

**2016 Legislation of Interest  
to County Auditors**

**State Association of County Auditors  
Legislative Committee**

**2016 State Controller's Conference  
with County Auditors**

# SACA: Legislation of Interest to County Auditors

## 2016 SCO Conference with County Auditors

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# SACA: Legislation of Interest to County Auditors 2016 SCO Conference with County Auditors

## Bills Tracked by the SACA Legislative Committee

AB 806: (Dodd D) Community development: economic opportunity.

**Chapter Number:** 503

**Status:** 9/23/2016-Chaptered by Secretary of State - Chapter 503, Statutes of 2016.

**Is Urgency:** N

**Summary:** Under current law, before certain city, county, or city and county property is sold or leased for economic development purposes, approval of the sale or lease by the legislative body by resolution, after a public hearing, is required. Current law requires that resolution to contain a finding that the sale or lease of the property will assist in the creation of economic opportunity, as defined. This bill would recast these provisions to instead authorize a city, county, or city and county, with the approval of its legislative body by resolution after a public hearing, to acquire, sell, or lease property in furtherance of the creation of an economic opportunity, as defined.

**Summary:** Under existing law, before certain city, county, or city and county property is sold or leased for economic development purposes, approval of the sale or lease by the legislative body by resolution, after a public hearing, is required. Existing law requires that resolution to contain a finding that the sale or lease of the property will assist in the creation of economic opportunity, as defined. This bill would recast these provisions to instead authorize a city, county, or city and county, with the approval of its legislative body by resolution after a public hearing, to acquire, sell, or lease property in furtherance of the creation of an economic opportunity, as defined. The bill would require the resolution to contain a finding that the acquisition, sale, or lease of the property will assist in the creation of economic opportunity and would require the creation of an economic opportunity to be subject to specified public notice and hearing provisions. This bill contains other related provisions and other existing laws.

**Laws:** An act to amend Sections 52200.2, 52200.6, 52201, and 52202 of the Government Code, relating to local government.

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[AB 1666: \(Brough R\) Community facilities districts: reports.](#)

**Chapter Number:** 93

**Status:** 7/25/2016-Chaptered by Secretary of State - Chapter 93, Statutes of 2016.

**Is Urgency:** N

**Summary:** The Mello-Roos Community Facilities Act of 1982 requires a community facilities district formed after January 1, 1992, to prepare, if requested by a person who resides in or owns property in the district and within 120 days after the last day of each fiscal year, a separate document titled an "Annual Report." This bill would require a legislative body that has an Internet Web site, within 7 months after the last day of each fiscal year of the district, to display prominently on its Internet Web site a copy of that annual report, if requested, a copy of the report to CDIAC, and a copy of the report to the Controller. By increasing the duties of local officials, this bill would impose a state-mandated local program.

**Summary:** The Mello-Roos Community Facilities Act of 1982 authorizes the formation of a community facilities district to finance various services. The act requires a community facilities district formed after January 1, 1992, to prepare, if requested by a person who resides in or owns property in the district and within 120 days after the last day of each fiscal year, a separate document titled an "Annual Report." The act requires a legislative body to report specific information regarding the sale of bonds to the California Debt and Investment Advisory Commission (CDIAC). Other existing law requires each county, city, and special district that assesses a parcel tax to provide specific information to the Controller in connection with reports compiled and published by the Controller on the financial transactions of counties, cities, and special districts. This bill would require a legislative body that has an Internet Web site, within 7 months after the last day of each fiscal year of the district, to display prominently on its Internet Web site a copy of that annual report, if requested, a copy of the report to CDIAC, and a copy of the report to the Controller. By increasing the duties of local officials, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

**Laws:** An act to add Section 53343.2 to the Government Code, relating to local government.

## SACA: Legislation of Interest to County Auditors 2016 SCO Conference with County Auditors

AB 1676: (Campos D) Employers: wage discrimination.

**Chapter Number:** 856

**Status:** 9/30/2016-Chaptered by Secretary of State - Chapter 856, Statutes of 2016.

**Is Urgency:** N

**Summary:** Current law makes it a misdemeanor for an employer or other person acting either individually or as an officer, agent, or employee of another person to pay or cause to be paid to any employee a wage less than the rate paid to an employee of the opposite sex as required by these provisions, or who reduces the wages of any employee in order to comply with these provisions. Existing law also makes it a misdemeanor for an employer to refuse or neglect to comply with the above provisions of law. This bill would specify that prior salary cannot, by itself, justify any disparity in compensation under the bona fide factor exception to the above prohibition.

**Summary:** Existing law generally prohibits an employer from paying an employee at wage rates less than the rates paid to employees of the opposite sex in the same establishment for equal work on jobs the performance of which requires equal skill, effort, and responsibility, and which are performed under similar working conditions. Existing law establishes exceptions to that prohibition, including, among others, where the payment is made based on any bona fide factor other than sex, such as education, training, or experience. Existing law makes it a misdemeanor for an employer or other person acting either individually or as an officer, agent, or employee of another person to pay or cause to be paid to any employee a wage less than the rate paid to an employee of the opposite sex as required by these provisions, or who reduces the wages of any employee in order to comply with these provisions. Existing law also makes it a misdemeanor for an employer to refuse or neglect to comply with the above provisions of law. This bill would specify that prior salary cannot, by itself, justify any disparity in compensation under the bona fide factor exception to the above prohibition. By changing the definition of an existing crime, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

**Laws:** An act to amend Section 1197.5 of the Labor Code, relating to employers.

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[AB 1843: \(Stone, Mark D\) Applicants for employment: criminal history.](#)

**Chapter Number:** 686

**Status:** 9/27/2016-Chaptered by Secretary of State - Chapter 686, Statutes of 2016.

**Is Urgency:** N

**Summary:** Would prohibit an employer from asking an applicant for employment to disclose, or from utilizing as a factor in determining any condition of employment, information concerning or related to an arrest, detention, processing, diversion, supervision, adjudication, or court disposition that occurred while the person was subject to the process and jurisdiction of juvenile court law. The bill, for the purposes of the prohibitions and exceptions described above, would provide that "conviction" excludes an adjudication by a juvenile court or any other court order or action taken with respect to a person who is under the jurisdiction of the juvenile court law, and would make related and conforming changes.

