

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 introduced, 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, counties, and cities and counties 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, county, or city and county observing the federal fiscal year. The transfer, borrowing, or suspension of revenues would instead commence on October 1.

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

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

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

(a) Cities, counties, and cities and counties observing the federal fiscal year calendar instead of the state fiscal year calendar experience an additional burden when the state borrows or suspends local government revenues in the first three months of the state fiscal year.

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

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

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

Article 7.1. Federal Fiscal Year Local Governments

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

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

(2) "Federal fiscal year city, county, or city and county" means any city, county, or city and county that observes the federal fiscal year calendar.

(b) If the Legislature transfers, borrows, or suspends revenues allocated to a federal fiscal year city, county, or city and county, the transaction shall be suspended during the months of July, August, and September. The transfer, borrowing, or suspension of revenues shall instead commence on October 1.

1 (c) This section shall apply to all of the following transactions
2 enacted by law on and after January 1, 2011, involving funds and
3 revenues allocated to a federal fiscal year city, county, or city and
4 county:

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

8 (2) The borrowing, transfer, or suspension of revenues from the
9 Highway Users Tax Account required to be apportioned pursuant
10 to Section 3 of Article XIX of the California Constitution.

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

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