



# Memorandum

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

**FROM: Betsy Shotwell  
Roxanne Miller**

**SUBJECT: REPORT ON KEY LEGISLATIVE  
ITEMS**

**DATE: August 11, 2011**

Approved

*Alex Gura*

Date

8-11-11

## RECOMMENDATION

Accept the staff memorandum dated August 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 2011 STATE LEGISLATION

The State Legislature will return from summer recess on August 15 and will continue to hear bills and pass them to the Governor by September 9 when the Legislature is scheduled to adjourn and the Interim Recess begins. Bills signed by the Governor on or before October 9 will go into effect January 1, 2012 unless they contain an urgency clause or as otherwise specified.

The following is a list of bills introduced in 2011 in the City's Public Safety, Finance, and Strategic Support City Services Areas and includes both bills San Jose has taken a 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 are 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 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:** 3/31/2011.

**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:** Failed passage in Assembly Committee on Local Government. **Amended:** 4/4/2011.

**AB 1300 (Blumenfield) – Medical Marijuana.**

**Revises provisions of the Medical Marijuana Program** to provide that those provisions shall not prevent a city or other local government body from adopting local ordinances that regulate the location, operation, or establishment of medical marijuana cooperative or collective, or from the civil or criminal enforcement of those local ordinances. (Non-fiscal)

**Status:** In Senate, To Special Consent Calendar. **Amended:** 6/1/2011.

**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 the use of wireless communications device. Exempts a hands-free texting device. Requires a portion of the bicycle violation fine to the county courts. Deletes the prohibition on stopping a vehicle only for wireless communication device use. Relates to violation point assessments. (Fiscal)

**Status:** Passed Assembly, In Senate for concurrence. **Amended:** 7/7/2011

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

Relates to existing provisions authorizing places where a driver is required to stop to be equipped with an automated enforcement system and signs identifying the 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:** In Assembly Appropriations Committee, Suspense File. **Amended:** 5/11/2011.

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**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. (Fiscal)

**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:** In Senate Public Safety Committee failed passage, Reconsideration granted.

**Amended:** 4/27/2011

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

Amends existing law, the Compassionate Use Act of 1996, and existing law that require 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:** In Senate, on Floor Third Reading to Inactive File.

**Amended:** N/A

**SB 626 (Calderon) – Cannabis & Cannabis Product Study.**

Requires the State Board of Equalization to establish a voluntary task force to conduct a study, and submit the results of that study to the Legislature by a specified date, to determine, among other things, the most efficient means to obtain compliance under the Sales and Use Tax Law by sellers of cannabis and cannabis products sellers engaged in business in this state. (Fiscal)

**Status:** In Senate Appropriations Committee.

**Amended:** 6/2/2011

**SB 847 (Correa) – Medical Marijuana Program: zoning restrictions: residential use.**

Prohibits any medical marijuana entity that possesses, cultivates, or distributes medical marijuana from locating within 600 feet of a residential area unless a local ordinance has been adopted to specifically regulate the location of these entities in relation to residential use. (Fiscal)

**Status:** Passed Senate, In Assembly Appropriations Committee

**Amended:** 5/10/2011

**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:** In Senate Appropriations Committee.

**Amended:** 6/22/2011

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

Enacts the Seismic Safety Finance Act. Authorizes contractual assessments to finance the installation of seismic strengthening improvements that are permanently fixed to real property. Defines public agency to include a city, county or city and county for purposes of financing the installation of seismic strengthening improvements. (Non fiscal)

**Status:** Signed by Governor. Chapter 28, 2011 Statutes.

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

Requires the Department of Public Health to post its progress on the establishment of primary drinking water standard hexavalent chromium on the department's Internet Website. Includes the adoption of a primary drinking water standard for hexavalent chromium among the proposed regulations relating to maximum contaminant levels for primary or secondary water standards that are subject to a review by the Department of Finance of not more than 90 days. (Fiscal)

**Status:** On Senate Floor, to third reading.

**Amended:** 7/12/2011

**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:** Held in Senate Appropriations Committee.

**Amended:** 5/3/2011

**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:** Signed by Governor, Chapter 138, 2011 Statutes.

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

Authorizes the State Auditor, subject to specified conditions, 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 at high risk for the potential of waste, fraud, abuse, or mismanagement or that has major challenges associated with its economy, efficiency or effectiveness. (Fiscal)

