

SWCLC Southwest California Legislative Council

*A Coalition of
The Temecula Valley, Murrieta, Lake Elsinore Valley and Wildomar Chambers of Commerce*

MEETING AGENDA
Monday, June 17, 2013

Ortega Adult School, 520 Chaney St., Lake Elsinore

Presiding: Dennis Frank, Chair

2013 Strategic Initiatives
Budget & Tax Reform / Job Creation and Retention / Healthcare Reform

Call to Order, Roll Call & Introductions:

Chair Report

Agenda Items

1. Approval of April 2013 Meeting Minutes Action
2. Legislative Report #6 Action
 1. [SB 33 \(Wolk\) Infrastructure financing districts: voter approval: repeal \(Revisit\)](#)
 2. [SB 30 \(Correa/Anderson\) Taxation: cancellation of indebtedness: mortgage debt forgiveness \(Revisit\)](#)
 3. [SB 516 \(Steinberg\) Foreign Labor Contractors: Registration](#)
 4. [SB 691 Hancock Non-vehicular air pollution control: penalties](#)
3. Citizen Legislature Proposition John Cox, Rescue California Foundation Information
4. SWCLC 2013 Bill Tracker Information
5. Regional Legislator, Staff and Stakeholder Updates Information

Federal: Senators Feinstein & Boxer. Representatives Calvert & Hunter
State: Governor Brown, Senators Emmerson, Anderson & Roth, Assemblymembers Melendez, Waldron, Jones & Nestande
Local: County, Cities, Utilities, EDC, Healthcare, League of Cities
6. Chamber & Council Member Announcements Information
7. Lunch Sponsor Eat There

Adjourn – Next meeting July 15, 2013

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Please consider adding your business to the list. The SWCLC is fully funded by sponsorships from various private organizations and businesses. The SWCLC exists solely because of the contributions of these proactive organizations and businesses located throughout the region. Without their support the actions of the SWCLC would not be possible.

Chair Report

SWCLC joins press conference OPPOSING AB 880.

[WORKPLACE: Business leaders rally against AB 880](#)



BY JACK KATZANEK

Press Enterprise

June 04, 2013; 04:34 PM

A bill that would penalize large businesses in California that cut their low-wage employees' hours to get around health care reform laws is attracting considerable opposition from business interests across the state.

The bill, AB 880, would impose fines on businesses with 500 or more employees who use a loophole in the federal Affordable Care Act to avoid paying health-care benefits. Workers who fall through that crack would end up having their medical costs absorbed by the state's Medi-Cal program.

It was introduced by Assembly Member Jimmy Gomez, D-East Los Angeles, and has already been passed on party-line votes in the Assembly health and appropriations committees. It is expected to come to the floor, probably in the next few weeks, Gomez said in an interview.

The bill has drawn sharp criticism from pro-business groups and industry associations, and op-ed articles bearing the byline of trade groups have appeared in several newspapers around the state. Many of those criticisms were brought up Tuesday, June 4, at a press conference at the Greater Riverside Chambers of Commerce office, which was attended by two Riverside City Council members.

AB 880 would close what many see as a flaw in the Affordable Care Act, which goes into effect in 2014. Dubbed by some the "Wal-Mart Loophole," it would prevent large corporations from cutting employees' hours to avoid having to include them in the company's health-care plan.

Workers denied health coverage because of that loophole would end up on state-funded Medi-Cal, advocates say.

But opponents at Tuesday's gathering say it would discourage new job creation and business investment and could stall the economic recovery.

"Our region's economy doesn't need one more thing that will negatively impact it," said Nicholas Adcock, the chamber's

government affairs manager. "Our economy is going through a steady recovery and this is the last thing we need."

Opponents say it would be especially hard on businesses that hire part-time and seasonal workers, including students, many of whom are looking for summer work right now. The bill was also criticized for being vaguely written, coming on the heels of the complex federal health-care reform.

According to an analysis released in April by the UC Berkeley Labor Center, an estimated 250,000 people in California currently work at low-wage jobs at companies with more than 500 workers statewide and depend on Medi-Cal for their health coverage. Close to half are employed at retail chains or restaurants.

Gomez, a Riverside native, said that if the Affordable Care Act loophole is not closed, that number could go as high as 400,000 people, all of whom work for large corporations. He said that in Wisconsin, a single Wal-Mart store was found to cost the state's health care plan about \$900,000.

"A fundamental strength of our economy also hangs on the budget being balanced," Gomez said. "If we don't take care of this problem, then Medi-Cal will grow and have an impact in other areas, like public safety and higher education."

Connie Leyva, president of Claremont-based Local 1428 of the United Food & Commercial Workers, the union that represents grocery workers in western San Bernardino County, said that slightly more than 1 percent of the state's businesses have 500 or more workers.

"That means 98.9 percent of businesses are unaffected," said Leyva, who is also president of the California Labor Federation. "Businesses that don't want to pay more taxes should like AB 880."



MYTH/FACT – No on AB 880

- MYTH:** **AB 880 will only impact companies who reduce their employees' hours to avoid compliance with the ACA.**
- FACT:** False. There is NO provision in AB 880 that would limit its mandates to only companies that reduce employees' hours. The fact is that AB 880 is so broad it will impact nearly every industry in the state including non-profits and will have a chilling impact on job growth.
- MYTH:** **AB 880 (Gomez) targets "big corporations" exploiting a loophole in the ACA, which does not impose a penalty on employers whose workers enroll in Medi-Cal. That means that employers who pay low wages, reduce hours and fail to provide benefits are able to evade the ACA penalties and shift the cost of health coverage for their employees onto taxpayers.**
- FACT:** First, companies are not slashing hours and wages. Companies for years have voluntarily provided health care benefits and competitive wages to their employees. Further, most employers are working diligently to ensure that they are in compliance with ACA.
- Secondly, this legislation will have a devastating impact on the underserved communities in this state. AB 880 targets, penalizes and discourages companies who provide jobs to people who are entering the workforce, coming off of welfare assistance programs, or unemployed. Companies will be the subject of new taxes and penalties as well as increase their likelihood of being sued if they hire the people who are most in need in this state.
- MYTH:** **The largest and most profitable companies continue to be subsidized by the taxpayers rather than paying their fair share for health care.**
- FACT:** Not true. Companies are not subsidized by the taxpayers. Most employers – especially large employers – offer their employees health care benefits. Furthermore, companies today are relied on by the state for revenue to pay for important social programs like Medi-Cal.
- MYTH:** **This legislation will really only impact Walmart and some chain restaurants. It won't impact the economy or harm businesses in your community.**
- FACT:** Not true. AB 880 has a far-reaching impact that will potentially affect over 1,100 employers. These employers provide part-time, temporary, seasonal, and full-time jobs to people in the agriculture, trucking, construction, manufacturing, tourism, security, retail, restaurant, hotel, technology and many more industries that are critical to our state's economy. Furthermore, not only will this legislation impact companies, but it will also impact non-profits who provide vital services to our most vulnerable residents.
- MYTH:** **This legislation only impacts large companies who don't offer health care coverage.**
- FACT:** Not true. AB 880 penalizes companies who do offer health care coverage. Medi-Cal eligible employees may choose Medi-Cal coverage, even if the employer offers them Cadillac coverage at no cost to the employee. Yet, an employer cannot require employees to accept employer health coverage (even at no cost) as that would require them not to enroll in or to dis-enroll from Medi-Cal. Employers generally cannot obtain group health insurance for employees working as few as 8 hours per week. This legislation could mean that it would require employers to self-insure.
- MYTH:** **This legislation will only impact companies attempting to evade the ACA requirements.**
- FACT:** Not true. Companies complying with the ACA requirements will still be harmed by this legislation.

Furthermore, AB 880 does not have a definition to specify which employees are included. This means that companies will be penalized that employ out-of-state employees that occasionally work in California, as well as seasonal or temporary employees who may only work in extremely limited capacity.

