



## News & Advocacy

**Eminent Domain Reform Package Unveiled**  
**BOE Rules Against Sales/Use Tax Changes**  
**Calendar of Events**  
**Ask CSAC's Legislative Advocates**  
**Legislative Tracking**  
**PDF Version**  
**Administration of Justice**  
**Agriculture and Natural Resources**  
**Elections**  
**Employee Relations**  
**Health and Human Services**  
**Housing, Land Use and Transportation**  
**Revenue and Taxation**  
**Washington, D.C., Report**

June 01, 2007

## Eminent Domain Reform Package Unveiled

### Legislation Provides Protections for Homeowners and Small Businesses

by Steve Keil, Interim Executive Director  
[skeil@counties.org](mailto:skeil@counties.org)

Californians for Eminent Domain Reform, a broad coalition of homeowner groups, small business representatives, and labor, environmental, community, and ethnic organizations, announced a package of eminent domain reforms at a press conference in Sacramento on May 24.

Authored by Assembly Member Hector De La Torre, the package includes both a constitutional amendment (ACA 8) and a companion statutory measure (AB 887, soon to be amended). The legislation is aimed at ensuring homeowners and small businesses are given strong protection against eminent domain. CSAC strongly supports both measures.

ACA 8 would prohibit the use of eminent domain to take an owner-occupied home to convey to another private party and new restrictions on the taking of small business properties for conveyance to private parties.

ACA 8 is intended for the 2008 ballot. If placed on the ballot and approved by the voters, the constitutional amendment would:

- Prohibit the state or local government from using eminent domain to acquire an owner-occupied home (including town homes and condos) for transfer to another private party.
- Prohibit government from using eminent domain to acquire a small business to transfer to another private party, except as part of a comprehensive plan to eliminate blight and only after the small business owner is first given the opportunity to participate in the revitalization plan.
- Require state or local governments that use eminent domain on a home or small business property to give the original owner a right to repurchase the property if the property isn't used for a public use.

If passed by the Legislature, AB 887 would provide enhanced protections for small business owners confronted with eminent domain. The measure includes the following key provisions:

- If a small business does not participate in the revitalization plan it can choose between relocating or receiving the value of the business. If the small business relocates, it will receive fair market value of the real property (if owned by the small business), plus all reasonable moving expenses, plus expenses to re-establish the business at a new location, up to

\$50,000, plus compensation for the increased cost of rent or mortgage payments for up to three years.

• If the small business does not relocate and is bought out, it will receive fair market value of the real property (if owned by the small business) and 125 percent of the value of the business if the business could not have been relocated and remain economically viable.

For more information on the coalition, visit [www.eminentdomainreform.com](http://www.eminentdomainreform.com). Please contact Jean Hurst at CSAC ( [jhurst@counties.org](mailto:jhurst@counties.org)) with your questions.

June 01, 2007

## **BOE Rules Against Sales/Use Tax Changes**

On May 31, the State Board of Equalization (BOE) decided against changing regulations that dictate the characterization – and therefore the distribution – of certain local sales and use tax transactions. The proposed change would have affected transactions where there is retail participation in the state but title transfers outside the state, which is usually the case when goods are shipped from outside California. It would have characterized these transactions as a local *sales* tax, even though it would at the same time be a state *use* tax.

CSAC opposed the proposal on several grounds, including that it was inconsistent with statutory law and that it was at odds with the way the BOE has been characterizing those transactions since the inception of the Bradley-Burns system. Please refer to the Government Finance and Operations section under Legislative Advocacy section of the CSAC's Web site, [www.csac.counties.org](http://www.csac.counties.org), to view our full letter to the BOE.

June 01, 2007

## **Calendar of Events**

For upcoming CSAC events, check our [calendar](#).

June 01, 2007

## **Ask CSAC's Legislative Advocates**

For more information about legislation, contact CSAC [legislative staff](#).

June 01, 2007

## **Legislative Tracking**

To find a specific bill, use CSAC's legislative [tracking](#).

June 01, 2007

## **PDF Version**

A complete printed version of this newsletter.

June 01, 2007

## **Administration of Justice**

For more information, contact Elizabeth Howard at 916/327-7500, ext. 537 or [ehoward@counties.org](mailto:ehoward@counties.org) or Rosemary Lamb at 916/327-7500, ext. 503 or [rlamb@counties.org](mailto:rlamb@counties.org).

---

## **Fine and Forfeiture MOEs**

**AB 227 (Beall) – Co-Sponsor**

AB 227, by Assembly Member Jim Beall, would make permanent adjustments to counties' fine and forfeiture maintenance of effort (MOE) obligations, based on reductions resulting from two previous legislative measures enacted in 2005. On May 22, AB 227 passed out the Senate Judiciary Committee on consent; it now awaits hearing before the Senate Appropriations Committee. We strongly encourage counties to join in support of this measure. CSAC is co-sponsoring AB 227 with the Judicial Council.

---

**Assumption Program for Loans for Law in the Public Interest  
AB 171 (Beall) – Sponsor**

AB 171, by Assembly Member Jim Beall, seeks to expand eligibility in the Assumption Program for Loans for Law in the Public Interest (APLLPI) to include county counsel. The measure's other provisions seek to assist the Student Aid Commission in effectively and efficiently administering this program. CSAC is sponsoring AB 171 on behalf of the County Counsels' Association; we strongly encourage counties to weigh in with support on this measure. AB 171 will next be heard on June 13 in the Senate Education Committee.

---

**Drug Asset Forfeiture Laws  
AB 496 (Villines) – Support**

AB 496, by Assembly Member Mike Villines, would redistribute to state and local governments the percentage of funds seized pursuant to drug asset forfeiture laws. As reported previously, this measure was referred to the Assembly Appropriations Committee suspense file given that the redirection of revenues would result in a loss of funds to the state. During its hearing of suspense items on May 31, the Assembly Appropriations Committee held AB 496 in committee.

---

**Coroner Notification to Next-of-Kin  
AB 1054 (Mullin) – Watch**

AB 1054, by Assembly Member Gene Mullin, would require a county coroner, under certain circumstances, to notify next of kin in a timely manner regarding the coroner's practices involving the retention of body parts. Further, the measure would require a coroner to offer to return retained body parts to the next of kin, once further retention is no longer necessary, as permitted by applicable law. AB 1054 also makes clear that notification requirements do not apply if an ongoing criminal investigation would be compromised. San Mateo County is sponsoring this measure.

