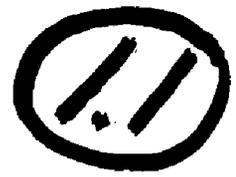


City of Sacramento
State Legislature



BILL REFERRAL

DATE: 4/12/94 COMMITTEE ACTION: _____

TO: _____ DATE: _____

FROM: KENNETH EMANUELS, LEGISLATIVE ADVOCATE

REPLY NO LATER THAN: _____

ACA 34 As Amended _____ * Author: Pringle

S.B. _____, As Amended _____ * Author: _____

*Date of introduction or latest amendment.

Please review the attached measure to determine its effect upon the City of Sacramento and complete the following questions as appropriate. During your analysis of this measure, if questions arise, please feel free to contact Ken Emanuels at 444-6789, FAX 444-0303 (1400 K Street, Suite 306, Sacramento, CA 95814). This questionnaire should be returned to the City Attorney's office for presentation to the Council Committee on Law and Legislation. PLEASE LEAVE THE BILL ATTACHED TO THIS FORM.

NO RECOMMENDATION. If you think no Committee action on this bill should be taken, either because the bill is not of sufficient importance to the City or for any other reason, please mark here, do not fill out the rest of the form, and return this form to the City Attorney's Office. _____

PLEASE TYPE YOUR RESPONSE

1. Briefly describe the provisions of the bill (attach additional sheets if necessary).

Assembly Constitutional Amendment 34 would add a provision to Article XIIIB of the California Constitution to state that no state statute mandating a new program, higher level of service, or increased cost on local government shall become operative until sufficient funds have been appropriated by the state to pay local government's increased costs. This measure would also require the state to reimburse local governments for revenue losses caused by decrease of state subventions unless offset by an equivalent reduction in state-mandated costs.

2. This measure should be: (Please circle desired position.)

Supported

Opposed

Supported if amended

Placed on Watch List

Other (explain)

3. Please explain your reasons for the above determination, including how this measure affects your Department and the fiscal impact of this measure on the City. Please make your comments in a format that can be used in a letter to State officials.

This measure would decrease the state's ability to pass unfunded mandates on to local governments, including the City of Sacramento.

4. Specify the City's legislative policy guideline(s) applicable to this measure (if any).

Oppose legislation which will mandate local governments to incur costs and which do not include an appropriation to reimburse local agencies for such costs.

5. If this measure could be amended to either improve its favorable aspects or to minimize its adverse aspects, which amendments would you propose?

N/A

6. List known support or opposition to this measure by groups with which you are familiar and include addresses and phone numbers, if known. League of California Cities position:

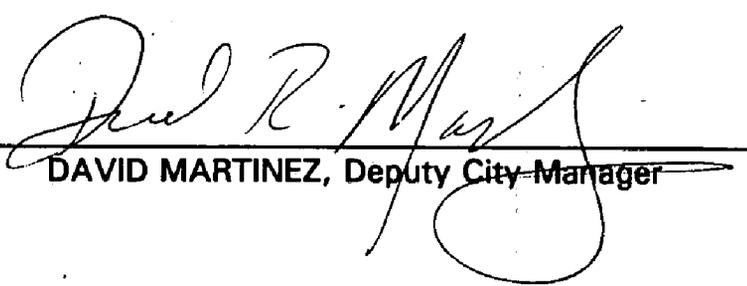
Support.

7. Does this bill involve a State-mandated local program? If so, does the bill contain a State-mandated waiver, or an appropriation for allocation and disbursement to local agencies pursuant to Revenue and Taxation Code Section 2231?

N/A

8. Using a rating scale of 1 to 10 (with 10 as the most important), how important do you think this bill is to the City of Sacramento? _____

FORM COMPLETED BY: Diane B. Balter, Deputy City Attorney DATE: 4/12/94

RECOMMENDATION APPROVED: 
DAVID MARTINEZ, Deputy City Manager

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0001
(916) 445-7402
DISTRICT OFFICE
10370 OLD PLACERVILLE ROAD
SUITE 106
SACRAMENTO, CA 95827
(916) 362-4161

Assembly California Legislature

LARRY BOWLER
ASSEMBLYMAN, TENTH DISTRICT

COMMITTEES:
EDUCATION
UTILITIES & COMMERCE
PUBLIC EMPLOYEES, RETIREMENT
& SOCIAL SECURITY



March 7, 1994

City Councilman Josh Pane
Sacramento City Hall
915 I Street
Sacramento, CA 95814

Dear Councilman Pane:

I am writing to inform you about a proposed constitutional amendment which has recently been introduced in the State Legislature, and to ask for your support of this measure.

