

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 27, 2007  
POSITION: Neutral  
SPONSOR: Senate Local Government

BILL NUMBER: SB 144  
AUTHOR: Senate Local Government

**BILL SUMMARY: Local Government Omnibus Act**

This bill would make numerous non-controversial, clarifying, and technical changes to existing laws regulating the operation of local governments.

**FISCAL SUMMARY**

The Department of Finance estimates this bill would have no General Fund impact.

**SUMMARY OF CHANGES**

Amendments to this bill since our analysis of the March 26, 2007 version are minor and do not alter our position.

**COMMENTS**

This bill is the annual local government omnibus bill authored by the Senate Local Government Committee. The bill would make minor technical changes to statutes affecting local governments and conform local government operations to existing laws and practices.

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Analyst/Principal (0761) C. Hill	Date	Program Budget Manager Mark Hill	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

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**BILL ANALYSIS** Form DF-43 (Rev 03/95 Buff)

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**ANALYSIS****A. Programmatic Analysis**

This is the Senate Local Government Committee's annual omnibus bill, which makes numerous non-controversial, minor, and technical changes to existing laws regulating local government operations. Most notable among the proposed changes are the following:

**Joint Powers Agencies and Nonprofit Corporations**

Under current law, local governments may form nonprofit corporations to finance public works projects. Nonprofit corporations must file their articles of incorporation with the Secretary of State. Under current law, a public agency may enter into an agreement and form a joint powers agency (JPA). A JPA is required to notify the Secretary of State that it exists. The State Controller's Office (SCO) is required to annually compile and publish the financial transactions of local governments. Because there is no category for JPAs and nonprofit corporations created by public officials, the SCO is required to include them in the special districts annual report. The SCO believes that the data for these JPAs and nonprofit corporations is not accurate and up to date. This bill would require JPAs and nonprofit corporations owned by local agencies to provide additional copies of their formation documents to the Secretary of State, who would forward them to the SCO.

Finance does not believe this imposes a reimbursable local mandate, since the decision to create a JPA is a voluntary one.

This change is set forth in Section 2, 6, and 7.

**Municipal Library Trustees' Meetings**

The Brown Act requires that all local government meetings be open and public and provide 24-hour notice before any special meeting. The municipal library statute allows a special meeting to be held with a 3-hour notice of the meeting. This bill would require city library board trustees to follow the Brown Act and provide 24-hour notice.

This change is set forth in Section 3.

**Special District Directors**

When a vacancy occurs on an elected special district's governing board, remaining board members may fill the vacancy by calling an election or by making an appointment to fill the unexpired term. The statutory language is vague as to vacancies filled by appointment and when they are up for re-election. This bill would clarify that someone appointed to a vacancy in the first half of the four-year term would serve until the next general district election, then the voters elect a replacement for the remainder of the term. If the appointment takes place in the second half of the four-year term, then the appointee serves until the next general district election and then the voters elect someone to a full four-year term. This bill codifies this interpretation as confirmed by the Robson v. Upper San Gabriel Valley Municipal Water District decision.

This change is set forth in Section 4 and 31.

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**Pipeline Safety**

Current law pertaining to "high priority subsurface installations" involving pressurized gas pipelines narrowly defines pipes greater than six inches in diameter based on an outdated Caltrans field manual. This bill would remove the restrictive diameter specification.

This change is set forth in Section 5.

**California Debt and Investment Advisory Commission (CDIAC) Reports**

The CDIAC monitors state and local bond issues and requires report information about their bond issues, including their bonds' official statements. Approximately 10 percent of bond issuers do not have official statements and when CDIAC requests additional information normally contained in the official statement, a number of them do not comply with the request. This bill would require a bond issuer to file relevant information about a bond issue with CDIAC when there is no official statement. This bill would allow the bond issuer to edit confidential information not normally contained in an official statement.

This change is set forth in Section 7.5.

**Storing County Records**

Current law defines various procedures for county officials regarding records retention and disposal after properly copying the originals. Some of the statutory provisions, however, are inconsistent with the state standards. This bill would require county officials to follow the standards adopted by the Secretary of State when copying original documents that will later be destroyed.

