

Date of Hearing: June 29, 2022

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Cecilia Aguiar-Curry, Chair

SB 1489 (Committee on Governance and Finance) – As Amended June 20, 2022

**SENATE VOTE:** 35-0

**SUBJECT:** Local Government Omnibus Act of 2022.

**SUMMARY:** Enacts the Local Government Omnibus Act of 2022, which proposes a number of non-controversial changes to existing laws governing the powers and duties of local agencies.

**FISCAL EFFECT:** According to the Senate Appropriations Committee, pursuant to Senate Rule 28.8, negligible state costs.

**COMMENTS:**

- 1) **Bill Summary.** This bill enacts the Local Government Omnibus Act of 2022, which includes the following provisions:
  - a) **County Recorder Survey Maps.** County recorders accept and officially record legal documents, notices, or papers, including survey maps for various purposes. State law requires that a record of survey filed with a county recorder must be securely fastened into a suitable book provided for that purpose. The County Recorders Association of California notes that this requirement does not conform to modern best practices for storing recorded maps. This bill removes the requirement for recorded maps to be stored in physical books and allows a county recorder to store recorded maps in any manner that assures the maps will be kept safe, reproducible, and together.
  - b) **Mono County Public Administrator.** State law establishes various county offices, including the public administrator, who is responsible for administering the estate of a county resident who dies. Public administrators are elected positions, but the Board of Supervisors in 16 counties are authorized under law to appoint a public administrator. In addition, boards in 12 counties can have a joint public guardian and public administrator. Finally, 10 counties may separate the public guardian and district attorney offices. Mono County notes that the elected office of public administrator has been consolidated by ordinance with the elected office of district attorney since before 1947, and thus those duties could not be, and were not, transferred away from the district attorney, despite the role and duties of the public administrator being civil in nature. This bill allows Mono County to consolidate the public administrator and the public guardian as an appointed official and to separate the district attorney and public administrator.
  - c) **County Auditor Qualifications.** State law creates and specifies the duties of 23 county officers, including a county auditor. The auditor is the chief county fiscal officer and, among other duties, prepares the county budget, examines the books of the county treasurer and various departments, and authorizes expenditures by warrants. In 1995, the Legislature updated the qualifications to be a county auditor to reflect the changes in education programs and desire of county auditors to professionalize their office. The State Association of County Auditors notes that one of the potential ways of qualifying to

be a county auditor references a section of law that was repealed by its own terms on January 1, 2010. This bill clarifies the cross reference such that it refers to the section as it read on December 31, 2009.

- d) **Reading of Ordinances.** Current law establishes certain procedural requirements for city ordinances to become law. Most ordinances must be introduced for five days before being passed and must be passed at a regular meeting or an adjourned regular meeting; urgency ordinances don't have to abide by these rules. All ordinances must be read in full either at the time of introduction or passage, unless the City Council waives further reading after the title is read. Regardless, the titles of city ordinances must always be read. The City of Chino Hills notes that this requirement to read the title of an ordinance is obsolete and inefficient at a time when the title of the ordinance is listed in the agenda, in full compliance with the state's open meetings laws, and the full text of the ordinance is typically made available online or in print prior to the introduction or passage of the ordinance. The City also notes that the 2020 Local Government Omnibus Bill (SB 1473, Committee on Governance and Finance) repealed a similar requirement for county ordinance titles to be read, so long as the title was included on the published agenda and a copy of the full ordinance is made available to the public online and in print at the meeting before introduction or passage. This bill extends identical authority to city councils to waive reading of titles under the same conditions.
- e) **Forward Settlement of Investments.** County treasurers must abide by the statutory requirements to invest excess funds in this order of priority: (1) safety, (2) liquidity, and (3) yield. In order to limit risk, the Government Code places limitations on the term or remaining maturity of authorized investments. However, counties do not take possession of purchased investments until settlement date. When local agencies purchase securities, the date they make the purchase and the date the purchase is settled (and goes onto the agency's books) are not always the same. Additionally, the Government Code does not specify how the term or remaining maturity is calculated. The California Association of County Treasurers and Tax Collectors notes that in some cases, the procedures around finalizing these investments can take up to 30 or 45 days to "settle" after the initial trade or investment date. For new five-year securities, the settlement date can take up to two months, extending the term of the investment beyond five years, which the Government Code does not allow without Board of Supervisors approval. Due to the industry standardized settlement procedures involved in investing, counties are precluded from investing in certain investments with codified maximum term limits because of the extra days it takes for these transactions to settle. This bill adjusts the terminology in the statute to reflect the true "start" of the investment term by allowing for forward settlement. In addition, the bill adds a limitation on forward settlement of 45 days.
- f) **Submission of Quarterly Treasury Reports.** State law provides that a treasurer or chief fiscal officer may render a quarterly report to the chief executive officer, the internal auditor, and the city council or board of supervisors. If remitted, it must be submitted within 30 days following the end of a quarter. The California Association of County Treasurers and Tax Collectors notes that some treasurer-tax collectors continue to have challenges meeting the 30 day deadline and that accounting and investment systems can take up to 10 business days to post quarter-end entries and the board is sometimes dark at the end of the month. The association further notes that given the 2-week lead time required to get a report on the board calendar, staff must often request exemptions from