- MYTH:** **AB 880 does not create a new class of protected workers. Rather it prevents retaliation by employers, so they cannot avoid the penalty by not enrolling in Medi-Cal.**
- FACT:** Not true. AB 880 will not allow a large employer to discharge -- *for any reason* -- an employee who enrolls in Medi-Cal or obtains subsidized health coverage through the California Health Benefit Exchange. Under AB 880, job security becomes a function of medical coverage that the employer cannot ask about, as opposed to an employee's performance.
- MYTH:** **AB 880 will not increase lawsuits.**
- FACT:** Not true. AB 880 contains broad and uncertain phrasing open to wide-ranging interpretations that will result in inconsistent determinations of compliance. Just one example is that AB 880 assesses a "fair share" penalty against "large employers" relating to "covered employees," with each definition subject to multiple interpretations.
- MYTH:** **Large employers will be subject to a fee if they have employees enrolled in the Medi-Cal program. The fee is equal to the cost of a commercial health plan that large employers provide to employees.**
- FACT:** Not true. AB 880 adds a new tax on employers that will far exceed the cost of a "commercial health plan that large employers provide to employees." It requires employers to pay for both the employer and the employee share AND an additional 10 percent administration charge. Furthermore, employers generally cannot obtain group health insurance for employees working as few as 8 hours per week.
- MYTH:** **According to the supporters' website "This penalty only applies to those few very large employers who do not provide coverage and pay so little that their employees qualify for Medi-Cal. A large number of these employers are in the retail and restaurant industry— industries that will NEVER leave California because this is where their customers are. California is a huge market for retailers and restaurants and they can't leave the state."**
- FACT:** This could not be further from the truth. First – this legislation has a broad impact on nearly every industry in this state including non-profits. Secondly, the facts are that national companies looking to expand will not look to California with such severe penalties and lawsuit risk. Furthermore companies that are here now may look to consolidate their footprint to lessen the huge financial burden and liability impact AB 880 will have on employers.
- MYTH:** **As many as 380,000 workers employed by big companies will end up on the state's Medi-Cal program by 2019.**
- FACT:** Whether this statistic proves to be true or not is unknown. What is known is that employers are not forcing their employees to use Medi-Cal and most offer benefits. This is a larger issue that the state has grappled with for years – the cost of health care. Employers are doing their part and will be open to discussions on how to reduce these costs and make health care even more accessible to everyone.



Southwest California Legislative Council

**Murrieta Chamber of Commerce
Temecula Valley Chamber of Commerce
Lake Elsinore Chamber of Commerce
Wildomar Chamber of Commerce**

Meeting Minutes

April 15, 2013

Legislative Consultant: Gene Wunderlich

2013 Chair: Dennis Frank, D.R. Frank & Associates

Directors Attendance: Steve Amante, Amante & Associates
Alex Braicovich, CR & R, Inc
Glen Daigle, Oakgrove Equities
Jeff George, Superior Quality Construction
Judy Guiliemana, Town & Country Real Estate
Isaac Lizarraga, Rancho Ford Lincoln
Tony Lopicolo, LoPiccolo Consulting
Greg Morrison, EVMWD
Don Murray, Commerce Bank of Temecula Valley
Shaura Olsen, Walmart
Karie Reuther, The David Reuther Vocal Studio
Joan Sparkman

Directors Absent: Nicole Albrecht, Financial Accounting Services; Tommy Thompson, Building Industry Association; Gary Thornhill, Tierra Verde

Council Guests: Brian Ambrose, City of Murrieta
Patty Arlt, Metropolitan Water District
Danielle Coats, EMWD
Jim Diaz, Lake Chevrolet
Jeremy Goldman, Southern California Edison
Mike Harrison, Republican Ducan Hunter
Deni Horne, Assemblywoman Melissa Melendez 6th District
Christine Iger, Iger & Associates
Tammy Marine, Habitat for Humanity
Morris Myers, EDC
Tom Somers, Pacific Advisors
Tom Stinson, Assemblywoman Marie Waldron 25th District
Walter Wilson, Coldwell Banker and SRCAR
Dorothy Wolons, Menifee Chamber of Commerce
Grant Yates, City of Lake Elsinore

Staff Present: Kim Cousins, Michelle Simon-Lake Elsinore Valley Chamber of Commerce
Alice Sullivan, Laura Turnbow -Temecula Valley Chamber of Commerce
Patrick Ellis- Murrieta Chamber of Commerce

Meeting called to order at: 12:06 by Chairman Dennis Frank

1. Approval of Minutes Action
Directors reviewed the Minutes from the March 18, 2013 meeting. **The motion was made to approve the minutes as written. The motion was seconded and carried by a unanimous vote.**

2. Legislative Report #2 Action

1. AB 756 (Melendez) CEOA: Judicial review: public works projects.
Following discussion, the motion was made to SUPPORT AB 756. The motion was seconded and carried by a unanimous vote.
2. AB 1095 (Nestande) Junk Dealers and recyclers: nonferrous metals.
Following discussion, the motion was made to SUPPORT AB 1095. The motion was seconded and carried by a unanimous vote.
3. SB 7 (Steinberg) Public Works: Charter cities.
Following discussion, the motion was made to OPPOSE SB 7. The motion was seconded and carried by a unanimous vote.
4. SB 594 (Steinberg) Career Investment Credit and Trust Fund.
Following discussion, the motion was made to SUPPORT SB 594. The motion was seconded and carried by a unanimous vote.
5. HR 1165 (calvert) MORE Act of 2013: Maximize Offshore Resources Exploration Act.
Following discussion, the motion was made to SUPPORT HR 1165. The motion was seconded and carried by a unanimous vote.
6. HR 994 (Calvert) ACCESS Act of 2013: ADA Compliance for Customer Entry to Stores & Services Act.
Following discussion, the motion was made to SUPPORT HR 994. The motion was seconded and carried by a unanimous vote.

3. CaiChamber 2013 Job Killer Bills Identified Information
Gene Wunderlich brought this up for information purposes only. CalChamber introduced in 2013 Job Killer Bills -32 bills in total. We have already taken position on 8 of those bills already. The bill tracker will be coming out in print soon and many of the bills on the list the council has not yet taken up a position. If you have any additional questions, please see Gene Wunderlich.

4. Garcetti – Greuel Ontario Airoort Response Information
On the 19th Gene submitted a question to both campaign and within the hour the Garcetti for Mayor campaign responded to me with a quote and provided me with a link with comments he had made to the LA Times regarding the Ontario airport. Gene has sent a request for information to the Greuel campaign 4 times and has yet to receive a response. Gene does not know where they stand at this time.

5. SB 33 Revisit Information
The Legislative Council heard testimony from Brian Ambrose (In Favor) and Tom Stinson (Against) moving forward with SB33 that provides for changes to the, Infrastructure Financing Districts (IFD's), requirements as follows: Allows term to increase by 10 years up to a maximum of 40 years, removes voter approval, requires prevailing wage and prohibits use by City for Big Box or Auto Dealer projects. Much debate was generated over: the need for cities to have a tool since the demise of RDA's; whether or not it is prudent to eliminate voter approval; and whether or not expanding the term is a good idea. After much discussion the Legislative Council took action to support SB33 on a 9 (in favor) and 4 (against) vote with the inclusion of a requirement that at least 2/3 of the City Council must approve such a measure on a vote.

6. Bay Delta Conservation Plan Update Patty Arlt/Metropolitan Water Information
Patti Arlt gave us an update on the process underway for the Bay Delta Conservation Plan. As of this date the 1st Seven (7) Chapters of the Administrative Draft has been released. As the process moves forward Patti will keep the Legislative Council up to date on the latest dialogue.

Assemblywoman Melissa A. Melendez

Report by Deni Horne

Assemblywoman had four of her bills move out of committee, which is quite impressive for a freshman politician. They are AB526, AB681, AB813, & AB983. There will be a press conference today (4/15/13) regarding AB718- Sales Tax Holiday. In regards to the Ontario Airport, the Assemblywoman has not taken a position on this in the past, but will work closely with the elected officials that represent our district to make a determination. In general the Assemblywoman does support local control.

Assemblywoman Marie Waldron

Report by Tom Stenson

The Assemblywoman's office is having a woman of the year contest, so if anyone knows of someone they wish to nominate, please visit their website. The Assemblywoman introduced AB20, which increases penalties on felons who have already been convicted of or creating and/or using child pornography, has passed the assembly unanimously. Assemblywoman Waldron & Senator Anderson will be at their town hall on Friday, April 19th at 7:00 P.M.

City of Lake Elsinore

Report by City Manager Grant Yates

Grant Yates wanted to thank everyone for the City of Lake Elsinore 125th Anniversary. It was very good evening with representatives from the State, County and local governments providing proclamations and kind words of acknowledgement to the City.

5. Chamber & Council Member Announcements Information

Lake Elsinore Valley Chamber of Commerce

Report by Kim Joseph Cousins

The Lake Elsinore Valley Chamber of Commerce will be hosting their luncheon at the Diamond club in Lake Elsinore on April 18th at 11:30AM. Topic: "A Conversation with Riverside County Supervisors Kevin Jeffries and Jeff Stone".

