



Board of Directors Meeting
Tuesday, August 2nd, 2016, 8:00 a.m. – 9:45 a.m.
Sunrider International
1625 Abalone Ave.
Torrance, CA 90501
Dan Hoffman, Chairman

1. Welcome Dan Hoffman, Chair
 - a. Flag Salute
2. Self-Introductions and Sign-In All Participants
3. Approval of Minutes Jill Brunkhardt, Secretary
4. Special Presentation
 - a. California Board of Equalization- Member Jerome Horton 3rd District
5. Government Affairs Report PEAR Strategies
 - a. SB 163, Hertzberg- Wastewater Treatment: Recycled Water
 - b. SB 816 (Hill)- State Board of Equalization: Member Contribution
 - c. AB 2664 (Irwin) University of California: Innovation and Entrepreneurship Expansion
 - d. Indirect Source Rules/Facility Based Measures
 - e. WCMTOA Rule 15- Chassis Service Fees
 - f. Bill Matrix
6. Office Holders, Administrative Agencies and Community Partners- *Please limit your reports to no more than 3 minutes.*
 - a. U.S. Chamber of Commerce- Jennings Imel
 - b. League of Cities- Jeff Kiernan
 - c. Los Angeles Air Force Base- Col. Donna Turner
 - d. Base Retention Advisory Council- Michael Jackson
 - e. South Bay WIB- Chris Cagle

- f. Office of Congresswoman Waters- Blanca Jimenez
 - g. Office of Congresswoman Hahn- Lara Larramendi
 - h. Office of Congressman Lieu- Melissa Ramoso
 - i. Office of Senator Allen- Sam Liu
 - j. Office of Senator Hall- Heather Hutt
 - k. Office of Senator Lara
 - l. Office of Assemblymember Burke- Robert Pullen-Miles
 - m. Office of Assemblymember Gipson- Chris Wilson
 - n. Office of Assemblymember Hadley- Tom Brewer
 - o. Office of Assemblymember O'Donnell- Allison Gallaher
 - p. Office of Supervisor Don Knabe- Steve Napolitano
7. [Officeholder representatives, non-chamber members, and guests are respectfully asked to leave the meeting at this point]
8. Chair's Report Dan Hoffman
9. Financial Report George Kivett, Treasurer
10. Committee Reports
11. Announcements All
- a. Special thanks to Jonathan Beautler and Sunrider for hosting us today
 - b. Thank you to the Inglewood Chamber of Commerce for this morning's refreshments

SB 163, Hertzberg- Wastewater Treatment: Recycled Water

Recommended Position

Oppose

Summary

Requires, by January 1, 2023, holders of National Pollutant Discharge Elimination System (NPDES) permits to submit a plan to the California State Water Resources Control Board (State Water Board) for the beneficial reuse of treated wastewater that would otherwise be discharged through ocean or bay outfalls and requires, by January 1, 2033, NPDES permit holders to beneficially reuse at least 50% of treated wastewater that would otherwise be discharged through ocean or bay outfalls

Authorizes the State Water Board to adopt reasonable fees payable by a holder of an NPDES permit to recover the costs of developing and implementing the regulations for beneficially reusing treated wastewater that would otherwise be discharged through an ocean or bay outfall, including the convening of an advisory group.

Background

The California Constitution requires that the water resources of the state be put to beneficial use to the fullest extent of which they are capable and that the waste or unreasonable use or unreasonable method of use of water be prevented. Existing law declares that the use of potable domestic water for certain nonpotable uses is a waste or an unreasonable use of water if recycled water is available, as determined by the State Water Resources Control Board, and other requirements are met.

Under existing law, the state board and the 9 California regional water quality control boards prescribe waste discharge requirements in accordance with the federal national pollutant discharge elimination system (NPDES) permit program established by the federal Clean Water Act and the Porter-Cologne Water Quality Control Act.

Status

Date	Action
06/21/16	June 21 set for first hearing canceled at the request of author.
06/14/16	June 14 hearing: Testimony taken. Hearing postponed by committee.
06/08/16	From committee with author's amendments. Read second time and amended. Re-referred to Com. on E.S. & T.M.
06/06/16	From committee: Be re-referred to Coms. on E.S. & T.M. and W., P., & W. (Ayes 9. Noes 0.) . Re-referred to Com. on E.S. & T.M.
09/08/15	Re-referred to Com. on RLS. pursuant to Assembly Rule 96.

09/03/15 From committee with author's amendments. Read second time and amended. Re-referred to Com. on E. & R.

06/11/15 Referred to Com. on E. & R.

06/04/15 In Assembly. Read first time. Held at Desk.

06/03/15 Read third time. Passed. (Ayes 28. Noes 12. Page 1293.) Ordered to the Assembly.

