



Memorandum

**TO: PUBLIC SAFETY, FINANCE &
STRATEGIC SUPPORT COMMITTEE**

**FROM: Betsy Shotwell
Roxanne Miller**

**SUBJECT: REPORT ON KEY LEGISLATIVE
ITEMS**

DATE: April 12, 2011

Approved

Date

4/13/11

RECOMMENDATION

Accept the staff memorandum dated April 11, 2011, concerning pending State legislation in the Public Safety, Finance and Strategic Support City Service Areas.

BACKGROUND

Included in the Public Safety, Finance and Strategic Support Committee work plan for 2011 is the request for a legislative update to be brought forward to the Committee by the City Manager's Office of Intergovernmental Relations.

ANALYSIS – PENDING STATE LEGISLATION

The 2011-12 State Legislative Session convened in Sacramento on December 6, 2010, and the deadline for bills to be introduced in the State Legislature was February 18, 2011. So far during the first year of this legislative session, a total of 2,424 bills and constitutional amendments have been introduced. The Governor has signed 18 bills with no vetoes. The Legislature is currently holding legislative and budget committee hearings and is scheduled to break for Spring Recess from April 14-24, 2011. The next major bill deadline in the Legislature is May 6, which is the last day for policy committees to meet and report fiscal bills to the Appropriations Committee of the Assembly or Senate, followed by a May 27 deadline for all bills to pass to the Assembly or Senate Floor. This year, the Legislature will continue to hear bills and pass them to the Governor by September 9, when the Interim Study Recess will begin. The Legislature will reconvene the second year of the 2011-12 Session on January 4, 2012.

The following is a list of bills introduced in 2011 in the areas of law enforcement and the courts; public health and safety; elections, political reform, conflict-of-interest, and public records; employer-employee relations; fiscal issues and taxation; public liability and insurance; and public works, telecommunications and infrastructure. This list includes both bills San José has taken a

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position on, as well as a partial list of bills of particular interest to the City. All legislation is continually reviewed by IGR and other City departments for new amendments, and significant bills will be brought forward to the Rules Committee and the City Council for consideration and adoption of City positions.

Public Safety – Law Enforcement and the Courts.

AB 44 (Logue) – Inmates: Release: Notification.

Requires that inmate release notification be sent 60 days prior to the scheduled release date of an inmate. Conforms the timeline for local comments to the longer notification period (Fiscal)

Status: Assembly Floor 3rd Reading.

Amended: N/A.

AB 90 (Swanson) – Human Trafficking: Minors.

Provides that a person who deprives or violates another person's liberty with the intent to effect or maintain the felony of making available to another person a person under 16 years of age for the purpose of any lewd or lascivious act, or the felony of the procurement of minors in the preparation of material depicting sexual conduct by a minor, is guilty of human trafficking. Expands the scope of such offenses to include a person under the age of 18. (Fiscal)

Status: Assembly Committee on Public Safety.

Amended: 4/4/11.

AB 220 (Solorio) – Gang and Youth Violence: Prevention.

Requires the Director of the Office of Gang and Youth Violence Policy to make recommendations to streamline existing state agency gang and youth violence grant programs with a goal toward giving priority to grant programs that employ evidence-based practices. (Fiscal)

Status: Assembly Floor Consent.

Amended: N/A.

AB 223 (Ammiano) – Compassionate Use Act of 1996.

Establishes a comprehensive and multidisciplinary commission that is empowered to address issues regarding the legality and implementation of the Compassionate Use Act of 1996 and the state's medical marijuana law. Prohibits the smoking of medical marijuana within 600 feet of the grounds of a school, recreation center, or youth center, unless the medical use occurs within a residence or within a medical marijuana cooperative, collective, or dispensary. (Nonfiscal)

Status: Assembly Committee on Public Safety.

Amended: 3/31/11.

AB 1008 (Cook) – Vehicles: Automated Traffic Enforcement Systems.

