



CITY OF BEVERLY HILLS STAFF REPORT

Meeting Date: January 10, 2012
To: Honorable Mayor & City Council
From: Cheryl Friedling, Deputy City Manager for Public Affairs
Subject: Summary of New State Laws Which Take Effect January 1, 2012
Attachments: 1. List of New State Laws

INTRODUCTION

Approximately 297 state laws were enacted and signed during the 2011 California legislative session. The majority of these new laws take effect on January 1, 2012. While several of these laws directly impact local government, the following is a summary of new laws that may be of general interest to Beverly Hills residents, the business community and members of the City Council.

DISCUSSION

Andrew Antwih, with the legislative advocacy firm Shaw/Yoder/Antwih in Sacramento, will provide a brief overview of key laws which take effect in 2012. Since the proposed State budget is expected to be released on this date, Mr. Antwih will offer a brief overview on this topic as well. Mr. Antwih's firm represents the City of Beverly Hills in the State Capitol.

FISCAL IMPACT

If the City is required to comply with state mandates for any new law, the City will document such expenditures and will submit for reimbursement as appropriate.

RECOMMENDATION

That the City Council and City organization acknowledge and take whatever action is required to comply with new State laws.

Cheryl Friedling
Approved By

A handwritten signature in cursive script, appearing to be "CF", written over a horizontal line.

Attachment 1

List of New Laws Signed By the Governor in 2011

Animals

- **Animal Abuse and Penalties:** This new law requires that misdemeanor and felony animal abuse convictions result in probation terms that prohibit animal ownership for five or 10 years, respectively, and provides that the owner of an animal seized through a search warrant shall be liable for the costs of caring for and treating the animal and that these costs will be a lien on the animal which must be paid before the animal is returned. AB 1117 (Smyth).
- New law increases the fine associated with misdemeanor convictions related to dog fighting and cock fighting. It also applies forfeiture provisions for property acquired through the illicit acts to cock fighting that are currently in place for dog fighting. SB 425 (Calderon).
- New law also increases the misdemeanor penalty for animal neglect, making confirming changes to other animal abuse laws, and makes it a crime to sell a live animal on any street, highway, public right of way, parking lot, carnival, or boardwalk. SB 917 (Liu).

Community Services

- **Library Contracting:** This new law mandates specific contractual provisions for general law cities that leave their county library systems and choose to contract for library staffing systems for their city-owned library. These requirements include publishing notice of the contemplated action in a specific manner, and clearly demonstrating that the contract will result in actual overall cost savings to the city or library district for the duration of the entire contract. The law sunsets in 2019 and exempts non-profit organizations that a city contracts with for staffing services. AB 438 (Williams).
- **Skateboard Parks:** This new law indefinitely extends qualified local immunity for local public agencies that operate public skateboarding parks. The immunity provided under this law requires the local public agency to meet certain requirements, including requiring persons who skateboard to wear helmets, elbow pads, and knee pads. This law also requires, beginning in 2013, that copies of the records of claims and lawsuits be filed annually with the Assembly Judiciary Committee and the Senate Judiciary Committee. SB 264 (Correa).

California Public Employees' Retirement System

- **CalPERS Investment Iran:** This new law clarifies that the CalPERS and CalSTRS boards are prohibited from making new investments in companies that do business with Iran's energy sector and generally requires the board to liquidate existing investments in such companies unless doing so would fail to satisfy the boards' constitutionally-mandated fiduciary responsibility. This law imposes new transparency, disclosure, and noticing requirements related to the boards' determinations on which companies are subject to, or remain subject to, divestment. AB 1151 (Feuer).

- **Retirement:** This new law clarifies that a member's service under multiple employers may not be considered separately for the purposes of calculating the Internal Revenue Code (IRC) Section 415(b) limit. SB 322 (Negrete McLeod).
- **Local Public Employee Organizations, Impasse Procedures:** Changes the procedural rules for collective bargaining between a local public agency and public local unions. This new law provides that in the event of impasse, after the parties agree to a mediator and the mediator cannot effect a settlement within 30 days, the union can request that the parties' differences be submitted to a fact-finding panel. The costs for the fact-finding panel are to be split by both parties. AB 646 (Atkins).

California Environmental Quality Act (CEQA)

- **Los Angeles Football Stadium:** This new law establishes expedited judicial review procedures and requires the implementation of specific environmental traffic and air quality mitigation measures under the California Environmental Quality Act (CEQA) for the proposed downtown Los Angeles football stadium and convention center project (LA Project). AB 900 (Buchanan), a companion piece to SB 292, is a new law that provides expedited judicial review for large residential, commercial, sports, cultural, entertainment, recreational and clean energy projects. SB 292 (Padilla).
- **CEQA Streamlining:** This new law establishes CEQA exemptions for solar projects on roofs of existing building or parking lots. Establishes new abbreviated CEQA review for some infill projects and mandates new Office of Planning and Research (OPR) guidelines for infill development. SB 226 (Simitian).

Economic Development

- **Film Industry Tax Credit:** This measure extends by one additional year the authority of the California Film Commission to allocate up to \$100 million annually in tax credits to the film industry to offset costs filming in California, from July 1, 2014, to July 1, 2015. AB 1069 (Fuentes).