Assembly Constitutional Amendment 34 is designed to end state government's practice of passing unfunded mandates onto local governments. It would do so by stating that laws implementing mandates will not take effect until 90 days after the Commission on State Mandates determines that sufficient funds have been appropriated by the Legislature to pay for the new costs. If funds have not been appropriated, then the new law will not take effect.

This proposal will clearly address the primary problem with California's current system of funding mandates, which is the reimbursement nature of that system. Currently, a local entity is ordered by the state to implement a new program or higher level of service and is forced to pay for it. Later the state reimburses the local entity for performing the requested function. Typically, however, this reimbursement arrives years after the fact. In the meantime, local governments are forced to foot the bill for the state program.

The declining revenues of the past years and the difficult budgets which have resulted, have brought this problem into greater focus. I believe that local governments do not need the state to tell them what to do with their scarce resources, and this proposal is the strongest way to deliver that message. Clearly, the state must stop mandating expensive requirements onto local governments, forcing them to choose between raising taxes on working families or cutting vital services.

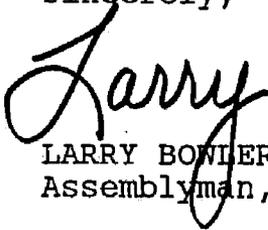
* MORE *

* PAGE 2 *

However, your support is needed if we are to move this proposal through the state legislature and put it on the ballot for the voters of California to decide. The legislation has been assigned to the Assembly committee on Local Government, and will be set for a hearing in March. Although I do not sit on this committee, a letter of support to the members of the committee would be of great help.

Please do not hesitate to contact me if you have any questions about this legislation.

Sincerely,

A handwritten signature in cursive script that reads "Larry".

LARRY BOWLER
Assemblyman, 10th District

LB:el

AMENDED IN ASSEMBLY MARCH 15, 1994

CALIFORNIA LEGISLATURE—1993-94 REGULAR SESSION

Assembly Constitutional Amendment

No. 34

Introduced by Assembly Member Pringle

(Principal coauthor: Assembly Member Aguiar)

(Coauthors: Assembly Members Alby, Andal, Bowler, Conroy, Goldsmith, Harvey, Haynes, Hoge, McPherson, Morrow, Nolan, Rainey, Richter, Seastrand, Weggeland, and Woodruff)

(Coauthor: Senator Lewis)

February 1, 1994

Assembly Constitutional Amendment No. 34—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Section 6 of, and by adding Section 6.5 to, Article XIII B thereof, relating to state-mandated local costs.

LEGISLATIVE COUNSEL'S DIGEST

ACA 34, as amended, Pringle. State-mandated local programs.

Existing provisions of the California Constitution require that, whenever the Legislature or any state agency mandates a new program or higher level of service on any local government, the state shall reimburse the local government for the cost of the program or increased level of service, except for specified exemptions.

This measure would, instead, provide that whenever the Legislature or any state agency mandates any new program ~~or~~, higher level of service, *or increased cost* on any local government, the state would be required to provide a subvention of funds to pay the local government for the ~~increased~~ cost. It would modify and add to the existing

constitutional exemptions.

This measure would further provide that no statute, other than certain specified statutes, and no executive order or regulation, that mandates a new program or, higher level of service, or *increased cost* on local government would become operative sooner than 90 days after the Commission on State Mandates determines either that the state is not required pursuant to the measure to provide a subvention of funds for the ~~increased~~ *cost arising from the new program, higher level of service, or increased cost* or that sufficient funds have been appropriated to pay local government for the ~~increased~~ cost.

This measure would provide that whenever the Legislature or any state agency mandates a limitation on, or exemption from, a charge, fee, assessment, or tax levied by local government or a decrease or redistribution of state subventions or other state funds to local government which is not offset by an equivalent reduction in the mandated costs of the local government, the state would be required to reimburse the local government for the amount of the revenue loss to the local government arising from the mandate.

Existing provisions of statutory law prescribe the membership of the Commission on State Mandates and prescribe the powers and duties of the Commission on State Mandates with regard to the administration and implementation of the statutory procedure for the disposition of claims by local governmental entities for the reimbursement of state-mandated local costs.

This measure would add to the Constitution the provisions that prescribe the membership of the commission. It would require the commission to investigate and monitor all programs or, higher levels of service, or *increased costs* enacted or adopted after July 1, 1975, to determine if they are sufficiently funded, as specified, and if not, would provide that the duty of the local entities to carry out the program or service would be suspended and further compliance would be voluntary if funding is not provided by the next succeeding fiscal year. *This measure would provide that if such a duty is suspended for 2 consecutive years, the statutory duty to incur*

the cost shall be deemed permissive and the commission shall not be required to further investigate and monitor the requirement. This provision would not apply to school districts, county offices of education, or community college districts.

