

CACTTC
ANNUAL JUNE
CONFERENCE
NAPA

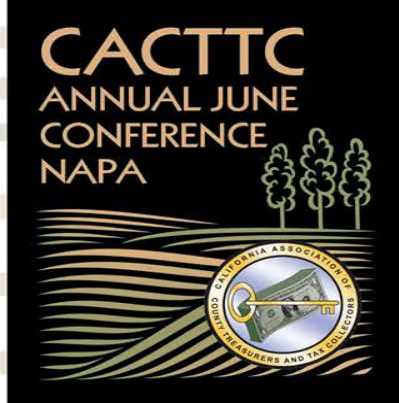


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JUNE 9-12, 2015

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Legislative Update
Karen Lange – Peterson
Consulting, Inc.



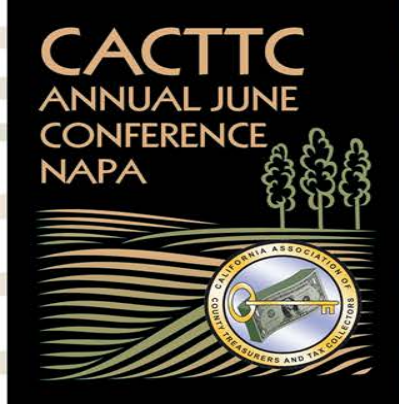
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2015 Platform Status

- Five proposals from the CACTTC 2015 platform were introduced by legislators and are currently pending in the State Legislature.



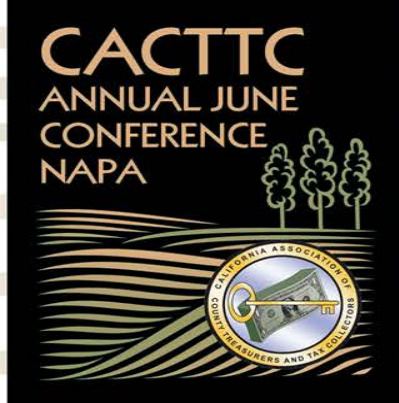
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SB 803 (Sen. Gov and Finance) to the Assembly

Coordination with the tax bills payable on the TTC website is not always within the control of the TTC. Some County Counsels interpret the law to mean no payments, including electronic, can be accepted until the notice is published. This proposal would clarify when payments can be accepted.



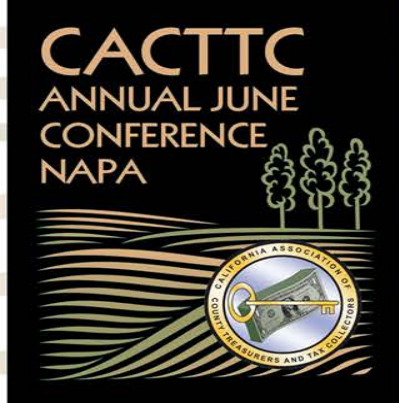
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SB 803 (cont'd)

As a result of legislation changes to Revenue and Taxation Code Section 3725, Section 3726 is now inconsistent. Proposal 3 makes conforming changes to reflect prior changes in the law and make them read consistently.



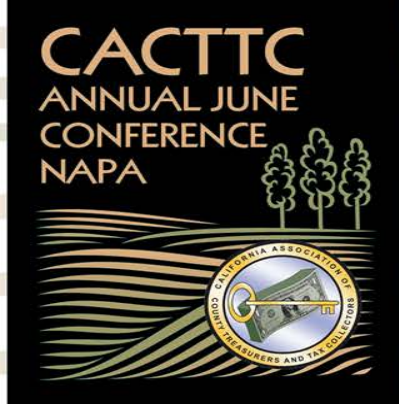
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SB 803 (cont'd again)

- Allow delinquent taxes on Inter-county pipelines rights-of-ways to be transferred to the Unsecured Roll for collection enforcement.



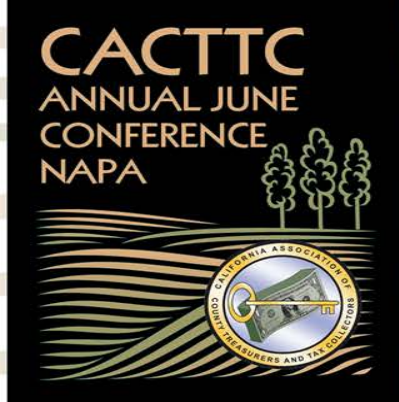
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SB 234 (Wolk)

Seeks an appropriation in the 2015-16 State Budget or voter-approved funding source that reflects the current and back amount owed to the affected jurisdictions for in lieu tax payments. **In January, the Governor proposed included funding for 2015-2016 but not the arrearages. This issue will be resolved in the budget in the next few days.**



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AB 279 (Dodd)

To Senate Governance and Finance

This proposal would authorize counties to participate in a reciprocal agreement with the Franchise Tax Board, similar to legislation that authorizes such an agreement for cities and the Franchise Tax Board.