These changes are set forth in Section 7.7, 8.5, 9.4, and 9.5.

**Mendocino County's Officers**

Current law allows specific counties to consolidate various offices. The Mendocino County Board of Supervisors is seeking the same authority to consolidate the offices of Auditor, Controller, Treasurer, and Tax Collector as is the case with the counties of Sonoma and Tulare. This bill would add Mendocino County to the list of counties with the authority to consolidate these elective offices.

This change is set forth in Section 9 and 32.

**Proposition 13 and 218 Conformity**

Current law authorizes local governments to levy transaction and use taxes in addition to the combined state and local sales tax rate. Proposition 13 requires 2/3-voter approval for special taxes. Proposition 218 defined a special tax as any tax imposed for specific purposes including those that are placed into a general fund but used for specific purposes. Several statutes passed before Proposition 218 authorized local transaction and use taxes for special purposes, but required only majority-voter approval. This bill would correct voter approval for 13 local transaction and use tax authorizations to reflect a 2/3-voter approval requirement.

These changes are set forth in Section 9.1 through 9.3, and 28.1 through 28.10.

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**Subdivisions and Surveyors**

Under current law, final subdivision maps require the county surveyor, or city engineer, or city surveyor to sign a certificate or statement regarding the maps' validity. Surveyors and engineers believe the current statutory language can create unwarranted liability problems. This bill would clarify that references to certified subdivision maps have the same meaning as they do under statutes that regulate engineers and surveyors under the Professional Engineers Act and the Professional Land Surveyors Act.

This change is set forth in Section 12.

**Subdivision Modifications**

Under current law, cities and counties can modify recorded final subdivision maps if local officials make specified findings at a public hearing. In reality, local planning commissions conduct most subdivision hearings, although their decisions can be appealed to the county boards of supervisors or city councils. This bill would substitute the broader term of "local agency" for "legislative body" in the Map Act's provisions for modifying recorded subdivision maps.

This change is set forth in Section 13.

**Police Protection Districts**

Current law allows voters to form police protection districts in unincorporated towns and territory. However, in 1959 the Legislature prohibited the formation of any new police protection districts of either type. There are only three police protection districts in unincorporated towns remaining, and there are no police protection districts formed under the unincorporated territory statute. This bill would clarify that any district in existence on January 1, 2008, in an unincorporated town may maintain a police department and also clarify how they receive property tax revenues and levy special taxes. This bill also repeals obsolete provisions relating to police protection districts.

These changes are set forth in Section 14 through 15.7.

**Sacramento Metropolitan Air Quality Management District's (AQMD) Board**

Under current law, the AQMD has a 14-member board that consists of five Sacramento County supervisors, four Sacramento City Council members, four members selected by each of the city councils of Citrus Heights, Elk Grove, Folsom, and Rancho Cordova, and one member selected by the city selection committee to represent the cities of Galt and Isleton. The AQMD board periodically has difficulty achieving a quorum and would like the authority to appoint alternate members. This bill would allow the city councils and the city selection committee to appoint alternates to the members of the AQMD's Board of Directors.

This change is set forth in Section 17.

**Santa Clara County Open Space Authority**

Under current law, the Santa Clara County Open Space Authority (Authority) holds its elections at the same time as primary elections for the county supervisors, resulting in higher election costs. This bill would shift the Authority's elections to the statewide November ballot and requires them to follow the Uniform District Election Law.

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Under current law, members of the Authority's governing board receive \$75 per meeting for up to two meetings a month. However, they are not reimbursed for expenses. This bill would link the board members' stipends to the standard statutory requirements added by Chapter 700, Statutes of 2005.

These changes are set forth in Sections 18 through 25, and Sections 27, 28 and 32.

**Property Tax Revenue Allocations**

Section 29 of this bill deletes obsolete statutory cross-references governing the distribution of property tax revenues to local governments.

**B. Fiscal Analysis**

The Department of Finance estimates this bill would have no General Fund impact.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP	FC	2007-2008	FC	2008-2009	FC	2009-2010	
	RV	98	FC						
0001/Major Rev	LA	No		-----	No/Minor	Fiscal Impact	-----		0001