**Summary:** Existing law prohibits an employer, whether a public agency or private individual or corporation, from asking an applicant for employment to disclose, or from utilizing as a factor in determining any condition of employment, information concerning an arrest or detention that did not result in a conviction, or information concerning a referral or participation in, any pretrial or posttrial diversion program, except as specified. Existing law also prohibits an employer, as specified, from asking an applicant to disclose, or from utilizing as a factor in determining any condition of employment, information concerning a conviction that has been judicially dismissed or ordered sealed, except in specified circumstances. Existing law specifies that these provisions do not prohibit an employer at a health facility, as defined, from asking an applicant for a specific type of employment about arrests for certain crimes. Existing law makes it a crime to intentionally violate these provisions. This bill would also prohibit an employer from asking an applicant for employment to disclose, or from utilizing as a factor in determining any condition of employment, information concerning or related to an arrest, detention, processing, diversion, supervision, adjudication, or court disposition that occurred while the person was subject to the process and jurisdiction of juvenile court law. The bill, for the purposes of the prohibitions and exceptions described above, would provide that "conviction" excludes an adjudication by a juvenile court or any other court order or action taken with respect to a person who is under the jurisdiction of the juvenile court law, and would make related and conforming changes. The bill would prohibit an employer at a health facility from inquiring into specific events that occurred while the applicant was subject to juvenile court law, with a certain exception, and from inquiring into information concerning or related to an applicant's juvenile offense history that has been sealed by the juvenile court. The bill would require an employer at a health facility seeking disclosure of juvenile offense history under that exception to provide the applicant with a list describing offenses for which disclosure is sought. This bill contains other related provisions and other existing laws.

**Laws:** An act to amend Section 432.7 of the Labor Code, relating to employment.

## SACA: Legislation of Interest to County Auditors 2016 SCO Conference with County Auditors

[AB 1856: \(Dababneh D\) Excise taxes: claim for refund: timely filed claims.](#)

**Chapter Number:** 98

**Status:** 7/25/2016-Chaptered by Secretary of State - Chapter 98, Statutes of 2016.

**Is Urgency:** N

**Summary:** Current law establishes procedures by which a person may claim a refund for an overpayment of the taxes, fees, and surcharges imposed by the Sales and Use Tax Law, the Use Fuel Tax Law, the Cigarette and Tobacco Products Tax Law, the Alcoholic Beverage Tax Law, the Energy Resources Surcharge Law, the Emergency Telephone Users Surcharge Act, the Hazardous Substances Tax Law, the Integrated Waste Management Fee Law, the Oil Spill Response, Prevention, and Administration Fees Law, the Underground Storage Tank Maintenance Fee Law, and the Diesel Fuel Tax Law, and of taxes, fees, and surcharges imposed in accordance with the Fee Collection Procedures Law. This bill would, with respect to each of the above-described laws, provide that a claim that is otherwise valid that is made in the case in which the amount of tax determined, as defined, has not been paid in full is deemed a timely filed claim for refund with respect to all subsequent payments applied to that determination. The bill would specify that its provisions apply only to claims for refund on or after its effective date.

**Summary:** Existing law establishes procedures by which a person may claim a refund for an overpayment of the taxes, fees, and surcharges imposed by the Sales and Use Tax Law, the Use Fuel Tax Law, the Cigarette and Tobacco Products Tax Law, the Alcoholic Beverage Tax Law, the Energy Resources Surcharge Law, the Emergency Telephone Users Surcharge Act, the Hazardous Substances Tax Law, the Integrated Waste Management Fee Law, the Oil Spill Response, Prevention, and Administration Fees Law, the Underground Storage Tank Maintenance Fee Law, and the Diesel Fuel Tax Law, and of taxes, fees, and surcharges imposed in accordance with the Fee Collection Procedures Law. Existing law generally requires that a claim be filed within 3 years after specified periods in which the overpayment was made. This bill would, with respect to each of the above-described laws, provide that a claim that is otherwise valid that is made in the case in which the amount of tax determined, as defined, has not been paid in full is deemed a timely filed claim for refund with respect to all subsequent payments applied to that determination. The bill would specify that its provisions apply only to claims for refund on or after its effective date.

**Laws:** An act to add Sections 6902.6, 9152.3, 30362.2, 32402.3, 40112.3, 41101.3, 43452.3, 45652.3, 46502.3, 50140.3, 55222.3, and 60522.3 to the Revenue and Taxation Code, relating to taxation.

## SACA: Legislation of Interest to County Auditors 2016 SCO Conference with County Auditors

[AB 1891: \(Dababneh D\) School districts: special taxes: exemptions.](#)

**Chapter Number:** 450

**Status:** 9/22/2016-Chaptered by Secretary of State - Chapter 450, Statutes of 2016.

**Is Urgency:** N

**Summary:** Current law authorizes school districts to impose qualified special taxes, subject to specified constitutional and statutory provisions. Current law defines "qualified special taxes" as taxes that apply uniformly to all taxpayers or all real property within a school district and may include taxes that provide for an exemption from those taxes for persons who are 65 years of age or older, for persons receiving Supplemental Security Income for a disability, or for persons receiving Social Security Disability Insurance benefits, as specified. This bill would require any exemption granted to remain in effect until the taxpayer becomes ineligible, and would allow a new exemption to be granted in the same manner if the taxpayer becomes ineligible for the exemption for any reason.

