

Memorandum

TO: Members, Santa Barbara County Board of Supervisors

FROM: Cliff Berg, Legislative Advocate
Monica Miller, Legislative Advocate

RE: July 2009 Update

DATE: August 14, 2009

BUDGET

After yet another marathon session on the budget the legislature finally agreed to a deal and the Governor signed off on pieces of it, after he used his line-item veto authority to delete an additional \$489 million. The Senate went into session on the afternoon of July 23rd and adjourned at about 5:30 am on Friday, July 24th, after passing all of the measures. The Assembly then began to take up the budget bills, although they officially went into session on July 23rd, they did not end up meeting until the next morning, they finally completed their work at about 4:30 pm on Friday, July 24, 2009. With the Senate having adjourned, it left little room for negotiations on any outstanding issues, so the end result was to work with what they had and send the package to the Governor. We have detailed below specific issues that are of concern to the County:

Prop. 1A – As you are aware, the legislature did adopt the “borrowing” of the Prop. 1A from the local governments, it will be a straight 8% take due back to the locals on June 30, 2013. The trailer bill language allows for the locals to borrow the funds through a JPA that the League of California Cities and CSAC have set up, the state specifically called out that they would be responsible for the interest rate charged to the locals along with any other fees involved in the borrowing. To date, we know that 12 counties have inquired about the process, and some cities, however the JPA does expect to see additionally inquiries as more information becomes available. We will continue to follow this issue and keep you posted.

Williamson Act – The legislature did keep the funding for the Williamson Act in tact, there was a 20% reduction adopted in the Budget Conference Committee, however the Governor line-item vetoed the fund down to \$1000. The program is still on the books, but it is not funded at this time. Keep in mind that this does not void any outstanding contracts you have with your landowners; it just allows the state to not fund the subventions.

Tranquillon Ridge – As you are aware the Administration included the Tranquillon Ridge deal as part of their May Revise, the issue was not addressed in the budget conference committee, however did ultimately make it into the budget agreement as part of the negotiations with the Big 5. The measure was a stand alone bill ABx4 23 that made it off of the Senate floor; however it failed to have the necessary votes to move off of the

Assembly floor. The bill was the last issue that was dealt with, and once the votes were obviously not there, the author, Assembly Member Chuck Devore, asked that the record be expunged therefore allowing the potential of the bill to be heard after they return from the Summer recess.

Legislative Platform

We wanted to update you on the County's two sponsored bills. The first measure is AB 359 by Assembly Member Nava, which will allow women in the Medi-Cal system to receive a digital mammogram in place of an analogue mammogram, which is currently covered under the Medi-Cal system. The bill passed the Senate Health Committee on July 8, 2009 with bi-partisan unanimous support. The measure is sitting in the Senate Appropriation committee which will be heard on August 17, 2009. It is anticipated that we will once again go on to the Appropriations suspense file, however we fully expect to come off when they hear those measures in late August.

SB 619 by Senator Strickland and Assembly Member Pedro Nava will continue to move forward in late August. While this measure does not have any general fund dollars attached to it, any measure with an appropriation goes to the Appropriations suspense file, which is where our bill currently sits. The measure allows the county to receive flood subvention funding from the state which is a match with local and federal dollars. Your Public Works Department has worked on this issue for 15 years with the Federal Government. They finally got the federal authority this spring, but still need to state piece. To date, the bill has not received any no votes.

We also continue to work on AB 50 by Assembly Member Nava. This measure will allow the county to receive the proper reimbursements from the Tea Fire as well as the Zaca Fire and most recently the Jesusita Fire. We are working with the Governor's office currently to address any issues that they may have given the outcome of the bills that were similar in nature last year. The bill was heard in Senate Revenue and Taxation Committee on July 8, 2009, and received unanimous support; the bill is now sitting in the Senate Appropriations Committee, also on the suspense file, which will be taken up in late August.

There are two other measures that the county is very interested in related to the mobile home park issue and the right of residents to own the park (i.e. conversion) and rent control. These two bills are directly competing against each other, one to allow a conversion and keeping the rent control in place allowing the residents to continue to be able to afford their homes, AB 566, which the county supported. The second measure, AB 761 would allow a park owner to raise the rent once a space is vacated but requires that the owner keep the rent "reasonable" based on market value, which the county had major concerns with and therefore was opposed. AB 566 continues to move, it is sitting on the Senate floor waiting to be taken up, AB 761 is a two year bill which will be potentially be taken up next year.

Another issue that has been on our radar screen is AB 494 by Assembly Member Anna Caballero, the county is opposed to this bill because it takes away local authority as it relates to housing permits on Williamson Act land for farm worker housing. This measure attempts to further the intent of a 1999 bill by now Senator Denise Ducheny. Essentially, the bill will allow those who want to build more farm worker housing by exempting leases from the Map Act and prohibiting local officials from denying use permits. The measure has been amended, others such as CSAC and the Farm bureau have removed their opposition, and we are reviewing it now and hope to make a decision on our position based on the current round of amendments soon.

Wrap-Up

As the legislative session comes to an end for this year, we fully expect a lot of activity during the next four weeks. Additionally, keep in mind that the Governor has called a special session to begin mid-September to deal with the tax commission and any recommendation they may have as it relates to our tax structure in the state. We do expect the legislature to continue to work on budget related items, they have many outstanding issues. The first of which are the multitude of lawsuits that have been filed regarding the legality of the Governor's blue pencil authority. They are also expected to address the many errors in the trailer bills to ensure that the language is properly implemented, specifically as it relates to the Prop. 1A borrowing. In addition, keep in mind that there are hundreds of bills that will need to be addressed in the next four weeks, given that they halted working on legislation while they attempted to address the budget. We will continue to follow the budget issues as well as the legislation and keep you apprised of any additional details that come about as a result of them wrapping up this year. As always, please feel free to let us know if you or your staff needs additional details or have any questions.