

TO: Members, County of Santa Barbara Legislative Committee

FROM: Monica Miller, Legislative Advocate  
Cliff Berg, Legislative Advocate  
County of Santa Barbara

RE: September 2011 Legislative and State Budget Update

DATE: September 7, 2011

### **2011-2012 Budget Update**

As the legislature wraps up the end of the legislative session, Friday, September 9, 2011, there are on-going fixes being proposed related to the current adopted budget. Listed below are issues that would be of interest to Santa Barbara County.

**SB 4x1/AB16x1** – This bill seeks to clean-up AB 118 which implemented the 2011 Public Safety Realignment, transferring the equivalent of \$5,559 million of annual state fiscal responsibilities for public safety programs to counties. This bill also creates the account structure and allocations for some of this funding, and dedicates 1.0625% of existing state sales tax revenue to fund these local costs in 2011-12. This measure

Additionally, the bill creates the Undistributed Account in the Local Revenue Fund 2011 in the State Treasury for the deposit of any monies in the fund that are not otherwise distributed to the other accounts as described in Section 30027 of the Government Code. This will enable clear accounting for all the funds deposited in the Local Revenue Fund 2011. The bill further specifies that any funds deposited in the Undistributed Account may be used to reimburse the General Fund for costs incurred and expenditures made by the State on behalf of any local government entity in providing Public Safety Services.

Another issue that the County would be concerned with is the creation of a Foster Care Administration Subaccount that is separate from the Foster Care Assistance Subaccount, which will enable a clear accounting of funding dedicated to supporting foster care assistance and funding that is used for administrative purposes.

The measure allows for the funds deposited in the Local Revenue Fund 2011 may be used to pay for state agency or department costs incurred during the 2011-12 fiscal year related to the realignment of public safety services programs. There are other clarifications to allow for the proper implementation of the Public Safety Realignment bill passed and signed by the Governor.

**SB5x1/AB17x1** – This bill continues the implementation of the 2011 Public Safety Realignment, which moved the responsibility for custody of certain low-level felons, parolees, and juveniles from the State to the counties. The framework for this transfer was contained in AB 109 (Committee on Budget), Chapter 15, Statutes of 2011, which

was enacted in March of 2011. In June, AB 117 (Committee on Budget), Chapter 39, Statutes of 2011, was enacted and AB 116 (Committee on Budget) Chapter 136, Statutes of 2011 provided for the implementation of the transfer of this responsibility.

This bill reflects the input from local public safety, counties, and other stakeholders and adds more specificity regarding the implementation of this shift in responsibility, which will occur on October 1, 2011. Much of the bill is intended to address specific concerns from these stakeholders that parts of the current statute regarding local custody and post release programs could be misinterpreted. As a result, the bill includes several provisions to clarify and define elements of these new programs, to address these concerns.

**SB7x1/AB25x1** – these bills were introduced this week by the Budget Committee; they would completely overhaul the State Responsibility Area Fee regulations enacted by ABX1 29 - the measure that established the State Responsibility Area (SRA) Fee for fire “prevention” activities.

After the budget passed earlier the year the State Board of Forestry and Fire Protection adopted emergency regulations that implement ABX1 29 last week establishing a general cap of \$90 per year. This bill would completely recast the emergency regulations just adopted and instead require the Board to start again with the new fire “protection” fee structure. Specifically, the bill would require a fee on landowners within the SRA of \$1 per acre owned for the first 100 contiguous acres, and lesser amounts per acre for land over 100 contiguous acres, but a total amount not to exceed \$3,000 for 10,000 or more acres owned. In addition, the bill would require a fee of not less than \$175 for one building or structure in the SRA and \$25 for each subsequent building or structure, with a \$25 credit for those property owners who are located in an established fire protection district. SBX1 7 also changes the appeal process for land owners within the SRA. The bill removes the current appeal process through the State Board of Equalization, and instead give the Board the authority to make the determination if a property is or is not located within the SRA. Monies accrued from the fire protection fee will go towards administrative costs, including the mapping of SRA boundaries and related hazard and risk; the portion of CAL FIRE’s fire protection costs that benefit owners of property in SRAs; and local assistance grants.

**SB8x1** - A stay (and a subsequent revision) has been issued by the California Supreme Court regarding many of the provisions of AB 26 X1 and AB 27X1 with respect to community redevelopment and the Alternative Voluntary Redevelopment Program. The stay applies to actions that would be allowed or required under the legislation. As a result, pending a final court decision scheduled by January 15, 2012, RDAs are not subject to dissolution if they choose not to participate in the Alternative Voluntary Redevelopment Program and their current redevelopment activities are largely "frozen." RDAs are precluded from most activities including adopting or amending redevelopment plans, entering into new agreements, amending or modifying existing agreements, issuing or restructuring bond issues, or disposing of assets. The stay allows for RDAs to continue making required payments on enforceable obligations and to conduct administrative operations necessary for these payments.

