

**Senate Committee on Governance and
Finance Listing of Important Legislation
of 2013**

Attachment 2

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 has adjourned its regular session for 2013, 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 a selection of the significant bills the Committee 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 <http://leginfo.legislature.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, until 2019, the Emergency Food for Families income tax check-off. Status: Signed; Chapter 222, Statutes of 2013.

SB 571 (Liu) establishes the Keep Arts in Schools Fund income tax check-off. Status: Signed; Chapter 430, Statutes of 2013.

AB 247 (Wagner) extends, until 2020, the California Fund for Senior Citizens income tax check-off. Status: Signed; Chapter 670, Statutes of 2013.

AB 394 (Yamada) extends, until 2020, the California Alzheimer's Disease and Related Disorders Research Fund income tax check-off. Status: Signed; Chapter 671, Statutes of 2013.

AB 511 (Pan) establishes the American Red Cross, California Chapters Fund income tax check-off. Status: Signed; Chapter 451, Statutes of 2013.

AB 754 (Muratsuchi) establishes the Protect Our Coast and Oceans Fund income tax check-off. Status: Signed; Chapter 323, Statutes of 2013.

AB 1286 (Skinner) temporarily suspends annual adjustment of minimum contribution level for the California Breast Cancer Research Fund check-off. Status: Signed; Chapter 664, Statutes of 2013.

LAFCOs & Boundary Changes

AB 743 (Logue) makes permanent local agency formation commissions' ability to waive protest hearings for the annexation of unincorporated islands. Status: Signed; Chapter 138, Statutes of 2013.

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.

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: Signed; Chapter 606, Statutes of 2013.

AB 253 (Levine) extends subdivision requirements to floating home marinas that apply to the conversion of mobilehome parks. Status: Signed; Chapter 432, Statutes of 2013.

AB 551 (Ting) authorizes a county to establish, by ordinance, an “Urban Agriculture Incentive Zone.” Status: Signed; Chapter 406, Statutes of 2013.

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: Signed, Chapter 740, Statutes of 2013.

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: Signed, Chapter 412, Statutes of 2013.

Local Finance & Infrastructure

SB 1 (Steinberg) allows local governments to form Sustainable Communities Investment Authorities to administer economic development and affordable housing programs. Status: Senate Floor Inactive File.

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

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

SB 69 (Roth) reallocates vehicle license fees to recently incorporated cities and cities that have annexed inhabited territory. Status: Assembly Rules Committee.

SB 142 (DeSaulnier) allows transit operators to levy special benefit assessments to finance transit projects. Status: Signed, Chapter 655, Statutes of 2013.

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: Signed; Chapter 215, Statutes of 2013.

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: Signed; Chapter 219, Statutes of 2013.

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 Inactive File.

AB 243 (Dickinson) authorizes cities and counties to use IRFDs, based on existing IFD law. Status: Assembly Floor Inactive File.

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

AB 701 (Quirk-Silva) increases Orange County's annual vehicle license fee adjustment amount by \$53 million and repeals a \$50 million augmentation of the county's annual property tax allocation. Status: Signed, Chapter 393, Statutes of 2013.

AB 730 (Alejo) authorizes the Monterey-Salinas Transit District to issue revenue bonds by a 2/3-vote of the governing board. Status: Signed, Chapter 394, Statutes of 2013.

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: Signed; Chapter 534, Statutes of 2013.

AB 850 (Nazarian) allows joint powers authorities to finance projects for public retail water utilities using asset-backed securities called "rate reduction bonds." Status: Signed; Chapter 636, Statutes of 2013.

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.

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: Signed; Chapter 184, Statutes of 2013.

SB 328 (Knight) allows counties to use construction manager at-risk contracts for projects worth more than \$1,000,000. Status: Signed; Chapter 517, Statutes of 2013.

SB 407 (Hill) extends limitations on local agencies' employment contracts to additional employees. Status: Signed; Chapter 213, Statutes of 2013.

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

SB 725 (Anderson) clarifies the conditions under which the dedicated use of facilities by veterans organizations can be revoked by cities and counties. Status: Signed; Chapter 697, Statutes of 2013.

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: Signed; Chapter 257, Statutes of 2013.

SB 772 (Emmerson) exempts the Elsinore Valley Municipal Water District and the Eastern Municipal Water District from liability for injuries or damages arising out of the delivery of water to County Water Company of Riverside customers. Status: Senate Governance & Finance Committee.

SB 777 (Calderon) makes numerous amendments to state laws governing fireworks sales and disposal. Status: Assembly Government Organization Committee.

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.

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: Chaptered by Secretary of State; Res. Chapter 123, Statutes of 2013.

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: Signed; Chapter 224, Statutes of 2013.

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: Signed; Chapter 121, Statutes of 2013.

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: Signed (with reduced appropriation); Chapter 633, Statutes of 2013.

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: Signed; Chapter 228, Statutes of 2013.

AB 382 (Mullin) conforms the Brown Act with the Public Records Act with regard to the confidentiality of proprietary investment information. Status: Signed; Chapter 326, Statutes of 2013.

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: Signed; Chapter 196, Statutes of 2013.

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: Vetoed.

AB 822 (Hall) requires independent actuarial analysis of ballot measures which affect local agency retirement plans. Status: Vetoed.

AB 934 (Cooley) requires local agencies to document a reasonable effort to locate victims owed restitution. Status: Signed; Chapter 457, Statutes of 2013.

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

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

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 Appropriations 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 Appropriations 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: 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: Signed; Chapter 659, Statutes of 2013.

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: Vetoed.

AB 662 (Atkins) modifies the statutes governing redevelopment agencies’ dissolution. Status: Vetoed.

Sales & Use Taxes

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

SB 688 (Galgiani) exempts certain animal related drugs from the sales and use tax. Status: 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: Signed; Chapter 194, Statutes of 2013.

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.

AB 1422 (Assembly Jobs, Economic Development, and the Economy) makes several changes to the CAEATFA program within the Treasurer’s Office. Status: Signed; Chapter 540, Statutes of 2013.

Bonds

AB 182 (Buchanan) sets a maximum debt-to-principal ratio and other limits on bonds issued by school and community college districts. Status: Signed; Chapter 477, Statutes of 2013.

State Personal & Corporate Income Taxes

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

SB 209 (Lieu) reenacts an income exclusion for gains when selling qualified small business stock recently struck down by courts. Status: Signed; Chapter 543, Statutes of 2013.

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: Senate Appropriations Committee.

SB 284 (de Léon) 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: Vetoed.

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

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: Senate Appropriations Committee.

SB 809 (DeSaulnier) imposes an annual tax on Schedule II, III, and IV controlled substance 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: Signed; Chapter 400, Statutes of 2013.

AB 32 (J. Pérez) extends and expands the Community Development Financial Institution credit. Status: Signed; Chapter 608, Statutes of 2013.

AB 362 (Ting) provides income tax exclusion for compensation received for employer provided health insurance for same sex marriages. Status: Signed; Chapter 439, Statutes of 2013.

AB 1412 (Assembly Revenue and Taxation) reenacts an income exclusion for gains when selling qualified small business stock recently struck down by courts. Status: Signed; Chapter 546, Statutes of 2013.

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: Vetoed.

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