Menifee Valley Chamber of Commerce

Report by Dorothy Wolons

The Menifee Chamber of Commerce will be having their first woman's conference on April 18th. On April 25th, they are having a joint mixer with the Perris Chamber of Commerce. Save the date June 19th, will be the State of the City for Menifee.

Murrieta Chamber of Commerce

Report by Patrick Ellis

The Murrieta Chamber of Commerce will have their next mixer on May 2nd at the Santa Rosa Plateau

Wildomar Chamber of Commerce

Report by Karen Pollock

The Wildomar Chamber of Commerce will be having their next mixer on April 18th at the DeJong's Dairy. They will be co hosting a *coffee* talk with Assemblywoman Melissa Melendez at Animal Friends of the Valleys on April 26th. The next breakfast is on May 1st and their guest speaker will be Wildomar Mayor Tim Walker at the Landing Zone.

Temecula Chamber of Commerce

Report by Alice Sullivan

The Temecula Chamber of Commerce and the Lake Elsinore Valley Chamber of Commerce have been honored with the Presidents Circle Award from the California Chamber of Commerce. The State of City address is scheduled for May 9th at Pechanga. Their monthly mixer is at Stracota Insurance on April 17th. They also have an Obama care workshop on April 23rd.

EDC of Southwest CA

Report by Morris Myers

Wanted to remind everyone about April 26th Economic Development Forum, please come out and show your support.

6. Lunch Sponsor Simply Delicious Catering & The Corporate Room Eat There

Motion to Adjourn at 1:40 P.M.

SB 33 (Wolk) Infrastructure financing districts: voter approval: repeal (Revisit)**Recommended action:****Presentation: Gene Wunderlich**

Background: The SWCLC has devoted significant time to discussing this bill over our last two meetings. In March it was decided that more information was needed. In April, following presentations by Tom Stinson, with Assemblymember Waldron's office, and Brian Ambrose, with the City of Murrieta, the Council adopted a SUPPORT position on the bill **IF it was amended to require a 2/3 vote of the city council evaluating the proposed IFD**. The bill has now passed to the Assembly **without** the amendment you requested but with additional amendments as 'safeguards'. I bring it back for your consideration.

As anticipated, Senators Anderson and Emerson voted against the bill, Senator Roth voted in favor.

Arguments in SUPPORT: Supporters state that this bill provides an improved mechanism to deliver much-needed infrastructure projects and create jobs in California. This bill offers an alternative form of property tax increment by removing key impediments to IFDs, such as the vote requirements to form and bond the IFD. With the elimination of redevelopment agencies, IFDs provide the most useful tool currently available to capture the property tax increase resulting from development activity.

Arguments in OPPOSITION: The California Taxpayers Association state that "Side-stepping the voters and allowing a local entity to accrue debt means voters won't have a say in what their communities look like, how bonds are issued, and how property tax revenue is spent. By passing SB 33, the Legislature would be paving the way for local government to increase property taxes – particularly at a time when homeowners are still recovering from the recession."

Summary: Cities and counties can create IFDs and issue bonds to pay for community scale public works: highways, transit, water systems, sewer projects, flood control, child care facilities, libraries, parks, and solid waste facilities. To repay the bonds, IFDs divert property tax increment revenues from other local governments, but not schools, for 30 years (SB 308, Seymour, Chapter 1575, Statutes of 1990).

This bill provides for the following changes:

1. **Voter approval.** After preparing an infrastructure financing plan, local officials must get voter approval to:
 - Form the IFD, which requires 2/3-voter approval.
 - Issue bonds, which requires 2/3-voter approval.
 - Set the appropriations limit, which requires majority-voter approval.

This bill repeals the voter approval requirements to form an IFD, issue IFD bonds, and set the IFD's appropriations limit.

2. **Formation.** Under current law, local officials must get 2/3-voter approval to form an IFD. This bill specifies how local officials must form an IFD. The clerk of a local government interested in proposing to form an IFD must post a copy of the resolution of intention on the local government's Internet Web site. At the end of a public hearing, the local government's legislative body may adopt a resolution, based upon a finding that the goals of the IFD are consistent with the general plan, and the financing programs are an efficient way to implement the IFD's goals. The resolution establishing an IFD also creates an IFD's governing board, a public financing authority. The public financing authority must designate and direct an engineer or appropriate official to prepare an infrastructure financing plan.

3. **Public financing authority.** This bill adds and defines the public financing authority as the legislative body of the infrastructure financing district. The authority must be comprised of five people: three must be members of the city council or board of supervisors that established the IFD and two must be public members appointed by the three members of the city council or board of supervisors.

4. **Infrastructure financing plan.** Current law requires an IFD's financing plan to be consistent with the local government's general plan and include all of the following:

- A map and description of the proposed district;
- A description of the public facilities;
- A finding that public facilities provide significant benefits to a larger area than the district; and,
- A financing section.

This bill requires the financing plan to include three additional elements:

- The district's proposed goals of financing public facilities;
- The district's proposed goals to assist transit priority project development; and,
- The creation of the public accountability committee.

This bill prohibits an infrastructure financing plan from being implemented until the public accountability committee, as defined, is created. The public financing authority must forward a copy of the plan to the local government's legislative body to review and approve the financing section of the plan. The plan cannot take effect until approved by the legislative body.

5. **Types of projects.** IFDs are authorized to finance different types of projects, including:

- The purchase, construction, expansion, improvement, seismic retrofit, or rehabilitation of any real or tangible property, and associated planning and design work of that property.
- The purchase of a property, as long as construction has been completed.
- Highways, sewage treatment, water treatment, flood control, libraries, child care facilities, parks, and open-space.

This bill expands the list of authorized projects to include levees, watershed lands, and habitat restoration.

Currently, an IFD cannot finance routine maintenance, repair work, or costs of ongoing operation or services.

This bill repeals this prohibition.

This bill prohibits an IFD from compensating members of the local government's legislative body or members of the public financing authority.

6. **Fire district approval.** Before an IFD can divert property tax increment from another taxing entity, every local agency that will contribute its property tax increment revenue to the IFD must approve the infrastructure financing plan. Some special districts are governed *ex officio* by county boards of supervisors or city councils. In the case of a special district that provides fire protection services where the county board of supervisors is the governing authority, this bill requires the special district to act on an IFD's plan by adopting a separate resolution.

7. **Bond terms.** The terms of IFDs' bonds can't be more than 30 years.

This bill extends the maximum term of IFDs' bonds from 30 years to 40 years.

8. **Accountability.** Current IFD law is silent on fiscal protections, project management, or reporting measures.

This bill requires that local officials' resolution of intention to form an IFD must state the goal and need of the district and that the resolution be posted on the legislative body's Internet Web site. This bill clarifies that IFDs can't be used to compensate the members of the legislative body. This bill requires the public financing authority to mail an annual report to landowners in the district and each affected taxing entity. The report must also be posted on the legislative body's website. The report must include:

- A summary of the IFD's expenditures.
- A progress report of the IFD's adopted goals.

- An assessment of the status of the IFD's public works projects.

If an IFD fails to submit the annual report to its landowners or taxing entities, or the report is not put on the legislative body's Internet Web site, it can't spend any funds to construct public works projects until the report is submitted. If an IFD fails to produce evidence of progress made towards an IFD's adopted goals for five consecutive years, the IFD is prohibited from spending any funds to construct any new public works projects. Any excess property tax increment revenues that had been allocated for new public works must be re-allocated to the affected taxing entities. However, the IFD may complete any public works projects that it has started.

This bill creates a public accountability committee to conduct an annual independent financial review and audit. Revenues of the public financing authority will pay for audit costs. The committee membership must be comprised of a representative from each of the affected taxing entities, from the public financing authority, and one or more public members. The legislative body of the affected taxing entity and public financing authority shall appoint members to the committee.

9. Redevelopment project areas. Currently, an IFD can't overlap with a redevelopment project area. This bill repeals that statutory prohibition.

10. Big box retailers and vehicle dealers. State law prohibits a community from giving financial assistance, direct below-market property deals or cuts in fees, to a big box retailer or vehicle dealer that relocates in the same market area (SB 114, Torlakson, Chapter 781, Statutes of 2003). That law applies to counties, cities, and redevelopment agencies.

This bill prohibits IFDs from providing financial assistance to big box retailers or vehicle dealers to relocate from one local agency to another in the same market area.

11. Disadvantaged communities. State law defines disadvantaged communities as those with median household incomes less than 80% of the statewide average. Severely disadvantaged communities have median household incomes less than 60% of the statewide average. Many disadvantaged communities lack adequate public services and facilities like clean water, sewers, paved streets, storm drains, and street lights. Advocates want legislators to require local officials to include disadvantaged communities in their long-range planning for land use and public facilities.

