

TO: Members, County of Santa Barbara Legislative Committee

FROM: Cliff Berg, Legislative Advocate
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RE: September 2012 State Update

DATE: September 26, 2012

While the legislature has recessed for the fall, we are still in the midst of the Governor's signing period, which ends on September 30, 2012 at midnight. There remain hundreds of bills that he has yet to act on and we anticipate he will wait until the last minute, as he has done in the past. We are pleased to announce that the Santa Barbara sponsored bills have all been acted on and signed by the Governor. There remain several bills that are of concern to the County which have yet to be acted on. These bills are detailed below. Additionally, it should be noted that as of the writing of this report we don't have the entire final outcome but will when we present the report to the committee.

Specific Legislation of interest to Santa Barbara County

AB 537 (Williams)/HR 31 - This is an issue that is co-sponsored with SBCAG which we have worked on for the past year and a half in an effort to get some resolution. AB 537 was a bill that was a two year bill as the County continued to work with CHP and others to gather the necessary data to substantiate our claims. After many meetings Assembly Member Williams, SBCAG and we determined that a resolution is the best course of action at this time. We introduced HR 31 on June 11, 2012, we had one policy hearing where we were successful, came off the floor with a vote of 50-24 and now are on the books. The resolution urges truck drivers traveling through Santa Barbara County to use State Route (SR) 101 rather than SR 154 to help reduce unnecessary truck traffic and improve safety on the SR 154.

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. Unfortunately, the Senate Public Safety Committee was not interested in moving this bill out of committee this year.

AB 1998 (Achadjian) This bill was introduced at our request on February 23, 2012 which was introduced as part of our 2012 legislative platform. This bill would allow a Board of Supervisors to locally opt-in to amend their surplus property plan to include the

ability to surplus computer property directly to CalFresh, CalWorks, Medi-Cal, and General relief recipients. We actively worked to secure additional support from other like-minded entities and we were successful. The bill moved out of the legislature with unanimous, bi-partisan support and was signed by the Governor on September 7, 2012.

AB 2443 (Williams) This bill was introduced at our request by Assembly Member Das Williams. The bill has been a work in progress for the last year; we have pulled together a stakeholder group and have worked with Assembly Member Williams' office in an effort to get the bill introduced. This bill will apply an up to \$10.00 per vessel license on all fresh water boats every two years to then be used to off-set local quagga and zebra mussel plans as defined by the lead agency to ensure that we stop the spread of this invasive species. The Department of Boating and Waterways will administer a grant program to distribute these funds, they will report back to the legislature annually to see if the program is successful and the funding is sufficient. We successfully moved the bill out of the legislature with bi-partisan support, which is huge given that it is a fee. The bill is now sitting on the Governor's desk awaiting his action. We are pleased to let you know that this bill was signed on September 23, 2012.

AB 2515 (Hall) This measure was what we call a gut and amend, however it fell into our platform so the County was able to take a support position on the bill. The bill, if signed into law, will release the next round of the Special Distribution Funds (SDF), which would keep the county whole for fiscal year 2011-12. Keep in mind, this has been a political fight since Governor Schwarzenegger and we have had to fight every year to get these funds released. While this is not the entire fund, it does make the County whole, which is a huge win.

AB 340 (Furutani) This measure is the final conference committee report on the pension reform negotiated with the Governor, the Legislature and the Unions. Here is a quick synopsis of what is contained in the final package. AB 340 makes several changes to the pension benefits that may be offered to employees hired on or after January 1, 2013, including, setting as new maximum benefit, a lower-cost pension formula for safety and non-safety employees with requirements to work longer in order to reach full retirement age and a cap on the amount used to calculate a pension. Among other things, AB 340 also enacts pension spiking reform for new and existing employees, requires three-year averaging of final compensation for new employees, and provides counties with new authority to negotiate cost-sharing agreements with current employees. AB 340 also contains limitations on the use of retired annuitants, requiring that an annuitant have a six-month break in service prior to returning to work. Public safety officers and firefighters are exempted from the annuitant restrictions, however the other provisions apply and a retiree can return to work for the county prior to the six month break, if approved by the Board of Supervisors in a public meeting. Since this is a corner stone to the passage of the Governor's tax proposal, the Governor signed these two bills on September 12, 2012.

