

AMENDED IN SENATE JUNE 15, 2006

AMENDED IN SENATE JULY 7, 2005

AMENDED IN ASSEMBLY MAY 26, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

ASSEMBLY BILL

No. 350

Introduced by Assembly Member *Matthews Houston*
(Coauthor: Senator Torlakson)

February 10, 2005

~~An act to add Chapter 2.6 (commencing with Section 53369) to Part 1 of Division 2 of Title 5 of the Government Code, relating to jobs-housing opportunity zones. An act to amend Sections 20812 and 20813 of the Public Contract Code, relating to public contracts.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 350, as amended, *Matthews Houston*. ~~Jobs-housing opportunity zones. Fire protection district boards: contract bidding procedures.~~

Existing law permits a fire protection district board to contract for special services in specified fields and other services incidental to the district's operation. Existing law requires fire protection districts with a final budget less than \$1,000,000 to award contracts for special services and for construction projects exceeding \$10,000 to the lowest responsible bidder after notice. Existing law requires fire protection districts with a final budget greater than \$1,000,000 to award contracts for construction projects exceeding \$10,000 to the lowest responsible bidder after notice, but allows such fire protection districts the option to award special services contracts pursuant to the contracting and purchasing procedures that apply to their principal county's government.

This bill would increase the threshold amount for special services and construction contracts from \$10,000 to \$25,000.

~~Under existing law, redevelopment agencies are authorized to pay the principal of, and interest on, indebtedness incurred to finance or refinance redevelopment, from a portion of property tax revenues diverted from other taxing agencies. The portion of taxes diverted is the amount attributable to increases in assessed valuation of property in the redevelopment project area subsequent to establishment thereof. This method of financing is commonly known as “tax increment” financing and is specifically authorized by Section 16 of Article XVI of the California Constitution.~~

~~Existing law also authorizes counties and cities to create infrastructure financing districts in the border development zone, as defined, to finance public works utilizing a similar method of tax increment financing in the Mexican border region.~~

~~This bill would similarly authorize counties and cities to create infrastructure financing districts in jobs-housing opportunity zones, as defined, for the purpose of adopting an infrastructure financing plan to finance public capital facilities in the 5-county interregional partnership area of northern California for the purpose of mitigating current and future imbalances of jobs and housing in the Counties of Alameda, Contra Costa, Santa Clara, San Joaquin, and Stanislaus.~~

~~Because county officers would be responsible for the division of taxes under the bill, the bill would impose a state-mandated local program in the case of districts formed by cities, but the bill would require all infrastructure financing districts to reimburse those county costs.~~

~~The bill would also require approval of the proposed infrastructure financing district by the district’s landowners or voters, as specified, and of the bonds to be issued by the district to finance public capital facilities.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

~~Vote: majority. Appropriation: no. Fiscal committee: *yes-no*. State-mandated local program: *yes-no*.~~

The people of the State of California do enact as follows:

1 SECTION 1. Section 20812 of the Public Contract Code is
2 amended to read:

3 20812. (a) A district board may contract for special services.
4 These contracts shall be with persons specially trained,
5 experienced, expert, and competent to perform the special
6 services. The special services shall be limited to the fields of
7 accounting, administration, ambulance, architecture, custodial,
8 economics, engineering, finance, insurance, labor relations, law,
9 maintenance, mechanics, medicine, planning, science,
10 technology, and other services which are incidental to the
11 operation of the district.

12 (b) In the case of a district which has a final budget in excess
13 of one million dollars (\$1,000,000), the district shall follow the
14 contracting and purchasing procedures which apply to the county
15 government of its principal county or the procedures in
16 subdivision (c).

17 (c) In the case of a district which has a final budget less than
18 one million dollars (\$1,000,000), the district shall follow the
19 procedures of this subdivision.

20 (1) When the expenditure required for the service contract
21 exceeds ~~ten thousand dollars (\$10,000)~~ *twenty-five thousand*
22 *dollars (\$25,000)*, it shall be contracted for and let to the lowest
23 responsible bidder. If two or more bids are the same and the
24 lowest, the district board may accept the one it chooses.

25 (2) The notice inviting bids shall set a date for the opening of
26 bids. The first publication or posting of the notice shall be at least
27 10 days before the date of opening the bids. Notice shall be
28 published at least twice, at least five days apart, in a newspaper
29 of general circulation in the district, or if there is none, it shall be
30 posted in at least three public places in the district. The notice
31 shall distinctly state the service to be performed.

32 (3) The district board may reject any bids. If the district board
33 rejects all bids, it may either readvertise or adopt a resolution, by
34 two-thirds vote, declaring that the service can be performed more
35 economically by the district's employees or obtained at a lower
36 price in the open market. Upon adoption of the resolution, the
37 district board may undertake the service contract without further
38 complying with this section.

1 (4) If no bids are received, the district board may undertake
2 the service contract without further complying with this section.

3 (5) In the case of an emergency, the district board shall
4 respond to the emergency pursuant to Chapter 2.5 (commencing
5 with Section 22050) if notice for bids to let contracts will not be
6 given.

7 *SEC. 2. Section 20813 of the Public Contract Code is*
8 *amended to read:*

9 20813. (a) All contracts for the construction or completion of
10 any building, structure, or improvement, when the expenditure
11 required for the work exceeds ~~ten thousand dollars (\$10,000)~~
12 *twenty-five thousand dollars (\$25,000)*, shall be contracted for
13 and let to the lowest responsible bidder after notice. If two or
14 more bids are the same and the lowest, the district board may
15 accept the one it chooses.

16 (b) The notice inviting bids shall set a date for the opening of
17 bids. The first publication or posting of the notice shall be at least
18 10 days before the date of opening the bids. Notice shall be
19 published at least twice, not less than five days apart, in a
20 newspaper of general circulation in the district, or if there is
21 none, it shall be posted in at least three public places in the
22 district. The notice shall distinctly state the work to be done.

23 (c) In its discretion, the district board may reject any bids
24 presented and readvertise.

25 (d) In the case of an emergency, the district board may act
26 pursuant to Chapter 2.5 (commencing with Section 22050).

27 (e) The district board may, subject to the provisions of Chapter
28 7 (commencing with Section 3247) of Title 15 of Part 4 of
29 Division 3 of the Civil Code, require the posting of those bonds it
30 deems desirable as a condition to the filing of a bid or the letting
31 of a contract.

32 (f) Cost records of the work shall be kept in the manner
33 provided in Chapter 1 (commencing with Section 4000) of
34 Division 5 of Title 1 of the Government Code.

35 ~~SECTION 1. Chapter 2.6 (commencing with Section 53369)~~
36 ~~is added to Part 1 of Division 2 of Title 5 of the Government~~
37 ~~Code, to read:~~

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**All matter omitted in this version of the bill
appears in the bill as amended in the
Senate, July 7, 2005 (JR11)**

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