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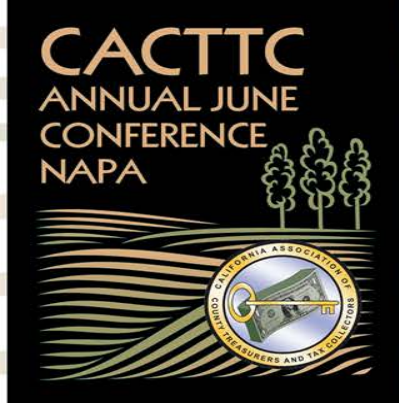


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Other Legislation of Interest



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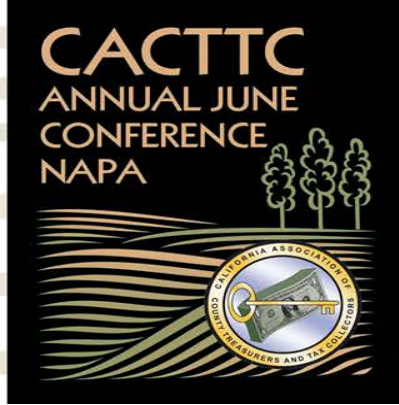
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Mobile Home Legislation:

AB 999 (Daly) will allow park owners to get salvage permits to remove homes – taxes due would roll to the unsecured.

AB 587 (Chau) sets up an amnesty program for home owners who bought their homes through private sale but failed to file proper paperwork.



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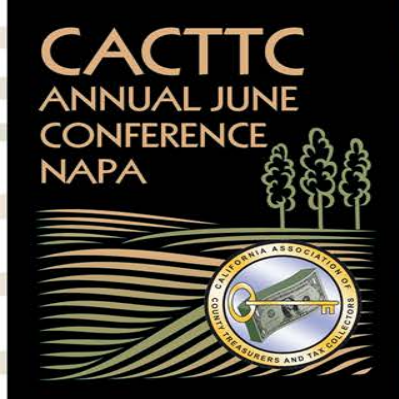
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School Bond Legislation

AB 882 (Wilk) specifies that the term of a bond used for the purposes of furnishing and equipping of classroom, including, but not limited to, electronic equipment, shall not exceed 120% of the average reasonably expected economic life of the furnishings and equipment. CACTTC removed its support after recent amendments reverted to state law.

AB 912 (Wilk) would have expanded the requirement for reporting issuances of non-voter-approved debt to include voter-approved debt. The measure was held by the author and is not moving forward in 2015.



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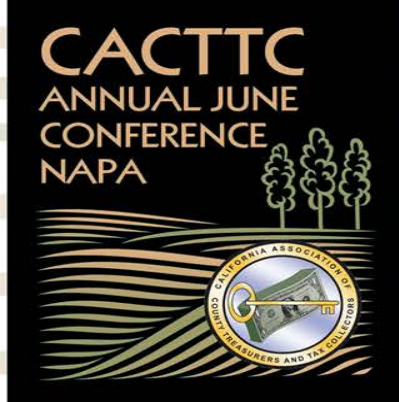
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Online Hosting Platform Legislation

SB 593 (McGuire) would require online hosting platforms to collect and remit TOT and authorize local agencies to fine them if they are not in compliance with local ordinances.

CACTTC as an organization, along with many individual Tax Collectors, in in support of this Legislation.

The author has elected to hold the bill until 2016 to try and expand the coalition of support in the face of strong opposition.



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Airplane / Airline Assessment Legislation

2 bills were introduced that were squarely in contrast with each other:

SB 661 (Hill) moved assessment of airplanes to the BOE. This bill was held.

AB 1157 (Nazarian) keeps the program at the local level. The Assessors like this bill.

