

AMENDED IN SENATE AUGUST 17, 2010

AMENDED IN SENATE JUNE 22, 2010

AMENDED IN ASSEMBLY MAY 28, 2010

AMENDED IN ASSEMBLY APRIL 22, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 2663

Introduced by Assembly Member Bonnie Lowenthal
(Coauthor: Senator Lowenthal)

February 19, 2010

An act to add Article 7.1 (commencing with Section 53834) to Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 2663, as amended, Bonnie Lowenthal. Local government: federal fiscal year.

Existing state constitutional law requires specified revenues from ~~the ad valorem tax on real property, the Highway Users Tax Account, the Transportation Investment Fund, and the revenue from taxable property in a redevelopment project~~ to be deposited in various accounts and to be allocated, in part, to cities, counties, or cities and counties, for prescribed purposes. Existing law also requires, for specified periods during the 2009–10 and 2010–11 fiscal years, the borrowing, transfer, or suspension of these allocated revenues, as prescribed.

This bill would make several legislative findings and declarations relating to cities that observe the federal fiscal year calendar. The bill would provide that if the Legislature transfers, borrows from, or

suspends these allocated revenues, the respective transaction would be suspended during the months of July, August, and September for a city observing the federal fiscal year. The transfer, borrowing, or suspension of revenues would instead commence on October 1 and be completed on or before June 30 of that same state fiscal year.

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

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

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) Cities observing the federal fiscal year calendar instead of
4 the state fiscal year calendar experience an additional burden when
5 the state borrows or suspends local government revenues in the
6 first three months of the state fiscal year.

7 (b) The required transfer, suspension, or borrowing of funds by
8 the state in the months of July, August, or September require cities
9 observing the federal fiscal year calendar to make drastic budgetary
10 reductions in the last three months of their fiscal year.

11 (c) Relief is needed so that cities that observe the federal fiscal
12 year calendar may remit those payments to the state at the
13 beginning, rather than at the end, of their fiscal year.

14 SEC. 2. Article 7.1 (commencing with Section 53834) is added
15 to Chapter 4 of Part 1 of Division 2 of Title 5 of the Government
16 Code, to read:

17
18 Article 7.1. Federal Fiscal Year Local Governments
19

20 53834. (a) For purposes of this article, the following terms
21 shall have the following meanings:

22 (1) "Federal fiscal year" means a fiscal year beginning on
23 October 1 and ending September 30.

24 (2) "Federal fiscal year city" means any city that observes the
25 federal fiscal year calendar.

26 (3) "State fiscal year" means a fiscal year beginning on July 1
27 and ending June 30.

28 (b) If the Legislature transfers, borrows, or suspends revenues
29 allocated to a federal fiscal year city the transaction shall be
30 suspended during the months of July, August, and September. The

1 transfer, borrowing, or suspension of revenues shall instead
2 commence on October 1 and shall be completed on or before June
3 30 of that same state fiscal year.

4 ~~(e) This section shall apply to all of the following transactions~~
5 ~~enacted by law on and after January 1, 2011, involving funds and~~
6 ~~revenues allocated to a federal fiscal year city:~~

7 ~~(1) The borrowing, transfer, or suspension of revenues allocated~~
8 ~~in accordance with subdivision (a) of Section 1 of Article XIII A~~
9 ~~of the California Constitution.~~

10 ~~(2) The borrowing, transfer, or suspension of revenues from the~~

11 ~~(c) This section shall apply only to the borrowing, transfer, or~~
12 ~~suspension of revenues from the Highway Users Tax Account~~
13 ~~required to be apportioned to cities and counties pursuant to~~
14 ~~Chapter 3 (commencing with Section 2100) of Division 3 of the~~
15 ~~Streets and Highways Code, including the revenues apportioned~~
16 ~~pursuant to Section 2103 of the Streets and Highways Code, as~~
17 ~~amended by Chapter 12 of the Eighth Extraordinary Session,~~
18 ~~Statutes of 2010.~~

19 ~~(3) The borrowing, transfer, or suspension of revenues from the~~
20 ~~Transportation Investment Fund allocated pursuant to subdivision~~
21 ~~(b) of Section 1 of Article XIX B of the California Constitution.~~

22 ~~(4) The borrowing, transfer, or suspension of funds allocated~~
23 ~~to a redevelopment agency pursuant to subdivision (b) of Section~~
24 ~~16 of Article XVI of the California Constitution.~~