county procedures to meet code mandates. This bill increases the time allowed to file a quarterly report by 15 days, from 30 to 45, following the end of the quarter.

- g) **Williamson Act Contract Rescission for Solar-Use Easements.** The California Land Conservation Act of 1965, also known as the Williamson Act (WA), allows a landowner to voluntarily enter into an agricultural land preservation contract with a city or county for a minimum of 10 years. In exchange for restricting the use of their land, property owners pay lower taxes as a result of their land's lower assessed value. In 2011, the Legislature allowed a property owner and a city or county to mutually agree to rescind the WA contract on marginally productive or physically impaired land to enter a solar-use easement contract, upon payment of a rescission fee, which was remitted to the state's General Fund [SB 618 (Wolk), Chapter 596, Statutes of 2011]. In 2014, the Legislature revised the fee structure such that fees were increased but split evenly between the state and the county until January 1, 2020 [AB 2241 (Eggman), Chapter 582, Statutes of 2014]. The Rural County Representatives of California notes that the sunset on AB 2241 inadvertently sunset the entire solar-use easement program, instead of just the changes to the fee structure enacted by AB 2241. The proposed amendments reinstate the repealed provisions of the solar-use easement as they existed prior to the enactment of AB 2241.
- h) **IBank Reporting Requirements.** The California Infrastructure and Economic Development Bank (IBank) was created in 1994 and operates pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (Government Code Sections 63000 et seq). The IBank is located within the Governor's Office of Business and Economic Development (GO-Biz) and is governed by a five-member Board of Directors. The IBank has broad authority to issue tax-exempt and taxable revenue bonds, provide financing to public and private agencies, provide credit enhancements, acquire or lease facilities, and leverage state and federal funds. Currently, state law requires the IBank to deliver annual reports for its Climate Catalyst Program, the IBank itself, and its Small Business Finance Center on October 1, November 1, and January 1, respectively. The IBank notes that each reporting date was added as part of successive legislative efforts related to each distinct program, and that the synchronization of the reporting dates (or lack thereof) was never considered. The IBank further notes that production of three separate reports is administratively inefficient and burdensome, and may be confusing to the other agencies and the public who are seeking information about the IBank's activities. This bill modifies the due dates of these three reports such that all are due on January 1 annually and allows the IBank to consolidate those reports into a single report.
- i) **SB 478 (Wiener, Chapter 363, Statutes of 2021) Clean-Up.** Current law prohibits local agencies from denying a housing development project located on an existing legal parcel solely on the basis that the lot area of the proposed lot does not meet the local agency's requirements for minimum lot size, so long as the project is between 3-10 units and meets other specified requirements SB 478 (Weiner). The Senate Governance and Finance Committee staff notes the term "proposed lot" is unclear because projects using this provision of SB 478 must be located on an existing, legally-created parcel. This bill clarifies that SB 478's protection against denial based on minimum lot sizes only applies to projects proposed to be developed on existing parcels.

