



TO: Legislative Committee
FROM: Brent R. Heberlee
DATE: June 9, 2018
RE: Federal Legislative Update

This memo provides a Federal Legislative Update on the items appearing on the agenda for the June 13, 2018, Legislative Committee meeting.

A. Carbon Fee and Dividend Program

The Board's Alternative Energy and Environment Committee (AEE) met in March and requested that the Legislative Committee review and support a draft resolution (attached) for the Board that calls on Congress to enact legislation establishing a carbon fee and dividend program. The program would essentially impose a fee on carbon-based fuels in order to discourage their use, and distribute the proceeds back to U.S. consumers. It is viewed by many economists as the most efficient way of reducing greenhouse gas emissions in order to address the threat of climate change.

The Citizens Climate Lobby, a non-profit, nonpartisan, grassroots advocacy organization, is urging state and local governments across the country to demonstrate their support for a carbon fee and dividend program in order to build political support on Capitol Hill. Similar resolutions have been adopted by the Cities of Monterey, Marina, Pacific Grove, and Santa Cruz and the County of Santa Cruz.

Several bills have been introduced in Congress that would impose varying levels of an economy wide carbon tax, although none are expected to advance in the current political climate.

B. FY2019 Appropriations Update

The FY2019 appropriations process is in full swing. Since the President has indicated he doesn't like omnibus spending bills, the House and Senate are planning to package smaller groups of appropriations bills together, known as "minibuses." The House is considering its first minibus this week, consisting of the Energy and Water, Military Construction, and Legislative Branch bills.

In spite of the budget deal reached back in February that provided an \$18 billion increase in non-defense discretionary spending, Democrats are expected to oppose most of the appropriations bills due to Republican prioritization of funding controversial programs, such as President Trump's border wall and detention policies. Conversely, Democratic priorities, such as many health and education programs, are slated to get no increase in funding over last year's

levels. It remains to be seen whether House Republicans will have enough votes to pass appropriations bills without Democratic support.

C. Immigration Update

House Democrats and moderate Republicans are close to forcing a vote in the House on the Dream Act and other immigration measures. A group of Republicans facing competitive re-election contests led by Congressman Jeff Denham (R-CA) has 215 signatures -- just three short of the required 218 -- on a discharge petition. The petition is a rarely used procedural maneuver that has been drafted to force a vote to consider four alternative immigration measures, including one that makes the DACA program permanent and provides a path to citizenship for Dreamers.

A valid discharge petition enables any signer to make a motion on the floor to discharge a bill or rule from committee. Such motions can be made only on the second or fourth Mondays of the month and petitions must have been on the calendar seven legislative days for the motion to be in order. To date, all but one House Democrat has signed the petition along with 23 Republicans.

The discharge petition being circulated would allow for a vote on adopting a rule to consider the four alternative bills under a “queen-of-the-hill” procedure that deems passed by the House the measure that gets the largest majority vote. The proposals for debate would include a bill to be offered by Speaker Ryan as well as legislation (H.R. 4760) by Judiciary Chairman Bob Goodlatte (R-VA). Goodlatte’s bill, which lacks majority support in the House, would allow Dreamers to apply for renewable three-year periods of legal eligibility without a special path to citizenship. Moderate Republicans are using the discharge petition as leverage to drive negotiations with House leadership. Once a petition has 218 signatures no member can remove his or her name.

D. Project Safe Neighborhoods Grant Program

This week the House passed, and cleared for the President’s desk, a bill that authorizes \$50 million annually from FY2019 through 2021 for Project Safe Neighborhoods, which provides resources to local law enforcement agencies to reduce crime. The bill establishes the Project Safe Neighborhoods Block Grant program within the Justice Department to reduce violent crime by improving upon existing nation-wide partnerships among federal, state, and local law enforcement and prosecutors through evidence-based and data-driven approaches. The bill would require that 30 percent of funding provided each year be set aside for Gang Task Forces in areas with increased activity from criminal or transnational organizations. The remaining funds will be used to improve existing partnerships between the public sector, organizations representing affected communities, victims’ advocates, and researchers.

E. Cannabis Legislative Update

On June 7th, Senators Cory Gardner (R-CO) and Elizabeth Warren (D-MA) held a press conference to discuss legislation they intend to introduce to amend the federal Controlled

Substances Act to exempt state-legal marijuana activity from its provisions. The bill, known as the Strengthening the Tenth Amendment Entrusting States (STATES) Act, would also protect banks and credit unions that work with legal cannabis businesses. Companion legislation is being introduced in the House by Congressman David Joyce (R-OH) and Congressman Earl Blumenauer (D-OR). President Trump remarked at a press availability last week that he “probably will end up supporting” the bill.

This new legislative development adds to significant momentum for cannabis reform on Capitol Hill in recent weeks. Senate Majority Leader Mitch McConnell (R-KY) introduced a bill to legalize industrial hemp and fast-tracked it on the calendar, skipping the committee process, and said he intends to attach the language to the Farm Bill when it is considered in the Senate later this summer. Senate Democratic Leader Chuck Schumer (D-NY) said he would soon introduce legislation to remove marijuana from the Controlled Substances Act and has pledged to support McConnell’s hemp bill. And the Senate Appropriations Committee advanced its Military Construction-VA spending bill with an amendment that would bar the federal government from interfering with veterans who use medical marijuana in states where it’s legal. The measure would allow VA doctors to recommend, although not prescribe, cannabis products in those states.

F. FEMA Reimbursement Update

The County is continuing to make steady progress with FEMA project reimbursements. Environmental reviews have slowed several projects, and we are exploring what can be done to expedite that process. County staff is preparing a matrix of all projects that will allow the Legislative Committee to easily track the status of each project, including FEMA reimbursements levels.

Attachments:

- Draft Resolution on Carbon Fee and Dividend Program
- AEE Report on Carbon Fee and Dividend Program
- Federal Bill/Issues Track