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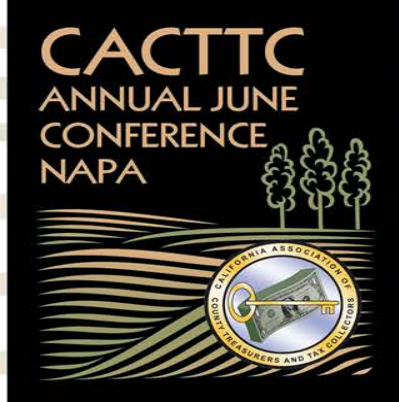
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2015-2016 State Budget Update

- The budget is in the process of being finalized.
- It will be taken up on Monday. Final bills should be in print hopefully on Friday.



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State Budget Situation

- Revenues are up. WAY up.
- Prop. 98 automatically absorbs a huge amount of new revenue.
- Prop. 2 (new in 2014) will absorb much of the funds that are left over.

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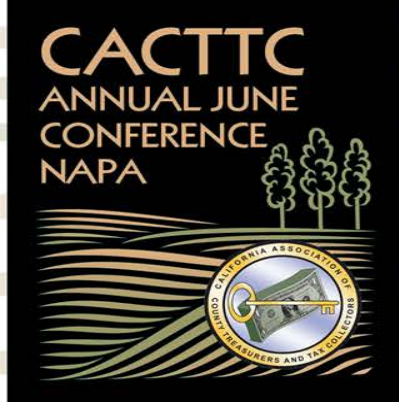


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- \$1.9 billion is directed to pay down existing debt and long-term liabilities.
- \$1.9 billion will be saved in the state's Rainy Day Fund, bringing its balance to \$3.5 billion.
- \$765 million owed to local governments for pre-2004 mandates.
- Increase by more than \$3,000 per student in 2015-16 over 2011-12 levels – up 45 percent over four years. Compared to the Governor's January budget, the May Revision increases spending for K-12 schools and community colleges by \$6 billion (\$5.5 billion General Fund).

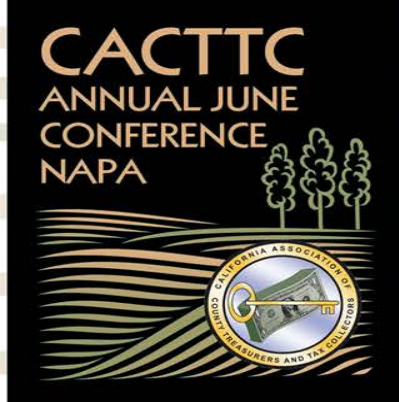


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- Establishes a state Earned Income Tax Credit (EITC).
- Keeps tuition at the state's universities for California undergraduates.
- Adds \$1.2 billion from cap-and-trade auction proceeds, for a total of \$2.2 billion, to expand California's programs to reduce greenhouse gas emissions.
* 40% of Cap and Trade funding will be decided after Budget concludes.
- Includes \$2.2 billion for programs to conserve water, respond to emergency conditions and expand local water supplies.



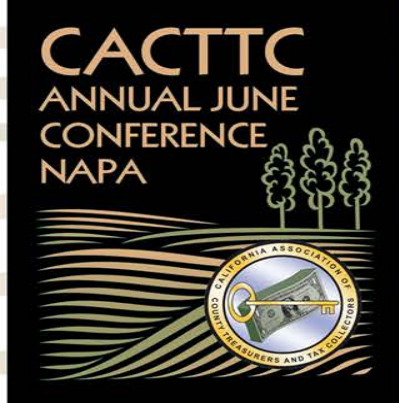
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Controversial Items to Be Resolved in the State Budget

- How much money there really is to spend?
- Legislation further modifying redevelopment wind-down. Cities and Counties still locked in litigation. Interest rates, final and conclusive determinations, and the definition of a loan agreement remain controversial topics.
- K-12 funding and what it should fund – specifically should funds be used to expand child care?
- Cap and Trade fund – how to spend the cash!



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Governor's Major Policies

- BDCP
- High Speed Rail
- Cap and Trade / GHG
- Redevelopment Dissolution

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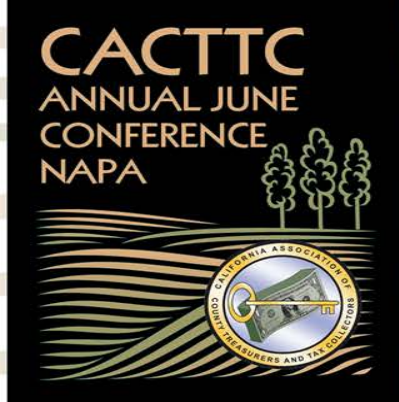
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The Drought

- The Governor has been devoting huge resources out of Prop. 1, and well as old propositions (Prop. 84 and 1E) to fund programs to assist affected people and entities through the drought.
- The proposed budget proposes \$2.2b for drought relief.
- On April 1, 2015, the Governor took the extraordinary step of mandating water restrictions through an executive order.



