



Government Finance & Administration Policy Committee
CSAC 123rd Annual Meeting
Thursday, November 30, 2017 — 9:00 a.m. – 11:00 a.m.
Convention Center (1400 J Street), Room 315
Sacramento County, California

Supervisor Erin Hannigan, Solano County, Chair
Supervisor Judy Morris, Trinity County, Vice Chair

- 9:00 a.m. I. **Welcome and Introductions**
Supervisor Erin Hannigan, Solano County, Chair
- 9:05 a.m. II. **State Budget Update and Fiscal Forecast**
Brian Uhler, Principal Fiscal & Policy Analyst, Legislative Analyst's Office
- 9:25 a.m. III. **Local Update of the Census Addresses (LUCA) Program**
Tim McMonagle, Geographic Coordinator, U.S. Census Bureau
- 9:40 a.m. IV. **2017 Year in Review and 2018 GF&A Policy Priorities – ACTION ITEM**
Dorothy Johnson, Legislative Representative, CSAC
- 9:50 a.m. V. **California Board of Equalization Transition**
Representative, California Department of Tax and Fee Administration
- 10:05 a.m. VI. **Federal Issues Update**
Joe Krahn and Hasan Sansour, Waterman and Associates
- 10:20 a.m. VII. **Small Business Development Council Program**
Scott Rogalski, State Liaison and Scott Leslie, Sacramento Capital Region Director, Small Business Development Council
- 10:30 a.m. VIII. **CalPERS Proposed Action for Asset Liability Management and Discount Rates**
Wylie Tollette, Chief Operating Investment Officer, CalPERS
- 10:50 a.m. IX. **Cannabis Banking Update**
Cara Martinson, Senior Legislative Representative and Federal Affairs Manager, CSAC
- 10:55 a.m. X. **Closing Comments and Adjournment**
Supervisor Erin Hannigan, Solano County, Chair

ATTACHMENTS

2017 Year in Review and 2018 Priorities

Attachment One Memo on 2017 Year in Review and 2018 GF&A Priorities

2017 Legislative Session Key Outcomes

Attachment Two.....Memo on 2017 Legislative Session Key Outcomes

Attachment Three.....GF&A Legislative Bulletin

Cannabis Banking

Attachment Four.....California Cannabis Authority (CCA) Fact Sheet

Attachment One

Memo on 2017 Year in Review and 2018 GF&A Priorities



November 30, 2017

1100 K Street
Suite 101
Sacramento
California
95814

Telephone
916.327.7500

Facsimile
916.441.5507

To: CSAC Government Finance and Administration Policy Committee

From: Dorothy Johnson, Legislative Representative
Tracy Sullivan, Legislative Analyst

Re: **2017 Year in Review and 2018 GF&A Policy Priorities – ACTION**

This summary offers legislative highlights from the past year as well as anticipated priority issues for the Government Finance and Administration (GF&A) policy area in 2018 that will serve as the Committee Work Plan. (Note: The association-wide state and federal policy priorities for 2018 will be adopted by the Board of Directors early next year.) For a summary of all 2017 bills that were advocated on by the GF&A staff please see the Legislative Bulletin provided in this packet (Attachment Three).

2017 Year in Review

Assembly Bill 1250 – CSAC Priority to Preserve Contracting Authority. County authority to provide services in the most efficient, effective way to their residents was jeopardized this year by AB 1250 (Jones-Sawyer), which required the elevation of association-wide efforts to defeat this bill as a top legislative priority for CSAC. The bill sought to create a *de facto* ban on service contracts between counties and nonprofits, community based organizations, and private provider partners in nearly all service areas, including health care, behavioral health, public safety, housing, environmental stewardship, and even basic county administration. CSAC formed and led of a coalition of nearly 500 organizations and 55 counties in opposition to the bill. Advocacy efforts included direct lobbying, grassroots mobilization, and a robust public affairs campaign that resulted in extensive press, editorial board coverage, and strong social media presence. The bill was ultimately held in the Senate Rules Committee and is a two-year bill. The anti-climactic finish is in fact noteworthy since the sponsors did not venture to put the measure up for a vote on the Senate floor due to the fact that it faced significant concerns from legislators on both sides of the aisle

Local Tax Authority and Revenue Protection. CSAC actively and successfully lobbied on over a dozen measures that sought to create sales and use tax exemptions for products ranging from diapers to electric vehicles to feminine hygiene products. While often well-intended, these proposals represented an erosion of tens of millions of dollars annually in local revenue and dedicated state funding for public safety and human services programs. CSAC’s consistent message to protect the local share of these revenues – including county portions for the state rate dedicated to 1991 and 2011 Realignment – was also championed by the Assembly Revenue and Taxation Chair. In addition, CSAC successfully amended five bills to stop threats to the local revenue stream.