This bill declares that it is in the public interest for IFDs to finance public works for disadvantaged communities.

12. Polanco Act. The Polanco Redevelopment Act encourages cleanup and development of brownfields, properties contaminated by hazardous waste. The Act authorizes redevelopment agencies to conduct a cleanup and to recover the costs of that cleanup from responsible parties. Redevelopment agencies that conduct these cleanups, and individuals that enter into redevelopment agreements with the agency, immune from future cleanup liability.

This bill allows IFDs to finance necessary actions to clean-up brownfield sites under the Polanco Act.

13. Sustainable Communities Strategy. The Sustainable Communities and Climate Protect Act requires the Air Resources Board to set regional targets for automobiles and light trucks' greenhouse gas emission reductions, requires a regional transportation plan to include a Sustainable Communities Strategy to meet targets for greenhouse gas emission reduction, requires the California Transportation Commission to maintain guidelines for travel demand models, requires cities and counties to revise their housing elements every eight years in conjunction with the regional transportation plan, and relaxes CEQA requirements for housing developments that are consistent with a Sustainable Communities Strategy (SB 375, Steinberg, Chapter 728, Statutes of 2008).

This bill authorizes IFDs to finance any project, like a transit priority project or regional transportation plan, that implements or is consistent with a sustainable communities strategy or alternative planning strategy.

14. **Joint-powers authority.** This bill authorizes a public financing authority to enter into a joint powers agreement, only to exercise power other than taxing authority.

15. **Definitions.** This bill defines “infrastructure financing district” as a legally constituted public and corporate government entity separate and distinct from the city that established it. The bill provides that an IFD is a local agency subject to California’s open and public meeting law, the Ralph M. Brown Act.

The bill defines “public capital facilities of communitywide significance” as facilities that benefit all areas within the district or serve or are made available to those areas.

Comments

According to the Senate Governance and Finance Committee analysis, this bill updates an existing financing mechanism for public works projects, while incorporating rigorous accountability measures to ensure local government diligence, positive project results, and healthier community development. This bill recognizes the potential for infrastructure financing districts to implement SB 375’s (Steinberg, 2008) sustainable communities strategy and the benefits of rehabilitating brownfields from hazardous waste. Local officials use tax increment financing to divert part of the property tax revenue stream to a separate IFD. A local government must consent and opt-in to the IFD’s formation; if an agency doesn’t want to participate, its tax increment revenue shares aren’t touched.

Although IFDs don’t raise taxes or generate new revenue, the Legislature required voter approval of IFDs’ plans, bonds, and appropriations limits. This bill removes the voter-approval requirement, but still requires annual, independent audits and empowers local decision making. Legislators and voters who have elected their local representatives should let local officials do their job—setting local priorities for spending local revenues.

The California Constitution requires 2/3-voter approval before cities or counties can issue long-term debt backed by local general purpose revenues; school districts need 55%-voter approval. That’s why local general obligation bonds need 2/3- voter approval. The courts have explained that cities need 2/3-voter approval before they dedicate portions of their general funds to pay for bonds. That’s why local limited obligation bonds need 2/3-voter approval. However, because that constitutional limit doesn’t mention infrastructure financing districts, local officials don’t need voter approval before they issue tax allocation bonds.

When Governor Deukmejian signed the 1990 Seymour bill that created IFDs, there was a political agreement that local officials should get 2/3-voter approval before they could issue IFD bonds. That requirement is statutory and not based on a constitutional limitation. **There is no constitutional requirement for IFDs to seek 2/3-voter approval (or any voter-approval) before they issue bonds backed by property tax increment revenues.**

This bill repeals the statutory requirement for 2/3-voter approval on IFDs’ bonds.

Supporting: (As of 4/18)

California Building Industry Association
California Professional Firefighters
California Special Districts Association
California State Association of Counties
Cities of: Benicia, Emeryville, Goleta, Oakland, Palmdale, West Sacramento, and Whittier
Counties of: San Joaquin and Yolo
East Bay Economic Development Agency
Economic Vitality Corporation of San Luis Obispo County
Emeryville Chamber of Commerce
Greater Eureka Chamber of Commerce
Inland Empire Economic Partnership
League of California Cities
Long Beach Area Chamber of Commerce

Los Angeles Area Chamber of Commerce
Los Angeles County Division, League of California Cities
Los Angeles County Economic Development Corporation
Marin county Council of Mayors and Councilmembers
North Bay Leadership Council
Orange County Business Council
Palm Desert Area Chamber of Commerce
Sacramento Area Council of Governments
Sacramento Metro Chamber of Commerce
San Diego Regional Economic Development Corporation
San Francisco Chamber of Commerce
San Gabriel Valley Economic Partnership
Tuolumne County Business Council
Yosemite Chamber of Commerce

Opposing:

California Federation of Republican Women
California Taxpayers Association SB 33 Page 9
Howard Jarvis Taxpayers Association

Status: Referred to Assembly Committee on Local Government (5/16)

Votes: Anderson 'No', Emmerson 'No', Roth 'Aye'

Legislative Report Item 2	Action Item
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[SB 30 \(Correa/Anderson\) Taxation: cancellation of indebtedness: mortgage debt forgiveness \(Revisit\)](#)

Recommended action: **SUPPORT**

Presentation: Gene Wunderlich

Background:

The SWCLC adopted a position to SUPPORT SB 30 in January. The bill has passed the Senate Committee process, including being held in the suspense file pending budget release. However, the bill was amended prior to final passage by Appropriations to include a linkage to SB 391 (DeSaulnier), a bill which seeks to impose a fee of \$75 on the recording of each real estate-related document, except for those documents recorded in connection with a transfer subject to a documentary transfer tax, and directs the money to the California Homes and Jobs Trust Fund (Trust Fund). SB 391 has also been amended to include language expanding the monitoring of prevailing wage compliance on projects funded by this program

I am requesting that the SWCLC re-affirm its support of SB 30 and that we encourage individual members and members of the public to sign the attached letter from Senator Anderson requesting the de-linking of these two bills and that the Senate proceed with an up or down vote on each bill based on it's own merits.

It's time to stop holding California Homeowners hostage to the whims of political one-upmanship.

Supporting: (as of 6/13)

California Association of Realtors (co-source)
California Bankers Association (co-source)
Attorney General Kamala Harris
Board of Equalization Chairman Jerome Horton
California Independent Bankers
California Mortgage Bankers Association

California Society of Enrolled Agents
California Taxpayers Association
Center for Responsible Lending
Orange County Association of Realtors
Southwest Riverside County Association of Realtors

Opposing: None on file.

VICE CHAIR
OF THE FOLLOWING COMMITTEES
HEALTH
ELECTIONS & CONSTITUTIONAL
AMENDMENTS
PUBLIC SAFETY

Senate
California Legislature
JOEL ANDERSON
SENATOR
THIRTY-SIXTH SENATORIAL DISTRICT



MEMBER
OF THE FOLLOWING COMMITTEES
BUDGET & FISCAL REVIEW
JUDICIARY

MEMBER
OF THE FOLLOWING
SUBCOMMITTEE
BUDGET & FISCAL REVIEW
SUBCOMMITTEE #5 ON
CORRECTIONS, PUBLIC SAFETY
& THE JUDICIARY

Dear Friends,

I wanted to inform you of a Legislative measure that may be of interest to you. Senate Bill 30, a bill I co-authored, would provide relief to struggling homeowners by shielding them from taxes on forgiven mortgage debt after a "short sale," and bring California law into conformity with federal tax law.

Unfortunately, hostile amendments "linked" SB 30 with Senate Bill 391, a bill that would impose a new \$75 tax on specified real estate documents. "Linked" means that if SB 391 fails, SB 30 fails.

It is important that SB 30 and SB 391 stay separate and receive up-or-down votes on their individual merits. It is unfair to use struggling Californians as leverage to pass a new tax increase that presents a new barrier to the American dream of home ownership.

That is why I have introduced amendments to cut the link between SB 30 and SB 391 so that relief is delivered to struggling homeowners, regardless of what happens to the SB 391 tax increase.

If you agree, would you be willing to send a letter of support today for the amendments I have introduced? Please send your letter of support as soon as possible to Senator.Anderson@senate.ca.gov. There is still time to act, but I need your help quickly since this bill will be voted on this week.

Joel Anderson
Senator, 36th District.

Yes, I will support Senator Anderson's Amendments to cut the link between SB 30 and SB 391.

Name (Please print)

Signature

Address

Email

Phone

Please return to Senator Anderson's staff or you may email a scanned copy to Senator.Anderson@sen.ca.gov or fax to 916-447-9008.