The bill also grants additional financial flexibility for cities or counties choosing to participate in the Alternative Voluntary Redevelopment Program to make their community remittances under the program. This bill allows amounts provided by a city or county for the 2011-12 community remittance to be repaid by additional transfers of funds from the RDA to the city or county in 2012-13 and 2013-14. The bill also permits RDAs that borrowed from their low- and moderate-income housing fund (LMIHF) in order to make supplemental educational revenue augmentation fund (SERAF) payments in 2009-10 and 2010-11, to extend the repayment of such borrowed funds for an additional 5 years.

The RDA must make a finding that there are insufficient other moneys to accomplish planned activities and must also address the specific impact of the repayment delay on housing activities.

**SB 13x1** – This bill make changes on the basis on which community remittances can be adjusted under the Alternative Voluntary Redevelopment Program established under the previous bills that were passed related to the RDA. With the stay in place, this bill is necessary to ensure that RDA's can continue to function. It allows for communities that wish to participate in the Alternative Voluntary Redevelopment Program to appeal by November 1, 2011 to ensure that they are able to continue to extend their credit and ensure that they don't take on the debt. There are some communities across the state that are unlikely to participate in the program based on the magnitude of community remittance amounts. The additional appeal process in this bill provides an avenue for those communities, while leaving the decision regarding the disposal of such appeals in the hands of the Director of the Department of Finance. The Director could use discretion in each case both in terms of weighing the appeal and designing the remedy, to the extent any is offered.

### **Sponsored Legislation by the County of Santa Barbara**

**AB 412 (Williams)** The bill has received bi-partisan support to date. The bill made it through the Assembly and the Senate. The bill became law on September 7, 2011 without a Governor's signature; he had many concerns about fines and the ability for individuals to keep up with them in addition to locals using them as a way to balance their books. With this bill now becoming law it has the potential to bring the county \$600,000 per year for the next two years to support the trauma system.

**AB 537 (Williams)** This bill co-sponsored with SBCAG and is related to the highway 154 issue. The bill is a two year bill as the County continues to work with CHP and others to gather the necessary data to substantiate our claims. We have talked with Assembly Member Williams staff and the SBCAG lobbyist; we expect to begin stakeholder meetings this fall.

**AB 765 (Achadjian)** This bill was introduced at our request by Assembly Member Katcho Achadjian on behalf of our DA, Joyce Dudley and is part of the Board of

Supervisor's platform. The bill had bi-partisan support but was held in the Senate Public Safety Committee on June 28, 2011 due to concerns that the bill would create a new crime. This measure will allow the penal code to catch up with modern day life related to sexually violent crimes and allow for DA's to properly prosecute offenders.

**AB 1356 (Eng)** This bill attempted to address a local issues related to wine tasting rooms and better regulation of them in our local communities. We had several stakeholder meetings on this bill with ABC, The Family Wine Makers, the Wine Institute and various vintners' associations throughout California. In an effort to get the best outcomes we have decided to make this bill a two-year bill to ensure we have a strong and successful bill to move forward next year. We also continue to work with Assembly Member Williams office as he is trying to address the constituents concerns as well at the local level along with our Board.

### Legislation of interests to the County of Santa Barbara

**AB 1417 (Hall)** This bill is supported by the County. The bill is sitting on the Senate floor waiting to be heard and will then have to go back to the Assembly for concurrence in the Senate amendments. The bill would have appropriated \$18,200,000 for the Indian Gaming Special Distribution Fund to the California Gambling Control Commission to provide grants to local government agencies impacted by tribal gaming; however in the Senate Appropriations Committee they amended the bill down to \$9.1 million. While this funding is less than what is owed, keep in mind that the legislature has attempted to release this funding over the last few years unsuccessfully, so we are optimistic with a new Administration that this bill will be signed into law.

**SB 106 (Blakeslee)** This bill sought to reimburse counties for the cost of special elections. The bill was successful in the Senate policy committee; however it was not released off of the Senate Suspense file when they heard the bills during deadline week due to the fiscal impact on the state. This is an on-going fight, which we will continue to engage in as the year unfolds.

**SB 444 (Evans)** This bill was supported by the county; this measure permits a local government to subject an application to convert a mobilehome park to resident ownership to all relevant state and local laws, including all provisions of the Subdivision Map Act. The bill did get out of policy committee however it fell short of the necessary votes on the Senate floor when it came up during the deadline week. It is now a two-year bill.

**AB 307 (Nestande)** This bill was followed by the County but no position was taken. The bill was signed into law on September 7, 2011. The measure allows for an Indian Tribe and a Local Government to enter into a Joint Powers Agreement should both parties agree.