Prohibits a local governmental agency from installing an automated traffic enforcement system. Authorize a local government agency that is operating an automated traffic enforcement system to continue to do so only if the agency begins conducting a traffic safety study at each intersection where a system is in use to determine whether the use of the system resulted in a reduction in the number of traffic accidents at that intersection. Requires the termination of use if the study shows no reduction. (Fiscal)

Status: Assembly Committee on Local Government.

Amended: 4/4/11.

AB 1300 (Blumenfield) – Medical Marijuana.

Defines a cooperative or collective for purposes of the Medical Marijuana Program. Revises provisions of the program to provide that those provisions shall not prevent a city or other local governing body from adopting local ordinances that regulate the location, operation, or establishment of a medical marijuana cooperative or collective, or from the civil or criminal enforcement of those local ordinances. (Nonfiscal)

Status: Assembly Committee on Public Safety.

Amended: 3/31/11.

SB 28 (Simitian) – Vehicles: Electronic Wireless Communications Devices.

Requires the Department of Motor Vehicles to include a test of the driver license applicant's understanding of the distractions and dangers of handheld cell phone use and text messaging while operating a motor vehicle. Increases the base fines for driving a motor vehicle which using a wireless communications device. Exempts a hands-free texting device. (Fiscal)

Status: Senate Appropriations Committee.

Amended: 4/7/11

SB 29 (Simitian) – Vehicles: Automated Traffic Enforcement Systems.

Relates to existing provisions authorizing the limit line, intersection or other places where a driver is required to stop to be equipped with an automated enforcement system. Requires the agency that operates such a system to develop uniform guidelines for specified purposes by a specified date. Prohibits a governmental agency from considering revenue generation as a factor when considering installation of such devices. Relates to notice to appear procedures in connection with alleged violations. (Fiscal)

Status: Senate Committee on Appropriations.

Amended: 4/5/11.

SB 49 (Strickland) – Local Government: Emergency Response: Fees.

Prohibits a city, including a charter city, county, district,, municipality or public authority from charging a fee to any person, regardless of residency, for the expense of an emergency response, except where a fee is otherwise authorized. (Nonfiscal)

Status: Senate Committee on Public Safety.

Amended: N/A.

SB 54 (Runner) – Sex Offenders: Residency Restrictions: Relief.

Relates to existing law which prohibits a registered sex offender from residing within 2,000 feet of a public or private school, or park where children regularly gather. Requires that if relief is granted or denied, no subsequent petition shall be heard unless the petitioner establishes that circumstances regarding compliant housing have changed. (Nonfiscal)

Status: Senate Committee on Public Safety.

Amended: N/A.

SB 129 (Leno) – Medical Marijuana: Qualified Patients & Primary Caregivers: Employment Discrimination.

Amends existing law, the Compassionate Use Act of 1996, and existing law that requires the State Department of Public Health to establish and maintain a voluntary program for the issuance of identification cards to patients qualified to use marijuana for their personal medical purposes. Makes it unlawful for an employer to discriminate against a person in hiring, termination, or any term or condition of employment based upon the person's status as a qualified patient or a positive drug test for marijuana. (Nonfiscal) **Status:** Senate Floor 3rd Reading. **Amended:** N/A.

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SB 626 (Calderon) – Cannabis & Cannabis Product: Certificate: Taxation.

Creates the Cannabis Certification and Regulation Act of 2011, and provides for the certification by the State Board of Equalization of growers, wholesalers, retailers, and transporters of cannabis. Provides for the seizure of cannabis. Requires each wholesaler to prepay the retail sales tax on its gross receipts. (Fiscal) **Status:** Senate Committee on Governance & Finance. **Amended:** N/A.

ACAx1 2 (Blumenfield) / SCAx1 1 (Steinberg) – Schools and Local Public Safety Protection Act of 2011.

Proposes an amendment to the Constitution to extend the existing sales and use tax rate and vehicle license fees. Deposits the revenues from the increase to fund public safety services. Continues the decrease in the amount allowable as a credit for personal exemption for dependents, the increase in the tax rate applicable to taxable income, and the increase in the alternative minimum tax. Requires the deposits of 6.5% of the net personal income tax receipts into the Education Protection Account. (Fiscal)

Status: Assembly Committee on Budget / Senate Floor.