**Status:** In Senate Appropriations Committee, To Suspense File. **Amended:** 6/22/2011.

**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 which would be created by this bill. (Fiscal)

**Status:** In Senate Governance and Finance Committee.

**Amended:** 6/27/2011.

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

Expands the definition of local agency to include any joint powers agency that issues conduit revenue bonds. Requires these joint powers agencies to furnish the Controller with required financial reports. Raises the amount of forfeiture for a local agency that fails or refuses to provide those reports. Requires the Controller to perform and audit if the local agency fails to provide reports for three consecutive years. Repeals a requirement for reporting school district data to the Controller. (Fiscal)

**Status:** In Senate Governance and Finance Committee.

**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 agenda and staff generated reports that relate to an agenda item for the open session of that regular meeting. Requires the legislative body to post the agenda and writings on its internet web site or in a public location if the body has no web site. (Fiscal)

**Status:** Held in Assembly Appropriations Committee.

**Amended:** 4/14/2011.

**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 designated employee and other 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 every agency to post on that agency's Internet Web site information contained on the compensation disclosure form filed by a person required to file a statement of economic interests. Requires the adoption of emergency regulations. (Fiscal, Urgency)

**Status:** In Senate, To third reading.

**Amended:** 6/2/2011.

**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. Expands existing law, providing that if reports are not made in a specified manner or if there is reason to believe that reports are false, an investigation may be made and a copy of the results transmitted to the grand jury of the county, and also include a special district, joint powers authority, or redevelopment agency. (Fiscal)

**Status:** Failed in Assembly Local Government Committee. Reconsideration granted.

**Amended:** 5/31/2011.

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

Authorizes the Controller to conduct a preliminary review to determine the extent of a local agency financial problem, and perform an audit upon completion of that review and to convene a local agency financial review committee and authorize the committee to recommend a financial recovery plan for a local agency requesting assistance. Requires the Controller to report to the Legislature on the actions of the committee and the status of all engagements with local agencies. (Fiscal)

**Status:** Failed passage in Assembly Local Government Committee. Reconsideration granted.

**Amended:** 6/20/2011.

**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 defined managerial position, 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:** In Senate Appropriations Committee.

**Amended:** 5/12/2011.

**AB 195 (Hernandez) – Local Public Employee Organizations.**

Amends the Meyers-Miliias-Brown Act that provides for the representation of local public employees. Specifies that a public agency is prohibited from imposing reprisals on or discriminating against employees because of their exercise of rights guaranteed by the act. Specifies that knowingly providing a recognized employee organization with inaccurate information regarding the financial resources of the public employer constitutes a refusal or failure to meet and negotiate in good faith. (Non-fiscal)

**Status:** In Senate, To third reading.

**Amended:** 7/11/2011.

**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:** In Assembly Appropriations Committee, Held in committee. **Amended:** N/A

**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 a specified percentage of the members of the commission, and the recognized employee organization would nominate the same percentage of members for appointment. (Non-fiscal)

**Status:** Vetoed by Governor on 7/25/2011.

**Amended:** 3/31/2011.

**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. (Non-fiscal)

**Status:** In Senate Appropriations Committee, To Suspense File. **Amended:** 4/6/2011.

**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. Authorizes the employee organization to request the matter be submitted to a factfinding panel if a mediator is unable to effect a settlement within a specified time period. Provides procedures for the submission of an agency's last, best and final offer. (Fiscal)

**Status:** In Senate Appropriations Committee. **Amended:** 6/22/2011.

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

Requires the Board of Administration of PERS to develop guidelines and implement program changes to ensure that a contracting agency that creates a significant increase in actuarial liability due to increased compensation bears the associated liability. Requires the system actuary to assess an increased in liability and make adjustments to the employer's rate. Applies the requirements to any significant increase in actuarial liability due to increased compensation paid to a nonrepresented employee. (Fiscal)

**Status:** In Senate Appropriations Committee. **Amended:** 7/1/2011.

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

Amends the State Teachers' Retirement Law. Revises the definition of creditable compensation. Prohibits certain members who elect to receive a lump-sum benefit payment from receiving that sum until a specified number of days have elapsed. Excludes compensation for certain substitute employees from a post-retirement compensation limitation. Requires an employer participating in the Public Employees' Retirement System to notify the Board of Administration of certain changes. (Fiscal)

**Status:** In Assembly Appropriations Committee. **Amended:** 7/7/2011.

**SB 931 (Vargas) – Public Employee Organizations.**

Prohibits public agencies from using public funds to pay outside consultants or legal advisors for the purpose of counseling the public employer about ways to minimize or deter the exercise of representation rights. (Non-fiscal)