This measure would provide that any determination by the commission pursuant to the measure may be set aside or superseded by a resolution introduced in the Assembly and approved by 2/3 of the membership of each house of the Legislature.

Vote: 2/3. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

1 Resolved by the Assembly, the Senate concurring, That
2 the Legislature of the State of California at its 1993-94
3 Regular Session commencing on the seventh day of
4 December 1992, two-thirds of the members elected to
5 each of the two houses of the Legislature voting therefor,
6 hereby proposes to the people of the State of California
7 that the Constitution of the State be amended as follows:

8 First—That Section 6 of Article XIII B is amended to
9 read:

10 SEC. 6. (a) Whenever the Legislature or any state
11 agency mandates a new program ~~or higher level of~~
12 ~~service~~, *higher level of service, or increased cost* on any
13 local government, the state shall provide a subvention of
14 funds to pay the local government for the ~~increased cost~~
15 ~~of that program or higher level of service~~, *cost of that*
16 *program, higher level of service, or increased cost*
17 regardless of whether the mandate applies to public or
18 private entities other than local government. However,
19 the Legislature may, but need not, provide a subvention
20 of funds for any ~~increased cost arising from a new~~
21 ~~program or higher level of service imposed by any cost~~
22 *arising from a new program, higher level of service, or*
23 *increased cost imposed by any of the following:*

- 24 (1) A statute requested by the local agency affected.
- 25 (2) A statute defining a new crime or changing an
- 26 existing definition of a crime, to the extent that the
- 27 increased cost relates directly to law enforcement.

1 (3) A statute enacted prior to January 1, 1975, or an
2 executive order or regulation initially implementing a
3 statute enacted prior to January 1, 1975, including any
4 adjustments for changes in cost of living or population.

5 (4) A statute, executive order, or regulation
6 implementing a federal law or regulation, to the extent
7 that the federal law or regulation specifically requires the
8 state without discretion to mandate a new program or
9 higher level of service on any local government.

10 (5) A statute, executive order, or regulation
11 implementing an initiative measure approved by the
12 voters in a statewide election.

13 (6) A statute, executive order, or regulation that
14 specifically authorizes or requires the imposition of a
15 charge, fee, assessment, or tax sufficient to fully
16 reimburse local government for any increased cost
17 arising from the mandate.

18 (b) There is hereby created the Commission on State
19 Mandates, which shall consist of five members as follows:

20 (1) The Controller.

21 (2) The Treasurer.

22 (3) The Director of Finance.

23 (4) The Director of the Office of Planning and
24 Research.

25 (5) A public member with experience in public
26 finance, appointed by the Governor and confirmed by
27 the Senate.

28 The public member shall serve for a term of four years
29 and may be reappointed, may receive per diem as
30 provided by the Legislature by statute for each day
31 actually spent in the discharge of official duties, and shall
32 be reimbursed for any actual and necessary expenses
33 incurred in connection with the performance of duties as
34 a member of the commission.

35 (c) The commission shall hear and decide upon a
36 claim by any local agency or school district that the local
37 agency or school district is entitled to be paid by the state
38 for costs mandated by the state as required by subdivision

39 (a). In carrying out its responsibilities under this section,
40 the commission may exercise those powers, shall perform

1 those duties, and shall operate under those procedures,
2 provided by law.

3 (d) No statute, other than an urgency statute, a statute
4 calling an election, a statute providing for a tax levy, or
5 a statute containing an appropriation for the usual
6 current expenses of the state, and no executive order or
7 regulation, that mandates a new program ~~or higher level~~
8 ~~of service~~, *higher level of service, or increased cost* on
9 local government shall become operative sooner than 90
10 days after the Commission on State Mandates determines
11 either that the state is not required pursuant to
12 subdivision (a) to provide a subvention of funds for the
13 ~~increased~~ cost arising from the new program ~~or higher~~
14 ~~level of service~~, *higher level of service, or increased cost*
15 or that sufficient funds have been appropriated to pay
16 local government for the ~~increased~~ cost.

17 (e) Within 90 days of the effective date of any statute,
18 executive order, or regulation that is subject to
19 subdivision (d), the Commission on State Mandates shall
20 determine whether the state is required pursuant to
21 subdivision (a) to provide a subvention of funds for the
22 ~~increased~~ cost arising from the new program ~~or higher~~
23 ~~level of service~~, *higher level of service, or increased cost*
24 mandated by the statute, executive order, or regulation
25 and, if so, whether sufficient funds have been
26 appropriated to pay local government for the estimated
27 ~~increased~~ cost.

