



1015 K Street, Suite 200
Sacramento, CA 95814-3803
Tel 916.441.0702
Fax 916.441.3549

CARPD NEWSLETTER ARTICLE Legislative Update by Russell W. Noack Public Policy Advocates, LLC November 16, 2020

After several days of high drama, Joe Biden was declared the winner and became the 46th President of the United States. California's U.S. Senator Kamala Harris became the first woman to be elected Vice President. The Biden-Harris ticket easily won California's 55 electoral votes by receiving nearly 64% of the vote. The strong relationship between the state's voters and close connection with the Vice President is already being heralded as an extremely favorable new factor in improving lines of communication between California and the new Administration after experiencing an often icy relationship with the Trump White House in recent times. Although it remains to be seen if the stalled COVID-19 \$1 trillion relief package for the states will get new life breathed into it during the lame duck Congress, the President-Elect has announced that it is a top priority to provide federal funding for the states and their local government components to combat the ongoing devastating impacts of the pandemic.

On the state level, Governor Newsom will welcome back to Sacramento a Legislature with his political allies solidly in control with the Democrats maintaining their supermajority in both Houses. With the caveat that ballots are still being counted and a couple of the races are "too close to call", it appears likely the Assembly will reconvene with 60 Democrats, 19 Republicans and 1 Independent and the Senate will come back with 31 Democrats and 9 Republicans. The Democratic column will be reduced temporarily by one, as Holly Mitchell won a seat on the Los Angeles County Board of Supervisors and will be resigning from the Senate. A Special Election will have to be called to fill her seat.

The propositions placed on the California Ballot generally bucked the progressive trend of the rest of the election. Proposition 15, the "Split Roll Tax Measure" narrowly failed by a 52% to 48% margin. Prop. 15 would have increased taxes on commercial real property of greater than \$3 million by removing this category from the tax limits established by Proposition 13 back in 1978. The estimated tax revenue boost for schools and local government would have been between \$6.5 billion and \$11.5 billion a year. Proponents including the California Teachers Association and the Zuckerberg Institute had raised over \$75 million to support the measure and argued that it was vitally needed to support schools, local government and special districts facing added pressures from COVID-19. The California Business Roundtable, Chamber of Commerce and various anti-tax groups also spent \$75 million in opposition and argued a tax increase would irreparably affect small businesses trying to weather the pandemic and could lead to a future attempt to remove Prop. 13 tax limitations on personal residences. In the aftermath, the proponents have pointed to the closeness of the vote as indicating accelerating

movement toward success in the future and have vowed to bring it back again in two years. Additionally, keep an eye on a competing proposal, which was held this year so as to not compete with Prop. 15, sponsored by the California School Boards Association designed to impose higher personal income taxes on the wealthy and higher corporate income taxes on large businesses, which has been estimated would raise approximately \$15 billion a year.

The other significant development on the Ballot was the passage of Proposition 22 by an overwhelming 58.6% to 41.4% margin. Prop. 22 was the Uber, Lyft and DoorDash initiative designed to overturn Assembly Bill 5 to expressly allow their drivers and delivery persons to remain independent contractors rather than be classified as employees. The supporters spent over \$200 million on the campaign, which exceeded by ten times the amount various union organizations expended in opposing the measure. The wide margin of victory has some legislators and commentators believing that a renewed effort to overturn the law itself should be attempted when the Legislature returns in January. Although the prospects of a repeal of AB 5 are remote, since nearly all of the Democratic majority legislators voted for it to date, Assembly Member Kevin Kiley of Granite Bay has suggested that since “the voters emphatically rejected the premise of AB 5”, a move to place it on the 2022 ballot may be in order.

As the campaign season draws to a close, legislators and staff can now turn to firming up the public policy objectives they intend to champion in 2021. Despite a strong directive by leadership to pare down bill loads since the Capitol will remain closed to the public through March, we expect to see a wide variety of bills of interest to the recreation and park community introduced in the new year. The state’s fiscal outlook is expected to be bleak but will become clearer in January and federal assistance will be essential to maintain existing programs, let alone funding new ones. Phase II of COVID-19 relief for citizens and support for related local government programs will be a priority as will funding for wildfire prevention and response, climate change resiliency, affordable housing and homelessness. We expect to see legislation reintroduced focusing on developer impact fees in an effort to make them more transparent and consistent statewide. Unemployment insurance, workers’ compensation and labor law proposals affecting Cal/OSHA enforcement will once again be introduced. The CARPD Legislative Committee will be meeting soon to discuss these topics and many others and to identify opportunities for pursuing measures to protect and promote recreation and parks as the new Legislative Session convenes in January.