As a result, the only sales tax exemption bills making it as far as the Governor's Desk had no impact on county sales tax revenues. CSAC was also successful in defeating three measures that would have eroded property tax and parcel tax revenues by undermining actions of the Board of Supervisors and voter-approved local initiatives.

On the federal level, CSAC worked with California delegates in the House to craft amendments to the FAA reauthorization that would protect local sales tax revenue resulting from jet fuel sales. An earlier FAA ruling sought to require any revenue, regardless if designated for specific purposes or passed by voters as a general tax, to be dedicated to airport systems. The amendments are pending before the House Transportation Committee

CSAC Sponsored Bill on Local Transportation Tax Ballot Measures Signed. Governor Brown signed CSAC sponsored AB 467 (Mullin) to modernize elections procedure and preserve county resources when local transportation tax measures go before voters. AB 467 gives counties the option to post the mandatory transportation tax expenditure plan online in lieu of printing the full text in the ballot. In the 2016 election, the printing costs for the tax expenditure plan alone ranged from \$18,000 to \$1.6 million dollars. In counties where the ballot measure is successful, the printing costs can be reimbursed through the new tax revenue. In counties where the measures fail, the costs come out of the county general fund. AB 467 maximizes local resources without diminishing voter access to ballot information.

Transparency and Public Records. CSAC was heavily engaged this year on legislation affecting the Public Records Act (PRA). CSAC successfully negotiated amendments on several harmful bills that proposed online posting as a panacea for transparency but would have driven costs, administrative burdens, and potential litigation. This included AB 1223 (Caballero) on contracting, AB 1479 (Bonta) that would have created civil penalties for PRA violations, and AB 1333 (Dabaneh) that mandated online and newsletter posting of proposed bond issuance.

Elections Administration Investment and One-Time Funding. CSAC supported the first state allocation for a legislative special election in almost a decade. SB 113 (Committee on Budget) was signed by Governor Brown and allocates up to \$5 million in total to counties conducting a recall election in 2017-18. This positive outcome builds on the momentum from last year that secured one-time funding for June Primary elections administration and state initiative processing as well as a strong report from the Legislative Analyst's Office citing the State's strong interest in providing support for future elections needs.

CSAC worked in partnership with county elections officials and the Secretary of State's Office to seek an investment plan to ensure current equipment and modern methods are available for elections administration through the next decade. AB 668 (Gonzalez Fletcher) offered \$450 million for an investment in elections systems for all 58 counties. The bill was placed on the inactive file at the close of session, but could be taken up again in January.

Local Governance and Charter County Authority. CSAC continued lobbying efforts to protect charter county authority. SCA 12 (Mendoza) sought to change the local governance models for counties with populations greater than 5 million after the 2020 census, adding supervisorial districts and an elected County Executive Officer position, if approved by voters statewide. This

was the third attempt to introduce such changes to override charter county authority and the will of local voters.

The measure narrowly passed the Senate after being granted reconsideration, but is now a two-year bill. It will be eligible for action in the Assembly next year. CSAC also lobbied against other measures related to redistricting commissions that would overrule locally adopted charter policies and bills that sought to override joint powers authorities' decision making.

CalPERS' Risk Mitigation Discussion and Healthcare. CSAC engaged with the CalPERS executives and department leadership throughout the year on possible changes to the discount rate and investment strategy following the Asset Liability Management review. At the time of this report, CSAC was working with an internal working group comprised of CAOs, budget managers, and HR/personnel directors to assess possible impacts and respond to the CalPERS Steering Committee and Board recommendations.

CSAC also testified at informational hearings hosted by the Senate and Assembly policy committees with jurisdiction over pension and retirement issues, following the termination of local agencies that could not make their annual contributions on behalf of retirees. Finally, CSAC remained engaged in analyzing data concerning employee health benefits to ensure transparency and accountability in the action items before CalPERS.