During its hearing of suspense items on May 31, the Assembly Appropriations Committee held AB 1054 in committee.

---

**Incompetent to Stand Trial  
AB 1121 (Lieber) – Oppose**

AB 1121, by Assembly Member Sally Lieber, is a measure relating to defendants who are found by a court to be incompetent to stand trial. It would require that an individual who is found incompetent to stand trial be transferred to a state hospital within 14 days of that decision and requires the state to make certain determinations before an individual, who regains competency, can be transferred back to a county jail for trial. CSAC joined the California Mental Health Directors Association in opposing this bill, as we believed it would have imposed significant and impractical obligations on local jails with no identified funding source or competency treatment to support these new duties.

AB 1121 has become a two-year bill; it currently remains in the Assembly Appropriations Committee.

---

**Social Security Numbers  
AB 1168 (Jones) – Request for Comment**

AB 1168, by Assembly Member Dave Jones, would require local public agencies to truncate Social Security numbers from any public documents before those documents are released if more than four digits in the Social Security number are displayed. Furthermore, the bill authorizes the Attorney General or any other affected person to bring a civil action to

enforce this provision. CSAC has identified a number of concerns about the practical and operational implications of this measure.

The Assembly Appropriations Committee passed AB 1168, with amendments to exempt universities from the bill's provisions. As soon as the amendments are available, CSAC will be further analyzing the measure and examining its continued impact on local governments.

---

**Gang Prevention**  
***AB 1381 (Nunez) – Watch***

As previously reported, AB 1381, by Assembly Member Fabian Nunez, seeks to create the Office of Statewide Violence and Gang Prevention. This office would be located in the Office of Emergency Services (OES) and would be required to administer federal grants currently administered by OES and the Corrections Standards Authority regarding juvenile justice specifically gang crime prevention.

AB 1381 passed the Assembly Appropriations Committee on May 31 and now goes to the Assembly Floor for consideration.

---

**Guardianship Proceedings**  
***SB 241 (Kuehl) – Request for Comment***

SB 241, by Senator Sheila Kuehl, would require counties to pick up the costs of court-appointed counsel in certain guardianship hearings. It is our understanding that these proceedings generally take place without county involvement, and we are working with the author's office to better understand the fiscal and operational impact. SB 241 was heard on May 31 in the Senate Appropriations Committee suspense file hearing. It passed out of committee and will move to the Senate Floor for action. We encourage counties to examine this measure and contact CSAC with questions and concerns.

---

**Reimbursement of Costs Related to Prisons**  
***SB 604 (Cox) – Support***

SB 604, by Assembly Member Dave Cox, seeks to assist cities and counties in receiving prompt reimbursement for specified costs associated with state prisons and prisoners such as crimes committed at a state prison, crimes associated with prisoner escapes, certain hearings related to prisoners, coroner investigations of prisoner deaths, and transportation of prisoners under specific circumstances. This measure would require that if a reimbursement claim made by a city or county to the state controller is not paid within 60 days of the state controller's receipt of the statement of costs, then payment must include accrued interest at the Pooled Money Investment Account Rate.

On May 31, the Senate Appropriations Committee passed SB 604 with amendments. Further information regarding the specific amendments will be forthcoming in a future Bulletin once the language is made available. SB 604 will now move to the Senate Floor for action by the full house.

---

**Parolee and Offender Mental Health Services**  
***SB 851 (Steinberg) – Request for Comment***

SB 851, by Senator Darrell Steinberg, would enact the Corrections Mental Health Act of 2007, which seeks to develop a continuum of mental health services for criminal offenders and parolees. The bill has several significant components. Primarily, it sets up the structure and authority — but not an express requirement — to develop mental health courts to address treatment and service needs of individuals who are arrested and determined to have a mental illness. In addition, those individuals who have a mental illness and violate parole would be referred to a mental health court rather than the criminal court system. As presently drafted, the measure is very expansive and contemplates many new roles and options for courts, counties, as well as the state Department of Mental Health and the Department of Corrections and Rehabilitation.

SB 851 was heard on May 31 during the Senate Appropriation Committee's suspense file hearing. It passed out of committee with amendments. Further information regarding the specific amendments will be forthcoming in a future Bulletin once the language is made available. SB 851 now moves to the Senate Floor for consideration and action.

## **Agriculture and Natural Resources**

For more information, contact Karen Keene at 916/327-7500, ext. 511, or e-mail [kkeene@counties.org](mailto:kkeene@counties.org) or Cara Martinson at 915/327-7500, ext. 504, or email [cmartinson@counties.org](mailto:cmartinson@counties.org).

---

### **Solid Waste Management/Recycling**

#### ***AB 712 (De Leon) – Oppose***

AB 712, by Assembly Member Kevin De Leon, was passed out of the Assembly Appropriations Committee on May 31. This bill would require a person disposing of solid waste at a disposal facility to pay a fee of \$0.50 for each ton of solid waste submitted for disposal. The operator of the facility would be required to collect the fees and submit the fees to the State Board of Equalization, which would be required to transfer the fees to the Off-Road Solid Waste and Recycling Vehicle Clean Air Account, which the bill would establish within the Air Pollution Control Fund.

---

#### ***AB 844 (Berryhill) – Request For Comment***

AB 844, by Assembly Member Tom Berryhill, was passed out of the Assembly Appropriations Committee on May 31. This bill would require additional record keeping and imposes new payment restrictions on junk dealers and recyclers when purchasing copper, copper alloys, stainless steel, and aluminum. The Institute of Scrap Recycling Industries (ISRI) succeeded in obtaining an amendment that would preempt local governments from adopting ordinances that are more restrictive than the state standards that are being proposed by the bill. Additional information regarding these amendments will be summarized in a future Bulletin as soon as the amendments are available.

---

#### ***AB 1193 (Ruskin) – Failed Passage***

AB 1193, by Assembly Member Ira Ruskin, failed to move off the Assembly Appropriations Committee's suspense file on May 31. This bill would create the Mercury Thermostat Collection Act of 2007, thus creating a program for the proper disposal of this potentially dangerous substance. AB 1193 sets forth requirements for a disposal program, requiring retailers to provide a collection and recycle program for out-of-service mercury thermostats.