STATE CAPITOL
SACRAMENTO, CA 95814
TEL (916) 651-4036
FAX (916) 447-9008
SENATOR.ANDERSON@SEN.CA.GOV

EL CAJON DISTRICT OFFICE
500 FESLER STREET, #201
EL CAJON, CA 92020
TEL (619) 596-3136
FAX (619) 596-3140

TEMECULA DISTRICT OFFICE
27555 YNEZ ROAD, #204
TEMECULA, CA 92591
TEL (951) 676-1020
FAX (951) 676-1030

SB 516 (Steinberg) Foreign Labor Contractors: Registration**Recommended action: OPPOSE****Presentation: Gene Wunderlich****Background:**

The Department of Homeland Security reports that California has the largest population of temporary foreign workers in the country at 130,000, or 14% of the national total. All of these workers are present legally with appropriate visas. Most were brought into the country by legitimate and ethical foreign labor contractors, seeking to address the labor needs of a California employer. However, some foreign labor contractors are not so virtuous.

According to the author's office and advocates for victims of human trafficking, there has been a marked increase in human trafficking by foreign labor contractors through the misuse of the visa system. Specifically, advocates report that foreign labor contractors charge exorbitant fees and charges for legitimate and legal U.S. visas, forcing the foreign workers and their families into a cycle of debt bondage. Additionally, advocates state that the families of the foreign workers often face retaliation and violence if the abused foreign worker reports abuse.

According to the Senate Appropriations Committee, the Department of Industrial Relations (DIR) estimates that it would incur first-year costs of \$756,000 (special funds) and \$606,000 ongoing to implement the provisions of this bill. Specifically, DIR would require \$556,000 annually to develop and administer the new registration program and promulgate regulations, plus \$50,000 on-going (\$200,000 in the first year) to develop, operate and maintain a database summarizing online applications and information pertaining to registered foreign labor contractors.

Arguments in SUPPORT: Proponents argue that this bill takes a multi-prong approach to preventing human trafficking in California by foreign labor recruiters. First, proponents note that foreign labor contractors will be required to provide full and fair information to foreign workers and that employers using the services of foreign labor contractors to obtain workers will be required to report those activities. Proponents also note that this bill prohibits any foreign labor contractor from soliciting a foreign worker for a job in California in the absence of a bona fide offer of employment. Finally proponents also note that, under this bill, foreign labor contractors, and employers using unregistered contractors, will be subject to civil and criminal penalties for violations. Aggrieved workers will have civil causes of action against both contractors and employers to protect their rights and help prevent future cases of exploitation.

Arguments in OPPOSITION: SB 516 approaches the real problem of human trafficking in an overly broad manner which will harm legitimate employers by imposing significant burdens on and risks to employers who hire workers from foreign countries.

Human trafficking is a crime and punishable as such under any number of existing provisions of law. SB 516 compounds penalties on top of remedies already available to charge violators. The bill goes even further to allow administrative, or paperwork violations to be treated as egregious as a material violation of the new requirements.

According to SB 516, any person or company that assists in securing or actually secures or provides employment to foreign workers for compensation is a foreign labor contractor (FLC), and as such, any employer who hires a foreign worker would be subject to the requirements of the bill. Accordingly, this sweeping definition appears to include employers of all foreign workers who enter the U. S. legitimately through different types of visas. These workers are often assisted by a

variety of entities, or recruited by the employer, all of which under this bill will be designated as foreign labor contractors. Examples of included foreign employees:

- Computer engineers, doctors, nurses, medical specialists, and researchers.
- International college students that come out in groups to work in theme parks and resorts seasonally.
- Hospitality workers for hotels and restaurants.
- Actors and other professionals for movie and television production.

This bill is also **OPPOSED by the CalChamber** which cites:

- Without regard to employer or industry history of human trafficking, all employers would face equally stringent registration, regulation, bond requirements, and significant liability.
- Immigration reform is currently being debated in congress. Both the House of Representatives and the Senate are taking up bills to address various aspects of immigration, including foreign labor contractors in the Senate. **The conversation in California is premature** given the rapid pace with which reform is moving in congress.
- SB 516 creates **duplicative, overlapping and more onerous requirements than the language in the congressional Senate bill** (S. 744). California should wait until federal immigration reform has been accomplished in order to avoid conflicts with federal requirements. Should congress and California pass conflicting or duplicative FLC registration and regulation, **California employers who hire foreign workers will be at a competitive disadvantage** to businesses in other states because they will face higher litigation risks, and higher burdens.
- Immigration reform is expected to ease the labor needs of California employers in both high and low skilled jobs. SB 516 could undermine the benefits of national reform for California.

SUPPORT (as of 4/24)

Alliance to End Slavery and Trafficking
California Rural Legal Assistance Foundation
Coalition to Abolish Slavery and Trafficking

Food Chain Workers Alliance
National Council of Jewish Women-California
Religious Sisters of Charity

OPPOSITION

California Chamber of Commerce

Status: To Assembly on 5/29. Passed 38-0.

Votes: Anderson 'Aye', Emmerson 'Aye', Roth 'Aye'

Legislative Report Item 4	Action Item
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[SB 691 \(Hancock\) Non-vehicular air pollution control: penalties](#)

Recommended action: OPPOSE

Presentation: Gene Wunderlich

Background:

This bill authorizes a civil penalty of up to \$100,000 against a person who emits a discharge from a Title V source that includes the release of a toxic air contaminant. **That penalty will not apply to air contaminant releases that are only nuisance odors.** The proposed penalty will only apply on the first day that the air contaminants cause harm to a considerable number of persons, the public, business, or property, as specified. ([Clean Air Act of 1990, Title V](#))

Summary:

SB 691 proposes a tenfold increase in penalties for Title V and non-title V facilities for a one day violation of Section 41700 of the Health Safety Code – nuisance – from \$10,000 under current law to \$100,000 and \$1,000 to \$10,000 respectively. While the proponents of SB 691 claim this legislation is only intended to apply to “major events”, the bill does not define “major event” or establish any criteria for this enhanced penalty. As a result, this increase will impact small businesses, large industries and individual citizens.

Someone accused of creating a nuisance can be held liable even if it the event was accidental or unintentional. An air district simply has to allege that several people have complained about an air emission – e.g. an odor – and the alleged violator would be subject to enormous liability. Worse, the air district keeps the penalty money – a bounty incentive for high penalties. Examples of those impacted under this new penalty ceiling include: Small Businesses, Universities, Public Agencies, Food Processors, Manufacturers, Power Producers and others.

Increasing the maximum penalty from \$10,000 to \$100,000 is a significant step that would impose a penalty based simply on allegations of annoyance, whether or not the actual emissions are harmful or in violation of an existing permit standard or requirement. In addition, the alleged violator has virtually no defenses to a strict liability offense; the district only has to prove that a few people complained or were annoyed.

Arguments in SUPPORT: According to the author, “Currently, in state law, single-day violations of air quality regulations that affect entire communities lack adequate financial consequences. In fact, these violations have the same maximum penalties as violations that affect only a few individuals. For many of these violations, even for those affecting the largest sources of air pollutions, such as refineries or chemical manufacturing facilities, the maximum air penalties the violators may face are far too low. SB 691 narrowly targets one-day violations that affect great numbers of individuals affected by air quality violation with higher civil penalties. For the first day of a violation, the bill establishes penalties up to \$10,000 (most sources), and \$100,000 for Title V sources.” The author also notes that, “having adequate penalties for non-compliance is essential to protecting public health and safety.”

Arguments in OPPOSITION: Opponents state that increasing penalties from \$10,000 to \$100,000 is a draconian step that would impose a penalty based simply on allegations of annoyance, whether or not the actual emissions are harmful or in violation of an existing permit standard or requirement. They also note that the \$100,000 penalty maximum potentially creates an incentive for the air districts to levy the highest penalty possible, with no burden of proof required by the air district to justify maximum penalties. The opponents also state that the alleged violator has virtually no defenses to a strict liability offense.

