

Senate Committee on Governance & Finance
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TO: People Interested in Public Finance and Governance Legislation

FROM: Senator Lois Wolk, Committee Chair

SUBJECT: Important Governance & Finance Bills During 2013

Now that the Legislature is in the final weeks of its 2013 session, I want you to know about some of the more interesting bills that the Senate Governance & Finance Committee reviewed during the year. These brief summaries offer you a selection of the significant bills that the Committee has worked on this year. If you want to read the Committee's bill analyses or get a copy of a bill, please go to the Legislature's official website www.leginfo.ca.gov. You can also use that website to retrieve other bill analyses, official histories, voting records, and any veto messages.

Enterprise Zones

SB 434 (Hill) makes substantial changes to the Enterprise Zone hiring credits, vouchers, and disclosure requirements. Status: Senate Floor inactive file.

AB 93 (Assembly Committee on Budget) repeals the enterprise zone program. Status: Signed; Chapter 69, Statutes of 2013.

Income Tax Form

SB 116 (Liu) extends the Emergency Food for Families Check-Off from 2014 until 2019. Status: Governor's Desk.

SB 571 (Liu) establishes the Art for Kids Fund Check-Off. Status: Assembly Floor.

AB 247 (Wagner) extends from 2015 until 2020 the California Fund for Senior Citizens Check-Off. Status: Senate Floor.

AB 394 (Yamada) extends from 2015 until 2020 the “California Alzheimer’s Disease and Related Disorders Research Fund” Check-Off. Status: Governor’s Desk.

AB 511 (Pan) establishes the “American Red Cross, California Chapters Fund” Check-Off. Status: Governor’s Desk.

AB 754 (Muratsuchi) establishes the “Protect Our Coast and Oceans Fund” Check-Off. Status: Governor’s Desk.

AB 1286 (Skinner) temporarily suspends annual adjustment of minimum contribution level for the California Breast Cancer Research Fund Check-Off. Status: Governor’s Desk.

LAFCOs & Boundary Changes

SB 772 (Emmerson) requires a local agency formation commission, as part of a municipal service review, to request specified information from entities that provide wholesale or retail supply of drinking water. Status: Senate Governance & Finance Committee; two-year bill.

AB 743 (Logue) makes permanent local agency formation commissions’ ability to waive protest hearings for the annexation of unincorporated islands. Status: Governor’s Desk.

AB 1427 (Assembly Local Government Committee) is the annual Assembly Local Government Omnibus Act, making several minor and noncontroversial changes to state laws affecting local government organization and reorganization. Status: Signed; Chapter 87, Statutes of 2013.

Land Use Planning & Development

SB 450 (Galgiani) requires a city or county that has adopted a local ordinance, which authorizes the removal of an unattended collection box, to impose a charge on the owner of a collection box for costs of removing and storing the box. Status: Senate Governance & Finance Committee; two-year bill.

SB 673 (DeSaulnier) requires a city or county to have a cost-benefit analysis prepared for any proposed retail or commercial facility that receives \$1 or more in subsidies. Status: Senate Floor inactive file.

SB 758 (Block) extends, from 180 days to 540 days, the amount of time the City of Coronado can take to amend its general plan after an amendment to the airport land use compatibility plan. Status: Assembly Floor.

AB 253 (Levine) extends subdivision requirements to floating home marinas that apply to the conversion of mobilehome parks. Status: Senate Floor.

AB 551 (Ting) authorizes a county to establish, by ordinance, an “Urban Agriculture Incentive Zone.” Status: Senate Appropriations Committee Suspense File.

AB 562 (Williams) requires a local agency to provide specified information before approving any economic development subsidy. The bill also requires a local agency to issue a specified report for each economic development subsidy. Status: Senate Floor.

AB 667 (R. Hernández) requires a city or county to make a specified finding based on an economic impact report for superstores. Status: Senate Governance & Finance Committee.

AB 1359 (R. Hernández) allows Quimby Act fees to be used in a neighborhood other than where fees were paid, under specified conditions. Status: Senate Floor.

Local Finance & Infrastructure

SB 1 (Steinberg) allows local governments to form Sustainable Communities Investment Authorities to administer economic development and affordable housing programs. Status: Assembly Appropriations Committee Suspense File.

