



MEMORANDUM
OFFICE OF THE
COUNTY EXECUTIVE OFFICE
COUNTY OF PLACER

TO: Honorable Board of Supervisors

FROM: Holly L. Heinzen, Interim County Executive Officer
By Allison Carlos, Principal Management Analyst

DATE: June 5, 2012

SUBJECT: **Legislation Update**

RECOMMENDED ACTION:

The Board is requested to receive an update on the Legislation program, authorize the Chair to provide comment letters to the California Legislature, and provide any policy direction, as necessary.

BACKGROUND:

On January 10, 2012 your Board approved the annual Legislative Platform for Placer County. Subsequent to that, it was amended on February 14 and February 28, 2012 to address additional legislative issues of concern.

Since that time, County staff has been monitoring and analyzing legislation as the current Legislative Session progresses. At the time of drafting this staff report, the Legislature was days from their deadline to pass measures out of their house of origin. Staff will present any updated or revised information that may have developed after June 1. This staff report is an accumulation of information contributed from multiple sources, programmatic experts in departments, Peterson Consulting, and the Executive Office.

DISCUSSION:

Currently, County departments are tracking the disposition of a plethora of legislation, with about 30 bills being watched more closely, including several budget trailer proposals. There are a variety of programmatic areas addressed within this list, however the preponderance address clean up for the Dissolution Act (AB 1X 26) affecting redevelopment, Public Safety Realignment, Pension Reform, and miscellaneous general government categories.

REDEVELOPMENT

As expected, given the vague and conflicting language within the Dissolution Act, a number of bills, guidance documents, and proposed budget legislation are circulating;

attempting to clarify intent. Through actions of your Board as Successor Agency to the former Redevelopment Agency and the Oversight Board, implementation is occurring. Current interactions with the State suggest elevated attention to implementation that would result in revenue to the state to help reduce the expanding deficit. This presents challenges that staff is working through with the Department of Finance. To summarize, the bills in current form generally: (1) seek to preserve low and moderate income housing availability through modified policy approaches, (2) clarify the roles and duties of the Successor Agency and Oversight Board, and (3) clarify that loan agreements entered into between the redevelopment agency and the city, county, or city and county that created redevelopment agencies are enforceable obligations.

Some early redevelopment bills are now inactive and staff anticipates there will ultimately be merging and elimination of measures during this session. Your Board has not yet taken a position on the bills as the winnowing takes place. Regarding the Legislative Platform proposal for advocacy for maintenance of North Lake Tahoe properties due to their environmental benefit to that important water body, Supervisor Montgomery, staff, and Peterson Consulting continue to have productive discussions with legislative offices. AB 1585 (Perez) has been positively amended somewhat and staff continues with advocacy efforts.

With respect to the redevelopment budget trailer proposal recently proposed by the Department of Finance, there are concerns. The proposal would significantly modify the roles established in the dissolution statutes. The changes would reduce the discretion of the oversight boards and expand the authority of the Department of Finance. At this time, staff is recommending an oppose letter be provided to the Governor's office from Placer County.

2011 REALIGNMENT

The public safety-related bills that have emerged are predominately clean-up legislation for AB 109 and include various prisoner management proposals such as expanding custody credits for employment and other rehabilitative activities, releasing prisoners on medical parole when facing end-of life medical situations, and transferring prisoners to contiguous county jail facilities. Placer's public safety officials continue to work with their state associations and with the Executive Office in monitoring these bills, and will work with this office to develop coordinated comment letters to the bills as needed.

Implications of realignment implementation are continuously evaluated for public safety and Health and Human Services (HHS) functions. This includes analyzing and recommending changes to the Governor's proposed permanent structure, known as Realignment Super Structure, for the 2011 Realignment to best position the County to meet mandated program requirements in the coming years. As part of that effort, last week, Placer County staff with the assistance of Peterson Consulting, drafted and advocated for changes that will provide significant ongoing fiscal and programmatic flexibility as related to integrated services authority. This will maximize leveraging

opportunities in support of effective program administration within the HHS realignment funds. This is a fundamental component for delivery of the blended services model (Placer Model) within the HHS system in the County and has resulted in Federal and State recognition.

STATE RESPONSIBILITY AREAS

While up until a few weeks ago there were a number of active bills to repeal, mitigate, and require cost reporting for the \$150 per habitable structure State Responsibility Area fee imposed by legislature, most bills have not survived within the process and are dead or inactive. Efforts continue to convey Placer County's concern; most recently by Supervisor Holmes at the State Board of Forestry and Fire Protection hearing on this matter.