SUPPORT: (Verified 5/28/13)

Bay Area Air Quality Management District (co-source)
Breathe California (co-source)
Alameda County Board of Supervisors
American Lung Association in California
Asian Pacific Environmental Network
California Air Pollution Control Officers Association
City of Hercules Council Member, Sherry McCoy

City of Oakland Mayor, Jean Quan
City of Richmond Mayor, Gayle McLaughlin
County of Contra Costa Supervisor, John Gioia
Environmental Defense Fund
Greenaction for Health and Environmental Justice
Natural Resources Defense Council
Regional Asthma Management and Prevention
Sierra Club California

OPPOSITION: (Verified 5/28/13)

Almond Hullers and Processors Association
California Cement Manufacturers Environmental Coalition
California Chamber of Commerce
California Citrus Mutual
California Construction Trucking Association
California Cotton Ginners Association
California Cotton Growers Association
California Council for Environmental and Economic Balance
California Dairies, Inc.
California Independent Oil Marketers Association
California League of Food Processors
California Manufacturers & Technology Association
California Metals Coalition
California Restaurant Association

California Service Station & Automotive Repair Association
California Taxpayers Association
Chemical Industry Council of California
Citizen's Advisory Group of Industries
Communities for Better Environment
Independent Energy Producers Association
Milk Producers Council
National Aerosol Association
National Federation of Independent Business
Nisei Farmers League
Scrap Recycling Industries, West Coast Chapter
Western Agricultural Processors Association
Western Plant Health Association
Western States Petroleum Association
Wine Institute

Status: Passed to Assembly - pending referral

Votes: Anderson 'No', Emmerson 'No', Roth 'Aye'

Agenda Item #3	Information/Action
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[Citizen Legislature Proposition](#)

Presentation: John H. Cox, President & Founder, Rescue California Foundation, Inc.

Materials:

- 1. Initiative Language**
- 2. Inflate the Legislature**, article by Steven Greenhut
- 3. Fixing California's Broken Legislature**, article by Steven Greenhut
- 4. Rose Institute Research Project: Citizen Legislature** (separate attachment)

INITIATIVE MEASURE TO BE SUBMITTED TO VOTERS

SECTION 1. DECLARATION OF FINDINGS

A. Our state Legislature does not serve the interests of the citizens. The Legislature only serves the special interests. Prior attempts at reform have all failed.

B. The problem is that our Legislative districts are too big and cost taxpayers too much money. Our Legislators represent too many constituents. The average assembly district in the other 49 states has approximately 50,000 citizens. The average assembly district in California is nearly 10 times larger – approaching nearly 500,000 citizens.

C. It is no wonder that most citizens have never even met their legislative representative, much less been asked their opinion on an important policy issue. We should not be surprised that our Legislators are not our neighbors and do not share our concerns about the future.

D. The primary concern of our current Legislature is staying in office as long as possible and appeasing the special interests that donate to their campaigns that keep them in office.

E. Our system of representative government requires a citizen Legislature.

SECTION 2. STATEMENT OF PURPOSE

A. The size of legislative districts must be reduced so that Legislators represent the interests of their neighbors and not the special interests.

B. At the same time, the Legislature must function effectively and cost taxpayers less money. Procedures must be enacted to provide for the effective administration of legislative business and to protect taxpayers.

C. Therefore, the people hereby enact “The Neighborhood Legislature Reform Act.”

SECTION 3. THE NEIGHBORHOOD LEGISLATURE REFORM ACT

Section 1, 2, 6, and 7.5 of Article IV are hereby amended and section 9.5 of Article IV is hereby added to read as follows (additions shown in underline type and deletions shown in ~~strikeout type~~):

Sec. 1. The legislative power of this State is vested in the California Legislature which consists of neighborhood representatives elected to the Senate and Assembly, but the people reserve to themselves the powers of initiative and referendum.

Sec. 2. (a) The Senate shall be comprised of representatives from neighborhood districts, as provided in section 6. ~~has a membership of 40~~ Senators shall be elected for 4-year terms, ~~20~~ half to begin every 2 years. No Senator may serve more than 2 terms.

The Assembly shall be comprised of representatives from neighborhood districts, as provided in section

~~6. has a membership of 80 members~~ Assembly members shall be elected for 2-year terms. No member of the Assembly may serve more than 3 terms.

Their terms shall commence on the first Monday in December next following their election.

(b) Election of members of the Assembly shall be on the first Tuesday after the first Monday in November of even-numbered years unless otherwise prescribed by the Legislature. Senators shall be elected at the same time and places as members of the Assembly.

(c) A person is ineligible to be a member of the Legislature unless the person is an elector and ~~has been~~ is a resident of the legislative neighborhood district for one year, and a citizen of the United States and a resident of California for 3 years, immediately preceding the election.

(d) When a vacancy occurs in the Legislature the Governor immediately shall call an election to fill the vacancy.

(e) The Senate Working Committee shall be comprised of 40 Senators, chosen from among the neighborhood representatives elected within each Senatorial District. The Assembly Working Committee shall be comprised of 80 Assembly members chosen from among the neighborhood representatives elected within each Assembly District. One Member of the Working Committee shall be elected by majority vote of the neighborhood representatives from each Senatorial and Assembly District in an open meeting held pursuant to section 3(a). When a vacancy occurs in a Working Committee, the vacancy shall be filled by the neighborhood representatives from a Senatorial or Assembly District, as appropriate. The Senate and Assembly may remove a member of their respective Working Committee upon a rollcall vote entered into the journal, two thirds of the membership of the house concurring.

Sec. 3. (a) The Legislature shall convene in regular session at noon on the first Monday in December of each even-numbered year for the purpose of choosing which neighborhood representatives will serve in the Working Committees of and each house and each Working Committee shall immediately organize. Each session of the Legislature shall adjourn sine die by operation of the Constitution at midnight on November 30 of the following even-numbered year.

(b) On extraordinary occasions the Governor by proclamation may cause the Legislature or both Working Committees to assemble in special session. When so assembled it has power to legislate only on subjects specified in the proclamation but may provide for expenses and other matters incidental to the session.

(c) The Senate or Assembly may convene upon petition signed by twenty-five percent (25%) of the members for the purpose of removing a member of their respective Working Committee pursuant to section 2(e), or to provide direction or input to their respective Working Committee regarding any legislative matter.

(d) Except as provided in section 9.5, all legislative power provided for in this Article shall be exercised by the Senate and Assembly Working Committees and any reference to "Senate," "Assembly," "Legislature," or "house," herein means the Senate and Assembly Working Committees.

(e) The provisions of section 4(a), 4.5, 5, 13 and 15, including the provisions regarding ethics, and conflicts of interest, shall apply to all members of the Legislature, including the Senate and Assembly

Working Committees.

(f) Notwithstanding section 8 of Article III, the compensation for each Senator and Assembly member shall be one thousand dollars (\$1,000) per year, however, compensation for a member of the Senate and Assembly Working Committees shall be thirty thousand dollars (\$30,000) per year. Notwithstanding section 4(b), neighborhood representatives shall be reimbursed for his or her actual travel expense attending legislative sessions and members of the Senate and Assembly Working Committee shall be reimbursed his or her actual travel and living expenses, not to exceed two hundred dollars (\$200) per day. The Citizens Compensation Commission may adjust the salary and per diem of members based on the Consumer Price Index for California.

Sec. 6. For the purpose of choosing members of the Legislature, the State shall be divided into 40 Senatorial and 80 Assembly districts to be called Senatorial and Assembly Districts. Each Senatorial district shall be further divided into neighborhood districts of populations of approximately 10,000 persons, as nearly equal as is practical. ~~choose one Senator and each~~ Each Assembly district shall be further divided into neighborhood districts of populations of approximately 5,000 persons, as nearly equal as is practical. ~~choose one member of the Assembly.~~

Boundary lines for Senatorial, Assembly, and neighborhood districts shall be drawn pursuant to Article XXI.

Sec. 7.5. In the fiscal year immediately following the adoption of the Neighborhood Legislature Reform Act ~~this Act~~, the total aggregate expenditures of the Legislature for the compensation of members and employees of, and the operating expenses and equipment for, the Legislature may not exceed an amount equal ~~to nine hundred fifty thousand dollars (\$950,000) per member for that fiscal year or 80~~ 25 percent of the amount of money expended for those purposes in the preceding fiscal year, ~~whichever is less.~~ For each fiscal year thereafter, the total aggregate expenditures may not exceed an amount equal to that expended for those purposes in the preceding fiscal year, adjusted and compounded by an amount equal to the percentage increase in the appropriations limit for the state established pursuant to Article XIII B.

Sec. 9.5. Notwithstanding any other provision of this Constitution, except for urgency bills pursuant to section 8(d), a bill, including the budget bill, passed by both the Senate and Assembly Working Committee's shall not be presented to the Governor unless the bill has first been presented to and approved by each house of the whole Legislature by the appropriate vote required for enactment of the bill. No amendment to a bill so presented may be offered, considered, or approved by either house of the whole Legislature. The whole Legislature may be convened for this purpose, or to override a veto pursuant to section 10, upon at least ten (10) days notice at any time by a joint resolution passed by both Working Committees.