**Summary:** Existing law authorizes school districts to impose qualified special taxes, subject to specified constitutional and statutory provisions. Existing law defines "qualified special taxes" as taxes that apply uniformly to all taxpayers or all real property within a school district and may include taxes that provide for an exemption from those taxes for persons who are 65 years of age or older, for persons receiving Supplemental Security Income for a disability, or for persons receiving Social Security Disability Insurance benefits, as specified. This bill would require any exemption granted to remain in effect until the taxpayer becomes ineligible, and would allow a new exemption to be granted in the same manner if the taxpayer becomes ineligible for the exemption for any reason.

**Laws:** An act to amend Section 50079 of the Government Code, relating to local government finance.

## SACA: Legislation of Interest to County Auditors 2016 SCO Conference with County Auditors

[AB 1919: \(Quirk D\) Local transportation authorities: bonds.](#)

**Chapter Number:** 745

**Status:** 9/28/2016-Chaptered by Secretary of State - Chapter 745, Statutes of 2016.

**Is Urgency:** N

**Summary:** The Local Transportation Authority and Improvement Act provides for the creation in any county of a local transportation authority and authorizes the imposition of a retail transactions and use tax by ordinance, subject to approval of the ordinance by 2/3 of the voters. Current law requires the bond proceeds to be placed in the treasury of the local transportation authority and to be used for allowable transportation purposes, except that accrued interest and premiums received on the sale of the bonds are required to be placed in a fund to be used for the payment of bond debt service. This bill would require the premiums received on the sale of the bonds to be placed in the treasury of the local transportation authority to be used for allowable transportation purposes.

**Summary:** The Local Transportation Authority and Improvement Act provides for the creation in any county of a local transportation authority and authorizes the imposition of a retail transactions and use tax by ordinance, subject to approval of the ordinance by 2/3 of the voters. Existing law authorizes the ballot proposition submitted to the voters to include a provision authorizing bonds to be issued that would be payable from the proceeds of the transactions and use tax. Existing law requires the bond proceeds to be placed in the treasury of the local transportation authority and to be used for allowable transportation purposes, except that accrued interest and premiums received on the sale of the bonds are required to be placed in a fund to be used for the payment of bond debt service. This bill would instead require the premiums received on the sale of the bonds to be placed in the treasury of the local transportation authority to be used for allowable transportation purposes.

**Laws:** An act to amend Section 180260 of the Public Utilities Code, relating to transportation.

## SACA: Legislation of Interest to County Auditors 2016 SCO Conference with County Auditors

[AB 2032: \(Linder R\) Change of organization: cities: disincorporation.](#)

**Chapter Number:** 163

**Status:** 8/22/2016-Chaptered by Secretary of State - Chapter No. 163, Statutes of 2016

**Is Urgency:** N

**Summary:** The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, requires the executive officer of a local agency formation commission to prepare a comprehensive fiscal analysis for any proposal that includes a disincorporation, as specified. This bill would additionally require the comprehensive fiscal analysis to include a review and documentation of all current and long-term liabilities of the city proposed for disincorporation and the potential financing mechanism or mechanisms to address any identified shortfalls and obligations, as specified.

**Summary:** Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, requires the executive officer of a local agency formation commission to prepare a comprehensive fiscal analysis for any proposal that includes a disincorporation, as specified. Existing law requires the comprehensive fiscal analysis to include, among other things, a review and documentation of specified costs associated with the proposed disincorporation. This bill would additionally require the comprehensive fiscal analysis to include a review and documentation of all current and long-term liabilities of the city proposed for disincorporation and the potential financing mechanism or mechanisms to address any identified shortfalls and obligations, as specified. This bill contains other related provisions and other existing laws.

**Laws:** An act to amend Sections 56804, 56816, 57405, and 57412 of the Government Code, relating to local government.

## SACA: Legislation of Interest to County Auditors 2016 SCO Conference with County Auditors

AB 2291: (Achadjian R) Property taxes: delinquent taxes: partial payment: fee.

**Chapter Number:** 266

**Status:** 9/9/2016-Chaptered by Secretary of State - Chapter 266, Statutes of 2016.

**Is Urgency:** N

**Summary:** Under current property tax law, a tax collector is authorized, with the approval of the board of supervisors of a county, to accept partial payments of delinquent taxes on tax-defaulted property. This bill would, upon authorization by ordinance by the board of supervisors, authorize the county tax collector to charge a fee to recover the reasonable costs of instituting and maintaining a partial payment arrangement and would require the fee to be subject to those existing requirements applicable to increasing or initially imposing a new fee or charge.

**Summary:** Under existing law, the board of supervisors of a county is required to comply with specified requirements prior to either approving an increase in an existing county fee or charge or initially imposing a new fee or charge. This bill would, upon authorization by ordinance by the board of supervisors, authorize the county tax collector to charge a fee to recover the reasonable costs of instituting and maintaining a partial payment arrangement and would require the fee to be subject to those existing requirements applicable to increasing or initially imposing a new fee or charge. This bill would also require the ordinance authorizing the tax collector to charge a fee to require the fee to be paid prior to the application of any partial payments to penalties, interest, costs, and taxes due. This bill contains other existing laws.