06/02/15 Read second time and amended. Ordered to third reading.

06/01/15 From committee: Do pass as amended. (Ayes 5. Noes 2. Page 1148.) (May 28).

05/23/15 Set for hearing May 28.

05/04/15 May 4 hearing: Placed on APPR. suspense file.

04/24/15 Set for hearing May 4.

04/22/15 From committee: Do pass and re-refer to Com. on APPR. (Ayes 4. Noes 1. Page 723.) (April 21). Re-referred to Com. on APPR.

04/09/15 Set for hearing April 21.

02/19/15 Referred to Com. on E. & C.A.

02/05/15 From printer. May be acted upon on or after March 7.

02/04/15 Introduced. Read first time. To Com. on RLS. for assignment. To print.

Arguments in Support

Water recycling is a critically important part of California's water portfolio for cities, farms, and the environment. The 2009 statewide survey concluded that agencies were recycling 669,000 acre feet per year, with agricultural irrigation the single largest user of recycled water.

SB 163 would provide agencies more than fifteen years to achieve the requirement of recycling 50% of the water that would otherwise be wastefully discharged to oceans and bays, with local agencies determining how best to achieve this requirement. The bill also allows the State Water Resources Control Board to grant exceptions from the requirement for exigent circumstances like extreme weather events, emergencies, or repairs.

Agencies such as the Orange County Water District (OCWD) have demonstrated that SB 163 will be feasible, particularly with such a long timeline for achieving compliance. According to OCWD, with its recent expansion in 2015 their Groundwater Replenish Project now recycles 100 million gallons per day, at a lower cost than imported water and using half of the energy involved in importing water to Southern California.

Arguments in Opposition

This measure would impose an unworkable mandate on ocean and bay dischargers to achieve 50 percent beneficial reuse of discharge to bay or ocean outfalls by 2033....The coalition

strongly supports water recycling and reuse, but SB 163 would disrupt existing efforts to promote recycled water production and use as well as innovative reuse projects currently being implemented throughout the state.

The cost to implement a 50 percent reuse mandate on all ocean and bay dischargers in the state would be staggering, regardless of whether the mandate is imposed agency by agency or on a statewide aggregate basis. Initial estimates are in the billions of dollars (and potentially tens of billions), and would include massive treatment facility upgrades, significant infrastructure costs (as well as billions of dollars in stranded infrastructure investments), and a fundamental shift in how wastewater operations with ocean and bay outfalls are managed today. These costs would be borne, in part or in whole by local ratepayers.

Support

California League of Conservation Voters

Heal the Bay

Natural Resources Defense Council

Sierra Club California

Opposition

Association of California Water Agencies

California Association of Sanitation Agencies

California Chamber of Commerce

California Manufacturers & Technology Association

California Municipal Utilities Association

California Special Districts Association

Coachella Valley Water District

Delta Diablo

Dublin San Ramon Services District

El Toro Water District

League of California Cities

Leucadia Wastewater District

Metropolitan Water District of Southern California

Monterey Peninsula Water Management District

Municipal Water District of Orange County

SB 816 (Hill)- State Board of Equalization: members: contributions.

Recommended Position

No Position

Summary

Lowers the campaign contribution threshold that triggers the conflict of interest requirements for members of the Board of Equalization (BOE) under the Quentin L. Kopp Conflict of Interest Act of 1990 (Kopp Act) from \$250 to \$100.

Background

The Quentin L. Kopp Conflict of Interest Act of 1990 requires a member of the State Board of Equalization who has received a contribution or contributions within the preceding 12 months in an aggregate amount of \$250 or more from a party or his or her agent, or from any participant or his or her agent, to, prior to rendering any decision in any adjudicatory proceeding pending before *the* board, disclose that fact on the record of the proceeding. A member is prohibited from making, participating in making, or in any way attempting to use his or her official position to influence, the decision in an adjudicatory proceeding pending before the board if the member knows or has reason to know that he or she received a contribution or contributions in an aggregate amount of \$250 or more from a party to the proceeding, or from a participant in the preceding the member knows or has reason to know has a financial interest in the decision. The act also requires a party to, or a participant in, an adjudicatory proceeding pending before the board to disclose on the record of the proceeding any contribution or contributions in an aggregate amount of \$250 or more made within the preceding 12 months by the party or participant, or his or her agent, to any member of the board. A person who knowingly or willfully violates any provision of the act is guilty of a misdemeanor.