Collective Bargaining and Employee Relations. CSAC actively lobbied on several proposals seeking to revive onerous union orientations for all new employees with pre-set statewide standards for time, place and manner. CSAC worked in collaboration with public employer associations and was at the table with the Administration to negotiate terms of budget trailer bill AB 119 (Committee on Budget), signed by Governor Brown in the 2017-18 Budget. CSAC opposed the final version based on the extensive feedback from county personnel directors and county administrative officers.

Mandates Reimbursement Reform and Debt Repayment. CSAC actively engaged with the Commission on State Mandates on the current mandate reimbursement system in an effort to identify potential alternatives that would establish greater payment security and reduce the potential for payment backlogs on services already rendered at the local level.

2018 Proposed Legislative Priorities

The following reflects areas of particular importance for the CSAC GF&A Policy Committee in 2018 and will guide the advocacy staff's activity in complement to the association-wide policy priorities.

Preserving County Governance and Board of Supervisors' Authority. This priority speaks to a core tenet of CSAC as an organization. Several bills have directly challenged county authority and sought to weaken Boards of Supervisors' discretion and decision-making power on behalf of their constituents, such as AB 1250 and SCA 12. Charter county models have also been called into question. CSAC will advocate for protecting Board authority for budget approval, redistricting, and rights granted through charter adoption and amendments. This also

includes protecting existing mechanisms that reflect local voter will for changes to the board size, district boundaries, or funding levels for local service needs.

Revenue Protection and Expanded Resource Opportunities. This is an evergreen, core issue for CSAC as each year the Legislature seeks to create tax carve-outs that undermine important revenue streams for counties including property tax and sales and use tax exemptions. In addition, different rules may be sought to give special treatment for online retailers or transactions carried out by web-based platforms. CSAC will advocate for the protection of current tax revenue streams, including the state sales tax rate portion dedicated to county public safety and health services.

Furthermore, CSAC will engage in the developing dialogue regarding the state's sales and property tax system with legislators, the Administration, the State Controller, Department of Tax and Fee Administration, the State Treasurer, and third party stakeholders in an effort to ensure that local revenue authority adequately reflects county service responsibilities under any reform proposal.

Promote Constructive Employee-Employer Relationships. A major U.S. Supreme Court decision, *Janus v. AFSCME*, is anticipated in late spring/early summer 2018 and could fundamentally change the way the unions represent their membership and require dues payment. The anticipated outcome not favoring unions drove several union sponsored bills in 2017 and will be at the forefront of labor-related legislation in 2018. CSAC will fully engage again this upcoming year to ensure that counties as employers maintain the ability to effectively manage their workforces while also maintaining the exemplary benefits provided to their employees. Furthermore, CSAC will continue to find partnerships as appropriate with labor union advocates that have served as partners on several issues including most recently the In-Home Supportive Services MOE, board governance authority and local control and revenue protection legislation.

Secure and Sustainable Employee Benefits. Decisions pending before the CalPERS Board of Administration in late 2017 could greatly improve the health of the pension system but at some substantial cost to employers in the near and/or long-term. CSAC will work closely with CalPERS to address the need for fiscal stability while acknowledging the impacts of rate increases on public employers.

In addition, retirement trends and associated retirement benefits point to a system with growing unsustainability. System-wide changes may be required to avoid greater numbers of terminated agencies or, in the most extreme circumstances, benefit payment stoppage for current retirees, as this creates uncertainty for current and future employees. It can also impede counties' ability to recruit and retain well-qualified employees. CSAC will work again with CalPERS and other stakeholders closely to ensure the intended outcomes can be fully realized without unintended consequences.

Purposeful Public Records Access. The California Public Records Act (PRA) and the sharing of public data on county websites continue to be the focus of the Legislature as a cure-all for multiple purported problems with government agencies. Recent proposals involved contracting

out, contract payment schedules, employee management, law enforcement investigation, debt issuance and elections. It is expected that interest in PRA legislation will not slow down in 2018. This is especially troubling since PRA mandates are not reimbursable and may impose significant administration and financial burdens. CSAC will continue to educate the Legislature about existing practices and requirements under the PRA and find appropriate solutions through existing transparency requirements or those with minimal administrative impacts on county agencies.

Appropriate Regionalization to Drive Economic Stability and Growth. As new business models emerge and demands for existing services change, regional approaches may provide a positive solution for county agencies. They can minimize administrative burdens, secure revenue, and ensure community needs are met. However, multi-county or regional models should not undermine individual county revenue streams or the discretion of individual jurisdictions. Services provided in the “shared economy” and through online providers bring this issue to focus. CSAC will advocate to maximize county benefits in any regionalization proposal.