Amended: 3/21/11 & 3/17/11.

Public Health and Safety.

AB 183 (Ma) – Alcoholic Beverage Licenses: Self-Service Checkouts.

Prohibits off-sale licensees from selling alcoholic beverages using a self-service checkout system. Makes findings and declarations regarding the effects of allowing alcoholic beverages to be sold using self-service checkouts. (Fiscal)

Status: Assembly Committee on Governmental Organization.

Amended: N/A.

AB 184 (Swanson) – Contractual Assessment Programs: Seismic Safety.

Enacts the Seismic Safety Finance Act, to authorize a public agency, as defined, to determine that it would be convenient, advantageous and in the public interest to designate an area within enter into voluntary contractual assessments to finance the installation of seismic strengthening improvements that are permanently fixed to those owners' real property, as specified. Defines public agency, to mean a city, county, or city and county. (Nonfiscal)

Status: Assembly Floor .

Amended: N/A.

AB 403 (Campos) – Public Drinking Water Standards: Hexavalent Chromium.

Requires the Department of Public Health to establish a primary drinking water standard for hexavalent chromium on or before a specified date. Provides that if a standard is not adopted by that date, the public health goal set by the Office of Environmental Health Hazard Assessment shall be the applicable standard. (Fiscal)

Status: Assembly Committee on Environmental Safety & Toxic Materials.

Amended: N/A.

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SB 123 (Liu) – Runaway, Homeless and Exploited Youth Act.

Enacts the state Runaway, Homeless, and Exploited Youth Act. Requires the Emergency Management Agency to develop, in collaboration with the Senate Office of Research and interested parties, a statewide plan for runaway, homeless, and exploited youth. (Fiscal)

Status: Senate Committee on Public Safety. **Amended:** 4/4/11.

Strategic Support – Elections, Political Reform, Officers, Conflict of Interest, and Public Records – State Oversight of Local Government Financing and Financial Review.

AB 80 (Fong) – Presidential Primary: Election Date.

Changes the date of the presidential primary election to the first Tuesday after the first Monday in June of presidential election years. Consolidates the presidential primary election with the statewide direct primary election. (Nonfiscal)

Status: Assembly Floor **Amended:** 3/3/11.

AB 162 (Smyth) – Local Government: Financial Reports.

Requires that, if an audit of a local agency reveals certain financial irregularities, the findings be sent separately to the Controller immediately after the audit has been concluded. Requires the Controller to prepare and transmit a report on those findings, and the Controller's recommendations, to the Assembly Committee on Local Government and the Senate Committee on Local Government. (Fiscal)

Status: Assembly Committee on Local Government. **Amended:** N/A.

AB 187 (Lara) – State Auditor: Audits: Local Government Agency Program.

Authorizes the State Auditor to establish a high-risk local government agency audit program to identify, audit and issue reports on any local government agency, including any city, county or special district, or any publicly created entity that the State Auditor identifies as being a high-risk for the potential of waste, fraud, abuse, or mismanagement. (Fiscal)

Status: Assembly Committee on Accountability & Administrative Review. **Amended:** N/A.

AB 229 (Lara) – The Controller: Audits.

Amends existing law relating to the submission of audit reports by any local agency to the Controller. Requires reports to be submitted to the Controller within nine months of the end of the period audited or in accordance with applicable federal law. Authorizes the Controller to appoint a qualified certified public accountant to complete an audit report if it is not submitted within the required time frame and to propose and adopt the content of an audit guide. (Fiscal)

Status: Assembly Business, Professions & Consumer Protection. **Amended:** 3/30/11.

AB 253 (Smyth) – Local Agencies: Accounting.

Require the Controller to prescribe uniform accounting procedures that are applicable only to specified types of special districts, subject to these provisions. Requires the Controller to prescribe uniform accounting procedures for cities, subject to specified criteria, in collaboration with the Committee on City Accounting Procedures, created by this bill. (Fiscal)

Status: Assembly Committee on Local Government.