SECTION 4. EFFECTIVE DATE

This Act shall go into effect immediately upon its adoption by the voters and shall become operative as follows:

(a) Within 6 months, the Citizens Redistricting Commission that served in 2011 shall draw boundary lines for neighborhood districts based on the Senatorial and Assembly Districts approved in 2011. If no Senatorial or Assembly District was approved or enacted by the Citizens Redistricting

Commission, the Supreme Court shall draw boundary lines for neighborhood districts pursuant to section 2(j) or section 3 of Article XXI.

(b) Elections shall be conducted and the Legislature convened pursuant this this Act in 2014. Any Senator serving an unexpired term in 2014 shall be deemed the neighborhood representative for this neighborhood district in which he or she resides without an election. If two or more Senators reside in the same neighborhood district, the Citizens Redistricting Commission shall assign each Senator to represent a neighborhood district nearest to his or her residence for the remainder of the term, without an election.

SECTION 5. SEVERABILITY/CONFLICTING MEASURES

(a) If any part of this measure or the application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications which can reasonably be given effect without the invalid provision or application.

(b) This measure is intended to be comprehensive. It is the intent of the People that in the event this measure or measures relating to the same subject shall appear on the same statewide election ballot, the provisions of the other measure or measures shall be deemed to be in conflict with this measure. In the event that this measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and all provisions of the other measure or measures shall be null and void.

(c) If the voters amend the limitations on terms provided for in Section 2(a) of Article IV in June, 2012, then the limitations as amended shall apply to this Act.

Inflate the Legislature

A California venture capitalist's plan for reforming an out-of-touch government

Steven Greenhut

21 December 2012

November's election gave California Democrats the supermajorities they need in both state legislative chambers to pass tax increases without Republican support. Faced with numerical irrelevance in Sacramento, Republicans are brainstorming ideas to save themselves—and the state—from oblivion. The GOP could use all the help it can get. John Cox, a San Diego-based venture capitalist and former Republican presidential candidate, has a bold idea to shake up the Golden State's one-party political system. Cox wants to expand radically the legislature's size, adding *thousands* of representatives in the state assembly and senate. Though it sounds counterintuitive, the solution to California's political dysfunction may be a lot more politicians.

In California, just 80 members of the state assembly and 40 members of the senate represent more than 37 million people. A state assembly member represents nearly 500,000 people, while a state senator represents close to 1 million. Huge legislative districts make it impossible for an individual Californian to influence a legislator, unless he's a high-dollar donor or a lobbyist. The problem even extends to some California cities and counties. Los Angeles County is practically its own state, with five supervisors, each representing approximately 2 million people. Representatives are inevitably isolated from such vast constituencies and look for direction to powerful political interests, like unions and developers. By contrast, New Hampshire has 424 legislators serving a population of around 1.3 million. A member of New Hampshire's lower house represents just 3,089 voters. Local, more accountable representation, therefore, requires more representatives.

One could argue that Cox's plan merely changes the way that the state's 120 legislators would be elected, given that the Capitol would still hold 80 assembly members and 40 state senators. But they would be chosen from 12,000 neighborhood representatives to serve as a "working committee" in Sacramento. The senate and assembly districts would be subdivided into neighborhood districts that represented 10,000 people each in the senate and 5,000 people each in the assembly. These working districts would elect the 120 legislators who would serve in legislative committees and function in a state capitol not designed to accommodate thousands of lawmakers. Except for some urgent bills, all legislation would need to gain the approval of the entire 12,000-member body, not just the working committees.

As Cox explained in a recent column, "In order to get to Sacramento, a legislator would first have to win a tiny legislative district—their neighborhood—and then go on to win the majority vote of the other 99 Neighborhood reps in their large district." Yes, thousands more people would be in the policy mix. But, Cox argues, "they wouldn't be ordinary politicians. They would be your neighbors, working out of their home and being paid a token amount"—\$1,000 a year, with no taxpayer-funded benefits such as cars, pensions, or offices. "They would serve their state because it is the right thing to do," he wrote, "not as a career or a way to attain further power."

Wouldn't the plan expand the power of politicians? Not necessarily. Think of it this way: the best way to devalue anything—from currency to collectibles—is to create more of it. Cox's measure would be akin to "politician inflation," reducing the power and ego of politicians by making them far less valuable. The idea is more potentially transformative than term limits, which diminished the quality of officeholders while strengthening the power of professional lobbyists and legislative staffers.

Cox originally planned to put his representation proposition on the 2012 general election ballot but wisely held off. Such a measure would have been crushed in an election in which unions spent tens

of millions to pass a tax hike and defeat a ballot measure aimed at curbing their power. Cox's idea is still new, and few people know about it. He has pledged \$300,000 to put what he's calling the Neighborhood Legislature Reform Act on the ballot in 2014.

Most of the past decade's grand reform plans have sought to rig the political game to elect "moderates" to office. The truth is, the "successful" ones—a citizen's redistricting commission, the top-two primary—have never lived up to their promises. It's wrong to change the rules to affect a particular voter outcome. Cox's goal isn't to elect a certain type of politician but rather to foster a more representative democracy, in which legislators would be more likely to listen to the people than to special interests. Obviously, San Franciscans would continue to elect leftists, and voters in South Orange County would continue to elect Republicans. But with Democratic leaders prepared to flex their new legislative muscle and repay political favors, now could be the time to consider new approaches to keep the politicians in check. I don't think Cox's plan currently has much chance of going anywhere, but it's a reform worth considering.

Steven Greenhut is vice president of journalism at the Franklin Center for Government and Public Integrity. He is based in Sacramento.

Fixing California's Broken Legislature

Steven Greenhut | Dec. 19, 2011 10:30 am

The approval rating for the job the California Legislature is doing remains pitiful, ranging in the past year or so from a record-low 9 percent to 16 percent. That percentage of Californians will no doubt support any possible idea you place before them on a public opinion poll, which should put in perspective the quality of support for the work done in the state capitol.

Many proposals to solve California's problems build on this understandable disdain for the state's legislators. For instance, some Republicans are promoting a "citizen legislature" idea that would turn California's full-time Legislature into a part-time body. If we can't get rid of them, we might as well put up with them only half of the year. Unfortunately, such an approach, while offering an appealing poke-in-the-eye, will end up empowering the executive branch and lobbyist class. Something will fill the void while legislators are home earning a living.

But there is a real "citizen legislature" idea that might soon be circulating as an initiative for the November 2012 ballot. The Neighborhood Legislature Reform Act is counterintuitive: It dramatically increases the number of Assembly members and state senators. The initiative would provide thousands of new neighborhood legislators, who would elect a smaller group that would actually go the capitol and do the normal business of legislating. It sounds wacky, but pay attention to the details before rendering judgment.

As the initiative explains, "Our state Legislature does not serve the interests of the citizens. The Legislature only serves the special interests. Prior attempts at reform have all failed. The problem is that our Legislative districts are too big and cost taxpayers too much money. Our Legislators represent too many constituents. The average assembly district in the other 49 states has approximately 50,000 citizens. The average assembly district in California is nearly 10 times larger..."

California's districts are so large that regular citizens do not have the hope of influencing their legislator. Winning elections in such large districts means raising lots of cash and candidates can

only do that by becoming beholden to special interests. The initiative idea—funded initially by former GOP presidential candidate and venture capitalist John Cox—would flood the state with citizen legislators/representatives who represent smaller numbers of Californians.

The initiative dramatically reduces the pay and budgets for these members, so this would not create legislative empire building. That addresses the key concern critics raised after I wrote about this notion last April.

I think Cox should start with some public relations before circulating an initiative given that few people understand the basic issue and how dramatically it would change the political landscape. Many people are going to have the same “oh my goodness” reaction I had after looking at the numbers. Although not as radical as the California proposal, the New Hampshire statehouse has 400 representatives. Those reps generally publish their home phone numbers and personal emails and are responsive to the citizenry. In California, good luck getting a callback from a lowly legislative aide, let alone from the actual legislator, who probably is too busy attending an industry fund-raiser or union golf tournament.

In New Hampshire in 2008, more than a third of that state's lower house members were replaced during elections. The same turn-over number in California that year was zero. New Hampshire has one lower house representative for every 3,290 people compared to California, which has one Assembly member for every 483,000 people. New Hampshire has the best representation, but the second-least representative state (Texas) has a representation ratio three times better than California's.

The concept can be applied locally as well, even though the proposed initiative deals only with the state. California has many big cities with at-large council races. Candidates have to run citywide race and that requires big money to get one's message across throughout the city. A larger number of city council members, elected from districts, would result in more responsive councils. Same goes for boards of supervisors.