PENSION REFORM

Pension reform measures during this legislative session have not produced any legislation likely to be adopted as written. Currently active bills put forward are restatements of portions of the Governor's proposals, primarily pertaining to hybrid pension plans. In evaluating the current legislative options, staff expects these bills will not progress quickly and that there will likely be subsequent activity late July into August on this matter. Unless otherwise directed by your Board, staff will plan to engage in specific pension reform advocacy efforts later this summer consistent with the Board's 2012 Legislative Platform.

At the California State Association of Counties Annual Legislative Conference held at the end of May, President Pro Tem Steinberg indicated that he expects to pass legislation this year to enact pension reform. It is unclear as to what that package may look like and whether or not it will require voter approval.

In addition to the discussion above and the attached Watch List, staff would recommend a County support letter on SB 1167 (Calderon). This bill will extend an existing tax credit program that has generated billions of dollars to local economies throughout California. A recommended support letter is attached.

FISCAL IMPACT:

The potential for cost reductions and/or increased revenue to the County may occur if all, or a portion of the legislative advocacy are implemented,

RECOMMENDATION:

Staff recommends the Chair sign the attached advocacy letters.

Attachments:

SB 1167 (Calderon) Comment Letter
Redevelopment Trailer Bill Comment Letter
Current Placer County Bill Watch List

County of Placer Board of Supervisors

175 FULWEILER AVENUE
AUBURN, CALIFORNIA 95603
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District 2

JIM HOLMES
District 3

KIRK UHLER
District 4

JENNIFER MONTGOMERY
District 5



June 5, 2012

The Honorable Lois Wolk, Chair
Senate Governance and Finance Committee
State Capitol, Room 126
Sacramento, CA

Re: SUPPORT – SB 1167 (Calderon)

Dear Senate Member Wolk:

On behalf of the Placer County Board of Supervisors, I want to express support for SB 1167, as part of the California Film and Television Incentive Program. This bill will extend an existing tax credit program that has generated billions of dollars to local economies throughout California for its implementation period.

Over the last decade, California has seen significant film and television production decline as more and more productions left the state to seek incentives offered elsewhere. Today over 40 U.S. states and many countries offer meaningful financial incentives to the film industry and are successfully luring production and post-production jobs and spending away from California. Since 2009, Placer County has directly benefited from a few productions, including "Cinema Verite", an HBO TV movie, and "The Muppets Movie" released last year. It is through incentive programs we believe we are able to capture these opportunities to boost our local economy.

The Placer County Board of Supervisors has included support for the motion picture industry in its 2012 Legislative Platform, including legislative or regulatory efforts that assist in retaining film and television production in California, specifically those types of productions that have traditionally been shot on location in Placer County.

Therefore I respectfully urge you to support SB 1167 which will extend a successful program for an additional five years. This will continue to allow California to retain its competitive edge and keep more productions filming in our state.

Sincerely,

COUNTY OF PLACER

Jennifer Montgomery, Chairwoman
Supervisor District 5
Placer County Board of Supervisors

Honorable Lois Wolk, Chair
Senate Governance and Finance Committee
Re: SUPPORT – SB 1167 (Calderon)
June 5, 2012

CC: Placer County Board of Supervisors
Placer County State Delegation
Senator Ronald Calderon
Members of the Senate Governance and Finance Committee
Placer County Economic Board
Holly Heinzen, Interim County Executive Officer
Allison Carlos, Principal Management Analyst
Peterson Consulting

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June 5, 2012

The Honorable Darrell Steinberg, Pro Temp
California State Senate
State Capitol, Room 205
Sacramento, CA 95814

Dear Senator Steinberg,

On behalf of the Placer County Board of Supervisors, I request your reconsideration of the current language in the Department of Finance's (DOF) proposed legislation: Redevelopment Agencies Dissolution Clean-up and Liquid Asset Provisions. This proposal overreaches and will create more challenges to local agencies in its current form than it solves or clarifies. There are broad changes proposed that have fiscal, local control, and administrative implications to jurisdictions.