Defense Against Threats from Federal Tax Reforms. CSAC will remain vigilant in 2018 to ensure lingering federal tax reform proposals do not threaten critical local funding streams or the ability for counties to seek new or expanded revenues. This also includes possible changes to the Affordable Care Act “Cadillac Tax” – which imposes a premium on higher-cost healthcare plans – for the continued delayed implementation if not outright repeal of the penalty for providing comprehensive benefits. In addition, the Federal Aviation Administration could redirect the stream of revenue from local sales tax on jet fuel sales from counties to airport services, which CSAC will continue to oppose so that the will of California voters is carried out. Finally, CSAC will continue support legislation that directs sales tax collected by online retailers to the jurisdiction of final delivery.

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Attachment Two

Memo on 2017 Legislative Session Key Outcomes



® November 30, 2017

1100 K Street
Suite 101
Sacramento
California
95814

Telephone
916.327.7500

Facsimile
916.441.5507

To: Members, Government Finance and Administration Committee

From: Dorothy Johnson, Legislative Representative
Tracy Sullivan, Legislative Analyst

RE: 2017 Legislative Session Key Outcomes – INFORMATIONAL

The 2017 legislative year included many high-priority bills for the Government Finance and Administration Policy Committee. The Legislative Bulletin provides a summary of final outcomes on individual bills in the realm of government finance and administration that CSAC advocated for or against. Staff appreciates the comments received from committee members throughout the year that assisted greatly with lobbying efforts.

Attachments.

- 1) Legislative Bulletin – Government Finance and Administration Legislative Bulletin

Contacts.

Please contact Dorothy Johnson (djohnson@counties.org or 916-650-8133), or Tracy Sullivan (tsullivan@counties.org or 916-650-8124) for additional information.

Attachment Three
GF&A Legislative Bulletin



Government Finance and Administration

Legislative Bulletin

2017 Final Update

The following bill matrix reflects advocacy efforts by the Government Finance and Administration policy unit during 2017 legislative year. More information, including position letters and full bill language, is available at www.counties.org/legislative-tracking or please contact Dorothy Johnson, Legislative Representative, at (916) 650-8133, djohnson@counties.org or Tracy Sullivan, Legislative Analyst, at (916) 650-8124, tsullivan@counties.org.

MEASURE	ISSUE	BRIEF SUMMARY	POSITION
SIGNED			
AB 44 (Reyes)	Workers' Compensation for Terrorist Victims	Requires employers to provide nurse case manager services to employees who are injured as a result of an act of domestic terrorism. CSAC had concerns with an earlier version that would have removed important safeguards that protect against unnecessary and inappropriate medical care. (Chapter 736, Statutes of 2017)	Neutral
AB 119 (Comm on Budget)	Union Access to Employee Orientation	Requires public agencies to provide union representatives access to new employee orientations and compels them to collectively bargain the structure, time and manner of such orientation access. Additionally, public employers must regularly provide union reps with the name, job title, department, work location, and contact information of their employees. (Chapter 21, Statutes of 2017)	Oppose
AB 168 (Eggman)	Salary History Information	Prohibits employers from seeking salary history information about an applicant for employment, which is problematic for many county positions that have salary schedules. (Chapter 688, Statutes of 2017)	Oppose
AB 464 (Gallagher)	LAFCO proceedings	Clarifies the authority of a Local Agency Formation Commission (LAFCO) to evaluate proposals for the annexation of an area that may already be a service recipient by the proposing local agency.(Chapter 43, Statutes of 2017)	Support
AB 467 (Mullin)	Transportation Tax Ballot Measures	Authorizes local transportation agencies and county elections officials to post transportation tax expenditure plans online in lieu of hard copy printing, as long as voters may still receive a hard copy upon request. (Chapter 640, Statutes of 2017)	Sponsor
AB 469 (Cooper)	Candidate Nomination Documents	Changes the filing periods for in-lieu petitions and nomination papers in order to simplify the process candidates must undergo in order for their names to appear	Support