Amended: 3/15/11.

AB 276 (Alejo) – Local Government: Financial Reports.

Expands the definition of local agency to include any joint powers agency, for the purpose of reporting financial transaction reports to the Controller within 90 days of the close of each fiscal year. Increases the penalties for local agencies failing to meet the reporting deadlines. Agencies that fail to report for three consecutive years are subject to tripling of the fine, plus an independent financial audit report conducted by the Controller. (Fiscal)

Status: Assembly Committee on Local Government.

Amended: 4/4/11.

AB 392 (Alejo) – Ralph M. Brown Act: Posting Agendas.

Requires the legislative body of a local agency, at least 72 hours before a regular meeting of that body, to post the writings that relate to an agenda item for the open session of that regular meeting. Requires the legislative body to post the agenda and the writings on its Internet website. (Fiscal)

Status: Assembly Committee on Local Government.

Amended: N/A.

AB 1287 (Buchanan) – Local Government: Audits.

Requires local agencies, defined to include cities, counties, a city and county, special districts, authorities, or public agencies, to comply with General Accounting Office standards for financial and compliance audits and prohibits an independent auditor from engaging in financial compliance audits unless the auditor completes a quality control review. (Nonfiscal)

Status: Assembly Committee on Local Government.

Amended: N/A.

SB 46 (Correa) – Public Officials: Compensation Disclosure.

Requires every person, except a candidate for public office, who is required to file a statement of economic interests to include a compensation disclosure form that provides compensation information for the preceding calendar year. Requires each designated employee who is required to file statements under a conflict of interest code to include, as a part of that filing, a compensation disclosure form that provides compensation information for the preceding calendar year. (Fiscal, Urgency)

Status: Senate Committee on Governance and Finance.

Amended: 4/6/11.

SB 186 (Kehoe) – The Controller.

Authorizes the Controller to exercise discretionary authority to perform an audit or investigation of any county, city, special district, joint powers authority, or redevelopment agency, if the Controller has reason to believe, supported by documentation, that the local agency is not complying with the financial requirements in state law, grant agreements, local charters, or local ordinances. Requires the Controller to prepare a report of the results of the audit or investigation and to file a copy with the local legislative body. (Fiscal)

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Status: Senate Committee on Appropriations.

Amended: 4/6/11.

SB 449 (Pavley) – Controller: Local Agency Financial Review.

Authorizes the Controller to conduct a preliminary review to determine the existence of a local agency financial problem, and perform an audit upon completion of that review, subject to specified criteria. Requires the Controller to convene a local agency financial review committee with a specified membership, and authorizes the committee to recommend a financial recovery plan for a local agency requesting assistance. Requires the Controller to report to the Legislature annually on the actions of the committee and the status of all engagements with local agencies pursuant to these provisions, which would be repealed on January 1, 2017. (Fiscal)

Status: Senate Committee on Appropriations.

Amended: 4/7/11.

Strategic Support – Employer-Employee Relations.

AB 22 (Mendoza) – Employment: Credit Reports.

Prohibits an employer, with the exception of certain financial institutions, from obtaining a consumer credit report for employment purposes unless the information is job-related, the position is in the State Department of Justice, a managerial position, that of a sworn peace officer or other law enforcement position, or a position for which the information is required to be disclosed or obtained by the employer. (Fiscal)

Status: Assembly Committee on Labor and Employment.

Amended: 3/8/11.

AB 195 (Hernandez) – Local Public Employee Organizations.

Amends the Meyers-Milias-Brown Act that provides for the representation of local public employees. Prohibits a public agency from, among other things, imposing reprisals on or discriminating against employees because of their exercise of rights guaranteed by the act, refusing or failing to meet and negotiate in good faith with a recognized employee organization, or refusing to participate in good faith in an applicable impasse procedure. (Nonfiscal)

Status: Assembly Committee on Public Employees, Retirement & Soc Sec. **Amended:** 3/21/11.