---

#### ***AB 1535 (Huffman) – Failed Passage***

AB 1535, by Assembly Member Jared Huffman, failed to move off the Assembly Appropriations Committee's suspense file on May 31. AB 1535 would expand the state's current Electronic Waste Recycling Act to include all personal computers.

---

#### ***AB 1610 (Nunez) – Watch***

AB 1610, by Assembly Member Fabian Nunez, passed out of the Assembly Appropriations Committee on May 31. Amendments were taken, which gutted provisions of the bill dealing with the solid waste tipping fee. The bill now addresses refineries.

---

#### ***SB 1020 (Padilla) – Concerns***

SB 1020, by Senator Alex Padilla, was passed out of the Senate Appropriations Committee on May 31. This bill would require cities and counties to divert 75% of all solid waste on or after January 1, 2012, through source reduction, recycling, and composting activities. Currently, cities and counties are required to meet a 50% diversion rate.

---

## ***SB 1021 (Padilla) – Support***

SB 1021, by Senator Alex Padilla, passed out of the Assembly Appropriations Committee on May 31. This bill would authorize the Department of Conservation to expend up to \$15 million for grants to local governments to provide beverage-recycling receptacles in multifamily housing.

---

## **Climate Change**

### ***AB 224 (Wolk) – Pending***

AB 224, by Assembly Member Lois Wolk, was passed out of the Assembly Appropriations Committee on May 31. AB 224 would incorporate projections of climate change into existing water planning efforts, and would require the Department of Water Resources to include climate change as a factor in the State Water Plan.

---

### ***AB 1066 (Laird) – Pending***

AB 1066, by Assembly Member John Laird, was passed out of the Assembly Appropriations Committee on May 31. This bill would require local governments within the coastal zone or San Francisco Bay to include consideration of the effects of sea level rise and climate change, including, but not limited to, bay and coastal flooding, coastal erosion, beach loss, and cliff failure, when amending appropriate elements of its general plan.

---

## **Green Building**

### ***AB 888 (Lieu) – Request For Comment***

AB 888, by Assembly Member Ted Lieu, passed out of the Assembly Appropriations Committee on May 31. This bill would require the California Environmental Protection Agency to develop a set of minimum green building standards for non-residential commercial buildings. The standards would have to meet and encompass, at a minimum, the United States Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) gold rating for new construction and major renovation. A new public sector commercial building constructed on or after July 1, 2012, that is less than 50,000 square feet or greater would be required to meet the adopted standards unless the owner of the building meets criteria, based on economic considerations, developed by CAL-EPA for granting. AB 888 would define a "commercial building" to mean a building or structure that is in occupancy Group B as specified in Section 304 of Title 24 of the California Code of Regulations. Schedule B would include the following:

Business occupancies shall include, but not be limited to, the following:

- Animal hospitals, kennels, pounds
  - Civic Administration
  - Outpatient clinics and medical offices
  - Educational occupancies above the 12th grade
  - Electronic data processing
  - Fire stations
  - Laboratories—testing and research
  - Police stations
- 

## **Flood Control**

### ***SB 5 – Request For Comment***

SB 5, by Senator Mike Machado, would require the Department of Water Resources to prepare a Sacramento-San Joaquin River Flood Management System Plan. In addition, the bill would require cities and counties to revise their general plans after the adoption of the Sacramento-San Joaquin River Flood Management System Plan to adequately address flood risks for all new development. It would also require cities and counties to address flood risks in local general plans, zoning ordinances, the land use decision-making process, and provide public notice to specific areas that may be protected by a flood control facility or that are located in a flood hazard area. The bill would prohibit cities and counties from issuing entitlement permits (discretionary or ministerial) and approving subdivisions unless findings show that the project is protected by specified flood protection facilities or local conditions have been imposed to protect against unreasonable risks. SB 5 is considered a work in progress, and will be further amended.

---

**AB 5 (Wolk) – Request For Comments**

AB 5, by Assembly Member Lois Wolk, also passed out of the Assembly Appropriations Committee on May 31. This measure would apply only to the Sacramento-San Joaquin Valley. It would authorize the adoption of local flood protection plans and requires the Department of Water Resources to prepare a Central Valley Flood Protection Plan. It would also give priority for state bond funds to local agencies that have adopted local flood protection plans. The bill further specifies that unless a local plan is adopted, cities or counties in the Sacramento-San Joaquin Valley, after the State Plan is adopted (Jan 1, 2011), may not approve new development in flood hazard zone. Additional amendments are expected.

---

**AB 26 (Nakanishi) – Support**

AB 26, by Assembly Member Alan Nakanishi, was held in the Assembly Appropriations Committee. This bill would establish a process by which maintenance projects on levees and other flood control facilities in the Sacramento-San Joaquin Delta would be exempt from the requirement to obtain a streambed alteration permit from the Department of Fish and Game.

---

**AB 156 (Laird) – Support**

AB 156, by Assembly Member John Laird, is a combination of last session's AB 1665 (Laird) and AB 2500 (Laird). Both measures failed passage. This bill would provide detailed direction to the Department of Water Resources (DWR) and the State Reclamation Board (SRB) for the purpose of flood control activities. AB 156 passed out of the Assembly Appropriations Committee on May 31. For further details on the provisions of AB 156, please refer to the March 23 Bulletin.

---

**AB 162 (Wolk) – Support**

AB 162, by Assembly Member Lois Wolk, was passed out of the Assembly Appropriations Committee on May 31. This bill would require cities and counties to address in a more comprehensive manner flood management in their general plans. It is identical to last year's AB 802 (Wolk), which failed passage. The components of AB 162 are consistent with CSAC's Flood Protection Principles and Policy Guidelines that direct CSAC to support the strengthening of flood protection policies in state general plan law.

---

**Water Quality****SB 1001 (Perata) – Oppose**

SB1001, by Senator Don Perata, was passed out of the Senate Appropriations Committee on May 31. This bill would change the composition of the nine California Regional Water Quality Control Boards. CSAC opposes this bill because it would narrow the scope of board's expertise, reducing membership to five appointees, and would eliminate several categories of representation, including: city and county government, recreation, irrigated agriculture, industrial water use and supply, and conservation.