		on the ballot. (Chapter 839, Statutes of 2017)	
AB 492 (Grayson)	Public Record Solicitation	Requires a person, business, or nongovernmental entity that solicits a fee for providing a copy of a public record to include on the top of the solicitation that, amongst other things, the solicitation is not from a government agency. (Chapter 293, Statutes of 2017)	Support
AB 551 (Levine)	Political Reform Act	Prohibits former local elected officials, for a year after leaving that position, from appearing before or communicating with their former agency as an independent contractor for another government agency. (Chapter 196, Statutes of 2017)	Neutral
AB 652 (Flora)	Property Taxes	Codifies current practices by which county property assessors assess incomplete new construction by clarifying that property under construction does not acquire a “base year value” until the construction is completed. (Chapter 80, Statutes of 2017)	Support
AB 765 (Low)	Special Elections	Eliminates the requirement that a special election be held to vote on a local initiative measure if certain conditions are met, and instead specifies that qualified local initiative measures must be scheduled for the next regular or statewide election, unless the governing body calls a special election. (Chapter 748, Statutes of 2017)	Support
AB 801 (Weber)	San Diego Redistricting Commission	Bypasses the local charter revision process and increases the members of the San Diego County Redistricting Commission to 14 members and prescribes their selection as well as the process by which county supervisorial districts are drawn. (Chapter 711, Statutes of 2017)	Oppose
AB 840 (Quirk)	Ballot signatures	Allows a voter who did not sign his or her vote by mail identification envelope to return a completed unsigned ballot statement by email and also makes clarifying changes to the one percent manual tally of ballots to help elections officials meet statutory election deadlines. (Chapter 820, Statutes of 2017)	Support
AB 901 (Gloria)	San Diego Elections	Authorizes a charter amendment to appear on the San Diego County ballot to require that candidates for specified county offices be elected at the general election only. (Chapter 713, Statutes of 2017)	Oppose
AB 979 (Lackey)	LAFCO Representation	Streamlines the process for special districts to seek membership in their Local Agency Formation Commissions (LAFCOs). (Chapter 203, Statutes of 2017)	Support
AB 1008 (McCarty)	Conviction History	Expands “ban the box” practices by prohibiting employers, with certain exceptions, from inquiring about or considering	Oppose

		a job applicant's conviction history prior to a conditional offer of employment, and sets requirements regarding the consideration of conviction histories in employment decisions. (Chapter 789, Statutes of 2017)	
AB 1069 (Low)	Taxicab Regulation	Allows cities and counties to regulate taxicabs only if the taxicab is operated and substantially located within its jurisdiction. Permits a JPA or regional transportation authority to provide the administration and regulation of taxi cab operations. (Chapter 753, Statutes of 2017)	Neutral
AB 1223 (Caballero)	Construction Contracts	Requires state agencies that maintain a web site to post certain information about construction contract payments valued at \$25,000 or more within 10 days of making the payment. A prior version, which CSAC opposed, applied to local agencies as well as the state. CSAC removed its opposition following amendments to strike out local agencies from the bill. (Chapter 585, Statutes of 2017)	Neutral
AB 1487 (Rodriguez)	Limited Term Appointments	Limits the duration of out-of-class assignments to 960 hours per fiscal year. (Chapter 229, Statutes of 2017)	Oppose
AB 1665 (Garcia)	Broadband Funding	Revises the goal of the California Advanced Services Fund to approve funding for infrastructure projects that will provide broadband access to no less than 98% of California households in each consortia region. However, the bill also revises the eligibility requirements in a manner that stifles progress being made to provide improved connection to underserved communities. (Chapter 851, Statutes of 2017)	Oppose Unless Amended
SB 63 (Jackson)	Parental Leave	Requires employers of 20 or more employees to provide up to 12 weeks of job protected parental leave for employees with more than 12 months of service with the employer and who have at least 1,250 hours of service with the employer during the previous 12-month period. (Chapter 686, Statutes of 2017)	Oppose
SB 113 (Comm on Budget)	Funding for Recall Elections	Allocates \$5 million to counties for recall elections administration in Fiscal Year 17-18. (Chapter 181, Statutes of 2017)	Support
SB 130 (Comm on Budget)	Vehicle License Fee Adjustments	Restores funds to California's newest cities impacted by the 2011 Vehicle License Fee (VLF) swap by establishing a "Vehicle License Fee Adjustment Amount" and replacing the lost VLF revenues with property taxes from the schools' share. (Chapter 9, Statutes of 2017)	Support
SB 182 (Bradford)	Business Licenses for Lyft/Uber	Permits business licensure of drivers for transportation network companies (Uber, Lyft) based on the place of the drivers' residence and prohibits local agencies from requiring a business license if the driver has one from	Oppose