**Laws:** An act to amend Section 4143 of the Revenue and Taxation Code, relating to taxation.

## SACA: Legislation of Interest to County Auditors 2016 SCO Conference with County Auditors

[AB 2476: \(Daly D\) Local governments: parcel taxes: notice.](#)

**Chapter Number:** 269

**Status:** 9/9/2016-Chaptered by Secretary of State - Chapter 269, Statutes of 2016.

**Is Urgency:** N

**Summary:** Would require the legislative body of a local agency, as defined, to provide notice of a new parcel tax to the owner of a parcel affected by the tax, if that owner does not reside within the jurisdictional boundaries of the taxing entity. This bill would require the notice to include specified information and to be provided to the property owner in a specified manner. This bill would provide that the local agency may recover the reasonable costs of the notice from the proceeds of the parcel tax.

**Summary:** Existing law authorizes cities, counties, and special districts to impose a parcel tax or property-related fee for specified purposes. This bill would require the legislative body of a local agency, as defined, to provide notice of a new parcel tax to the owner of a parcel affected by the tax, if that owner does not reside within the jurisdictional boundaries of the taxing entity. This bill would require the notice to include specified information and to be provided to the property owner in a specified manner. This bill would provide that the local agency may recover the reasonable costs of the notice from the proceeds of the parcel tax. By imposing new duties upon local county officials, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

**Laws:** An act to add Chapter 8.5 (commencing with Section 54930) to Part 1 of Division 2 of Title 5 of the Government Code, relating to local governments.

## SACA: Legislation of Interest to County Auditors 2016 SCO Conference with County Auditors

[AB 2492: \(Alejo D\) Community revitalization.](#)

**Chapter Number:** 524

**Status:** 9/23/2016-Chaptered by Secretary of State - Chapter 524, Statutes of 2016.

**Is Urgency:** N

**Summary:** Current law authorizes certain local agencies to form a community revitalization and investment authority (authority) within a community revitalization and investment area, as defined, to carry out provisions of the Community Redevelopment Law in that area for purposes related to, among other things, infrastructure, affordable housing, and economic revitalization. Current law requires not less than 80% of the land calculated by census tracts or census block groups, as defined by the United States Census Bureau, within the area to be characterized by several conditions, including a condition that the land has an annual median household income of less than 80% of the statewide annual median income. This bill would authorize the calculation to be made with a combination of census tracts and census block groups.

**Summary:** The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined, by means of redevelopment projects financed by the issuance of bonds serviced by tax increment revenues derived from the project area. Existing law dissolved redevelopment agencies and community development agencies, as of February 1, 2012, and provides for the designation of successor agencies to wind down the affairs of the dissolved agencies and to fulfill the enforceable obligations of those agencies. Existing law also provides for various economic development programs that foster community sustainability and community and economic development initiatives throughout the state. This bill would authorize the calculation to be made with a combination of census tracts and census block groups. The bill would also revise the conditions to require, among other things, an annual median household income that is less than 80% of the statewide, countywide, or citywide annual median household income. The bill would also authorize an authority to carry out a community revitalization plan if the census tract or census block groups within the community revitalization and investment area are within a disadvantage community, as prescribed. This bill contains other related provisions and other existing laws.

**Laws:** An act to amend Sections 62001, 62002, and 62004 of the Government Code, relating to economic development.

## SACA: Legislation of Interest to County Auditors 2016 SCO Conference with County Auditors

AB 2613: (Achadjian R) County auditor: audits: special districts.

**Chapter Number:** 164

**Status:** 8/22/2016-Chaptered by Secretary of State - Chapter No. 164, Statutes of 2016

**Is Urgency:** N

**Summary:** Would authorize a special district, until January 1, 2027, by unanimous request of its governing board and with unanimous approval of the board of supervisors, to replace the annual audit for not more than 5 consecutive years with an annual financial compilation of the special district to be performed by the county auditor, or with an agreed-upon procedures engagement, in accordance with professional standards, if certain conditions are met.

**Summary:** Existing law requires the county auditor to either perform an audit, or contract with a certified public accountant or public accountant to perform an audit, of the accounts and records of every special district within the county, as specified. Existing law authorizes a special district, by unanimous request of its governing board and unanimous approval by the board of supervisors, to replace the annual audit with an audit over a longer period of time or with a financial review, as specified. This bill would additionally authorize a special district, until January 1, 2027, by unanimous request of its governing board and with unanimous approval of the board of supervisors, to replace the annual audit for not more than 5 consecutive years with an annual financial compilation of the special district to be performed by the county auditor, or with an agreed-upon procedures engagement, in accordance with professional standards, if certain conditions are met.

**Laws:** An act to amend, repeal, and add Section 26909 of the Government Code, relating to local government.

## SACA: Legislation of Interest to County Auditors 2016 SCO Conference with County Auditors

AB 2618: (Nazarian D) Community facilities districts: powers.

**Chapter Number:** 796

**Status:** 9/29/2016-Chaptered by Secretary of State - Chapter 796, Statutes of 2016.

**Is Urgency:** N

**Summary:** Current law authorizes a community facilities district formed pursuant to an alternative procedure under which the district initially consists solely of territory proposed for annexation to the community facilities district in the future and territory is annexed and subjected to special taxes only upon unanimous approval of the owners, to finance and refinance the acquisition, installation, and improvement of energy efficiency, water conservation, and renewable energy improvements. This bill would authorize a community facilities district that is formed pursuant to the alternative procedure to additionally finance seismic retrofitting, as specified.

**Summary:** The Mello-Roos Community Facilities Act of 1982 specifies the requirements for the establishment of a community facilities district, including, among other things, a petition, a hearing, the establishment of the boundaries of the community facilities district, and an election on the question. Existing law authorizes a community facilities district formed pursuant to an alternative procedure under which the district initially consists solely of territory proposed for annexation to the community facilities district in the future and territory is annexed and subjected to special taxes only upon unanimous approval of the owners, to finance and refinance the acquisition, installation, and improvement of energy efficiency, water conservation, and renewable energy improvements. This bill would authorize a community facilities district that is formed pursuant to the alternative procedure to additionally finance seismic retrofitting, as specified. This bill contains other related provisions.