SB 33 (Wolk) makes it easier for cities and counties to use Infrastructure Financing Districts. Status: Assembly Floor.

SB 56 (Roth) reallocates vehicle license fees to recently incorporated cities and cities that have annexed inhabited territory. Status: Senate Appropriations Committee.

SB 142 (DeSaulnier) allows transit operators to levy special benefit assessments to finance transit projects. Status: Assembly Floor.

SB 171 (Hueso) allows Coachella Valley Water District to levy property related fees to pay for constructing, operating, improving and maintaining the District’s public works. Status: Signed; Chapter 119, Statutes of 2013.

SB 553 (Yee) requires local agencies to follow new procedures for elections proposing to impose or increase property-related fees. Status: Governor’s Desk.

SB 628 (Beall) makes it easier for cities and counties to use an IFD that implements a transit priority project. The bill also specifies affordable housing provisions. Status: Senate Desk.

SB 692 (Hancock) amends numerous provisions of the Mello-Roos Community Facilities Act. Status: Governor’s Desk.

AB 164 (Wieckowski) requires local governments’ public-private partnership agreements for fee-producing infrastructure projects to include performance bonds and payment bonds. Status: Signed; Chapter 94, Statutes of 2013.

AB 229 (J. Pérez) authorizes a military base reuse authority to form an infrastructure and revitalization financing district (IRFD) to finance specified projects. Status: Assembly Floor.

AB 243 (Dickinson) makes it easier for cities and counties to use Infrastructure Financing Districts. Status: Senate Floor.

AB 621 (Wagner) prohibits firms that provided bond campaign services from providing bond services. Status: Senate Governance & Finance Committee.

AB 701 (J. Pérez) allows the Assembly Speaker and the Senate Rules Committee to each appoint a non-voting legislative member to the California Infrastructure and Economic Development Bank's (I-Bank) board of directors. Status: Senate Floor.

AB 730 (Alejo) authorizes the Monterey-Salinas Transit District to issue revenue bonds by a 2/3 vote of the governing board. Status: Governor's Desk.

AB 792 (Mullin) exempts, from a utility users tax, the consumption of electricity generated through renewable distributed generation for use by a single consumer. Status: Senate Floor.

AB 850 (Nazarian) allows joint powers authorities to finance projects for public retail water utilities using asset-backed securities called "rate reduction bonds." Status: Senate Floor.

AB 1080 (Alejo) allows local governments to form Community Revitalization and Investment Authorities to administer economic development and affordable housing programs. Status: Senate Appropriations Committee Suspense File.

Local Powers & Governance

SB 159 (Fuller) allows the Kern River Valley Cemetery District to inter nonresidents under specified conditions. Status: Signed; Chapter 55, Statutes of 2013.

SB 311 (Padilla) requires cities to submit city charter proposals to voters at an established statewide general election. Status: Governor's Desk.

SB 328 (Knight) allows counties to use construction manager at-risk contracts for projects worth more than \$1,000,000. Status: Senate Floor.

SB 407 (Hill) extends limitations on local agencies' employment contracts to additional employees. Status: Governor's Desk.

SB 614 (Wolk) removes landownership requirement to serve on irrigation districts' elected boards. Status: Assembly Local Government Committee; two-year bill.

SB 725 (Anderson) clarifies the conditions under which the dedicated use of facilities by veterans organizations can be revoked by cities and counties. Status: Assembly Floor.

SB 751 (Yee) requires local agencies to publicly report any action taken and the vote or abstention of each member of a legislative body. Status: Governor's Desk.

SB 777 (Calderon) makes numerous amendments to the state laws governing fireworks sales and disposal. Status: Assembly Government Organization Committee; two-year bill.

SB 785 (Wolk) repeals state laws authorizing state and local government agencies to use design-build contracting and enacts new, uniform statutes governing agencies' design-build contracts. Status: Senate Floor inactive file.

SCA 3 (Leno) requires local agencies to comply with the California Public Records Act and the Brown Act and exempts legislation under these acts as reimbursable mandates. Status: Assembly Budget Committee.

AB 72 (Holden) specifies the date on which municipal water district board members take office after an election. Status: Signed; Chapter 8, Statutes of 2013.