---

**Fish and Game****AB 1683 (Wolk) – Request Comment**

AB 1683, by Assembly Member Lois Wolk, passed out of the Assembly Appropriations Committee on May 31. This bill would establish a protocol at the Department of Fish and Game to control the quagga and zebra mussels in California. These species are highly invasive and have the potential to spread quickly throughout California if not controlled.

## Elections

For more information, contact Karen Keene at 916/327-7500, ext. 511, or [kkeene@counties.org](mailto:kkeene@counties.org) or Cara Martinson at 915/327-7500, ext. 504, or [cmartinson@counties.org](mailto:cmartinson@counties.org).

---

### ***AB 119 (Price) – Support***

AB 119, as amended March 14 by Assembly Member Curren Price, passed out of the Assembly Appropriations Committee on May 31. This bill would require the state to reimburse counties for the cost of any special vacancy election called by the Governor.

June 01, 2007

## Employee Relations

For more information, contact Steve Keil at 916/327-7500, ext. 521, or [skeil@counties.org](mailto:skeil@counties.org).

---

For a complete update of Employee Relations legislation, visit our [Web site](#).

June 01, 2007

## Health and Human Services

For more information, contact Kelly Brooks at 916/327-7500, ext. 531, or [kbrooks@counties.org](mailto:kbrooks@counties.org) or Farrah McDaid Ting at 916/327-7500, ext. 559, or [fmcdaid@counties.org](mailto:fmcdaid@counties.org).

---

June 1 is the deadline for fiscal bills to make it out of Appropriations Committee. Both the Senate and Assembly Appropriations Committees met on May 31 to take action on bills on the Suspense File. Bills held in committee yesterday will not be moved forward this year.

---

### **Health Legislation**

#### ***AB 8 (Nuñez) – Pending***

AB 8 is Assembly Speaker Fabian Nuñez's measure to expand health care coverage. The bill passed out of Assembly Appropriations. It will be heard on the Assembly floor.

---

### ***AB 55 (Dymally) – Support***

AB 55, as introduced by Assembly Member Mervyn Dymally, would revise the monthly income standard for the no cost Medi-Cal Aged and Disabled (A&D) Program from 128 percent of federal poverty limit (FPL) to 133 percent of FPL.

This measure was passed out of the Assembly Appropriations Committee by a vote of 12 to 5. AB 55 now awaits approval from the entire Assembly.

---

### ***AB 110 (Laird) – Support***

AB 110 will allow public entities that receive General Fund money from the State Department of Health Services for HIV prevention and education to use that money to support clean needle and syringe exchange projects. Specifically, the bill will authorize the funds to be used for the purchase of sterile hypodermic needles and syringes. This bill gives counties the

option to use some of these state funds for clean needle and syringe exchange projects.

---

***AB 308 (Galgiani) – Support***

AB 308, by Assembly Member Cathleen Galgiani, would require the state Department of Mental Health, in consultation with the state Department of Health Services, to adopt regulations to provide for the prompt reimbursement of counties for Medi-Cal claims for services they have already provided and paid for under the Early and Periodic Screening, Diagnosis, and Treatment Program.

Assembly Appropriations Committee passed this measure with amendments on May 31. It will head to the Assembly Floor next.

---

***AB 398 (Feuer) – Support***

Assembly Member Mike Feuer’s AB 398 would create the Nursing Home information Accessibility Act of 2007. This measure passed out of Assembly Appropriations on May 31.

---

***AB 399 (Feuer) – Support***

AB 399, also by Assembly Member Feuer, would require the Department of Health Care Services within 40 days to complete an investigation received by a complainant and would require the department’s written determination that results from the inspection or investigation provide specific findings concerning each alleged violation without disclosing the names of individual residents. This measure passed out of Assembly Appropriations on May 31.

---

***AB 520 (Brownley) – Oppose***

AB 520, as introduced by Assembly Member Julia Brownley, would require hospitals to adopt and annually review a plan for determining staffing levels for certain non-nursing professional and technical personnel. AB 520 was held in the Assembly Appropriations Committee.

---

***AB 752 (Dymally) – Support***

Specifically, AB 752 addresses the agreement among the public hospitals on how to distribute stabilization funds in Years 3 through 5 of the waiver. The distribution methodology is specific to public hospitals and reflects a unanimous agreement among all affected public hospitals. This measure was passed out of the Assembly Appropriations Committee by a unanimous vote and is currently awaiting approval from the entire Assembly.

---

***AB 1226 (Hayashi) – Support***

AB 1226, as amended April 17 by Assembly Member Mary Hayashi, would make a number of changes to physician provider eligibility processes under the Medi-Cal Program, effective July 1, 2008. AB 1226 was passed out of the Assembly Appropriations Committee by a vote of 12 to 5. This measure now awaits review by the entire Assembly.

---

***SB 48 (Perata) – Pending***

SB 48 is Senate President Pro Tempore Don Perata’s measure to expand health care coverage. It passed out of Senate Appropriations on May 31.

---

**SB 119 (Cedillo) – Support**

SB 119, by Senator Gil Cedillo, will require that drug and alcohol treatment services and other specified services in the Youth Treatment Guidelines issued by the state Department of Alcohol and Drug Programs for persons 12 to 20 years of age be covered under the Medi-Cal Drug Treatment Program, regardless of the availability of federal financial participation. Senate Appropriations Committee passed this measure out of committee on May 31.

---

**SB 137 (Torlakson) – Oppose Unless Amended**

SB 137, as amended April 21 by Senator Tom Torlakson, would increase the current family income eligibility limit for the California Children's Services program from 200 percent to 400 percent of the federal poverty level. This measure passed out of the Senate Appropriations Committee by a vote of 10 to 5. This measure is now awaiting approval from the entire Senate.

---

**SB 260 (Steinberg) – Support**

SB 260 by Senator Darrell Steinberg would allow federally qualified health centers (FQHCs) to be reimbursed by Medi-Cal for multiple visits by a patient with a single or different health care professional on the same day at a single location. This bill would also specifically allow for billing for two visits when a patient has a medical visit and an additional visit with a mental health practitioner or a dental professional.

SB 260 passed out of Senate Appropriations unanimously on May 31.