**Laws:** An act to amend Section 53328.1 of the Government Code, relating to local government.

## SACA: Legislation of Interest to County Auditors 2016 SCO Conference with County Auditors

[AB 2693: \(Dababneh D\) Financing requirements: property improvements.](#)

**Chapter Number:** 618

**Status:** 9/25/2016-Chaptered by Secretary of State - Chapter 618, Statutes of 2016.

**Is Urgency:** N

**Summary:** Current law authorizes the legislative body of a public agency, as defined, to determine that it would be convenient, advantageous, and in the public interest to designate an area within which authorized public agency officials and property owners may enter into voluntary contractual assessments to finance certain improvements. This bill would also prohibit a public agency from permitting a property owner to participate in a program pursuant to these provisions unless the property owner satisfies certain conditions and the property owner is given the right to cancel the contractual assessment at any time prior to midnight on the 3rd business day after certain events occur without penalty or obligation, consistent with certain requirements.

**Summary:** Existing law authorizes the legislative body of a public agency, as defined, to determine that it would be convenient, advantageous, and in the public interest to designate an area within which authorized public agency officials and property owners may enter into voluntary contractual assessments to finance certain improvements, including the installation of distributed generation renewable sources, energy or water efficiency improvements, seismic strengthening improvements, or electric vehicle charging infrastructure that are permanently fixed to real property, as specified. This bill would also prohibit a public agency from permitting a property owner to participate in a program pursuant to these provisions unless the property owner satisfies certain conditions and the property owner is given the right to cancel the contractual assessment at any time prior to midnight on the 3rd business day after certain events occur without penalty or obligation, consistent with certain requirements. The bill would require a financing estimate document or a substantially equivalent document to be completed and delivered to a property owner before the property owner consummates a voluntary contractual assessment pursuant to one of these programs. The bill would prohibit a public agency or other party to a voluntary contractual assessment pursuant to one of these programs to make any monetary or percentage representations of increased value to a property owner regarding the effect the financed improvements will have on the market value of the property unless the public agency or other party derives its estimates of market value using specified methods. This bill contains other related provisions and other existing laws.

**Laws:** An act to amend Section 53328.1 of the Government Code, and to amend Section 5898.15 of, to amend, renumber, and add Section 5898.16 of, and to add Section 5898.17 to, the Streets and Highways Code, relating to property improvements.

## SACA: Legislation of Interest to County Auditors 2016 SCO Conference with County Auditors

SB 974: (Committee on Governance and Finance) Local government: omnibus.

**Chapter Number:** 366

**Status:** 9/14/2016-Chaptered by Secretary of State - Chapter 366, Statutes of 2016.

**Is Urgency:** N

**Summary:** The Professional Land Surveyors' Act, among other things, requires a county recorder to store and index records of survey, and to maintain both original maps and a printed set for public reference. That act specifically requires the county recorder to securely fasten a filed record of survey into a suitable book. This bill would also authorize a county recorder to store records of survey in any other manner that will ensure the maps are kept together. This bill contains other related provisions and other current laws.

**Summary:** The Professional Land Surveyors' Act, among other things, requires a county recorder to store and index records of survey, and to maintain both original maps and a printed set for public reference. That act specifically requires the county recorder to securely fasten a filed record of survey into a suitable book. This bill would also authorize a county recorder to store records of survey in any other manner that will ensure the maps are kept together. This bill contains other related provisions and other existing laws.

**Laws:** An act to amend Section 8770 of the Business and Professions Code, to amend Sections 6107, 8205, 8206, 8213, 8213.5, 8311, 15606.1, 40805, 53087.7, 53601, 65091, 65302, and 67661 of the Government Code, to amend Sections 5471, 5473, 5474, 5474.8, and 13822 of the Health and Safety Code, to amend Section 22161 of the Public Contract Code, to amend Sections 11005, 11005.3, 19201, and 19202 of the Revenue and Taxation Code, to amend Sections 2105, 36601, 36606, 36610, 36625, and 36670 of the Streets and Highways Code, and to amend Section 7.6 of, and to repeal Sections 7.3 and 8 of, the Kern County Water Agency Act (Chapter 1003 of the Statutes of 1961), relating to local government.

## SACA: Legislation of Interest to County Auditors 2016 SCO Conference with County Auditors

SB 975: (Committee on Governance and Finance) Tax increment: property tax override rates.

**Chapter Number:** 49

**Status:** 7/1/2016-Chaptered by Secretary of State - Chapter No. 49, Statutes of 2016

**Is Urgency:** N

**Summary:** Current law authorizes an infrastructure financing plan or a community revitalization and investment plan to provide for the division of taxes levied upon taxable property, if any, between the affected taxing entities, as defined, and the district or authority. This bill, for the purpose of any law authorizing the division of taxes, would prohibit the division of revenues derived from a property tax rate approved by the voters pursuant to, specified provisions of the California Constitution and levied in addition to the general property tax rate limited by the California Constitution.

**Summary:** Existing law establishes procedures for the formation of infrastructure financing districts, enhanced infrastructure financing districts, infrastructure and revitalization financing districts, and community revitalization and investment authorities, as specified, to undertake various economic development projects, including financing public facilities and infrastructure, affordable housing, and economic revitalization. Existing law authorizes an infrastructure financing plan or a community revitalization and investment plan to provide for the division of taxes levied upon taxable property, if any, between the affected taxing entities, as defined, and the district or authority. This bill, for the purpose of any law authorizing the division of taxes, would prohibit the division of revenues derived from a property tax rate approved by the voters pursuant to specified provisions of the California Constitution and levied in addition to the general property tax rate limited by the California Constitution. The bill would specify that this limitation does not apply to the allocation of property taxes pursuant to provisions relating to the wind down of the affairs of redevelopment agencies and the activities of successor agencies. The bill would also make various conforming changes.

