

**Legislative Update (9/5/2019)**

The Legislature has only a matter of days before adjourning on September 13, 2019 for the fall recess that lasts until January 6, 2020. That means that thousands of bills await consideration while last minute attempts at negotiating compromise must quickly wrap up to meet the 72 hour in print rule. Highlights as to what the Legislature is going to deal with include the following:

**AB 5 (Gonzalez)** – This bill would codify the California Supreme Court’s decision in *Dynamex* that set forth a new test to determine whether a worker is an employee or independent contractor. At stake is the business model for companies in the “gig economy” such as Uber, Lyft, and Doordash that classify drivers as independent contractors. Should no deal be reached, voters may see a measure on the 2020 ballot.

**California Consumer Privacy Act (CCPA)** – Numerous bills are proceeding that seek to clarify the provisions of the CCPA before it goes into effect on January 1, 2020. The CCPA gives consumers various rights with regards to data collected by businesses while the fixes deal with issues such as loyalty programs, application to employees, public information, and online advertising. As with AB 5, there will undoubtedly be unanticipated consequences that impact local governments and raise new and unique issues going forward.

**Rent control** – Governor Newsom and legislative leaders announced agreement on a rent control bill that would cap rent increases at 5 percent plus inflation per year until 2030. The agreement is viewed as a stronger deal than what is currently being considered in AB 1482 (Chiu), the agreement will be amended into the Assembly Member Chiu’s bill. The negotiated bill will reportedly be opposed by the California Association of Realtors, however both the California Apartment Association and the California Building Industry Association have dropped their opposition. The bill needs to be approved by both houses of the Legislature.

**Transparency in healthcare costs** – The Legislature passed a union-sponsored bill that would force health system facilities to disclose their profits. The bill targets Kaiser and under the bill would require a change in how Kaiser releases its financial information. Under current law, health systems, like Kaiser, lump their data together for all their hospitals in the state. If this bill becomes law then data would need to be broken out by each facility and would have to show revenue and profits from Medicare, Medicaid and private insurance. The Governor has 12 days to sign or veto the bill.

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**Water policy** - As the end of the legislative session nears, multiple water bond related proposals have surfaced in the Legislature to serve as a counter to the \$7.8 billion resources general obligation bond ballot initiative filed with Attorney General. SB 45 (Allen) is the Senate vehicle that includes a \$3.9 billion bond for wildlife, drought, and flood protection purposes to be placed on the March 2020 election ballot. Recently, AB 352 (E. Garcia) was gut and amended to serve as one of the Assembly vehicles. This is a \$3.9 billion bond for wildfire prevention, safe drinking water, drought preparation, and flood protection programs currently aimed for the November 2020 ballot. Lastly, Assemblyman Mullin amended AB 1298 into a third bond proposal with an unspecified funding amount for climate resiliency, fire risk reduction, recycling, groundwater and drinking water supply, and clean beaches to be placed on the November ballot. Of interest to Contra Costa County, SB 45 and AB 352 include specific line items of funding for the Sacramento-San Joaquin Delta Conservancy, while all three legislative proposals include funding for flood protection and habitat conservation. Both of the Assembly proposals will be two-year bills and will be discussed in more detail over the fall with a stakeholder input process. The Senate vehicle, which is both a resources and emergency management related bond, is still technically alive in 2019. However, the bill is still in its first house and would have to clear many legislative hurdles in the next seven days of session.

On August 14, Senator Dodd also introduced a resolution to declare the week of September 21, 2019, as Sacramento-San Joaquin Delta Week, with the purpose of expanding the acknowledgment of the Sacramento-San Joaquin Delta region's contributions to a higher quality of life for all Californians. The measure is quickly moving through the Legislature and is on the consent calendar heading into the final days of session.