---

**SB 583 (Ridley-Thomas) – Oppose**

SB 583, by Senator Mark Ridley-Thomas, would limit the disciplinary actions local emergency agencies may take against Emergency Medical Technicians employed by public safety agencies and establishes an alternative system. This measure was held on the Senate Appropriations Suspense File.

---

**SB 840 (Kuehl) – Pending**

SB 840, by Senator Sheila Kuehl, would create a single payer system for health care coverage. The measure passed out of Senate Appropriations Committee on May 31.

---

**Welfare Legislation****AB 98 (Niello) – Support**

Assembly Member Roger Niello's AB 98 will enable counties to offer more subsidized employment opportunities for CalWORKs Welfare-to-Work participants, which will increase the state's work participation rate and help more families move toward self-sufficiency through employment. This bill would also require the state to pay 50% of the wage subsidy to counties that include subsidized activities within their welfare-to-work activities. AB 98 passed out of Assembly Appropriations on May 31.

---

**AB 1062 (Ma) – Support**

AB 1062, by Assembly Member Fiona Ma, would establish a three-year statewide pilot to provide rental assistance for 1,500 CalWORKs families. This measure passed out of Assembly Appropriations on May 31.

---

**AB 1078 (Lieber) – Support**

Assembly Member Sally Lieber's AB 1078 would specify that income derived by an individual from the federal Earned Income Tax Credit (EITC) shall not affect the eligibility of any benefits provided under the CalWORKs program. This measure passed out of Assembly Appropriations on May 31.

---

**Child Welfare Legislation****AB 81 (Torrico) – Oppose Unless Amended**

AB 81, as amended on April 10 by Assembly Member Alberto Torrico, makes changes to the Safely Surrendered Baby law. Under current law, a parent may safely surrender a baby within 72 hours of birth. AB 81 will expand the surrender time period to 30 days.

AB 81 was passed of the Assembly Appropriations Committee's Suspense file on May 31.

---

**AB 121 (Maze) – Support**

AB 121, as introduced by Assembly Member Bill Maze, would revise the definition of "qualified employee" in the Personal Income Tax Law and the Corporation Tax Law to include "qualified former foster care recipient," as defined. This would allow employers to receive a tax credit for hiring former foster care recipients. AB 121 was held Assembly Revenue and Taxation Committee on May 21.

---

**AB 273 (Jones) – Support**

AB 273, as introduced by Assembly Member Dave Jones, would make changes to the Child Health and Disability Prevention (CHDP) program under the supervision of the state Department of Health Care Services by requiring that prescribed health and dental assessments must be provided to children under the jurisdiction of a juvenile court.

AB 273 passed out of Assembly Appropriations on May 31.

---

**AB 298 (Maze) – Support**

AB 298, as amended on March 15 by Assembly Member Bill Maze, would specifically provide that a relative caregiver's preference for legal guardianship rather than adoption under circumstances that do not include an unwillingness to accept legal or financial responsibility for the child may not constitute a basis for recommending removal of the child from the relative caregiver for purposes of adoptive placement. AB 298 passed out of the Assembly on May 17 and has not yet been set for a hearing before a Senate committee.

---

**AB 324 (Beall) – Support**

AB 324, as amended on March 22 by Assembly Member Jim Beall, provides modest rate increases for foster parents, by instituting a 5% rate increase effective January 1, 2008, with future annual rate increases tied to changes in the state cost of living (CNI). The measure also establishes a state-administered recruitment and retention program to enable counties to recruit and retain foster and adoptive parents. AB 324 was held on the Assembly Appropriations Suspense file.

---

**AB 340 (Hancock) – Support**

AB 340, as amended on March 22 by Assembly Member Loni Hancock, would establish a five-county pilot project to

implement a more family friendly process for approving relatives, adoptive parents, and foster parents to care for foster children.

AB 340 passed out of Assembly Appropriations Committee on May 31.

---

***AB 672 (Beall) – Support***

AB 672, by Assembly Member Jim Beall, would require the California Child Welfare Council, an advisory body that is responsible for improving the collaboration and processes of the multiple agencies and courts that serve children and youth in the child welfare and foster care systems, to develop a statewide strategy to significantly reduce the disproportionate representation of children of color in all components of the child welfare and foster care systems.

AB 672 failed to be passed off of the Assembly Appropriations Committee's Suspense file on May 31.

---

***AB 714 (Maze) – Support***

AB 714, as amended on May 29 by Assembly Member Bill Maze, would allow counties to search for and contact members of the child's birth family, including non-related extended family members when the child was previously a dependent of the court, has been returned to the custody of the county child welfare agency, and no members of the adoptive family are willing or able to provide care. Currently, if the birth parent's parental rights have been terminated, the birth family is no longer related to the child. Current law prohibits the county from approaching these birth family members to inquire about becoming caregivers for a child whose parental rights have been terminated.

AB 714 passed out of Senate Judiciary on May 22 and has been referred to Senate Appropriations.

---

***AB 845 (Bass) – Support***

AB 845, as amended on May 24 by Assembly Member Karen Bass, appropriates \$10.5 million (General Fund) to the state Department of Social Services (DSS) for funding increased costs related to the Transitional Housing for Foster Youth Program (THP-Plus). This bill is necessary to ensure that THP-Plus is 100% state-funded as intended in the 2006-07 budget.

Forty-six counties have committed to implementing THP-Plus in the current year (2006-07). However, the budget only includes \$4.8 million, which is insufficient to provide services to the eligible youth in these counties. With the \$10.5 million increase, the participating counties will be able to provide housing and services to more than 1,200 foster youth.

The May 24 amendments included an urgency clause, which changes the vote required to pass the bill in the Senate from a majority to two-thirds. AB 845 has not yet been assigned to a committee in the Senate.

---

***AB 1331 (Evans) – Support***

AB 1331, as amended on March 29 by Assembly Member Noreen Evans, will require a county to screen each foster youth in its care when that youth reaches 16 1/2 years of age, in order to determine whether the youth is eligible for federal Social Security or SSI/SSP benefits. After completion of the screening, the measure will also require the county to make the application for benefits on the youth's behalf.

AB 1331 passed out of Assembly Appropriations Committee on May 31.

