballot label statements are confusing and misleading to voters, which is contrary to the goal of increasing transparency. The new requirements take up about one-third to nearly all of the available space on the ballot label that would otherwise be used to describe how bond proceeds will be spent in the community.

*Local Bonds:* For local bonds, the rates fluctuate on an annual basis to pay actual principal and interest costs. Public agencies attempting to comply with the law are now forced to insert rates onto their ballot labels that are averages, projections, or statutory maximums, though that rate may not be charged in any given year. Similarly, the duration of a bond program can change over time due to economic conditions, delayed project permitting, changes in local priorities, and new state mandates. These over-simplified statements lack the explanations necessary for understanding and do not make sense in the context of bonds and ultimately mislead voters.

*Tiered Tax Rates:* The new requirements are very problematic for tiered tax rate structures. Under such a structure, the tax has separate rates applied to different categories, such as the type of land use, the amount of assessed value, or the size of the transaction. This is an equitable approach to taxation that can limit the tax burden on low-income communities and homeowners, and incentivize local policy goals such as enterprise zones or the preservation of agricultural or natural lands. Under the new ballot label requirements, it is extremely difficult, if not impossible, to state all the rates of a tiered tax rate structure on the 75-word ballot label.

*Legal Challenges:* Placing these rate and duration statements in the ballot label may create legal issues, such as a cap on the rate, duration, and amount raised annually. This could make it difficult for local agencies to access the full amount authorized by voters and could create credit concerns with bond investors.

### Negative Effects of Elections Code 13119

When voters receive confusing and misleading information, they ultimately vote “NO.” Numerous local agencies saw a *decrease of 5 to 15 percentage points* in their polling when these new statements were placed on the ballot label. This contributed to the failure of a number of bonds in the 2018 elections. Additionally, many local agencies were forced to reduce the size of their bonds or make the difficult choice not to move forward with placing bonds on the ballot. These outcomes are not a reflection of a change in voters’ personal beliefs regarding the use of bonds. Rather, this shows that voters will default to a “NO” position when they do not fully understand what they are being asked to approve.

For local tiered taxation mechanisms, these new statements will force local agencies, including those that have already passed tiered tax rates, to take a simpler flat rate approach to local taxation. This shifts the

tax burden from wealthy and large property owners and those making high cost purchases, to lower income and smaller property owners who can least afford that burden. This is a regressive approach to taxation that unnecessarily limits options in a local community and will ultimately make it nearly impossible to approve any tax mechanism that can't be accurately described in 75 words or less.

#### Transparency Safeguards in the Bond Tax Rate Statement

Transparency and accountability are critical to ensure the success of local bond programs and the implementation of local taxes to support vital public services. It is essential that local agencies educate their communities on what projects will be funded and how tax revenues are ultimately spent. Voters already receive detailed information about the mechanics of a proposed bond measure, including potential costs to taxpayers, in the *bond tax rate statement in the Voter Information Guide*, as required by Elections Code Section 9401. This is the proper location for such information, as it provides space for context and a thorough explanation of cost estimates and other information.

Requiring inaccurate and confusing information on the ballot label is contrary to the goal of transparency. It crowds out the public benefits of local measures and emphasizes costs that appear higher than most voters would have to pay. This confuses rather than informs voters, to the detriment of local communities.

#### SB 268 Fixes the Problem while Expanding Transparency

SB 268 would require a local measure that imposes or increases tiered tax rates, authorizes the issuance of bonds, or imposes a tax with a rate structure that cannot be accurately described in the ballot label, to include in the ballot label the words "See voter guide for information." The local tax measure would be exempted from the requirement to provide the rate, duration, and annual revenue in the ballot label, but would be required to include in the voter information guide key financial measures that include all those in existing law and more. Specifically:

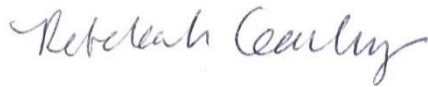
- Public Benefits – How tax revenue will be spent to provide public benefits;
- Rates – A list of all the tax rates that would apply;
- Duration – An explanation of when or if the tax expires;
- Annual Revenue – Best estimate of annual tax revenue;
- Tax Amount Changes – Any factor that would change the amount of tax paid over time;
- Average Tax Rate – If rates vary year to year, such as with bonds, provide an average tax rate;
- Highest Tax Rate – If rates vary year to year, provide the estimated highest tax rate and the year it would apply; and
- Total Debt Service for Bonds – The estimated cost of borrowing if all the bonds are issued and sold.

This bill also would clarify that financial measures stated in the ballot label or in the voter information guide are *estimates*, and *not* caps above which a local jurisdiction would be subject to legal challenge.

SB 268 will protect the ability of local agencies and communities to support schools, roads, hospitals, flood protection, fire protection, and other vital public services, while ensuring accurate, clear cost information is provided to voters. We thank you for authoring this important legislation and urge your colleagues in the Legislature to support its passage.



Sincerely,



Rebekah Cearley  
Legislative Advocate  
Community College Facility Coalition



Lizette Navarette  
Vice President  
Community College League of California



David Walrath  
Executive Director  
School Energy Coalition



Geoffrey Neill  
Legislative Representative  
California State Association of Counties



Nancy Chaires Espinoza  
Legislative Advocate  
Coalition for Adequate School Housing



Micah Ali  
President  
Compton Unified School District



Dillion Gibbons  
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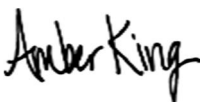
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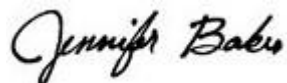
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