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Key provisions of the Governor's executive order are:

- Replace 50 million square feet of lawns
- Direct the creation of a temporary, statewide consumer rebate program to replace old appliances with more water and energy efficient models;
- Require campuses, golf courses, cemeteries and other large landscapes to make significant cuts in water use; and
- Prohibit new homes and developments from irrigating with potable water unless water-efficient drip irrigation systems are used, and ban watering of ornamental grass on public street medians.
 - Agricultural water users will be required to report more water use information to state regulators, increasing the state's ability to enforce against illegal diversions and waste and unreasonable use of water under today's order.
 - Enforcement actions against water agencies in depleted groundwater basins that have not shared data on their groundwater supplies with the state;

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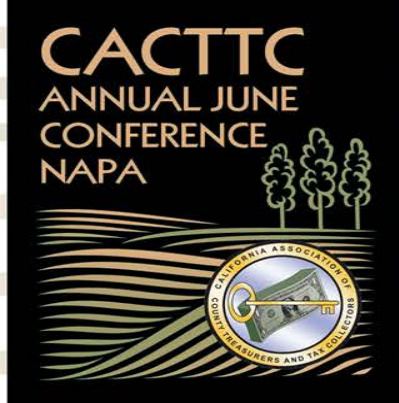


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- Updating standards for toilets and faucets and outdoor landscaping in residential communities and taking action against communities that ignore these standards; and
- Makes permanent monthly reporting of water usage, conservation and enforcement actions by local water suppliers.
- Streamlines permitting and review of emergency drought salinity barriers - necessary to keep freshwater supplies in upstream reservoirs for human use and habitat protection for endangered and threatened species;
- Directs state departments to provide temporary relocation assistance to families who need to move from homes where domestic wells have run dry to housing with running water.



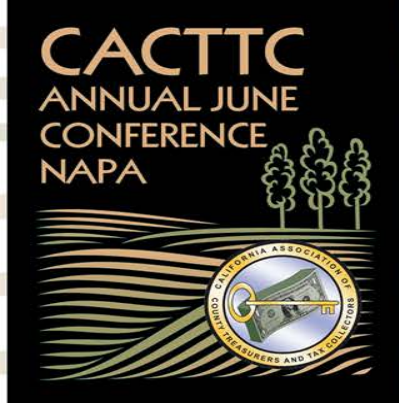
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Governor Brown's Final Term in Elected Office –
what is he going to do?!

He is NOT going to create huge new programs or
spend a lot of new money.



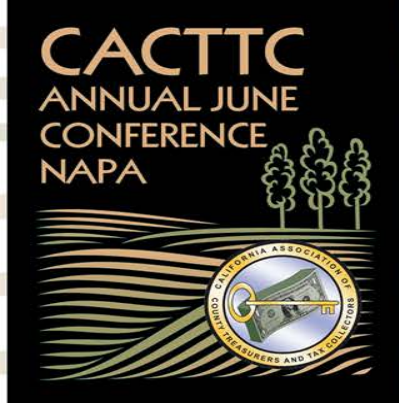
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2016 Ballot

- To qualify an initiative: 365,880 signatures
- To qualify a Constitutional Amendment initiative: 585,407
- Plastic Bag Ban Referendum WILL be on the ballot
- High likelihood of a marijuana legalization initiative appearing on the 2016 ballot.
- Potential new requirements on tunnel construction.
- Minimum wage increase



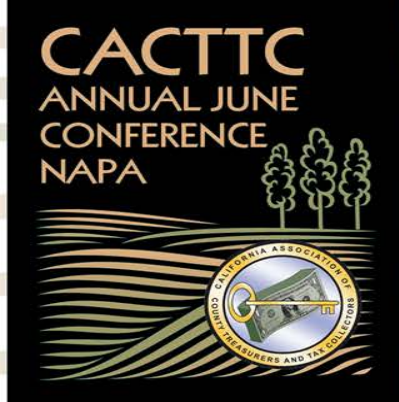
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Other initiatives that people thought of (it only takes \$200 to get it into circulation!)

- Making it a crime to eat shellfish
- Considering making California autonomous from the United States
- Eliminating court-ordered spousal support.
- Change “Governor” to “President” of California



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SAVE THE DATE!!

Wednesday, January 13, 2016

Downtown Sheraton

Sacramento, CA