AB 335 (Solorio) – Workers' Compensation: Notices.

Amends existing law requiring that specified notices be provided to injured employees. Requires the Administrative Director of the Division of Workers' Compensation to prescribe reasonable rules and regulations for serving certain notices on an employee and to be accessible on the department's Internet website. Requires a booklet written in plain language that describes the overall workers' compensation claims process. (Fiscal)

Status: Assembly Committee on Appropriations.

Amended: N/A.

AB 400 (Ma) – Employment: Paid Sick Days.

Provides that an employee who works in California for seven or more days in a calendar year is entitled to paid sick days. Prohibits an employer from discriminating against an employee who requests paid sick days. Requires employers to satisfy posting and notice and recordkeeping requirements. Authorizes the Labor Commissioner to impose administrative fines. Exempts employees covered by a collective bargaining agreement that provides for paid sick days. (Fiscal)

Status: Assembly Committee on Labor and Employment.

Amended: N/A.

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AB 455 (Campos) – Public Employment: Local Public Employee Organizations.

Provides that when a local public agency has established a personnel commission or merit commission to administer personnel rules or a merit system, the governing board of the public agency would appoint members of the commission. Specifies that the recognized employee organization would nominate members for appointment. (Nonfiscal)

Status: Senate Committee on Rules.

Amended: 3/31/11.

AB 584 (Fong) – Workers' Compensation: Utilization Review.

Amends existing workers' compensation law that generally requires employers to secure the payment of workers' compensation, including medical treatment, for injuries incurred by their employees that arise out of, or in the course of, employment. Requires a related psychologist to be licensed by state law. Requires a related physician to be licensed by state law. Provides that a claim for state disability benefits may also be supported by a health professional. (Nonfiscal)

Status: Assembly Committee on Insurance.

Amended: 4/6/11.

AB 646 (Atkins) – Local Public Employee Organizations: Impasse Procedures.

Amends provisions that govern collective bargaining of local represented employees and delegate jurisdiction to the Public Employment Relations Board to resolve disputes and enforce the duties and rights of local public agency employers and employees. Provides that if parties fail to reach an agreement, either party may request that the board adopt a mediator. Authorizes submission to a fact finding panel, if the arbitration is not successful. Requires panel findings to be submitted to the parties. (Fiscal)

Status: Assembly Committee on Public Employees, Retirement & Soc Sec. **Amended:** 3/23/11.

AB 1184 (Gatto) – Public Employees' Retirement Benefits.

Amends the Public Employees' Retirement Law. Provides that the obligations for retirement benefits that are attributable to excess compensation earned by a nonrepresented employee who was employed by one or more public agencies shall be the sole obligation of the subsequent contracting agency that paid the excess compensation. (Fiscal)

Status: Assembly Committee on Public Employees, Retirement & Soc Sec.

Amended: N/A.

SB 27 (Simitian) – Public Retirement: Final Compensation: Computation.

Amends the State Teachers' Retirement Law to include the creditable compensation definition under the Defined Benefit Supplement Program, a lump sum payment under the program, to apply to certain retirees a provision that permits a retired member of the system to perform specified duties as independent contractor with no service credit and limits or prohibits compensation, and the Cash Balance Benefit Program. Relates to service compensation reporting under the Public Employees' Retirement Law. (Fiscal)

Status: Senate Committee on Appropriations.

Amended: 3/3/11.

Strategic Support – Fiscal Issues and Taxation.

AB 66 (Chesbro) – Taxation: Vehicle License Fees.

Repeals the current June 30, 2011, sunset date on the additional tax equal to 0.15% of the market value of specified vehicles, as determined by the Department of Motor Vehicles, to the vehicle license fee, to be deposited in the General Fund and transferred to the Local Safety and Protection Account, making this 0.05% additional tax permanent. (Fiscal, Urgency)

Status: Assembly Committee on Revenue and Taxation.

Amended: N/A.

AB 129 (Beall) – Local Government: Fines and Penalties: Assessments.