Existing law also creates the Fair Political Practices Commission (FPPC), and makes it responsible for the impartial, effective administration and implementation of the Political Reform Act (PRA). Prior to 1991, the Political Reform Act's conflict of interest provisions didn't apply to BOE members. In that year, the Legislature enacted SB 1738 (Roberti), an omnibus political reform bill which included the Kopp Act. SB 816 ensures that a party, agent, or participant who contributes significant amounts, but breaks them up into several smaller contributions to avoid the \$250 threshold, triggers the Kopp Act's conflict of interest provisions. This bill responds to recent news reports where 45 employees of tax consulting firm Ryan, LLC, donated \$249 each to one BOE member, and 25 employees donated the same amount to another BOE member. However, this bill's change only applies to direct contributions, because of current law's ambiguous application to donations from Political Action Committees. Soon after the Kopp Act was enacted, BOE's chief counsel opined that a contribution exceeding the \$249 limit to the State Controller by a political action committee controlled by a corporation with a valuation issue before the board did not disqualify the recipient board member from voting on the question, stating that

“a political action committee does not come within any of these definitions (“party,” “participant,” or “agent”).

Status

Date	Action
06/29/16	From committee: Do pass and re-refer to Com. on APPR. (Ayes 4. Noes 2.) (June 29). Re-referred to Com. on APPR.
06/06/16	Referred to Com. on E. & R.
05/12/16	In Assembly. Read first time. Held at Desk.
05/12/16	Read third time. Passed. (Ayes 32. Noes 3. Page 3844.) Ordered to the Assembly.
05/10/16	Read second time. Ordered to third reading.
05/09/16	From committee: Be ordered to second reading pursuant to Senate Rule 28.8.
04/29/16	Set for hearing May 9.
04/26/16	Read second time and amended. Re-referred to Com. on APPR.
04/25/16	From committee: Do pass as amended and re-refer to Com. on APPR. (Ayes 3. Noes 1. Page 3608.) (April 19).
04/05/16	Set for hearing April 19.
03/30/16	From committee: Do pass and re-refer to Com. on E. & C.A. (Ayes 5. Noes 0. Page 3334.) (March 30). Re-referred to Com. on E. & C.A.
03/10/16	Set for hearing March 30.
03/08/16	March 16 hearing postponed by committee.
02/24/16	Set for hearing March 16.
02/04/16	Referred to Coms. on GOV. & F. and E. & C.A.
01/05/16	From printer. May be acted upon on or after February 4.
01/04/16	Introduced. Read first time. To Com. on RLS. for assignment. To print.

Arguments in Support

In support of the previous version of this bill, which would have eliminated the \$250 threshold that triggered the Kopp Act's conflict of interest requirements, thereby making the Kopp Act applicable to adjudicatory proceedings that involves a party, participant, or agent who contributed *any* amount to a member of the BOE in the preceding 12 months, California Common Cause wrote: The [BOE] is the only elected tax commission in the nation; it is also unique in that it not only administers tax programs, but also adjudicates individual tax disputes as an appellate body. To ensure commissioner impartiality in tax disputes, state law requires a member of the [BOE] to recuse himself or herself from hearing the appeal of any party who has contributed \$250 or more to [a] member's campaign in the prior twelve months. This recusal limit, which is lower than the campaign contribution limits to a member of the [BOE], helps to

ensure that members do not have a conflict of interest or the appearance of a conflict of interest as they adjudicate tax claims.

However, recent news reports have called into question the effectiveness of the current recusal rules. Tax firms have avoided the recusal limits by having multiple employees give just under the limit; individually, no one has triggered the recusal rule, but in the aggregate their contributions far exceed it. According to a 2015 *Los Angeles Times* report, dozens of employees of Ryan LLC, a tax preparation firm whose clients often have business before the board, have given just under the recusal limit to two board members. For example, 45 employees each gave \$249 to one member, causing the total contribution from Ryan employees to exceed \$11,000. This tactic of coordinated firm giving circumvents the recusal limits and undermines the clear spirit of the law.

Arguments in Opposition

In opposition to this bill, BOE Member Jerome Horton writes: SB 816 sets the following poor public policy precedents: It lowers the \$249 contribution limits in the 1991 Kopp Act to \$100, disregarding constitutional requirements for an inflation adjustment and violates the Equal Protection Clause of the Fourteenth Amendment. It subjects a subset of small businesses, who previously participated in the political process, to civil and criminal penalties and violates their due process if they fail to report even minimal amounts (or in-kind donations) aggregating to \$100 within 30 days of making the contribution. It increases the potential for tax cheats to “game the system” and Members to avoid voting based on nominal contributions – practices that have occurred under the current contribution limits: e.g., BOE voting records show the state lost \$33 million on 2-1 votes in two cases due to disqualification of two Members in 2005. It does not apply to judges whose contribution limits are \$1,500, despite the fact that their decisions have finality and a precedential impact on the same set of citizens, while BOE Members, by law, do not. It violates U.S. Supreme Court decisions issued in the past 25 years, which determined that reducing contributions limits to extremely low levels, based on mere perception, without evidence of any quid pro quo conflicts, violates the free speech, equal protection, and due process rights of citizens who wish to participate in the election process.