		another jurisdiction or the county of residence does not require a business license for other businesses. (Chapter 769, Statutes of 2017)	
SB 184 (Morrell)	Social Security Number Truncation	Allows county recorders to truncate social security numbers in documents recorded prior to 1980. (Chapter 621, Statutes of 2017)	Support
SB 205 (Gov & Finance Comm)	Omnibus Bill	Addresses technical and non-controversial changes that offer clarity and greater accuracy in statutes impacting counties and other local government agencies. (Chapter 57, Statutes of 2017)	Support
SB 206/ 207/ 208 (Gov & Finance Comm)	Validations	Validates the organization, boundaries, acts, proceedings, and bonds of the state government, counties, cities, special districts, and school districts. (Chapter 57/58/59, Statutes of 2017)	Support
SB 285 (Atkins)	Union Organizing	Prevents public employers from potentially deterring or discouraging employees from joining or remaining members of a union.(Chapter 567, Statutes of 2017)	Oppose
SB 302 (Mendoza)	Orange County Fire Authority	Requires that the transfer of structural fire fund property tax revenues be approved by the board of supervisors of the county, the city councils of a majority of member cities, and the agency receiving the funds, thereby changing the current authority granted to JPA members. (Chapter 807, Statutes of 2017)	Oppose
SB 447 (Nielsen)	Property Tax Assessment Appeals Board	Allows counties the option to participate in a multi-county assessment appeals board, affording low-population counties the opportunity to select from a larger pool of qualified applicants and increase expertise in hearing taxpayer appeals. (Chapter 132, Statutes of 2017)	Support
SB 448 (Wieckowski)	Idle Special Districts	Requires the State Controller to publish a list of inactive special districts and establishes a process for LAFCOs to dissolve inactive special districts. An earlier version imposed an onerous requirement on counties to include a list of all services on property tax bills that are funded by the general ad valorem property tax and any special taxes or special assessments levied, but was removed from the bill, causing CSAC to drop its opposition. (Chapter 334, Statutes of 2017)	Neutral
SB 665 (Moorlach)	Ballot Measures	Clarifies what constitutes a “bona fide association of citizens” for purposes of submitting an argument for or against a ballot measure. (Chapter 75, Statutes of 2017)	Support
VETOED			
AB 570 (Gonzalez)	Permanent Disability	Would have prohibited apportionment in cases of physical injury based on pregnancy, childbirth, or other medical	Oppose

Fletcher)	Apportionment	conditions related to pregnancy or childbirth.	
AB 1479 (Bonta)	Public Records	Would have required public agencies to designate a person or office to act as the agency's custodian of records to respond to any California Public Records Act request. CSAC removed its opposition following amendments that eliminated the civil penalties for not properly, responding to a PRA request.	Neutral
FAILED PASSAGE			
AB 9 (Garcia)	Sales Tax Exemption on Women's Menstrual Products	Would have exempted tampons, sanitary napkins, menstrual sponges, and menstrual cups from sales and use tax (SUT). Last location: Assembly Appropriations	Oppose Unless Amended
AB 479 (Gonzalez Fletcher)	Sales Tax Exemption on Women's Menstrual Products	Would have established a SUT exemption for wearable incontinence supplies, tampons, sanitary napkins, menstrual sponges, and menstrual cups. Additionally would have imposed a surtax on distilled spirits to backfill the revenue loss from the sales tax exemption. Last location: Assembly Revenue & Taxation	Oppose Unless Amended
AB 960 (Brough)	Sales Tax Exemption on Textbooks	Would have exempted from the state share of the SUT purchases of textbooks by college students. CSAC successfully narrowed the bill from the introduced version which impacted the local share of sales and use tax revenues. Last location: Assembly Appropriations	Neutral
AB 1081 (Burke)	Sales Tax Exemption on Low-Emission Motor Vehicles	Would have exempted from the state share of the SUT the purchase of qualified clean air vehicles. CSAC successfully narrowed the bill from the introduced version which impacted the local share of sales and use tax revenues. Last location: Assembly Appropriations	Neutral
AB 1322/ACA 7 (Bocanegra)	Intercounty Base Year Value Transfer	Would have placed before voters on a statewide ballot the question of whether to allow the Legislature to expand the use of intercounty base year value transfers to all counties. AB 1322 would have implemented that option. Last location: Assembly Appropriations	Oppose
AB 1333 (Dababneh)	Political Reform Act	Would have required any local government agency that maintains a website to follow a set of prescriptive posting requirements in reference to an upcoming election on which voters will vote on a tax measure or proposed bond issuance of the agency. Last location: Assembly Appropriations	Oppose
SB 79 (Allen)	Sales Tax Exemption on	Would have exempted from the state share of the SUT purchases of used low or zero emission vehicles. CSAC	Oppose Unless