Status of Redevelopment Agencies

The Status of the Redevelopment Agency issue continued until the end of session. While the entire package proposed was unsuccessful, some measures did make it out of the legislature. Their remains skepticism that the Governor will sign any of these bills, however they legislature forged ahead.

AB 1585 by Speaker John Perez from Los Angeles is a measure we brought to you earlier this year. This bill would enable housing agencies to keep their uncommitted balance of housing tax increment funds and allow for a local government that previously declined to be a successor agency to now become one. While many local jurisdictions have varying positions on the bill, the bill has received bi-partisan support. The measure passed the legislature and is now awaiting action by the Governor.

AB 2551 by Assembly Member Ben Hueso was passed by the legislature and is currently sitting on the Governor's desk awaiting his action. This bill creates a financing mechanism for cities who want to create infrastructure projects for the community while promoting the development of renewable energy. To do this, the bill removes the voter-approval requirement to form an IFD in a renewable energy infrastructure area, as identified by the legislative body of a city. A renewable energy infrastructure area is defined in the bill as an area that contains a proposed development project or projects that would generate in total more than 50 megawatts of electricity using an eligible renewable energy resource, as defined, that is intended to be used for commercial renewable energy projection.

Another bill that we have followed for the County is SB 1220 by Senators DeSaulnier and Steinberg. This bill imposes a fee of \$75 on the recording of each real-estate related document, except for those documents recorded in connection with a transfer subject to a documentary transfer tax, and directs the money to the Housing Opportunity and Market Stabilization (HOMeS) Trust Fund. The Legislature may then appropriate these funds for the development, acquisition, rehabilitation, and preservation of homes affordable to low- and moderate-income households, including emergency shelters, transitional and permanent rental housing, foreclosure mitigation, and homeownership opportunities. The bill has only received Democratic support to date and died on the Senate Floor.

The next bill is SB 1151 by Senator Darrel Steinberg (D-Sacramento). This bill permits local jurisdictions to use an alternative process to administer the assets of their former redevelopment agencies for economic development and housing purposes. To do so, the bill authorizes a Community Development and Housing Joint Powers Authority to place redevelopment assets in a Sustainable Economic Development and Housing Trust Fund and requires a long-range asset management plan to govern that trust fund. The bill has only been supported by Democrats. This bill moved out of the Senate and died in the Assembly Housing and Community Development Committee this summer.

The final bill is SB 1156 by Senator Darrel Steinberg (D-Sacramento). This bill authorizes a city and county that included the Development and Housing Joint Powers

Authority to carry out Community Redevelopment Law, using the assets of a former redevelopment agency as well as new revenues that the bill authorizes. The bill has not received Republican support to date. This bill moved out of the legislature and is now awaiting the Governor's action.

While we anticipated that this would become part of the "Big Five" budget negotiations, those never really took shape this year. There were many "horses traded" at the end of session and getting a signature on one or all of these bills may have been part of that discussion, we will only know once the Governor acts.

Wrap-up

The Governor had until September 30, 2012 to either sign or veto bills and while when we do our oral report we will know what the final outcomes are, as of the writing of this report we are still waiting for several measures. Keep in mind with over 800 bills sitting on his desk; we anticipate that many issues will be dealt with during the last couple of days. Once that is complete, he will begin to re-focus on his tax measure slated for the November 2012 ballot. Since we last reported there have yet to be any details released regarding any possible new triggers that may be considered. As you are aware if Proposition 30 fails, schools are slated to be hit the hardest; however they have been especially generous in funding a major part of this effort, so we anticipate a special session on budget will be called the day after the election. The Governor has also announced that he will call a special session on healthcare reform; this is slated to begin in December or January of next year. We anticipate that they will run concurrent to the regular session, however this gives the state the advantage that anything passed in this session will be enacted 90 days after the close of session providing enough time for implementation prior to Obama Care in 2014.