Support

Board of Equalization Member Fiona Ma (prior version)

Board of Equalization Member George Runner (prior version)

CALPIRG (prior version)

California Common Cause (prior version)

Opposition

Alhambra Chamber of Commerce

Board of Equalization Member Jerome Horton

California Small Business Association
Cerritos Regional Chamber of Commerce
Gardena Chamber of Commerce
Glendora Chamber of Commerce
Greater Los Angeles African American Chamber of Commerce
Inglewood Airport Area Chamber of Commerce
Los Angeles County Business Federation
National Association for Equal Justice in America (prior version)
Norwalk Chamber of Commerce
Valley Industry and Commerce Association
West Hollywood Chamber of Commerce

AB 2664 (Irwin) University of California: Innovation and Entrepreneurship Expansion

Recommended Position

Support

Summary

This bill requires the University of California (UC) to make one-time expenditures, with funds appropriated in Budget Act of 2016, for activities to expand or accelerate economic development in the state in ways that are aligned with efforts to support innovation and entrepreneurship. The UC system, as the research arm of the state, has historically played a significant and foundational role within California's innovation-based industries. This bill requires UC to generate commitments of private monies and encourages that the amount of private funds match the amount of state funds.

Background

As the research arm of the state, the UC has driven innovation and economic growth. According to the UC, it is now the world's academic leader in the number of research inventions, with 1,700 reported in 2014. The UC continues to be the launching platform for a numerous startup companies that stimulate the economic and job growth in California.

The state, in 2000, created the California Institutes for Science and Innovation (Cal-ISIs) through the budget and legislation (AB 2883, (Villaraigosa), Chapter 79, Statutes of 2000) to speed up business growth in the state, develop research and innovations to meet California's needs, and train future scientists. The state provided start-up funds of \$400 million for the Cal-ISIs and the UC provide a 2-to-1 match from a combination of business and federal sources. The state continues to reap the benefits of its original investment.

According to the UC, specific investments are needed so that the pace can be maintained to keep up with the demand for innovation and entrepreneurial infrastructure, resources, and support programs. The UC contends that the investments will leverage UC research in two ways:

- 1) Provide researchers with the necessary tools to turn their ideas into job-providing companies; and,
- 2) Organize research system wide in order to address the various challenges facing California.

Date	Action
06/29/16	From committee: Do pass and re-refer to Com. on APPR. (Ayes 9. Noes 0.) (June 29). Re-referred to Com. on APPR.

06/22/16 From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on ED.

06/13/16 In committee: Hearing postponed by committee.

06/09/16 Referred to Com. on ED.

06/01/16 In Senate. Read first time. To Com. on RLS. for assignment.

05/31/16 Read third time. Passed. Ordered to the Senate. (Ayes 80. Noes 0. Page 5041.)

05/27/16 Read second time. Ordered to third reading.

05/27/16 From committee: Do pass. (Ayes 20. Noes 0.) (May 27).

05/11/16 In committee: Set, first hearing. Referred to APPR. suspense file.

04/27/16 Re-referred to Com. on APPR.

04/26/16 Read second time and amended.

04/25/16 From committee: Amend, and do pass as amended and re-refer to Com. on APPR. (Ayes 9. Noes 0.) (April 19).

04/13/16 From committee: Do pass and re-refer to Com. on J., E.D., & E. (Ayes 12. Noes 1.) (April 12). Re-referred to Com. on J., E.D., & E.

03/28/16 Re-referred to Com. on HIGHER ED.

03/17/16 From committee chair, with author's amendments: Amend, and re-refer to Com. on HIGHER ED. Read second time and amended.

03/17/16 Referred to Coms. on HIGHER ED. and J., E.D., & E.

02/22/16 Read first time.

02/21/16 From printer. May be heard in committee March 22.

02/19/16 Introduced. To print.

Support

California Chamber of Commerce

California Manufacturer and Technology Association

Computing Technology Industry Association (CompTIA)

Late Tahoe South Shore Chamber of Commerce

TechNet University of California

Opposition None received

Glossary of Legislative Terms

ACROSS THE DESK

The official act of introducing a bill or resolution. The measure is given to the Chief Clerk or his or her representative at the Assembly Desk in the Assembly Chamber or to the Secretary of the Senate or his or her representative in the Senate Chamber. It then receives a number, is sent to the State Printer, and becomes a public document available in the bill room. Amendments are also “put across the desk.”

ADOPTION

Approval or acceptance of motions, amendments or resolutions.

ADVISE AND CONSENT

Confirmation by the Senate of certain appointees of the Governor.