AB1x 26 contemplated and ascribed discretion to the oversight boards as the watchdog for local agencies in order to ensure the taxing entities receive financial returns in a most efficient manner. The proposed structure relegates inordinate authority of DOF to impose and supersede decisions made by appointed members of oversight boards. While the language in AB 1x26 is unclear as it relates to the Department of Finance's finality in sending an item back to an oversight board for reconsideration, their new proposal is even more ambiguous by giving the county auditor-controller and the State Controller the authority to return funds improperly spent, without specifying who makes the final determination, and it bypasses the public review process.

Further, the proposed language establishes program implementation that appears duplicative and would otherwise increase program administration costs to successor agencies. For example, this proposal would complicate the calculation of administrative costs, potentially pushing some of that cost to successor agencies, and extending the DOF timeframes for review of oversight board actions. We recognize the tremendous time involved by the DOF, however if the Department would be willing to defer to the oversight board the taxpayer dollars would be better served.

These are a few of the reasons that I respectfully request you reconsider this legislation in its current form.

Sincerely,

COUNTY OF PLACER

Jennifer Montgomery, Chairwoman
Supervisor District 5
Placer County Board of Supervisors

CC: Placer County Board of Supervisors
Placer County State Delegation
Holly Heinzen, Interim County Executive Officer
Peterson Consulting
Rae James, RDA Deputy Director

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June 5, 2012

The Honorable John Perez, Speaker
California State Assembly
State Capitol, Room 219
Sacramento, CA 95814

Dear Assemblyman Perez,

On behalf of the Placer County Board of Supervisors, I request your reconsideration of the current language in the Department of Finance's (DOF) proposed legislation: Redevelopment Agencies Dissolution Clean-up and Liquid Asset Provisions. This proposal overreaches and will create more challenges to local agencies in its current form than it solves or clarifies. There are broad changes proposed that have fiscal, local control, and administrative implications to jurisdictions.

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Jennifer Montgomery, Chairwoman
Supervisor District 5
Placer County Board of Supervisors

CC: Placer County Board of Supervisors
Placer County State Delegation
Holly Heinzen, Interim County Executive Officer
Peterson Consulting
Rae James, RDA Deputy Director

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Placer Bill Watch List Highlights

5/31/2012

- AB 606 (Gatto D) Hunting and fishing.
- AB 801 (Swanson D) Code enforcement officers.
- AB 1393 (Perea D) County jails: overcrowding: transfer to contiguous counties.
- AB 1530 (Huffman D) Economic development: Clean Manufacturing and Job Creation Incentive Act of 2012.
- AB 1585 (John A. Pérez D) Redevelopment.
- AB 1590 (Campos D) Local government meetings: legislative body: definition.
- AB 1606 (Perea D) Local public employee organizations: impasse procedures.
- AB 1623 (Yamada D) Weights and measures: inspection fees.
- AB 1692 (Wieckowski D) Bankruptcy.
- AB 1831 (Dickinson D) Local government: hiring practices.
- AB 2026 (Fuentes D) Income taxes: credits: film: extension.
- AB 2031 (Fuentes D) Probation: community corrections program.
- AB 2194 (Gaines, Beth R) Corporations for prevention of cruelty to animals: humane officers: criminal history.
- AB 2224 (Smyth R) Public employees' retirement.
- AB 2231 (Fuentes D) Sidewalks: repairs.
- AB 2299 (Feuer D) Local government: public safety officials: confidentiality.
- AB 2390 (Chesbro D) Electricity: biomass: incentive programs.
- AB 2451 (John A. Pérez D) Workers' compensation: firefighters.
- AB 2473 (Atkins D) Court security.
- ACA 22 (Smyth R) Public employees' retirement.
- SB 654 (Steinberg D) Redevelopment.
- SB 659 (Padilla D) Community redevelopment.
- SB 968 (Wright D) Inmates: electronic monitoring.
- SB 986 (Dutton R) Redevelopment: bond proceeds.
- SB 987 (Negrete McLeod D) Public employees' retirement.
- SB 1151 (Steinberg D) Sustainable Economic Development and Housing Trust Fund: long-range asset management plan.
- SB 1156 (Steinberg D) Sustainable Communities Investment Authority.
- SB 1167 (Calderon D) Income taxes: credits: film: extension.
- SB 1241 (Kehoe D) Land use: general plan: safety element: fire hazard impacts.
- SB 1266 (Corbett D) Resource conservation lands: appraisal process.
- SB 1441 (Emmerson R) Imprisonment: sentences punishable in state prison.
- SCA 18 (Huff R) Public employees' retirement.