	Used Electric Vehicles	successfully narrowed the bill from the introduced version which impacted the local share of sales and use tax revenues. Last location: Senate Appropriations	Amended
SB 151 (Nguyen)	Property Tax Postponement	Would have made several technical and clarifying changes to the Property Tax Postponement Program which would have increased efficiency and ensured qualified disabled and low-income Californians can receive assistance. Last location: Senate Appropriations	Support
2-YEAR BILLS			
AB 216 (Gonzalez Fletcher)	Pre-Paid Ballot Postage	Requires local elections officials to prepay the return postage for vote by mail ballots. Last location: Senate Inactive File	Oppose
AB 241 (Dababneh)	Data Breaches	Requires a public agency that is the source of a data breach to offer affected customers at least 12 months of identity theft prevention and mitigation services at no cost. Last location: Assembly Appropriations	Oppose
AB 252 (Ridley-Thomas)	Tax Prohibition on Video Streaming Services	Prohibits a city or county from imposing any tax on video streaming services (Netflix/Hulu). Last location: Assembly Rules	Oppose
AB 387 (Thurmond)	Minimum Wage	Requires healthcare entities to compensate individuals who are completing necessary clinical training as part of their state licensure for healthcare related occupations. Last location: Assembly Inactive File	Oppose
AB 448 (Daly)	Parcel Tax Notification	Requires counties to provide notice of a new parcel tax within 30 days of its approval by the voters and additionally requires that counties process the notifications for school and special districts located within their jurisdiction. Last location: Senate Governance & Finance	Oppose Unless Amended
AB 526 (Cooper)	County Retirement Systems	Authorizes the Sacramento County Employees Retirement System to reorganize itself as a separate district within the retirement association apart from the County of Sacramento. Last location: Senate PERSS	Oppose
AB 668 (Gonzalez Fletcher)	Elections Funding	Seeks voter approval to appropriate \$450 million to replace aging voting systems in all of California's 58 counties. Last location: Senate Inactive File	Support
AB 674 (Low)	Election Day Holiday	Makes Election Day (the Tuesday after the first Monday in November in even-numbered years) a state holiday. Last location: Assembly Appropriations	Concerns
AB 748 (Ting)	Body Cameras	Requires the release of audio or video recordings of incidents involving a law enforcement officers' use of force or an alleged violation of law or policy. Further	Oppose

		provides that, even when a public agency affirmatively demonstrates that the public interest in nondisclosure clearly outweighs the public interest in disclosure, such recordings may only be withheld for 120 days. Last location: Senate Judiciary	
AB 873 (Lackey)	TEA Formula Allocations	Prohibits the auditor of Los Angeles County from reducing the amount of property taxes distributed to the City of Palmdale under the statutory tax equity allocation (TEA formula). Last location: Senate Governance & Finance	Oppose
AB 943 (Santiago)	Local initiatives	Requires 55 percent voter approval for voter initiatives that reduce density or stop development or construction, as determined by the county counsel. Applies in counties with a population of 750,000+. Last location: Senate Appropriations	Concerns
AB 946 (Ting)	CalPERS divestiture	Requires CalPERS and CalSTRS to cease making any new or additional investments, or renewing any existing investments in companies with active business operations in Sudan and thermal coal companies. Last location: Assembly PERSS	Oppose
AB 1250 (Jones- Sawyer)	County Contracting	Imposes strict and onerous requirements on a county (with the exception of San Francisco) before it may enter into a contract or renew or extend an existing contract for personal services. Last location: Senate Rules	Oppose
AB 1295 (Chu)	Workers' Compensation Aggregate Disability Payments	Creates a new exception to the 104-week temporary disability cap by excluding from the aggregate disability payment calculation any temporary disability payments made to the injured worker between the denial of treatment and when it is overturned. Last location: Assembly Insurance	Oppose
AB 1548 (Fong)	Cal/OSHA Penalties	Permits all local government agencies to seek Cal/OSHA civil fine rebates once the conditions that led to the citation have been identified and remedied and there have been no serious Cal/OSHA violation for at least two years. Last location: Assembly Labor & Employment	Support
AB 1565 (Thurmond)	Overtime Compensation	Raises the wage threshold an employee must reach in order to be exempt from overtime. Location: Senate Inactive File	Oppose
AB 1597 (Nazarian)	CalPERS divestiture	Requires CalPERS and CalSTRS to cease making any new or additional investments, or renewing any existing investments in an investment vehicle owned, controlled, managed, or issued by the government of Turkey. Last location: Senates PERS	Oppose