28 (1) If the commission determines that the state is not
29 required to provide a subvention of funds pursuant to
30 subdivision (a) or that sufficient funds have been
31 provided, it shall so declare and the statute, executive
32 order, or regulation shall become operative 90 days
33 thereafter, unless a later time is otherwise provided by
34 law.

35 (2) If the commission determines that the state is
36 required to provide a subvention of funds but sufficient
37 funds have not been provided, it shall so declare and the
38 statute, executive order, or regulation shall not become
39 operative until 90 days after the commission
40 subsequently determines that sufficient funds have been

1 provided.

2 Any determination made by the commission pursuant
3 to this subdivision shall be filed with the Secretary of
4 State.

5 (f) The Commission on State Mandates shall
6 investigate and monitor all statutes, executive orders, or
7 regulations imposing a new program ~~or higher level of~~
8 ~~service~~, *higher level of service, or increased cost* on local
9 government enacted or adopted after July 1, 1975, for
10 which the state is required by subdivision (a) to provide
11 a subvention of funds, to determine whether the
12 ~~increased~~ costs of the new program ~~or higher level of~~
13 ~~service~~, *higher level of service, or increased cost* imposed
14 has been funded and, if so, whether the funding has been
15 and continues to be sufficient to pay for the ~~increased~~
16 costs. If the commission determines that funding has
17 become insufficient to pay for the ~~increased~~ cost, the
18 commission shall so declare and shall calculate the
19 current amount of the ~~increased~~ cost, and shall report
20 that amount to the Legislature. If, by the commencement
21 of the next succeeding fiscal year, the Legislature has not
22 appropriated an amount sufficient to pay the current
23 amount of the identified ~~increased~~ cost imposed on local
24 government, the duty of local government to incur the
25 ~~increased~~ cost shall be suspended and any ~~increased~~ cost
26 incurred shall be voluntary until the commission
27 determines that sufficient funds have been appropriated.

28 *If any duty to incur a cost is suspended pursuant to this*
29 *subdivision for two consecutive years, the statutory*
30 *requirement to incur the cost shall be deemed*
31 *permissive. A local government entity may voluntarily*
32 *continue to perform duties and incur costs if a duty is*
33 *suspended for two consecutive years pursuant to this*
34 *subdivision, but the commission shall not be required to*
35 *further investigate and monitor the requirement.*

36 For purposes of this subdivision, "local government"
37 does not include school districts, county offices of
38 education, or community college districts.

39 (g) Any determination by the Commission on State
40 Mandates pursuant to this section may be set aside or

1 superseded by a resolution introduced in the Assembly
2 and approved by two-thirds of the membership of each
3 house of the Legislature. The state or any local
4 government may bring an action in the courts by petition
5 for administrative mandamus to appeal any
6 determination by the commission.

7 (h) Any statute that disclaims or waives any obligation
8 imposed on the state by this section is invalid. Any statute
9 that requires any local government to waive its right to
10 reimbursement under this section or its right to decline
11 performance of any mandate because of insufficient
12 funding as provided by this section is invalid.

13 Second—That Section 6.5 is added to Article XIII B
14 thereof, to read:

15 SEC. 6.5. Whenever the Legislature or any state
16 agency mandates a limitation on, or exemption from, a
17 charge, fee, assessment, or tax levied by local government
18 or a decrease or redistribution of state subventions or
19 other state funds to local government which is not offset
20 by an equivalent reduction in the mandated costs of the
21 local government, the state shall reimburse the local
22 government for the amount of the revenue loss to the
23 local government arising from the mandate.

24 Third—That the amendments to Section 6 of Article
25 XIII B proposed by this measure, except as otherwise
26 expressly provided in subdivision (f), shall apply only to
27 ~~increased costs arising from a new program or a higher~~
28 ~~level of service costs arising from a new program, a~~
29 *higher level of service, or increased cost* imposed on or
30 after the operative date of this measure.

31 Fourth—That this measure shall be interpreted
32 liberally to carry out the intent to preserve the limited
33 financial resources of local government by requiring the
34 state to pay for every new program, higher level of
35 service, *increased cost*, or revenue loss mandated by the
36 Legislature or a state agency.

37 Fifth—That if any provision of this measure or the
38 application thereof to any person or circumstance is held
39 invalid, that invalidity shall not affect other provisions or
40 applications of the measure which can be given effect

- 1 without the invalid provision or application, and to this
- 2 end the provisions of this measure are severable.

O