

LACN LEGISLATIVE UPDATE

Legislative and Regulatory E-mailed news and information
from the Lumber Association of California & Nevada

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This E-mailed report is a service of your Lumber Association of California & Nevada with current information on legislative and regulatory matters. In most instances there will be additional information attached with this report. If there are others in your firm who should receive this report, please contact kend@lumberassociation.org.

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Governor Schwarzenegger introduces controversial state budget

By Dennis Albiani, California Advocates, Inc., LACN Contract Lobbyists

On January 10th, the Governor introduced one of the most controversial budgets in state history. His \$101 billion 2008-09 spending plan would close the estimated \$14.5 billion budget shortfall. To meet the requirements of introducing a "balanced" budget the Governor proposed freezing education spending while reducing funds for many agencies by 10 percent. Additionally, the budget proposes to close 48 state parks, reduce social programs such as Medi-Cal and in order to save money in the Department of Corrections, early release of thousands of "nonviolent" inmates.

In addition to introducing his 2008-09 Governors Budget, the Governor declared a financial emergency under the authority provided in Proposition 58 from 2004. The intent is to close the estimated \$3.3 billion budget gap in the current budget year. This provision authorizes the Governor to propose cuts or additional revenues to balance the current year spending plan. The Legislature has 45 days to "act" upon the plan, or propose alternatives to the Governors plan. If the Legislature fails to act on a plan within the 45 day timeline, they are prohibited from acting on other legislative business until they send a plan to the Governor.

Since the release of the budget, the Governor has been traveling the state speaking to leaders and editorial boards about his proposal. Following these meetings, many newspaper columnists and local leaders question whether the Governor is serious about his spending plan. The Governor was quoted in the Sacramento Bee stating his plan is a "worse case scenario" and he proposed closing parks just to "rattle some cages." Legislators from both parties are beginning to question whether the Governor is serious, as well.

Currently, the budget does not include any specific proposals contrary to the LACN's interests such as a retail timber tax. However, the budget does include increases in fees to fund many programs that may increase business costs including OSHA inspection fees, air and water permits, and vehicle license fees. There are also proposed fees in areas that in previous years have been targeted to be paid for by retail timber taxes. One example is at the Department of Forestry and Fire Protection, including the State Fire Marshals office, the budget proposes to supplant the \$125 million general fund with an assessment on homeowner insurance premiums. If this proposal is not successful the Legislature may be looking at alternative assessments to fund this activity.

This year's budget is sure to be a challenge for all involved. LACN and its team will be working on budget issues to ensure your interests are protected.

LACN COMMENTS ON CAL OSHA SAW PROPOSED STANDARD

The California Occupational Safety and Health Standards Board considered a proposed new standard this past week to require circular hand-fed rip saws to be guarded by a hood that completely encloses the blade above the table and material being cut. LACN's concern with the proposed standard was that it appeared to lack clarity on what work operations were being addressed in the standard. Supporting data with the proposed regulation appeared to aim the regulation at small "homeowner" style table saws and not the commonly used industrially mounted overhead saws used in the industry. LACN asked for clarification. LACN also questioned the safety of having a spreader as was illustrated in the agency materials. Overhead saws do not have such a spreader. LACN pointed out that having a spreader is detrimental to safety in that it creates an additional point where material being cut may bind up between the spreader and the fence or guide. LACN filed its comments with the agency pending a final rule.