---

***AB 1462 (Adams) – Support***

AB 1462, by Assembly Member Anthony Adams, would allow counties to receive federal and state funds for certain children with special behavioral or medical needs who are placed in a for-profit foster care institution and for whom the county placing agency demonstrates that there are no alternative placement options. This bill would require the county placing

agency to review and report to the juvenile court at the 6-month case plan update regarding the continuing appropriateness of a child's placement under the bill. The measure passed out of the Assembly on consent last month and has been set for a hearing before the Senate Human Services Committee on June 12.

---

### ***AB 1578 (Leno) – Support***

AB 1578, as amended April 26 by Assembly Member Mark Leno, is called the Foster Youth Higher Education Preparation and Support Act and would provide grant funding to operate an education-based foster youth services program to provide educational and support services for foster children. Additionally, AB 1578 would also authorize new Cal Grant B awards for tuition and fees in the first year for current or former foster youth attend college. The bill would also establish the California Guardian Scholars Program for purposes of providing comprehensive support on college and university campuses to students who are former foster youth.

This bill will benefit California's foster youth in their efforts to attend college and to succeed once they enter. AB 1578 will eliminate many of the barriers foster youth encounter in their efforts to continue their education and to become productive adults. Financial assistance and the provision of housing and campus assistance are vital components to success for all college students, for foster youth it could be the difference in their future. Counties know first-hand about the shortage in viable housing and struggle to meet the needs of homeless youth, many of whom have emancipated from the foster care system.

Counties are vitally concerned about the health, education and well being of children. In addition to protecting foster youth during their adolescence and teen years, the need to provide support for transitioning into adulthood is also critical. AB 1578 would help eliminate many of the obstacles foster youth face. The Assembly Appropriations Committee passed the bill off of the suspense file on May 31.

---

### ***SB 720 (Kuehl) – Support***

SB 720, as amended on March 29 by Senator Shelia Kuehl, would provide clean-up language to SB 500 (Statutes of 2005). Recall that SB 500 encouraged the joint placements of infants and their teen parents when both fall within the jurisdiction of the juvenile dependency court. The bill created a new type of licensed placements called "whole family" placements in which the teens and their children were supported by trained foster parents. As SB 500 was implemented, the state Department of Social Services identified three areas that needed further clarification, including group home placements, existing placements, and non-related legal guardians. SB 720 now resides in the Assembly, but has yet to be assigned to a committee.

---

### ***SB 785 (Steinberg) – Support***

SB 785, as amended on April 26 by Senator Darrell Steinberg, will help to ensure that foster children placed outside of their home county are able to access mental health services. Due to the complexity of the state's mental health program, when children are placed outside their home counties, they often have difficulty accessing needed care. This measure will assist in resolving this problem and meeting the mental health needs of children in the foster care system. SB 785 now resides in the Assembly, but has yet to be assigned to a committee.

June 01, 2007

## **Housing, Land Use and Transportation**

For more information, contact DeAnn Baker at 916/327-7500, ext. 509, or [dbaker@counties.org](mailto:dbaker@counties.org) or Kiana Buss at 916/327-7500, ext. 566, or [kbuss@counties.org](mailto:kbuss@counties.org).

---

### **Joint Budget Conference Committee Starts Today Prop 1B: \$2 Local Streets and Roads**

The Governor's revised budget included an appropriation of \$600 million for cities and counties for Local Streets and Roads (LSR) in Fiscal Year (FY) 2007-08. Thus, under the Governor's proposal, counties would receive \$300 million since we share the revenues equally with the cities. The Governor's proposal also contained a multi-year appropriation approach, which would have totaled \$1.050 billion for LSR over the next three years.

However, the Legislature has expressed concern with that approach and has to date rejected the multi-year appropriation. While CSAC had previously requested that the Legislature increase the appropriation next year from \$300 million to \$500 million to account for the rejection of the multi-year approach, we have revised our budget request to \$400 million in FY 2007-08 and \$150 million each year thereafter for the following four consecutive years and have stressed to the Legislature the importance of a multi-year approach in order to provide more predictability for project delivery purposes.

While the Assembly Budget Subcommittee #5 on Information Technology and Transportation approved the Governor's appropriation of \$600 million for cities and counties from the Prop 1B Local Streets and Roads Account, the Senate Budget Subcommittee #4 took the opposite action and reduced the Governor's proposed appropriation by \$200 million, thus reducing the county share to \$200 million.

---

### **New Proposition 42 and Spillover Proposal**

The Assembly Budget Subcommittee #5 also unveiled and passed a contentious proposal to capture the transit/spillover revenues under Prop 42 and change the current formula split between the state (STIP), cities, counties and transit beginning in 2008-09. The objective of the proposal to seek a permanent fix for protection of the transit revenues referred to as the "spillover" is not a problem, but the approach unveiled is very problematic.

Both of these issues will ultimately be resolved in the Budget Conference Committee.

---

### **Housing**

#### ***SB 303 (Ducheny) – Oppose***

SB 303, as amended May 2 by Senator Denise Ducheny, would impose significant new mandates in the planning area, extending the housing element planning period to 10 years for the designation of sites and requiring General Plan revisions every 10 years. This measure has numerous other provisions associated with the housing element process, including requiring cities and counties to complete zoning to meet their five-year housing needs within a shorter time frame than currently required.

This measure was passed out of the Senate Appropriations Committee by a vote of 12 to 1. It now awaits review by the entire Senate.

---

### **Land Use**

#### ***SB 167 (Negrete-McLeod) – Support***

SB 167, as amended May 15 by Senator Negrete-McLeod, would require the Governor's Office of Planning and Research (OPR) to administer four programs funded by the \$90 million made available in Proposition 84 for planning grants and incentives. The four programs include grants and loans for general plan revisions, general plan implementation, regional blueprint projects, and municipal service reviews and spheres of influence.

This measure was held in the Senate Appropriations Committee on May 31.

---

#### ***SB 375 (Steinberg) – Concerns***

SB 375, as amended on April 17 by Senator Darrell Steinberg, has three separate provisions: (1) it requires regional transportation planning agencies (RTPAs) to adopt preferred growth scenarios in an effort to address air quality issues; (2) it requires the California Transportation Commission (CTC) to adopt guidelines for the use of travel demand models by RTPAs that meet specified standards; and (3) it provides for various forms of California Environmental Quality Act (CEQA) relief in communities that conform their General Plans to the preferred growth scenario. This measure is being promoted by a number of environmental groups as a better and more balanced alternative to addressing growth in general than SB 303.

