

May 9, 2017
Issue #36

De Facto Prohibition on Contracting Measure to be heard in Assembly Appropriations on May 10

[AB 1250](#) (Jones-Sawyer) is a gut-and-amend bill that greatly restricts cities and counties' ability to enter into contracts for essential services. Opposed by the League, this measure will be heard Wednesday in the Assembly Appropriations Committee. Given the significant costs this could potentially generate as a state reimbursable mandate, the measure will likely move to the Assembly suspense file. Either it will sit for approximately two weeks and will be held on that suspense file, or it will move to the Assembly floor. Cities are encouraged to oppose this costly measure. *For more, see Page 2.*



State Senate Proposes Restructured Cap-and-Trade System *Governors Urge President Trump to Keep Paris Climate Agreement*

Last week, Senate President pro Tempore Kevin De Leon (D-Los Angeles) and Sen. Bob Wieckowski (D-Fremont) unveiled a plan to pass a restructured Cap-and-Trade program. The proposal in SB 775 (Wieckowski), which requires a two-thirds vote of the Legislature, establishes a new Cap-and-Trade system beginning in 2021 to be operated by the California Air Resources Board (ARB). The legislation requires certain changes to the existing system, which is expected to operate through 2020. *For more, see Page 2.*



May is Tourism Month; Share Pictures of Your City's Most Scenic Locations

Cities are invited to celebrate [Tourism Month](#) by sharing pictures via Twitter, Facebook, Instagram and the Team California app of the sites that attract visitors to your cities. Sponsored by [Visit California](#), #CATourism Month recognizes the benefits of a strong tourism industry. California cities serve as major travel and tourism destinations throughout the state. *For more, see Page 3.*

'Contracting' Continued from Page 1...

Each year the Appropriations committees set a threshold for the cost to implement legislation that determines whether a bill goes to suspense or directly to the floor for a vote. AB 1250 is expected to meet this threshold for suspense.

Background

Retaining maximum flexibility in contracting for services allows cities to spend limited General Fund dollars in the most efficient and financially responsible manner. Under this measure, small and medium sized cities are forced to meet a standard for contracting services that is unattainable and could invite litigation at every turn.

Among some of the most burdensome provisions of the measure (as amended on April 25), AB 1250 to require:

- A city to complete full cost-benefit and environmental impact analyses prior to entering into, or renewing a contract;
- An annual performance audit of each contract;
- A fully searchable database that must be posted on the city's website, which must include full name and salary of each contracted employee; the total projected cost; and other provisions; and
- Non-city employees receive an orientation, adding potentially significant cost and logistical concerns.

Taken together, these requirements create a de facto ban on contracting services, which is why the League and over 100 cities and organizations are opposed to the measure.

Next Steps

If your city has a member on the [Assembly Appropriations Committee](#) please call and ask them to vote NO on AB 1250 and send in your city letter of opposition as soon as possible. An updated sample oppose letter is available on the League's [Action Center](#).

For more questions regarding this measure, please contact [Dane Hutchings](#) or your [League regional public affairs manager](#).

'Cap-and-Trade' Continued from Page 1...

SB 775 proposed Cap-and-Trade system:

- Continues Cap-and-Trade system beyond 2020 with quarterly auctions;
- Requires ARB to set a declining annual cap to meet the state's 2030 goal of 40 percent reduction in emissions (SB 32);
- Sets floor and ceiling for the price of allowances;
- Prohibits carbon offset credits;
- Establishes an Economic Competitiveness Assurance Program to maintain economic parity between in-state producers and other producers that sell in California (replaces the current system of providing free allowances to in state entities); and
- Distributes auction proceeds to three funds:
 - California Climate Dividend Fund, which will provide dividends to all California residents.
 - California Climate Infrastructure Fund.
 - California Climate and Clean Energy Research Fund.

Gov. Jerry Brown has yet to weigh in on the restructured Cap-and-Trade proposal in SB 775. However the FY 2017–18 budget the Governor proposed in January does advise the Legislature undertake a two-third vote to extend the current Cap-and-Trade system operated by ARB.

Paris Agreement

In a [letter dated May 3](#), the governors of 12 states including Gov. Jerry Brown sent President Trump a letter calling on him to maintain involvement in the Paris Climate Agreement. The

Governors collectively seek to maintain the U.S. goal of reducing greenhouse gas emissions to 26 to 28 percent below 2005 levels.

Furthermore, the letter suggests that if the United States does not maintain its global leadership on this issue, China and India will, placing the U.S. at a competitive disadvantage.

'Tourism' Continued from Page 1...

Numbers are expected to show that California's travel and tourism industry produced \$10.3 billion in state and local tax revenue on \$126.3 billion in spending, which supported more than 1 million jobs for Californians.

Here are four simple ways that your city can participate in [#CATourism](#) Month:

1. Post a photo of a popular destination in your city;
2. Upload a video of a popular destination in your city;
3. In a post or video, describe why a vibrant and thriving tourism economy is so important to your city's success; and
4. Highlight why people should travel to your city by posting a photo or video of popular destinations in your city.

Please use the hashtag #CATourism in all Tourism Month posts.