**Laws:** An act to amend Sections 53369.30, 53396, 53398.30, 53398.75, and 62005 of, and to add Article 18.5 (commencing with Section 53993) to Chapter 4 of Part 1 of Division 2 of Title 5 of, the Government Code, relating to local government.

## SACA: Legislation of Interest to County Auditors 2016 SCO Conference with County Auditors

SB 996: (Hill D) Property taxation: welfare exemption.

**Chapter Number:** 836

**Status:** 9/29/2016-Chaptered by Secretary of State - Chapter 836, Statutes of 2016.

**Is Urgency:** N

**Summary:** The California Constitution authorizes the Legislature to exempt from taxation property that is used exclusively for religious, hospital, or charitable purposes, and is owned or held in trust by a nonprofit entity. Pursuant to this constitutional authority, existing law partially exempts from property taxation property used exclusively for rental housing and related facilities, if specified criteria are met. Current law limits the total exemption amount allowed to a taxpayer, with respect to a single property or multiple properties for any fiscal year on the sole basis of the application of this criterion, to \$20,000 of tax. This bill would increase that total exemption amount allowed to \$10,000,000 in assessed value, with respect to lien dates occurring on and after January 1, 2017.

**Summary:** The California Constitution authorizes the Legislature to exempt from taxation property that is used exclusively for religious, hospital, or charitable purposes, and is owned or held in trust by a nonprofit entity. Pursuant to this constitutional authority, existing law partially exempts from property taxation property used exclusively for rental housing and related facilities, if specified criteria are met, including, except in the case of a limited partnership in which the managing general partner is a nonprofit corporation eligible for the exemption, that 90% or more of the occupants of the property are lower income households whose rents do not exceed the rent limits prescribed by a specified law. Existing law limits the total exemption amount allowed to a taxpayer, with respect to a single property or multiple properties for any fiscal year on the sole basis of the application of this criterion, to \$20,000 of tax. This bill would increase that total exemption amount allowed to \$10,000,000 in assessed value, with respect to lien dates occurring on and after January 1, 2017. This bill contains other related provisions and other existing laws.

**Laws:** An act to amend Section 214 of, and to add Sections 214.17 and 259.14 to, the Revenue and Taxation Code, relating to taxation.

## SACA: Legislation of Interest to County Auditors 2016 SCO Conference with County Auditors

SB 1029: (Hertzberg D) California Debt and Investment Advisory Commission: accountability reports.

**Chapter Number:** 307

**Status:** 9/12/2016-Chaptered by Secretary of State - Chapter 307, Statutes of 2016.

**Is Urgency:** N

**Summary:** Current law requires the California Debt and Investment Advisory Commission to collect, maintain, and provide comprehensive information on all state and all local debt authorization and issuance and to serve as a statistical clearinghouse for all state and local debt issuance. This bill would additionally require the commission to track and report on all state and local outstanding debt until fully repaid or redeemed. This bill contains other related provisions and other existing laws.

**Summary:** Existing law establishes the California Debt and Investment Advisory Commission to, among other things, maintain contact with state and municipal bond issuers, underwriters, investors, and credit rating agencies to improve the market for state and local government debt issues and to assist state and local governments to prepare, market, and sell their debt issues. Existing law requires the commission to collect, maintain, and provide comprehensive information on all state and all local debt authorization and issuance and to serve as a statistical clearinghouse for all state and local debt issuance. This bill would additionally require the commission to track and report on all state and local outstanding debt until fully repaid or redeemed. This bill contains other related provisions and other existing laws.

**Laws:** An act to amend Section 8855 of the Government Code, relating to state government.

## SACA: Legislation of Interest to County Auditors 2016 SCO Conference with County Auditors

[SB 1203: \(Hertzberg D\) Retirement systems: joint powers authorities: benefit formulas.](#)

**Chapter Number:** 729

**Status:** 9/27/2016-Chaptered by Secretary of State - Chapter 729, Statutes of 2016.

**Is Urgency:** N

**Summary:** The Joint Exercise of Powers Act, generally authorizes 2 or more public agencies, by agreement, to jointly exercise any common power, which may include hiring employees and establishing retirement systems. This bill would authorize a joint powers authority to offer defined benefit plans or formulas that are not PEPRAs or formulas provided that the plans or formulas were those the employees received prior to the creation of the authority, the employees are not new members under PEPRAs, and they are employed by the authority within 180 days, as specified.

**Summary:** The California Public Employees' Pension Reform Act of 2013 (PEPRA) requires a public retirement system, as defined, to modify its plan or plans to comply with the act and, among other provisions, establishes new retirement formulas that may not be exceeded by a public employer offering a defined benefit pension plan for employees first hired on or after January 1, 2013. Existing law, the Joint Exercise of Powers Act, generally authorizes 2 or more public agencies, by agreement, to jointly exercise any common power, which may include hiring employees and establishing retirement systems. This bill would authorize a joint powers authority to offer defined benefit plans or formulas that are not PEPRAs or formulas provided that the plans or formulas were those the employees received prior to the creation of the authority, the employees are not new members under PEPRAs, and they are employed by the authority within 180 days, as specified.

**Laws:** An act to add Section 7522.05 to the Government Code, relating to retirement.

## SACA: Legislation of Interest to County Auditors 2016 SCO Conference with County Auditors

SB 1315: (Bates R) Counties: budgets.