AMENDMENT

An alteration made, or proposed to be made, in a bill, motion, resolution or clause, by adding, changing, substituting or omitting language. Amendments must be submitted to Legislative Counsel for drafting.

AUTHOR’S AMENDMENTS (Before Committee Hearing)

Amendments submitted by the author of the bill to the committee and submitted to the Desk by the Chair of the committee to which the bill has been referred. Permits the adoption of the amendments by the House without the benefit of a committee hearing and recommendation.

AUTHOR’S AMENDMENTS (At Committee Hearing or on the Floor)

Amendments in Committee or on the Floor that are supported by the author.

CAPITAL OUTLAY

Funds to be spent acquiring, improving or constructing fixed assets.

CHAPTERING OUT

When, during a calendar year, two or more bills amending the same code section become law, the bill enacted last (with a higher chapter number) becomes law and prevails over (“chapters out”) the code section in the bill or bills previously enacted. Chaptering out can be prevented with the adoption of “double jointing” amendments

COMMITTEE AMENDMENTS

Amendments proposed by a Committee or a Committee member in a Committee hearing. Adopted by roll call vote of the Committee. May or may not be hostile.

APPROPRIATION

The amount of money set aside for a specific purpose and designated from a specific source, such as the General Fund or the Environmental License Plate Fund.

BUDGET ACT

The Budget Bill after it has been signed into law by the Governor.

BUDGET BILL

The spending proposal for the next fiscal year submitted by the Governor and considered by both houses of the Legislature.

BUDGET TRAILER BILL

See "Trailer Bill."

BUDGET YEAR

The next fiscal year that begins July 1 and concludes on June 30; the year following the current fiscal year.

CONCURRENT RESOLUTION

A measure that can be introduced in either House, but must be approved by both Houses and filed with the Secretary of State to take effect. The Governor's signature is not required. These measures usually involve the business of the Legislature (e.g., adoption of the Joint Rules).

CONFERENCE REPORT

Amendments agreed upon by a majority of a conference committee. Two Members from each House must agree on the conference report in order for the report to be considered by the Houses (see Conference Committee).

DEADLINES

The dates by which bills must be introduced, heard and enacted. Established by the Constitution, and by Assembly, Senate, and Joint Rules.

DESK

The desk at the front of the Chamber where much of the clerical work of the body is conducted. Also, a generic term for the staff and offices of the Chief Clerk of the Assembly and the Secretary of the Senate.

DESK IS CLEAR

A statement by the Presiding Officer, prior to a motion to adjourn, meaning there is no further business.

DIGEST

Prepared by the Legislative Counsel, it summarizes the effect of the proposed bill on current law (see Bill Digest and Legislative Counsel's Digest).

DO PASS

An affirmative recommendation made by a committee; moves a bill to the Floor or to the next committee, as specified, without amendment.

DO PASS AS AMENDED

An affirmative recommendation made by a committee; moves a bill to the Floor or to the next committee, as specified, providing the language of the bill is changed as specified.

DOUBLE REFERRED

Legislation referred by Rules Committee to two policy committees for hearing. Both committees must approve the measure to keep it moving in the process. This is typically used for issue areas that overlap the jurisdiction of more than one policy committee.

EFFECTIVE DATE

As specified by the Constitution, the date when a law takes effect. The date is usually January 1 of the following year, unless the bill is an urgency measure or specifies another date.

ENGROSSED BILL

Whenever a bill is amended, the printed form of the bill is proofread to make sure all amendments are inserted properly. After being proofread, the bill is “correctly engrossed” and is therefore in proper form.

ENGROSSING AND ENROLLING

A nonpartisan unit in each House responsible for proofreading all forms of measures. The unit also prepares and delivers bills to the Governor for consideration.

ENGROSSMENT

The process of comparing the printed bill to ensure it is identical to the original and to verify that any amendments have been correctly inserted.

ENROLLED BILL

Whenever a bill passes both Houses of the Legislature, it is ordered enrolled. Upon enrollment, the bill is again proofread for accuracy and then delivered to the Governor. The enrolled bill contains the complete text of the bill with the dates of passage certified by the Chief Clerk of the Assembly and the Secretary of the Senate.

ENROLLMENT

Occurs when bills are filed with the Governor and resolutions are filed with the Secretary of State, after they have been accepted by both Houses.

FIRST READING

The initial introduction of a bill. The clerk assigns it a number and reads its title and sends the bill to be printed. The bill is then referred by Rules committee to a standing committee for a future hearing.

FISCAL BILL

Any measure that contains an appropriation of funds or requires a state agency to spend money for any purpose or results in a substantial loss of revenue to the state. The Legislative Counsel determines which bills are fiscal bills, pursuant to Joint Rule 10.5. The designation appears at the end of the Legislative Counsel's Digest. Fiscal bills must be heard by the Assembly and Senate Appropriations Committees in addition to the appropriate policy committees in each House.