This measure was passed out of the Senate Appropriations Committee on May 31.

---

### **Transportation**

#### ***AB 256 (Huff) – Support***

AB 256, as amended April 25 by Assembly Member Bob Huff, would require, during the period in which a Budget Act has not yet been enacted after July 1, all money in the Highway Users Tax Account (HUTA) to be continuously appropriated for transportation purposes until the Budget Act is enacted.

This measure was held in the Assembly Appropriations Committee on May 31.

---

#### ***AB 468 (Ruskin) – Support***

AB 468, as amended March 29 by Assembly Member Ira Ruskin, would expand the circumstances under which a county abandoned vehicle service authority (AVSA) may use revenue generated by the \$1 annual vehicle registration surcharge and specifies an AVSA's authority to abate an abandoned vehicle.

This measure was passed out of the Assembly Appropriations Committee on May 31 by a vote of 12 to 5. AB 468 currently awaits approval by the entire Assembly.

---

#### ***AB 945 (Carter) – Support***

AB 945, as amended April 26 by Assembly Member Wilmer Amina Carter, would require the California Transportation Commission (CTC), by July 1, 2008 and quintennially thereafter, to report to the Legislature on its assessment of the unfunded costs of programmed state transportation projects and federally earmarked projects in the state, available funding for transportation purposes, and unmet statewide transportation needs.

This measure was passed out of the Assembly Appropriations Committee on May 31 by a vote of 12 to 5. AB 945 currently awaits approval by the entire Assembly.

---

#### ***AB 1351 (Levine) – Pending***

AB 1351, as amended on April 10 by Assembly Member Lloyd Levine, would state the intent of the Legislature to appropriate \$200 million for the State-Local Partnership Program from bond funds in each of five fiscal years beginning in the 2010-11 fiscal year. The bill would define local funds under the program for purposes of the required dollar-for-dollar match as revenues from any locally imposed sales tax for transportation.

AB 1351 was passed out of the Assembly Appropriations Committee on May 31 and now awaits approval from the entire Assembly.

---

#### ***SB 286 (Lowenthal & Dutton) – Co-Sponsor***

SB 286, as amended May 14 by Senators Dutton and Lowenthal, is the CSAC and League of California Cities' co-sponsored bill to provide for implementation, accountability and appropriation of the \$2 billion dollars for local streets and roads included in the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, passed by the voters in November 2006.

SB 286 was passed out of the Senate Appropriations Committee on May 31 by a unanimous vote.

---

#### ***SB 445 (Torlakson) – Support***

SB 445, as amended on May 8 by Senator Tom Torlakson, would create the Road User Task Force, with 11 members appointed by the Legislature, Governor, California Transportation Commission, and city and county organizations. The bill would require the task force to hold at least three public hearings around the state and to report to the Legislature and Governor by January 1, 2009, on alternatives to the current system of taxing road users through per-gallon fuel taxes.

SB 445 was passed out of the Senate Appropriations Committee on May 31 by a vote of 10 to 5.

---

### **SB 748 (Corbett) – Concerns**

SB 748, as amended April 10 by Senator Ellen Corbett, would state the intent of the Legislature to appropriate \$200 million for the State-Local Partnership program from bond funds in each of five fiscal years beginning in the 2007-08 fiscal year. SB 748 would define eligible local matching funds required to obtain funding under the program as any revenue from any voter-approved local or regional tax or fee dedicated to transportation improvements. Tax or fee for purposes of this bill would mean a countywide sales tax, a property or parcel tax in a county or counties or district, and voter-approved bridge tolls or voter-approved fees dedicated to specific transportation improvements. Additionally, the bill would limit the amount of bond funding for a single project to \$25 million in a single-funding cycle, would describe the categories of projects that may be funded through the program, would establish timelines for expenditure of the funds, and would provide for the reallocation of funding if those timelines are not met.

This measure was passed out of the Senate Appropriations Committee on May 31 by a vote of 9 to 6.

---

### **SB 872 (Ackerman) – Oppose**

SB 872, as amended May 8 by Senator Dick Ackerman, would create the State-Local Partnership Program and state the intent of the Legislature to appropriate \$200 million per year for 5 years beginning in the 2010-11 fiscal year. The bill would provide for allocation of state funds to eligible highway and mass transit guideway projects nominated by local agencies that are to be funded with at least 50% of local funds derived from a locally imposed transportation sales tax.

This measure was held in the Senate Appropriations Committee on May 31.

June 01, 2007

## **Revenue and Taxation**

For more information, contact Jean Hurst at 916/327-7500, ext. 515, or [jhurst@counties.org](mailto:jhurst@counties.org), or Geoffrey Neill at 916/327-7500, ext. 567, or [gneill@counties.org](mailto:gneill@counties.org).

---

### **BOE Rules Against Sales/Use Tax Change**

On May 31, the State Board of Equalization (BOE) decided against changing regulations that dictate the characterization – and therefore the distribution – of certain local sales and use tax transactions. The proposed change would have affected transactions where there is retail participation in the state but title transfers outside the state, which is usually the case when goods are shipped from outside California. It would have characterized these transactions as a local *sales* tax, even though it would at the same time be a state *use* tax.

CSAC opposed the proposal on several grounds, including that it was inconsistent with statutory law and that it was at odds with the way the BOE has been characterizing those transactions since the inception of the Bradley-Burns system. Please refer to the Government Finance and Operations section under Legislative Advocacy section of the CSAC's Web site, [www.csac.counties.org](http://www.csac.counties.org), to view our full letter to the BOE.

---

### **Appropriations Committees Pass Some Bills, Let Other Languish**

Both the Senate and the Assembly appropriations committees took up their suspense files May 31. Here are the winners:

**SB 38 (Battin) – Support.** This bill will reimburse Riverside County for property tax revenue losses resulting from their October 2006 wildfires.

**SB 742 (Steinberg) – Pending.** This bill will recast the provisions of the Off-Highway Vehicle Recreation Act, which expires at the end of this year.

**AB 83 (Lieber) – Support in Concept.** This bill will reauthorize the state's financial participation in property tax administration systems.

**AB 619 (Emmerson) – Support.** This bill will create a vehicle license fee (VLF) amnesty program for under-reported vehicle values, common for specialty cars.