**Chapter Number:** 56

**Status:** 7/1/2016-Chaptered by Secretary of State - Chapter No. 56, Statutes of 2016

**Is Urgency:** N

**Summary:** Would authorize the board of supervisors of a county to direct the publication of a recommended budget for the purpose of conducting a budget hearing without authorizing spending pursuant to the recommended budget until the budget is adopted. The bill would require the board of supervisors to follow specific procedures for the adoption of a budget under these provisions, including, among other requirements, conducting a hearing on the recommended budget on or before June 20 and adopting the budget on or before June 30 of each year in which the board elects to utilize these provisions.

**Summary:** Existing law requires the board of supervisors of a county to approve a recommended budget, including revisions, on or before June 30 of each year, as specified. This bill would authorize the board of supervisors of a county to direct the publication of a recommended budget for the purpose of conducting a budget hearing without authorizing spending pursuant to the recommended budget until the budget is adopted. The bill would require the board of supervisors to follow specific procedures for the adoption of a budget under these provisions, including, among other requirements, conducting a hearing on the recommended budget on or before June 20 and adopting the budget on or before June 30 of each year in which the board elects to utilize these provisions.

**Laws:** An act to amend Section 29064 of the Government Code, relating to local government.

# SACA: Legislation of Interest to County Auditors 2016 SCO Conference with County Auditors

## Court Bills

SB 837: (Committee on Budget and Fiscal Review) State government.

**Chapter Number:** 32

**Status:** 6/27/2016-Chaptered by Secretary of State - Chapter 32, Statutes of 2016.

**Is Urgency:** N

**Summary:** Would, among other things, change the name of the Medical Marijuana Regulation and Safety Act, the Bureau of Medical Marijuana Regulation, and the Medical Marijuana Regulation and Safety Act Fund to the Medical Cannabis Regulation and Safety Act, the Bureau of Medical Cannabis Regulation, and the Medical Cannabis Regulation and Safety Act Fund, and would change references to medical marijuana or marijuana to medical cannabis or cannabis, respectively. The bill would authorize licensing authorities, as defined, to adopt rules and regulations to carry out the purposes of that act and emergency regulations, as specified.

**Summary:** Existing law, the Medical Marijuana Regulation and Safety Act, regulates and licenses the cultivation, dispensing, distribution, manufacturing, testing, and transportation of medical cannabis through various state agencies, including, among others, the Bureau of Medical Marijuana Regulation, the Department of Food and Agriculture, and the State Department of Public Health, and authorizes the bureau to adopt rules to carry out the provisions of that act, as specified. That act requires a person to obtain both a local and state license to engage in commercial cannabis activities, except that the act authorizes, until January 1, 2018, a facility or entity that is operating in compliance with local laws to continue in operation until its application for licensure is approved or denied. That act requires the State Department of Public Health to regulate cannabis testing laboratories, as specified. That act authorizes the bureau to establish appellations of origin for marijuana grown in the state. That act establishes the Medical Marijuana Regulation Safety Act Fund and provides that moneys in the fund shall be available upon appropriation by the Legislature. This bill would, among other things, change the name of the Medical Marijuana Regulation and Safety Act, the Bureau of Medical Marijuana Regulation, and the Medical Marijuana Regulation and Safety Act Fund to the Medical Cannabis Regulation and Safety Act, the Bureau of Medical Cannabis Regulation, and the Medical Cannabis Regulation and Safety Act Fund, and would change references to medical marijuana or marijuana to medical cannabis or cannabis, respectively. The bill would authorize licensing authorities, as defined, to adopt rules and regulations to carry out the purposes of that act and emergency regulations, as specified. The bill would add additional grounds for disciplinary action, including failure to maintain safe conditions for inspection by a licensing authority. The bill would exempt the premises or person from the above-mentioned requirement to obtain both a local and state license only if certain conditions are met, including that the applicant continues to operate in compliance with all local and state laws, except for possession of a state license. The bill would require the State Water Resources Control Board, in consultation with the Department of Fish and Wildlife, to adopt principles and guidelines for diversion and use of water for cannabis cultivation, as specified. The bill would require an applicant for a state license issued by a licensing authority to meet certain requirements, including providing proof of a bond to cover the costs of destruction of medical cannabis or medical cannabis products if necessitated by a violation of the licensing requirements. The bill would require an applicant for a license for indoor or outdoor cultivation to identify the source of water supply, as specified. The bill would authorize the Department of Food and Agriculture to establish appellations of origin for cannabis grown in the state instead of the bureau.

## SACA: Legislation of Interest to County Auditors 2016 SCO Conference with County Auditors

**Summary(Continued):**The bill would require the bureau to regulate the laboratory testing of cannabis instead of the State Department of Public Health, as specified. The bill would authorize the State Department of Public Health to, among other things, develop standards for the manufacturing and labeling of all manufactured medical cannabis products and would require the State Department of Public Health, when it has evidence that a medical cannabis product is adulterated or misbranded, to notify the manufacturer, and authorizes the department to take certain actions. This bill contains other related provisions and other existing laws.