AB 121 (Dickinson) authorizes Sacramento County Board of Supervisors, by 4/5-vote, to sell, or enter into a lease, concession, or managerial contract for county property, and authorizes the Merced County Board of Supervisors, by 4/5-vote of the board, to sell county property. Status: Governor's Desk.

AB 130 (Alejo) prohibits a local health care district's employment contract with a hospital administrator from providing retirement benefits to the administrator before he or she retires. Status: Signed; Chapter 92, Statutes of 2013.

AB 195 (Hall) extends, from July 1, 2014 to July 1, 2016, the date on which the statutes authorizing counties to use the design-build contracting method expire. Status: Governor's Desk.

AB 240 (Rendon) requires mutual water companies to comply with open meeting, public record, audit, and budget requirements and allows them to impose liens to collect unpaid charges. Status: Senate Budget Committee.

AB 246 (Bradford) authorizes local legislative bodies to meet in closed session with the Governor and his deputies on security matters. Status: Signed; Chapter 11, Statutes of 2013.

AB 254 (Dahle) authorizes the Modoc County Board of Supervisors to appoint a registrar of voters separate from the county clerk. Status: Signed; Chapter 12, Statutes of 2013.

AB 279 (Dickinson) expands local governments' authority to invest surplus funds through a private sector deposit placement service. Status: Governor's Desk.

AB 382 (Mullin) conforms the Brown Act with the Public Records Act with regard to the confidentiality of proprietary investment information. Status: Governor’s Desk.

AB 408 (Bonta) allows seven-member municipal utility district boards to appoint board members to uncontested seats. Status: Signed; Chapter 108, Statutes of 2013.

AB 546 (Stone) authorizes the Santa Cruz County Board of Supervisors to consolidate the duties of the Auditor-Controller and Treasurer-Tax Collector. Status: Signed; Chapter 14, Statutes of 2013.

AB 583 (Gomez) requires a city or library district that withdraws from a county library system to comply with specified conditions before operating a library with a private contractor. Status: Governor’s Desk.

AB 678 (Gordon) requires specified health care districts to conduct periodic needs assessments and report progress in meeting health needs. Status: Senate Appropriations Committee.

AB 683 (Mullin) allows cities, counties, and special districts to assess property for unpaid fines or penalties related to ordinance violations that threaten public health and safety. Status: Senate Floor.

AB 822 (Hall) requires independent actuarial analysis of ballot measures affecting local agency retirement plans submitted to the voters. Status: Senate Appropriations Committee.

AB 934 (Cooley) requires local agencies to document a reasonable effort to locate victims owed restitution. Status: Senate Floor.

AB 1235 (Gordon) requires specified local agencies to provide financial management training to members of their legislative bodies. Status: Senate Appropriations Committee.

AB 1330 (J. Pérez) directs the state to update the Environmental Justice Action Plan, post information online and amends the Brown Act to ensure access to public meetings by limited-English-speakers. Status: Senate Appropriations Committee.

AB 1333 (R. Hernández) requires a local legislative body to adopt a resolution to either exercise, or decline to exercise, an option to rescind an “evergreen” contract or memorandum of understanding. Status: Senate Governance & Finance Committee.

Vote Thresholds for Local Taxes and Bonds

SCA 4 (Liu) lowers the vote threshold to levy, increase, or extend special taxes for transportation from 2/3 to 55%. Status: Senate Transportation and Housing Committee.

SCA 7 (Wolk) lowers the vote threshold for cities, counties, or library districts to issue bonds or to levy special taxes from 2/3 to 55%. Status: Senate Appropriations Committee.

SCA 8 (Corbett) lowers the vote threshold to levy, increase, or extend special taxes for transportation from 2/3 to 55%. Status: Senate Transportation and Housing Committee.

SCA 9 (Corbett) lowers the vote threshold to levy, increase, or extend special taxes for community and economic development projects from 2/3 to 55%. Status: Senate Appropriations Committee.

SCA 11 (Hancock) lowers the vote threshold for a local agency to levy, increase, or extend any special tax from 2/3 to 55%. Status: Senate Appropriations Committee.