**Status:** In Assembly, To third reading. **Amended:** 4/25/2011

**Strategic Support – Fiscal Issues and Taxation.**

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

Amends the Vehicle License Fee Law that imposes, in lieu of any ad valorem property tax upon vehicles, an annual license fee for any vehicle subject to registration and that also imposes an additional tax equal to 0.15% of the market value of specified vehicles to the license fee. Repeals the provision relating to the sunset date and repeal of the additional 0.15% tax. (Fiscal, Urgency)

**Status:** Assembly Committees on Revenue and Taxation and Public Safety. **Amended:** N/A.

**City Position:** Support

**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:** In Senate, To third reading.

**Amended:** 6/14/2011.

**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:** In Senate Appropriations Committee.

**Amended:** 5/2/2011.

**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:** 6/7/2011.

**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 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 438 (Williams) – County Free Libraries: Withdrawal.**

Imposes specified requirements and restrictions, if the board of trustees, or other legislative body of a city or the Board of trustees of a library district intends to withdraw from the county free library system and operate the city's or district's library or libraries with a private contractor that will employ library staff to achieve cost savings, unless the library or libraries are funded only by the proceeds of a special tax imposed by the city or district. (Fiscal)

**Status:** In Senate, To third reading.

**Amended:** 7/12/2011

**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:** In Senate, To third reading.

**Amended:** 6/29/2011.

**AB 506 (Wieckowski) – Local Government Bankruptcy: Fiscal Emergencies and Employee Relations.**

Expresses the intent of the Legislature to enact legislation that would provide alternative dispute resolution procedures that cities, counties and special districts may use before they seek financial relief through the provisions of Chapter 9 of the federal Bankruptcy Code. (Fiscal)

**Status:** Referred to Senate Rules Committee.

**Amended:** 7/12/2011

**City Position:** Oppose

**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:** Signed by the Governor on 8/4/2011. Chapter 176.

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

Proposes to amend the State Constitution to create an additional exception to the 1% limit for a tax rate imposed by a city, county, city and county, or special district, to incur bonded indebtedness 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, that is approved by 55% of the voters of the city, county, city and county, or special district.

(Fiscal, 2/3 vote)

**Status:** In Assembly Appropriations Committee, To Suspense File

**Amended:** N/A

**City Position:** Support

**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) – Transient 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 1X 26 (Committee on Budget) – Redevelopment - Elimination.**

Eliminates redevelopment agencies and directs the resolution of their activities. The bill affects RDAs that elect not to participate in the alternative voluntary redevelopment program. The bill's provisions address the suspension of RDA activities; dissolution of existing RDAs; establishment and duties of Successor Agencies; establishment and duties of Successor Agencies; establishment and duties of Oversight Boards; use of property tax revenues that would otherwise have gone to RDAs and other matters. (Fiscal)

**Status:** Signed by Governor. Chapter 5, 2011 Statutes.

**City Position:** Oppose

**AB 1X 27 (Committee on Budget) - Redevelopment: Voluntary Redevelopment Program.**

Establishes the Alternative Voluntary Redevelopment Program for cities and counties that elect to participate in the program. Addresses the requirements of a city or county have elects to participate in the program and maintain such participation. Sets forth the calculation of the voluntary payments made by communities; addresses administrative activities required to be carried out by state and local entities. Requires a local community to make remittances based on the community's proportional share of tax increment as determined by a specific formula that will identify each entity's remittance to the state in 2011-12. State budget assumes \$1.7 billion in voluntary payments to the state in 2011-12. For 2012-13, participating communities will be contributing an amount equal to their percentage share of \$400 million. For 2012-13 and thereafter program sets forth changes in the calculation and other program changes as specified.

**Status:** Signed by Governor. Chapter 6, 2011 Statutes.

**City Position:** Oppose

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**SB 89 (Senate Budget Committee) – Public Safety Realignment: Vehicle License Fee (VLF) funding.** Eliminates \$130 million in cities' Vehicle License Fee general fund revenues of which \$80 million is provided for police and fire services and approximately \$75 million is earmarked for local law enforcement. San Jose's share of the VLF loss is estimated at \$2.8 million.