**Laws:** An act to amend Sections 27, 101, 144, 205.1, 19300, 19300.7, 19302, 19302.1, 19303, 19304, 19305, 19306, 19307, 19310, 19311, 19312, 19315, 19321, 19322, 19323, 19326, 19327, 19328, 19332, 19332.5, 19334, 19335, 19341, 19342, 19343, 19344, 19345, 19347, 19350, 19351, and 19360 of, to amend the heading of Chapter 3.5 (commencing with Section 19300) of Division 8 of, to amend and repeal Section 19320 of, to add Sections 19332.2, 19347.1, 19347.2, 19347.3, 19347.4, 19347.5, 19347.6, 19347.7, and 19347.8 to, to repeal Sections 19313 and 19318 of, to repeal Article 6 (commencing with Section 19331) of Chapter 3.5 of Division 8 of, and to repeal and add Section 19300.5 of, the Business and Professions Code, to amend Sections 2154, 2265, 5100, and 5151 of the Elections Code, to amend Sections 1602, 12025.2, and 12029 of, and to add Section 1617 to, the Fish and Game Code, to amend Section 52452 of, and to add Section 37104 to, the Food and Agricultural Code, to add Section 15283 to, and to add Chapter 6.45 (commencing with Section 30035) to Division 3 of Title 3 of, the Government Code, to amend Sections 11362.769, 11362.777, 44559.11, 50800.5, 51341, 51349, 51455, and 51622 of, to amend and renumber Sections 51344 and 51345 of, to amend and repeal Section 11362.775 of, to add Section 44559.14 to, to add Sections 50912.5 and 51511 to, to repeal Sections 51342, 51347, 51348, 51618, and 51619 of, and to add Chapter 19 (commencing with Section 50899.1) to Part 2 of Division 31 of, the Health and Safety Code, to amend Sections 12206, 17058, 18900.24, and 23610.5 of, to add and repeal Sections 17053.88.5 and 23688.5 of, and to repeal Section 31020 of, the Revenue and Taxation Code, and to amend Sections 1058.5, 1525, 1535, 1552, 1831, 1840, 1845, 1846, and 5103 of, and to add Sections 1847, 1848, and 13149 to, the Water Code, relating to state government, and making an appropriation therefor, to take effect immediately, bill related to the budget.

## SACA: Legislation of Interest to County Auditors 2016 SCO Conference with County Auditors

SB 867: (Roth D) Emergency medical services.

**Chapter Number:** 147

**Status:** 8/19/2016-Chaptered by Secretary of State - Chapter No. 147, Statutes of 2016

**Is Urgency:** N

**Summary:** Current law, until January 1, 2017, authorizes county boards of supervisors to elect to levy an additional penalty, for deposit into the EMS Fund, in the amount of \$2 for every \$10 upon fines, penalties, and forfeitures collected for criminal offenses. Current law, until January 1, 2017, requires 15% of the funds collected pursuant to that provision to be used to provide funding for pediatric trauma centers. This bill would extend the operative date of these provisions until January 1, 2027.

**Summary:** Existing law establishes the Maddy Emergency Medical Services (EMS) Fund, and authorizes each county to establish an emergency medical services fund for reimbursement of costs related to emergency medical services. Existing law, until January 1, 2017, authorizes county boards of supervisors to elect to levy an additional penalty, for deposit into the EMS Fund, in the amount of \$2 for every \$10 upon fines, penalties, and forfeitures collected for criminal offenses. Existing law, until January 1, 2017, requires 15% of the funds collected pursuant to that provision to be used to provide funding for pediatric trauma centers. This bill would extend the operative date of these provisions until January 1, 2027.

**Laws:** An act to amend Section 76000.5 of the Government Code, and to amend Section 1797.98a of the Health and Safety Code, relating to emergency medical services.

## SACA: Legislation of Interest to County Auditors 2016 SCO Conference with County Auditors

[SB 1054: \(Pavley D\) Restitution orders: collection.](#)

**Chapter Number:** 718

**Status:** 9/27/2016-Chaptered by Secretary of State - Chapter 718, Statutes of 2016.

**Is Urgency:** N

**Summary:** Current law authorizes the Department of Corrections and Rehabilitation to deduct and retain an administrative fee from a prisoner, or the agency to deduct and retain an administrative fee from a prisoner, parolee, or former prisoner, that totals 10% of any amount transferred to the board pursuant to these provisions. Current law authorizes the collection of restitution fines or restitution orders from a person who has been released from a state prison or county jail and is subject to post release community supervision or mandatory supervision, as specified. This bill would instead allow the department or the designated agency to deduct and retain an administrative fee as described in an amount that covers the actual administrative cost of collection, not to exceed 10% of the total amount collected pursuant to the above provisions.

**Summary:** Under existing law, if a prisoner is punished in state prison or a county jail for a felony and he or she owes a restitution order or fine, the Department of Corrections and Rehabilitation or the agency designated by the board of supervisors in the county where the prisoner is incarcerated, as appropriate, may deduct a minimum of 20% or the balance owing on the order amount, whichever is less, up to a maximum of 50% from the prisoner's wages and trust account or a county jail equivalent of wages and trust account deposits of a prisoner for transfer to the California Victim Compensation Board. Existing law authorizes the department to deduct and retain an administrative fee from a prisoner or parolee, or the agency to deduct and retain an administrative fee from a prisoner, parolee, or former prisoner, that totals 10% of any amount transferred to the board pursuant to these provisions. Existing law authorizes the collection of restitution fines or restitution orders from a person who has been released from a state prison or county jail and is subject to post release community supervision or mandatory supervision, as specified. This bill would instead allow the department or the designated agency to deduct and retain an administrative fee as described in an amount that covers the actual administrative cost of collection, not to exceed 10% of the total amount collected pursuant to the above provisions. The bill would authorize the collection of restitution fines or restitution orders, in a manner to be established by the county board of supervisors, by the county agency designated by the board from a person who has been released from a county jail without being subject to post release community supervision or mandatory supervision, as specified. The bill would require a county that elects to collect restitution fines and restitution orders pursuant to these provisions to coordinate efforts with the Franchise Tax Board, as specified. The bill would also make technical, nonsubstantive changes to the organization of the provisions. This bill contains other related provisions and other existing laws.

**Laws:** An act to amend Section 2085.5 of, and to add Sections 2085.7 and 2085.8 to, the Penal Code, and to amend Section 19280 of the Revenue and Taxation Code, relating to restitution orders.