The neighborhood legislature idea will be opposed by the special interest groups that currently run the show—the unions, developers, environmentalists, and other groups that find it easier and more cost-effective to buy a small number of legislators than to deal with a more democratic situation. I can see the attack ads showing more legislators puffing on cigars and making backroom deals. But a larger number of legislators will mean fewer inside deals and greater accountability. It will result in the election of more representatives from the far left and far right, but who cares? We might see new ideas and end up with gutsier legislators who earn their incomes elsewhere and aren't motivated by the fear of losing their seat.

California currently has far more Democrats than Republicans. This reform won't change that balance. Unlike some other reforms proposed by self-styled moderates trying to change the rules in order to elect more moderates, this one only seeks to give the public more say in the state's governance rather than trying to rig the game to get a desired partisan result. It's anyone's guess how this will play out from an ideological sense. The idea should gain the backing of reformers from the left and right.

Furthermore, the neighborhood legislature idea takes money out of the process without restricting anything. Campaign finance restrictions have, ironically, expanded the role of money by forcing legislators to spend so much of their time raising it from smaller donors. Cox's proposal reduces money by making districts so much smaller that it's far cheaper to win office. It creates more elected officials and thus devalues legislative office. That makes it more likely that those who seek office are in it for the right reasons rather than for vainglory.

Californians might have a hard time wrapping their mind around a Legislature with hundreds or even thousands of members, but it's the only idea I've seen that might actually work.

Steven Greenhut is editor of CalWatchDog.com.

Southwest California Legislative Council

2013 Bill Tracker - thru 6/17

	Bill #	Author	Party	Intent	Position	Status
1	AB 23	Donnelly	R	fire prevention fee	S	
1	AB 124	Morrell	R	fire prevention fee	S	
1	SB 17	Gaines	R	fire prevention fee	S	
1	AB 42	Perea	D	Mortgage debt forgiveness	S	
1	SB 30	Calderon	D	Mortgage debt forgiveness	S	
1	AB 27	Medina	D	UCR Funding	S	TS
1	SB 21	Roth	D	UCR funding	S	TA
1	AB 25	Campos	D	Employment: social media	S	TS
1	SB 56	Roth/Emmerson	D/R	VLF return	S	
1				CARB relocation	S	
1				241 Toll road	S	
1				SR74/I-5 Interchange	S	
2	AB 116	Bocanegra	D	Subdivision map expiration	S	TS
2	AB 218	Dickinson	D	Employment app: crimianal history	O	TS
2	AB 223	Olsen	R	Nuisance lawsuits:cities	S	
2	SB 121	Evans	D	PAC disclosures	O	
2				Wine Country CV zoning	S	
2				F 35 JSP	S	
3	SB 641	Anderson	R	Corporation taxes: minimum franchise tax: exemptions	S	
3	AB 1203	Gorrell	R	Taxation: interest: penalties.	S	
3	AB 152	Yamada	D	Unemployment: Self-Employment Assistance Program.	O	
3	SB 626	Beall	D	Workers' compensation.	O	TS
3	SB 33	Wolk	D	Infrastructure financing districts: voter approval: repeal	W	
3	SB 731	Steinberg	D	Environment: California Environmental Quality Act and sustainable communities strategy	W	TA
3	S. 344	Wicker	R	E-15 Fuel prohibition	S	
3				SONGS safe restart	S	
3				FTB retro business tax	O	
3				Alliance - Saving Our Events	S	
3	AB 155	Alejo	D	Employee right to inspect	O	TS
3	AB 1257	Bocanegra	D	Natural Gas	S	TS
3	SB 404	Jackson	D	Fair housing: familial status	O	TA
3	AB 227	Gatto	D	Prop 65, enforcement: chemical listing	S	TS
3	AB 188	Ammiano	D	Split tax roll	O	H
3	AB 953	Ammiano	D	CEQA	O	I
3	SB 529	Leno	D	Recycling: fast food facilities	O	H
3	AB 203	Stone	D	Coastal Commission: penalties	O	I
3	AB 976	Atkins	D	Coastal Commission: penalties	O	TS
4	SB 161	Hernandez	D	Stop loss ins.	O	TA

4	SB 235	Wyland	R	Manufacturing sales tax exempt	S	
4	AB 1164	Lowenthal	D	Liens: Employees & workers	O	H
4	SB 713	Correa	D	Good faith reliance	S	2 yr
4	SB 400	Jackson	D	Victims of Domestic Violence	O	TA
4	SB 761	DeSaulnier	D	Temp disability ins	O	I
4	AB 823	Eggman	D	CEQA farmland mitigation	O	
4	SB 176	Galgiani	D	Administrative Procedures	S	TA
4	AB 1026	Quirk	D	Toxic Chemicals: Listing	S	2 yr
4	SB 25	Steinberg	D	Agricultural labor contract dispute resolution	O	TA
4	SB 365	Wolk	D	Tax Credit Sunset	O	TA
4	SB 7	Steinberg	D	Charter Cities wage	O	TA
4	SB 594	Steinberg	D	Career Pathways	S	TA
4	SB 462	Monning	D	Employment Compensation	O	TA
4	AB 1095	Nestande	R	Recycling nonferrous metals	S	
4	AB 756	Melendez	R	CEQA streamline public works	S	
4	AB 10	Alejo	D	Minimum wage	O	TS
4	SB 33	Wolk	D	Infrastructure financing dist.	S/a	TA
4	SB 554	Anderson	R	Employment: Overtime compensation	S	
4	SB 731	Steinberg	D	CEQA Reform	S	TA
4	SB 747	DeSaulnier	D	Health Impact Report	O	
4	SB 395	Jackson	D	Hazardous Waste: wells	O	I
4	SB 376	Correa	D	Sales & Use tax: MFG credit	S	
4	SB 622	Monning	D	Sweetened beverage tax	O	H
4	SB 241	Evans	D	Oil Severance tax	O	H
4	AB 769	Skinner	D	repeal Operating loss carrback	O	
4	AB 1326	Gorell	R	Sales & Use tax exemptions	S	
4	AB 486	Mullin	D	Mfg tax exemption	S	
4	AB 28	Perez (VM)	D	Enterprise zones	S	
4	AB 1277	Skinner	D	OSHA procedures	O	
4	AB 468	Chesbro	D	New 4.8% Fire Tax	O	
4	SB 737	Huff	R	Appeals: representative actions	S	2 yr
4	H.R. 994	Calvert	R	ACCESS Act: ADA compl.	S	
4	H.R. 1165	Calvert	R	MORE Act: offshore resources	S	
4	SCA 3	Leno	D	Taxation: parcel tax	O	
4	SCA 4	Liu	D	Special Tax: voter threshold	O	
4	SCA 7	Wolk	D	Special Tax: voter threshold	O	
4	SCA 8	Corbett	D	Special Tax: voter threshold	O	
4	SCA 9	Corbett	D	Special Tax: voter threshold	O	
4	SCA 11	Hancock	D	Special Tax: voter threshold	O	
4	AB 880	Gomez	D	Medi-cal: Large employers	O	

4	AB 649	Nazarian	D	Oil & Gas: hydraulic Fracturing	O	H
4	AB 1301	Bloom	D	Oil & Gas: hydraulic Fracturing	O	H
4	AB 1323	Mitchell	D	Oil & Gas: hydraulic Fracturing	O	F
4	SB 617	Evans	D	CEQA expansion	O	I
4	SB 754	Evans	D	CEQA expansion	O	H
4	SB 667	Hernandez	D	Superstores	O	TS
5	AB 5	Ammiano	D	Homelessness	O	H
5	AB 145	Perea	D	Water Board	O/a	TS
5	AB 1165	Skinner	D	OSHA violations	O	TS
5	AB 1400	Committee		Jobs, economic dev & export	S	TS
5	SB 19	Knight	R	sls & use tax exemptions	S	
5	SB 412	Knight	R	Aerospace and space flight	S	
5	AB 288	Levine	D	Oil & Gas: hydraulic Fracturing	O	F
5	AB 561	Ting	D	Taxation: documentary transfer tax	O	
5	SB 4	Pavley	D	Oil & Gas: hydraulic Fracturing	O	TA
6				MWD Support Letter	S	

93 total measures considered

81 state bill positions adopted

33 bills SUPPORTED

48 bills OPPOSED

8 Local Issues Supported

4 Federal Issues Supported

25 'WINS'

- 9 SUPPORTED bills passed along
- 16 OPPOSED bills failed

16 'LOSSES'

- 16 OPPOSED bills passed along

13 Statewide Coalitions Joined