The bill redirects \$130 million in cities' general fund revenue from vehicle license fee formula into Local Law Enforcement Services Account which was created under the public safety realignment funding bill, SB 93/AB 118, as of July 1, 2011. Also increases vehicle registration fees by \$12 for Department of Motor Vehicle administration fund for an appropriation of \$25 million in 2011-12. Remaining funds from registration fee increase also appropriated to Local Law Enforcement Services Account for law enforcement realignment programs and law enforcement grants. (Support restoring local VLF before Legislature adjourns Sept. 9

**Status:** Signed by Governor. Chapter 35, 2011 Statutes.

**City Position – Oppose local VLF reduction/Support restoration of funding.**

**AB 118 (Committee on Budget) - Public Safety Realignment (2): Sales Tax Financing and Allocations.**

Converts approximately \$5 billion in state sales tax to local sales tax to pay for public safety realignment allocation funding various accounts for county law enforcement, corrections, court operations, mental health, child welfare, rehabilitation, juvenile justice, parole, and probation and community corrections programs. Also provides funding for front line law enforcement grants including funding for COPS – Citizens Option for Public Safety Program and booking fee reimbursement subventions. San Jose's share of COPS is estimated at \$1.6 million. Booking Fee Reimbursement provides \$2.35 million in reimbursement to County of San Clara in lieu of City paying booking fees to the County.

**Status:** Signed by Governor. Chapter 40, 2011 Statutes.

**City Position: Support COPS and Booking Fee Reimbursement**

**AB 117 (Committee on Budget) – Public Safety Realignment (3): AB 109 clean-up.**

Makes technical changes to provisions of AB 109 (Chapter 15, 2011 Statutes.) the Corrections Realignment Plan. Specific amendments include changes reflecting postponed statewide special election, clarify Community Corrections Partnership and community plan approval process; specifies aggregate sentencing terms between state prisons and county jails facilities; and clarifies post release supervision terms.

**Status:** Signed by Governor. Chapter 39, 2011 Statutes.

**AB 121 (Committee on Budget) – Budget “Trigger”: Expenditure Reductions.**

Provides the Department of finance with authority to make up to \$2.5 billion in additional Expenditure reductions if revenue collections fall short of projections in December 2011. The triggers are set in phases. Different cuts will be made depending on the amount of revenues realized.

**Status:** Signed by Governor. Chapter 41, 2011 Statutes.

**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)

**Status:** Chapter 6, Statutes of 2011 (signed by Governor on 3/24/11). **Amended:** 3/16/11.

**City Position:** Support

**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// 3/21/11

**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:** Passed Assembly, In Senate Judiciary Committee. .

**Amended:** N/A

**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. Allows attorney's fees and costs to be awarded to the public entity under specified circumstances. (Fiscal) **Status:** In Assembly Business, Professions & Consumer Protection Committee.

**Amended:** 4/25/2011.

**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 contractor or subcontractor that has been found to have committed willful prevailing wage violations. Relates to debarment for a payroll record violation and requires a list of debarments to be on a specified Web site. (Fiscal)

**Status:** In Senate Appropriations Committee.

**Amended:** 6/29/2011.

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

Requires that a contractor pay a subcontractor on a public works project within 7 days after receipt of each progress payment. Relates to the time period for written notice regarding a claim against the bond of a contractor under a public works contract. Relates to retention proceeds withheld under a public works contract and progress payments made under a public works contract. (Fiscal) 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:** In Assembly Business, Professions & Consumer Protection Committee.

**Amended:** 4/26/2011.

**SB 3 (Padilla) – Telecommunications: Universal Service.**

Extends the repeal date in existing law requiring the implementation of a program to establish fair and equitable local rate support, aided by universal service rate support to telephone corporations serving areas where the cost of providing service exceeds rates charged by providers. Requires the Public Utilities Commission to require interconnected voice over Internet Protocol providers to collect and remit surcharges to support universal service funds. (Fiscal)

**Status:** In Assembly Appropriations Committee, To Suspense File. **Amended:** 6/20/2011.

**SB 293 (Padilla) – Payment Bonds: Laborers.**

Relates to the time period for the payment of a subcontractor by a prime contractor under a private or public works of improvement contract and the enforcement of a claim. Limits a local agency's ability to set retention rates to no more than 5 percent in public contracts.

**Status:** In Assembly Appropriations Committee.

**Amended:** 7/5/2011.

**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.)**

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- 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, and Notice in appropriate newspapers.)**

This document will be posted on the City's website for the August 18, 2011, Public Safety, Finance and Strategic Support Committee, where the Council and the public will have the opportunity to comment.

**EVALUATION AND FOLLOW-UP**

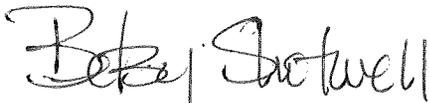
The City Council will be informed as to the status of these measures as part of the regular Intergovernmental Relations legislative updates.

**COORDINATION**

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

**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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