**AB 1159 (Richardson) – Support.** This bill will require a time and motion study to assess the sufficiency of every fee that generates revenue for the General Fund.

And here are some losers of note:

**SB 277 (Cogdill) – Support.** This bill would have divided \$200,000 among the three counties without cities to make up for the vehicle license fee revenue they would have received if there were incorporated cities within those counties.

**AB 405 (Duvall) – Support.** This bill would have given low-wealth counties an additional share of the property tax made available when a redevelopment agency shut its doors.

**AB 1254 (Caballero) – Support.** This bill would have reduced agencies' Educational Revenue Augmentation Fund contributions in an amount equal to the property tax revenue lost by creating affordable housing.

---

## Bills Pass First Houses

**AB 402 (Ma) – Support.** This measure would permit the county assessor to ask that they be notified about changes in stock ownership that are not typically recorded on deeds. Additionally, it would add foster children to the parent-child transfer provisions that avoid triggering reassessment. AB 402 passed the Assembly floor on a 45-31 vote.

**AB 843 (Eng) – Support** This measure would increase the penalty for failure to report a change in ownership on commercial property from \$2,500 to \$10,000. Additionally, the bill would increase the time for reporting change of ownership, improve notification requirements from the assessor, and require the BOE to develop a uniform change of ownership form. This measure passed the Assembly Floor on a vote of 45-32.

**AB 969 (Eng) – Support.** This measure would make the voluntary reporting of use tax on the income tax form a requirement. Currently, the Franchise Tax Board collects about \$5.5 million in voluntary reporting and payment of use tax. The State Board of Equalization estimates a \$6 million increase in revenue as a result of the bill. AB 969 passed the Assembly on a vote of 45-33.

June 01, 2007

## Washington, D.C., Report

For more information, contact Joe Krahn, Waterman and Associates, 202/898-1444, or e-mail [jk@wafed.com](mailto:jk@wafed.com).

---

Prior to leaving for their Memorial Day recess, lawmakers send to President Bush a revised version of a \$120 billion fiscal year 2007 emergency supplemental appropriations bill (HR 2206) to pay for the ongoing wars in Iraq and Afghanistan. The president signed the bill into law on May 25, claiming victory that the final legislation did not include language setting forth a timeline for a U.S. troop withdrawal from Iraq.

Although Democrats were turned back on the troop withdrawal issue, party leaders succeeded in including language that "fences off" \$52.8 billion in war funding pending a September report from the White House on whether the Iraqi government is meeting the performance benchmarks established in the bill. Additionally, and as expected, congressional Democrats have pledged to continue to explore other legislative avenues for forcing an end to the Iraq war.

In addition to the military spending, the supplemental provides funding for several domestic programs, including an

increase in the federal minimum wage and tax breaks for small businesses. In a victory for California's forest counties, the legislation includes a one-year extension of the Secure Rural Schools and Community Self-Determination Act (County Payments program). The funding ensures that rural forest counties and school districts will be able to address critical budgetary needs in the current year.

Absent from the final legislation is the five-year reauthorization of the County Payments program that had been endorsed by the Senate in its previous spending bill. Although proponents of the program fought to include the multi-year proposal in HR 2206, key members of the House leadership ultimately did not support the effort.

For one, House Appropriations Committee Chairman Dave Obey (D-WI) – the author of the war supplemental – strongly opposed including the County Payments proposal in the spending measure. According to leadership staff, Obey, as chairman of the appropriations panel, did not want to create a unique precedent by including a five-year, multi-billion reauthorization package in a supplemental appropriations bill.

With the one-year extension now on the books, the fight to secure a long-term County Payments reauthorization will continue. In fact, proponents of the program are already beginning a renewed effort aimed at passing a multi-year package, with supporters looking at various options for moving a bill with sufficient spending offsets.

In other developments, HR 2206 includes a one-year moratorium on implementing a proposed rule that would restrict the ability of states and counties to raise the financial match for the non-federal share of the Medicaid program. The moratorium became effective on May 25, the day that President Bush signed the legislation into law.

In spite of the moratorium's approval, the Centers for Medicare and Medicaid Services (CMS) published the final Medicaid rule on May 29, sending the signal that it is prepared to implement the rule once the moratorium expires next May. Notably, the CMS rule requests additional comments on the definition of "unit of local government." Additionally, the agency has included state university teaching hospitals as entities qualified to assist in financing the non-federal share of the Medicaid program (CSAC and other California entities had previously notified CMS of concerns on this particular issue). The regulation also specifically notes that California's Section 1115 Hospital Waiver is "largely consistent with policies addressed in provisions of the regulation."

As expected, health care providers have expressed disappointment that CMS published the Medicaid regulation, despite bipartisan congressional opposition to the proposed rule. The move by CMS will require Congress to again consider potential legislation to stop implementation of the agency's regulation before the rule goes into effect next May.

On another health-related matter, the war supplemental includes over \$650 million in additional State Children's Health Insurance Program (SCHIP) funding for 14 states that may run out of SCHIP dollars before the end of the federal fiscal year. California is not one of the states facing a shortfall in the current year, but will likely be in that group next year if Congress does not increase SCHIP funding.

With regard to the upcoming SCHIP reauthorization process, the Senate Finance Committee may mark up its renewal bill in early June. The committee is currently reviewing potential spending offsets, which would facilitate an increase in funding for the SCHIP program. For its part, the House Energy and Commerce Committee is expected to consider its reauthorization bill later this summer.

In other news, the House recently approved a lobbying and ethics reform bill (HR 2316) by a vote of (396-22). The bill would increase reporting of direct lobbying, implement additional restrictions on gifts from lobbyists, and enforce new penalties for ethics violations. The House action comes four months after the Senate approved its own version of lobbying and ethics reform, which includes, among other things, more stringent restrictions on the "revolving door" between former public officials who subsequently work for the private sector.

Finally, the Senate is expected to continue its debate on a comprehensive immigration reform bill when lawmakers return to Washington on June 4. The upper chamber's bipartisan bill (S 1348) would set border security benchmarks, create a temporary guest worker program, and legalize the 12 million immigrants who are currently in the country illegally. President Bush has declared support for the Senate package, and has been encouraging Republican members of the upper chamber to sign on to the legislation.