Redevelopment

SB 409 (Emmerson) defines specified loans to former redevelopment agencies' disaster recovery project areas as enforceable obligations. Status: Held in Senate Appropriations Committee.

SB 470 (Wright) allows cities and counties to use some of the Community Redevelopment Law's financing, property sale, and brownfield cleanup powers to promote economic development. Status: Assembly Appropriations Committee.

AB 564 (Mullin) prohibits the Department of Finance from altering or reversing specified enforceable obligations after they are approved by an oversight board and the Department of Finance. Status: Senate Appropriations Committee Suspense File.

AB 662 (Atkins) modifies the statutes governing redevelopment agencies' dissolution. Status: Senate Appropriations Committee Suspense File.

Sales & Use Taxes

SB 412 (Knight) enacts a sales and use tax exemption for equipment used to manufacture aerospace products. Status: Held in Senate Appropriations Committee.

SB 688 (Galgiani) exempts certain animal related drugs from the sales and use tax. Status: Held in Senate Appropriations Committee.

AB 210 (Wieckowski) extends the transactions and use tax allowance for Alameda County for transportation programs and allows Contra Costa County to adopt a similar ordinance. Status: Governor's Desk.

AB 1021 (Eggman) adds “recycled feedstock” to the list of eligible criteria for the sales and use tax exemption under CAEATFA. Status: Senate Appropriations Committee Suspense File.

AB 1412 (Assembly Revenue and Taxation) authorizes a person to irrevocably assign to a customer the right to receive a refund under the Sales and Use Tax. Status: Senate Floor inactive file.

AB 1422 (Assembly Jobs, Economic Development, and the Economy) makes several changes to the CAEATFA program within the Treasurer’s Office. Status: Senate Floor.

Bonds

AB 182 (Buchanan) sets a maximum debt-to-principal ratio and other limits on bonds issued by school and community college districts. Status: Senate Floor.

State Personal & Corporate Income Taxes

SB 30 (Calderon) conforms state law to federal treatment for the cancellation of mortgage indebtedness. Status: Assembly Appropriations Committee Suspense File.

SB 209 (Lieu) reenacts an income exclusion for gains when selling qualified small business stock recently struck down by courts. Status: Assembly Appropriations Committee Suspense File.

SB 241 (Evans) imposes a 9.5% tax on oil and a to be determined percentage tax on natural gas for the privilege of extracting oil and natural gas in this state. Status: Held in Senate Appropriations Committee.

SB 284 (de León) establishes a tax credit equal to 60%, 55%, and 50% of contributions to a special education fund for the purposes of providing Cal Grants. Status: Assembly Appropriations Committee Suspense File.

SB 323 (Lara) revokes charitable tax exemptions for youth organizations that discriminate. Status: Assembly Floor.

SB 365 (Wolk) applies performance measurement standards and requires 10-years sunsets for future tax expenditures. Status: Assembly Floor.

SB 391 (DeSaulnier) enacts the California Homes and Jobs Act and applies a \$75 fee on recorded real estate documents to fund affordable housing. Status: Assembly Appropriations Committee.

SB 782 (DeSaulnier) enacts the Sexual Assault Victims Equity Act and imposes a tax on sexually oriented businesses. Status: Held in Senate Appropriations Committee.

SB 809 (DeSaulnier) imposes an annual tax on Schedule II, III, and IV manufacturers, increases licensure fees on practitioners and providers, and allows grant and gift moneys for the purposes of upgrading, maintain and enforcing the CURES program. Status: Assembly Appropriations Committee Suspense File.

AB 32 (J. Pérez) extends and expands the Community Development Financial Institution credit. Status: Senate Appropriations Committee.

AB 362 (Ting) provides income tax exclusion for compensation received for employer provided health insurance for same sex marriages. Status: Senate Committee on Governance & Finance.

Other

AB 300 (Perea) changes the point of collection for prepaid mobile services taxes and fees to point of sale and clarifies the imposition of tax is directly on the consumer, not the carrier. Status: Senate Appropriations Committee.

To read and retrieve copies of the Senate Governance & Finance Committee's detailed reference materials and other publications -- including citizen's guides to joint powers agreements, special districts, and LAFCOs -- please go to the Committee's website:
<http://sgf.senate.ca.gov>