



**COUNTY OF  
SAN BERNARDINO**

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LANCE M. LARSON  
Director of Legislative Affairs

April 14, 2010

The Honorable Tony Mendoza  
California State Assembly  
State Capitol Building  
Sacramento, CA 95814

RE: **AB 155** (Mendoza) - As Amended July 1, 2009 - **OPPOSE**

Dear Assemblyman Mendoza:

The County of San Bernardino has reviewed your legislation requiring local agencies to seek approval from the California Debt and Investment Advisory Commission (CDIAC) prior to seeking bankruptcy protection in federal court. After careful review, the County cannot support the bill as it is an unwarranted and unwise intrusion into local affairs.

The citizens of the County of San Bernardino have duly elected County officials that oversee and manage the fiscal affairs of the County. The County annually produce on-time, balanced budgets, as required by law and, in this economic climate, are making difficult choices to ensure their budgets are balanced.

There are important reasons that local elected officials should retain the ability to make these kinds of decisions. CDIAC is not responsible for the day-to-day operations of local agencies; it has no perception of community needs or priorities in order to make responsible choices about spending scarce government resources. CDIAC does not have to balance competing fiscal priorities at the local level and are not charged with preserving the overall economic stability within the local community.

Any local agency seeking bankruptcy protection does so because it cannot manage its financial obligations and maintain services to its citizens. At its foundation, AB 155 undermines the principal benefits of federal bankruptcy protection: the automatic stay of financial obligations and time to allow a debtor some "breathing space" to formulate a debt readjustment plan. Given the nature of the current state budget, where counties have already been stripped of much needed property taxes the state should not have further access to the way local governments operate. Additionally, AB 155 potentially exposes the State to liability if they step in and prevent a bankruptcy.

For these reasons, the County of San Bernardino County strongly opposes AB 155. If you have any questions, please don't hesitate to contact Lance Larson, the County's Director of Legislative Affairs at (909) 387-4821.

Sincerely,

**GARY C. OVITT**  
Chairman, Board of Supervisors