- j) **Housing Crisis Act of 2019 Clean-Up.** Current law, known as the Housing Crisis Act of 2019 allows, but does not require, housing project developers to submit a preliminary application in order to lock in the ordinances and other rules that apply to the project at the time the preliminary application is deemed complete in certain affected cities and counties [SB 330 (Skinner), Chapter 654, Statutes of 2019]. Originally, the Housing Crisis Act sunset on January 1, 2025. However, SB 8 (Skinner), Chapter 161, Statute of 2021, extended the sunset date to January 1, 2030, such that housing project developers that submit complete preliminary applications prior to that date may continue to benefit from the bill’s provisions until January 1, 2034. Senator Skinner’s staff notes that, in doing so, SB 8 inadvertently limited the application of tenant protections in the Housing Crisis Act to *only* those projects where a housing developer chose to submit a preliminary application. Accordingly, a project proponent could avoid the tenant protections in the law by choosing not to apply for a preliminary application. This bill clarifies that the tenant protections in the Housing Crisis Act apply to all housing projects in affected cities and counties regardless of whether a preliminary application is submitted.
- k) **Securities for Design Professionals.** Current law allows contractors on public works projects to substitute other securities (e.g. a retention bond, letter of credit, etc.) when the underlying contract includes a retention provision. There is no one definition of “contractor” found in the Public Contract Code; unless otherwise specified, its use generally does not include consultants who are not contractors, although some provisions of the Public Contract Code do include consultants. The American Council of Engineering Companies, California, notes that recently, some agencies have disallowed design professionals from substituting alternative securities in lieu of withheld retention payments. This is because those agencies now read the term “contractor” to exclude consultants. This bill includes consultants in the list of those who may substitute a security as an alternative to retention.
- l) **Report on Assessed Value to Caltrans Division of Aeronautics.** Revenue and Taxation Code Section 5366 requires assessors to provide the California Department of Transportation (Caltrans), Division of Aeronautics with a statement containing a list of names, addresses of owners, make, model, aircraft registration number, and assessed value of all aircraft where were using airports in the county as a base. That information is required by July 1st every year. Revenue and Taxation Code Section 407 requires assessors to transmit a statistical statement to the Board of Equalization by the second Monday in July. This report is generally referred to as the 801/802 report. The law requires the roll to be transmitted to the Auditor by July 1st every year. Even so, additional time is allowed for transmission of required statistical reports because there are many tasks required in the aftermath of roll close that take time. The California Assessors’ Association notes that Caltrans’ Division of Aeronautics expects delivery of the aircraft list by July 1 every year, whether or not the assessor has been granted an extension to produce the assessment roll. The proposed amendments align the timing of the delivery of the statement to Caltrans with the timing for the 407 report.
- 2) **Author’s Statement.** According to the author, “SB 1489 compiles, into a single bill, noncontroversial statutory changes to twelve parts of state laws that affect local agencies and land use. Moving a bill through the legislative process costs the state around \$18,000. By avoiding eleven other bills, the Committee’s measure avoids approximately \$214,000 in legislative costs. Although the practice may violate a strict interpretation of the single-

subject and germaneness rules, the Committee insists on a very public review of each item. More than 100 public officials, trade groups, lobbyists, and legislative staffers see each proposal before it goes into the Committee's bill. Should any item in SB 1489 attract opposition, the Committee will delete it. In this transparent process, there is no hidden agenda. If it's not consensus, it's not omnibus."

3) **Arguments in Support.** Supporters note that this bill assists them with their mission and duties by making several non-controversial changes to the statutes governing local governments.

4) **Arguments in Opposition.** None on file.

#### **REGISTERED SUPPORT / OPPOSITION:**

##### **Support**

American Council of Engineering Companies  
California Association of County Treasurers and Tax Collectors  
City of Chino Hills  
County Recorders Association of California

##### **Opposition**

None on file

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