GUT AND AMEND

When amendments to a bill remove the current contents in their entirety and replace them with different provisions.

HELD IN COMMITTEE

When a bill fails to get sufficient votes to pass out of committee, it is held in committee.

HELD UNDER SUBMISSION

An action taken by a committee when a bill is heard in committee and there is an indication that the author and the committee members want to work on or discuss the bill further, but there is no motion for the bill to progress out of committee. This does not preclude the bill from being set for another hearing.

HELD WITHOUT RECOMMENDATION

An action taken by a committee when a bill is heard in committee and there is no indication that the committee wants the bill to progress out of committee. There is no motion for the bill to progress out of committee. This does not preclude the bill from being set for another hearing.

HOUSE OF ORIGIN

The House in which a measure begins; the Assembly is the House of Origin for all Assembly measures. As opposed to the "Second House"—the house which hears measures following the House of Origin.

INACTIVE FILE

The portion of the Daily File containing legislation that is ready for floor consideration, but, for a variety of reasons, is dormant. An author may move a bill to the inactive file if he or she wishes to take it up at a later date. Once a bill is on the inactive file, one day's public notice is needed to place it back on the agenda.

INITIATIVE

A method of lawmaking that requires a vote of the people instead of a vote of the Legislature in order for a measure to become law. To qualify for a statewide ballot, statutory initiatives must receive signatures of voters equal to 5% of the votes cast for all candidates for Governor at the last gubernatorial election. Constitutional amendment initiatives must receive signatures equal to 8% of the same number of votes.

LOWER HOUSE

The Assembly.

MOTION

A formal request for action made by a legislator during a committee hearing or Floor Session.

MOTION TO RECONSIDER

A parliamentary procedure which, if adopted, reverses an action previously taken and returns the question before the body for another vote.

MOTION TO RE-REFER

This motion is utilized to send a measure from one committee to another. A motion to re-refer a bill or resolution from one committee to another committee may be made during the regular order of business. Debate is allowed as to the propriety of the re-referral, and requires 41 or more votes in the Assembly, 21 or more votes in the Senate.

ON FILE

A bill on Second or Third Reading or Unfinished Business awaiting Concurrence; listed in the Assembly or Senate Daily File.

PUT OVER

When action is delayed on a legislative measure until a future date without jeopardy to the measure.

SECOND READING

Each bill introduced must be read by title three times before final passage; this is the first order of business on the Daily File. The House approves or denies committee recommendations at Second Reading, usually without debate or vote.

SECOND READING FILE

The portion of the Daily File that lists measures that have been reported out of committee. Measures which will be going to the Floor for consideration will stay on the Second Reading File for one day (without amendments) or two days (with amendments) before moving to Third Reading.

SPOT BILL

A bill that amends a code section in a nonsubstantive way. A spot bill may be introduced to ensure that a germane vehicle will be available at a later date. Assembly Rules provide that a spot bill cannot be referred to a committee by the Rules Committee without substantive amendments.

SUSPENSE FILE

A bill or set of bills, with a fiscal impact, set aside in Appropriations Committee by a majority of Members present and voting. These bills may be heard at a later hearing.

TABLE

To set aside. Typically used to dispense with, or set aside, amendments to a bill rather than vote “aye” or “no” on them. A motion to table is nondebatable and, once made, must be voted upon. **TAX LEVY** – Any bill that imposes, repeals, or materially alters a state tax. Legislative Counsel determines whether a bill is a tax levy and so indicates this information in the title, digest, and body of the bill. Tax levies have slightly different legislative deadlines than do other measures.

THIRD READING

Each bill introduced must be read three times before final passage. Third reading is the stage at which bills are eligible for Floor debate and final vote.

TRAILER BILL (or BUDGET TRAILER BILL)

Legislation that implements specific changes to the law in order to enact the State Budget. Generally, a separate “trailer bill” is needed for each major area of budget appropriation, such as transportation, human services, education, revenue, etc. These bills are generally negotiated as part of the entire budget package each fiscal year.

VETO

The formal action of the Governor disapproving a measure by returning it to its House of origin. The Governor’s veto may be overridden by a two-thirds vote of each House. The Governor can also exercise a line-item veto, where the amount of an appropriation is reduced or eliminated, while the rest of the bill is approved. A line-item veto may also be overridden by a two-thirds vote in each House (see Blue Pencil).