Authorizes a city, county, or city and county to, after notice and public hearing, specially assess any fines or penalties not paid after demand by the city, county, or city and county against real property owned by the person owing those fines and penalties where the fines or penalties are related to ordinance violations on the real property upon which the fines or penalties would be specially assessed, and the ordinance violations constitute a public nuisance or threat to public health and safety. (Nonfiscal)

Status: Assembly Floor 2nd Reading.

Amended: N/A.

AB 155 (Calderon) – Use Tax: Retailer Engaged in Business.

Amends the Sales and Use Tax laws and the collection thereof by retailers. Defines a retailer engaged in business in the state as a retailer that is a member of a commonly controlled group under the Corporation Tax Law, and a member of a combined reporting group that includes another member of the retailer's commonly controlled group that performs services in the state in connection with tangible personal property to be sold by the retailer. (Fiscal)

Status: Assembly Committee on Revenue and Taxation.

Amended: 3/3/11.

AB 231 (V. Perez) – Economic Development Areas.

Renames the Enterprise Zone Act the Economic and Community Development Zone Act. Deletes provisions governing manufacturing enhancement areas and targeted tax areas. Makes revisions in the requirements governing enterprise zones, local agency military base recovery areas, and geographically targeted economic development areas. Increases the requirements for a qualified employee for a zone hiring tax credit. Creates a new enterprise zone hiring credit. Relates to sales tax and other business tax credits. (Fiscal)

Status: Assembly Committee on Jobs, Eco Dev & Economy.

Amended: 3/24/11.

AB 232 (V. Perez) – Economic Development: Enterprise Zones.

Provides that the purpose of the Enterprise Zone Act is to help stabilize local communities, alleviate poverty, and enhance the state's economic prosperity through the implementation of public and privately funded programs and services that stimulate business and industrial growth in the depressed areas of the state. Deletes a provision regarding zone size limitations. Adds to the

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list of zone funding sources. Authorizes an expansion for noncommercial land. Relates to audits and workforce development. (Fiscal)

Status: Assembly Committee on Jobs, Eco Dev & Economy.

Amended: N/A.

AB 485 (Ma) – Local Planning: Transit Village Development Districts.

Requires a city or county that uses infrastructure financing district bonds to finance its transit village development district to use at least 20% of the revenue from those bonds for the purposes of increasing, improving, and preserving the supply of lower and moderate-income housing and rental units. (Fiscal)

Status: Assembly Committee on Jobs, Eco Dev & Economy.

Amended: 3/24/11.

AB 686 (Huffman) – Local Sales and Use Taxes: Transaction and Use Taxes.

Amends existing law that authorizes the board of supervisors of a county and the governing body of a city to levy, increase, or extend a transactions and use tax at a specified rate, or a multiple thereof, if approved by the required vote of the board or governing body and the required vote of the qualified voters. Authorizes the levy increase, or extension of a transaction and use tax at a lesser rate or a multiple thereof. (Nonfiscal)

Status: Assembly Committee on Revenue and Taxation.

Amended: 3/9/11.

ACA 4 (Blumenfield) – Local Government Financing: Voter Approval.

Proposes to amend the State Constitution to provide an additional exception to the 1% limit for a rate imposed by a city, county, city and county, or special district, to service bonded indebtedness incurred to fund specified public improvements and facilities, or buildings used primarily to provide sheriff, police, or fire protection services, that is approved by 55% of the voters of the city, county, city and county, or special district. Decreases to 55% the voter-approval threshold for a city, county, or city and county to incur bonded indebtedness, exceeding in one year the income and revenue provided in that year, that is in the form of general obligation bonds to fund specified public improvements and facilities, or buildings used primarily to provide sheriff, police, or fire protection services. (Nonfiscal, 2/3 vote)

Status: Pending referral to Assembly committee.

Amended: N/A.

SB 214 (Wolk) – Infrastructure Financing Districts: Voter Approval.