SB 792 (Wilk)	Measure B Oversight Commission: LA County	Requires Los Angeles County to establish an oversight commission to monitor and review the collection and expenditure of a tax measure placed on the ballot by the LA County Board of Supervisors and approved by voters in 2002. Last location: Assembly Local Government	Oppose
SCA 11/SB 691 (Lara)	Partisan County Officials	Changes city, county, and schools from non-partisan offices to partisan offices. Last location: Senate Elections & Constitutional Amendments	Oppose
SCA 12 (Mendoza)	County Governance	Requires a county with a population of five million or more after the 2020 census to expand the number of supervisorial districts and create a directly elected county executive officer. Last location: Assembly Desk	Oppose

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Cannabis Banking
Attachment Four
California Cannabis Authority (CCA) Fact Sheet



California Cannabis Authority (CCA)

Purpose

The California Cannabis Authority (“CCA”) is a Joint Powers Authority created by contract between counties with cannabis regulatory or taxing authority. The purpose of the organization is to develop and manage a statewide data platform that will gather, collect, and analyze information from a myriad of data sources into one resource, to help local governments ensure cannabis regulatory compliance and also provide necessary information to financial institutions that wish to work with the cannabis industry.

The Need for Data

The data platform will aggregate data from multiple sources including seed- to- sale, point of sale, taxation and socioeconomic data. By combining all of these data points, local governments will be provided with targeted and defensible data, ensuring that what is being reported and what is occurring truly coincide.

The data platform can be used to ensure that adequate tax payments are being made; assist local law enforcement and code enforcement officers with accurate and defensible information for speed of compliance; provide public health officials with product information, including product origin and product flow; and inform community planning efforts by understanding locations, concentrations and potential past or future land use patterns. CCA’s data platform will provide local governments with a number of secure log-in connections to access clear, accurate and real-time data on cannabis activity within their jurisdiction. In addition, as more jurisdictions use this tool and the data platform is populated with data, CCA Members will have a broader picture of cannabis activity throughout the state and access to information outside of their jurisdiction.

Linking Data and Financial Institutions

The data platform will provide necessary information to financial institutions that wish work with the industry. Despite the conflict between state and federal law, it is possible for financial institutions to serve cannabis businesses now, but it is not easy. To accept cannabis customers, financial institutions must comply with the rigorous monitoring and reporting requirements of the Cole Memorandum and FinCEN Guidance. Institutions must make sure cannabis businesses are not violating state laws or engaging in activities that the Cole Memorandum cites as law enforcement priorities. For each cannabis customer, financial institutions must complete special money laundering and suspicious activities reports. These are onerous requirements that demand extensive staff time.

The burden can be eased if financial institutions are able to obtain detailed information on each cannabis customer, formatted to fit the institution’s regulatory reporting requirements. Financial institutions cite the single most important step California can take to encourage cannabis banking under current law is to provide them comprehensive licensing and regulatory data on cannabis businesses.

Governance

The data platform will be developed and managed by a Joint Powers Authority, which is a contract between two or more public agencies to exercise, jointly, all power(s) common to each of them, for the

purpose of accomplishing specific shared goals. Member counties will comprise the governing body of the organization. Cities and other public entities will be allowed to participate in the JPA and access data, but will not be part of its governance structure. Financial institutions will have access to CCA data by contract. The organization will be funded by a fee, calculated for each city or county, and dependent upon the total sales within the jurisdiction. This amount will be commensurate with the amount of data generated, and therefore equitable to each Member or Participant's costs to the JPA.

County Boards of Supervisors must pass a resolution to join the JPA. In addition, jurisdictions desiring CCA data access must require cannabis businesses operating within their jurisdiction to provide specific information to the JPA. Non-member, public entity participants will be allowed to join CCA by contract.

Contact

To learn more about the CCA, please contact Cara Martinson, CSAC Senior Legislative Representative at 916-327-7500, ext. 504, or cmartinson@counties.org or Alan Fernandes, CSAC Finance Corporation Executive Vice President at alan@csacfc.org, or (916) 955-1791.