The Honorable Jerome E. Horton

Jerome E. Horton currently serves as a Member of the California State Board of Equalization. In July 2009, he was appointed to the Board of Equalization by the Governor and confirmed with overwhelming support by both the California State Senate and Assembly. Mr. Horton brings to the Board twenty-one years of prior Board of Equalization experience as business tax law specialist and a keen understanding of public policy as a former member of the California State Assembly and Inglewood City Council. Mr. Horton's appointment to the Board is historic in that he is the first member to join the Board with twenty-one years of prior Board of Equalization experience, the first African American to serve on the Board in its history and the third African American California Constitutional Officer.

Mr. Horton has earned a reputation as a tireless advocate for California taxpayers. He is credited in playing an important role in the creation of the Board of Equalization's "Taxpayers' Bill of Rights" which ensures California's taxpayers a fair and transparent process. As an avid crime fighter, Mr. Horton initiated the formation of the Joint Enforcement Criminal Task Force, which targets organized crime operations, active in the underground economy. His legislation is credited with recapturing hundreds of millions in unreported business taxes, the prosecution of illegal business operators, and taking tons of cigarettes and other illegal contraband off our streets. While serving with the Board, Mr. Horton was an active member of the Association of California State Supervisors and Service Employees International Union (SEIU 1000). Fondly referred to as the Equalizer at the Board of Equalization, Horton exemplifies fairness, justice, and equality in taxation.

Before joining the Board of Equalization, Mr. Horton served as a member of the Inglewood City Council and California State Assembly from 1996 to 2006. Mr. Horton's background in accounting, finance and real-estate investments enabled him to take leadership roles in balancing municipal and state budgets; without raising taxes. Mr. Horton focused on the principles of accountability, transparency, efficiency and wealth building as a way of increasing the number of taxpayers and improving the effectiveness of government. As a result, Mr. Horton has been honored as an outstanding legislator by several prestigious organizations. He has also been recognized for his efforts to increase public safety, improve the quality of education and expand health care access for all Californians.

Horton also served on several powerful boards including the California State Work Force Investment Board, and the California Historical and Cultural Endowment Board. Here, he collaborated in developing workforce training, career advancement, and promoting cultural awareness and empowerment. He also played a key role in establishing initiatives aimed at preventing at risk youth gang participation and reducing the incidence of crimes committed by juveniles.

After his tenure in the legislature, Mr. Horton served on the California Medical Assistance Commission (CMAC), where he fought tirelessly for the expansion of access and the improvement of quality healthcare for Californians. Mr. Horton also continued his commitment to

building healthy and productive communities by volunteering with several nonprofit organizations including the United Job Creation Council and California Education Solution. Mr. Horton, known as a progressive political strategist, helped these organizations build powerful coalitions that have resulted in the passage of progressive local initiatives and the election of several candidates.

Mr. Horton received his Bachelor of Science Degree in Accounting and Finance from California State University, Dominguez Hills. Mr. Horton and his wife Yvonne have two children, Myeshia and Matthew, and one granddaughter, Sahara.

The Board of Equalization:

Established in 1879 by a constitutional amendment, the Board of Equalization was initially charged with responsibility for ensuring that county property tax assessment practices were equal and uniform throughout the state. Currently the tax programs administered by the BOE are concentrated in four general areas: sales and use taxes, property taxes, special taxes and the tax appellate program. In 2012-13 BOE-administered taxes and fees generated \$56 billion to provide essential services for the people of California. BOE administered programs accounted for more than 30 percent of all state revenue.

BOE-administered revenues support hundreds of state and local government programs and services, including schools and colleges, hospitals and health care services, criminal justice, correctional, and social welfare programs, law enforcement, consumer services, natural resource management, and transportation and housing programs.

In addition to administering key state revenue programs, the BOE plays a critical role with regard to California property taxes. Further, it acts as the appellate body for franchise and income tax appeals.

The BOE receives more than 30 percent of state revenues, benefiting California's communities and funding hundreds of state and local government programs and services, including Natural Resource Management, Social Services Programs, Hospital and Health Care Services, Transportation and Housing, and Public Safety Programs.

In partnership with other state and local agencies, the BOE helps to protect our natural resources, maintain our roads and highways, promote public safety, support social services programs, and provide health care services.

Property Tax Revenues

The BOE oversees the assessment practices of the state's 58 county assessors, who are charged with establishing values for approximately 13 million assessments each year.

General Property Taxes

The BOE assesses some public utility and other specified properties. Revenues allocated to California counties produced an estimated \$1.1 billion in local property tax revenues for the state's 58 counties in FY 2014-15. The BOE develops property tax assessment policies and informational materials to guide county assessors and local assessment appeals boards.

Private Railroad Car Tax

Private railcar owners pay the private railroad car tax on railcars operated in California. For 2015-16, the Board-adopted assessed value for private railroad cars totaled \$866 million. The total assessed value reflects the application of a 74.1 percent assessment ratio as required by the Federal Railroad Revitalization and Regulatory Reform Act.