Eliminates the requirement of voter approval to issue bonds to finance infrastructure facilities and authorizes the legislative body to create an infrastructure financing district, adopt a financing plan, and issue the bonds by resolutions. Specifies that the date on which the district would cease to exist would not be more than 40 years from the date on which the legislative body adopted the resolution adopting the infrastructure financing plan. (Nonfiscal)

Status: Senate Committee on Governance and Finance.

Amended: N/A.

SB 670 (Calderon) – Occupancy Taxes.

Revises authorization to provide that an excise tax is imposed on the rent, paid for the privilege of occupying a room or other living space in a hotel, inn, tourist home or house, motel, or other lodging and does not include amounts paid to the operator which are not mandatory charges for occupancy. Includes charter cities within the scope of this authorization. (Nonfiscal)

Status: Senate Committee on Rules.

Amended: N/A.

Strategic Support – Budget Bills.

AB 101 / SB 77 (Committees on Budget) – Governor’s Proposal to Eliminate Redevelopment. Revises provisions of the Community Development Law relating to actions against redevelopment agencies for certain agency actions. Dissolves all redevelopment and community development agencies. Eliminates Low and Moderate Housing Program and dedicated tax increment funding. Designates successor agencies. Requires former agency audits. Requires an estimate of property tax funds that would have gone to agency and to deposit that amount in the Redevelopment Property Tax Trust Fund in each county. Allocates funds to counties' public health and safety fund. (Fiscal) **City Position: OPPOSE.**

Status: Assembly Floor / Pending Concurrence in Assembly amendments. **Amended:** 3/15/11.

AB 103/SB 79 (Committees on Budget) – Income Taxes: Managed Care Plan Taxes: Vehicle Taxes. Governor’s Proposal to Eliminate Enterprise Zone Program.

Repeals provisions providing tax credits and deductions relating to enterprise zones, targeted tax areas, local agency military base recovery areas and manufacturing enhancement areas, net operating loss carryovers, revision of the rules under the Corporation Tax Law regarding doing business within the state and whether specific sales occur in the state, apportionment, Medi-Cal managed care plan taxation, and vehicle license fees. (Fiscal, Urgency) **City Position:**

OPPOSE

Status: Senate Floor/Assembly Committee on Budget

Amended: 3/24/11.

AB 105 (Assembly Committee on Budget) – Transportation: includes Gas Tax Swap Cleanup.

Protects revenues from the Highway Users Tax Account (HUTA) from future raids. Provides greater flexibility for the state to the transfer of revenues in the State Highway Account to the Transportation Debt Service Fund for General Fund bond debt service, and to repay a loan of gasoline excise taxes, the motor fuel and diesel fuel sales and use tax, the Transit Assistance Program, railroad projects in the Trade Corridors Improvement Fund program, regional public waterborne transit agencies funding, local street, highway and mass transit funding. Bill also clarifies that the new HUTA funds are not subject to the maintenance of effort requirements and other restrictions applicable to the former Proposition 42 funds. Urgency (Non fiscal)

City Position: SUPPORT

Status: Chapter 6, Statutes of 2011 (signed by Governor on 3/24/11).

Amended: 3/16/11.

AB 109/AB 111/AB 94(Committees on Budget) – Criminal Justice Realignment Program and AB 900 Local Jail Construction Fund.

AB 109 makes various changes to implement provisions of the 2011-12 state budget related to realignment of certain low-level offenders, adult parolees, and juvenile offenders, from state to county jurisdiction. The Criminal Justice Realignment program was signed by Governor Brown on April 4 with a pledge to not sign any further bills to implement the correction realignment without first providing the required funding to establish “community” corrections grants. These grants would be funded by the Schools and Local Public Safety Protection Act of 2011 (SCAx1 1 Steinberg/ ACax 1 2 Blumenfield), if the

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voters approved the constitutional amendment that creates a five year tax extension had been approved for the June special election which is now stalled. The Governor also signed AB 111, the corrections facility bill which facilitates county construction of new bed facilities for the additional county inmate population anticipated with implementation of the criminal justice realignment. AB 94 has also passed to authorize counties to compete for jail construction for a share of \$1.12 billion in funding under AB 900 Local Jail Construction Fund. The local match requirement has been reduced from 25 % to 10%.