Timber Yield Tax

Timber owners pay the 2.9 percent timber yield tax based on the immediate harvest value of trees harvested for wood products. Revenues are returned to the counties where the timber was harvested. Calendar year 2014 revenues totaled \$9.9 million.

Special Taxes and Fees Revenues

In cooperation with other state agencies, the BOE administers many of California's special tax and fee programs. These programs fund efforts to protect California's pristine beaches, majestic coastlines, and stately forests. Revenues from the insurance tax, the alcoholic beverage tax, and a portion of the cigarette tax receipts are allocated to the General Fund to support public safety and health and social services programs. Other special taxes and fees fund specific state services from highway construction to recycling programs.

The BOE receives and allocates the one percent Bradley-Burns Uniform Local Sales and Use Tax for all California cities and counties. For each sale, 0.25 percent of the local tax collected funded local transportation projects in the county and the remaining 0.75 percent of the local tax was allocated to the county or an unincorporated city, depending on the place of sale.

Appeals Process

The BOE plays a significant role as the appellate body for the review of property, business, and income tax determinations. The BOE Board Members hear appeals from taxpayers regarding Sales and Use Taxes, Corporation Tax and Personal Income Taxes, Certain Special Taxes and Fees, Timber Tax, State-Assessed Property Values, and Welfare Exemption Claim Denials.

Settlement and Offer in Compromise Programs

The BOE offers a settlement program when appropriate for certain tax and fee disputes. In FY 2014-15, staff settled 621 cases for a total settlement amount of \$204.5 million. This included 601 sales and use tax cases for a settlement amount of \$204.2 million, and 20 special tax or fee cases for a settlement amount of \$0.3 million.

The BOE also provides an "Offer in Compromise" program for certain tax and fee final liabilities. In FY 2014-15, the Board approved 289 offers in compromise.

The BOE is unique, holding the distinction of being the only elected tax board in the United States. Composed of five Board Members, the BOE administers more than 30 tax and fee programs that produce revenue essential to California. Additionally, the Board hears appeals from various business tax assessments, Franchise Tax Board actions, and public utility assessments. The BOE serves a significant role in the assessment and administration of property taxes by issuing rules and regulations, establishing the tax values of railroads and specified privately-held public utilities, and overseeing the assessment practices of the state's 58 county assessors.

The newly elected Board Members took office in January 2015 as the Redistricting Project concluded. The California Citizens Redistricting Commission redrew the boundaries of the districts, which included reallocation of accounts both within and across equalization and administrative lines. Each of the four Board Members now represents approximately 9.5 million constituents.

Public Board meetings offer taxpayers and other interested parties the opportunity to participate in the formulation of rules and regulations adopted by the Board and to interact with the Members as they carry out their official duties. The Board meets monthly.

July xx, 2016

The Honorable Ken Calvert
42nd Congressional District of California
2205 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Calvert,

During the week of June 13, 2016 representatives from the California freight industry met with your office to discuss their concerns with the inclusion of freight facility measures, including potential facility emission caps, in the 2016 Air Quality Management Plan (Air Plan) being drafted by the Southern California Air Quality Management District (AQMD). We, the undersigned organizations, would like to reiterate our concerns over the facility based measures, and underscore the need for Congress to actively monitor their development due to the severe potential implications on the national supply chain.

Currently, AQMD's draft Air Plan proposes three separate control measures that are being represented as industry-friendly "flexibility" options to allow ports, warehouses, distribution centers, and rail yards to meet emission reduction goals. These measures, in fact, represent a massive and unprecedented expansion of their authority to regulate goods movement facilities and shippers.

If left unchecked, this expanded regulatory power could have severe consequences on the entire national goods movement supply chain and interstate commerce. Despite a lack of a clear authority to adopt these measures, and notwithstanding pre-existing Congressional intent to prohibit a patchwork of emissions regulations, the proposed freight facility measures will need EPA approval after being finalized by AQMD and included in the California Air Resources Board's State Implementation Plan.

Congress should immediately express its concerns to AQMD's Board and Staff that the proposed adoption of facility based measures in its draft Air Plan could have harmful effects on interstate commerce and create precedents detrimental to the national economy. If ignored, Congress should consider taking additional steps to limit EPA from approving any planning document that includes expanded regulation of freight facilities, including, but not limited to, facility emission caps and facility performance measures.

Thank you for your continued service to our state in Congress. We look forward to discussing this matter with you further. If you or your office has any questions or concerns, please contact RJ Cervantes, the California Trucking Association's Director of Legislative Affairs at 916-262-4682.

Sincerely,

UNDERSIGNED ORGANIZATIONS

Cc: Ian Foley, Office of Congressman Calvert