Status: AB 109 signed by Governor on 4/4/11 Chapter 15.

AB 111 signed by Governor on 4/4/11, Chapter 16.

AB 94 amended and passed Senate on 4/11/11, pending concurrence in Assembly.

ACAx1 2 (Blumenfield) / SCAX1 1 (Steinberg) – Schools and Local Public Safety Protection Act of 2011.

Proposes an amendment to the Constitution to extend the existing sales and use tax rate and vehicle license fees. Deposits the revenues from the increase to fund public safety services. Continues the decrease in the amount allowable as a credit for personal exemption for dependents, the increase in the tax rate applicable to taxable income, and the increase in the alternative minimum tax. Requires the deposits of 6.5% of the net personal income tax receipts into the Education Protection Account. (Fiscal)

Status: Assembly Committee on Budget / Senate Floor.

Amended: 3/21/11

Strategic Support – Public Liability and Insurance.

AB 328 (Smyth) – Inverse Condemnation: Comparative Fault.

Amends an existing law that prohibits the taking of private property without the payment of just compensation and permits a person to maintain an action in the inverse condemnation for the purpose of obtaining compensation for a taking. Applies the doctrine of comparative fault to inverse condemnation actions. Requires a court or arbitrator to reduce the compensation paid to a plaintiff in direct proportion to his or her percentage of fault in the damaging of property that constitutes a taking. (Fiscal)

Status: Assembly Business, Professions & Consumer Protection.

Amended: 3/30/11.

Strategic Support – Public Works, Telecommunications and Infrastructure.

AB 457 (Wagner) – Public Works Contracts: Relief for Bidders.

Entitles a bidder who successfully challenges the award of a public works contract determined to be invalid due to errors or omissions of the public entity to recover costs and attorney's fees incurred in pursuing the challenge. (Fiscal)

Status: Assembly Business, Professions & Consumer Protection.

Amended: N/A.

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AB 551 (Campos) – Public Contracts: Prevailing Wage Requirements.

Amends existing law that requires a contractor or subcontractor to submit, to the state or political subdivision on whose behalf a public work is being performed, a penalty for violations of prevailing wage provisions. Increases that maximum penalty. Provides an increase in the period of contract ineligibility for a public works contractor or subcontractor that has been found to have committed willful prevailing wage violations. Relates to debarment for failing to produce payroll records timely. (Fiscal)

Status: Assembly Committee on Labor and Employment.

Amended: N/A.

AB 1354 (Huber) – Public Works: Payments: Retention.

Relates to retentions of public works payments. Prohibits the retention of any amount with respect to all contracts entered into on or after January 1, 2012, between a public entity and an original contractor, between an original contractor and a subcontractor, and between all subcontractors. (Nonfiscal)

Status: Assembly Committee on Business, Professions & Consumer Protection. **Amended:** N/A.

PUBLIC OUTREACH

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting.)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting.)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers.)**

This document will be posted on the City's website for the April 21, 2011, Public Safety, Finance and Strategic Support Committee, where the Council and the public will have the opportunity to comment.

EVALUATION AND FOLLOW-UP

The City Council will be informed as to the status of these measures as part of the regular Intergovernmental Relations legislative updates.

Public Safety, Finance & Strategic Support Committee

Re: Report on Key Legislative Items

April 12, 2011

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COORDINATION

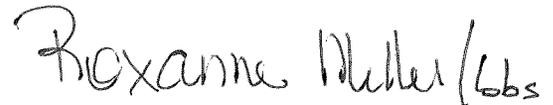
This memo was coordinated with the City's Legislative Representative in Sacramento and the City Attorney's Office.

POLICY ALIGNMENT

The measures and critical funding issues identified in the memorandum are based on the City of San José's 2011 Legislative Guiding Principles, Priorities and Advocacy Issues adopted by the City Council on December 14, 2010.



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Legislative Representative
(916) 443-3946