Electric Vehicles

- **Charging Stations for Plug In Hybrids:** This new law expands the definition of "electric vehicle" to include plug-in hybrid electric vehicles for purposes of parking in designated zero emission vehicle (ZEV) parking stalls. It also requires that a vehicle be in the process of charging in order to use a ZEV-designated parking stall. This law also eliminates the Department of Motor Vehicles ZEV decals program. AB 475 (Butler).
- New law states that the California Public Utilities Commission cannot regulate electric vehicle charging stations as utilities. The new law also exempts a facility that supplies electricity to the public only for use to charge light duty plug-in electric vehicles from the definition of a public utility. AB 631 (Ma).
- **DMV Registrations Confidentiality Agreements:** This new law exempts an electrical company or local publicly owned electric utility from DMV confidentiality requirements if the information will be used for the purposes of identifying where an electric vehicle is registered. SB 859 (Padilla).

Firearms

- **Open Carry:** This new law makes it a misdemeanor for any person to carry an exposed and unloaded handgun outside a vehicle upon his or her person while in any public place or on any public street in an incorporated city, or in any public place or public street in a prohibited area of an unincorporated county, with specific exemptions for individuals including security guards and honorable retired peace officers, amongst others. AB 144 (Portantino).
- **License to Carry Concealed Firearms:** This new law establishes a new notice and administrative requirements for local sheriffs or police chiefs who currently administer applications for concealed weapons permits. Local public agencies must now provide written public notice to applicants once a “good cause” determination has been made. This law provides that the applicant would not be required to pay for any training courses prior to a determination of good cause being made, as specified. The law clarifies that the application fee for a new license includes the costs of required notices. The law also provides that no applicant would be required to obtain liability insurance as a condition of the license.

Local Rules of the Road

- **Speed Limits:** This new law allows cities to round down speed limits to within five miles per hour of the 85th-percentile speed of free-flowing traffic in cases where the speed limit would otherwise be rounded up. AB 529 (Gatto).
- **Mobile Billboards:** This new law allows cities to regulate advertising signs on vehicles parked on a public street. AB 1298 (Blumenfield).

Public Contracting

- **Retention proceeds:** This new law prohibits a public entity from retaining more than 5% of a contract price until final completion and requires acceptance of a project changes local public contracting rules by establishing a cap on the amount of retention proceeds on public works projects at five percent, unless the governing body declares that the project is substantially complex and requires a higher retention rate. SB 293 (Padilla).
- **Project labor agreements:** This new law sets standards for the use of project labor agreements (PLA) for public works projects and prohibits public agencies from having a provision, initiative, or ordinance that bans the consideration of a PLA. In addition, beginning January 1, 2015, this law will withhold state funding for projects in charter cities that have such a ban as of November 1, 2011, on PLAs that comply with the new standards. SB 922 (Steinberg).

Public Safety

- **Medical Marijuana:** This new law clarifies that existing state law related to the Medical Marijuana Program shall not prevent a city or other local governing body from adopting and enforcing local ordinances that regulate the location, operation, or establishment of a medical marijuana

cooperative or collective. It also authorizes the civil or criminal enforcement of those local ordinances. AB 1300 (Blumenfeld).

- **Massage therapy:** This new law allows the California Massage Therapy Council (CAMTC) to revoke the massage certificate of an owner or operator for a violation by their employee or independent contractor. In addition, it prohibits a city or county from imposing a licensing requirement on an employee with CAMTC certification, or an employer who only employs CAMTC certified employees. The law also requires that cities or counties who levy a local business licensing fee to apply the same fees to massage therapy businesses that currently apply to all other individuals and businesses providing a professional service. AB 619 (Halderman).
- **Sobriety checkpoints:** This new law prohibits a peace officer or any other authorized person from causing the impoundment of a vehicle at a sobriety checkpoint if the driver's only offense is his or her failure to hold a valid driver's license. It also requires the peace officer to make a reasonable attempt to identify the registered owner of the vehicle, and, if present, release the vehicle to the registered owner. AB 353 (Cedillo).

Revenue and Taxation

- **Use tax collection (so-called Amazon Bill):** This new law establishes several additional ways of clarifying "nexus" to support state collection of the use tax, including: any retailer that has substantial nexus for purposes of the US commerce clause; the corporate relationship of a parent retailer and subsidiary working together, where in-state services are provided by a subsidiary in California in connection with tangible personal property to be sold by the retailer; and, retailers that have agreements with in-state persons to refer potential purchasers to out-of-state retailers via an Internet-based link or Web site. AB 155 (Calderon).
- **Information disclosure, documentary transfer tax:** This new law authorizes employees of a city's finance department access to necessary information from a county assessor to determine whether an unrecorded change of ownership of property qualifies for imposition of a city's documentary transfer tax. Reasonable safeguards are also included to protect against the release of social security numbers and other confidential information. AB 563 (Furutani).
- **Collection of delinquent tax debt:** This new law significantly tightens and coordinates the state's efforts to collect revenue from major delinquent tax debtors. Provisions of this measure include: requiring the DMV to suspend the driver's license of those listed on the BOE or FTB "certified" lists and authorizes the California State Bar and Alcohol Beverage Control Board to also suspend or otherwise deny licenses, and prohibiting all other state agencies from issuing or otherwise renewing a license, other than a temporary 90-day license, for a licensee whose name appears on the certified lists. AB 1424 (Perea).
- **Transaction and use taxes increase:** This new law provides additional flexibility for proposed increases in a local transactions and use tax by authorizing a new permitted rate of 0.125 percent, or a multiple thereof. Previously, the smallest rate increase permitted was 0.25 percent. AB 686 (Huffman).

Solid Waste

- This new law establishes a state policy goal of 75 percent of solid waste generated to be diverted from landfill disposal by 2020. The law also requires local governments to implement commercial solid waste recycling programs designed to divert solid waste from businesses beginning July 1, 2012. AB 341 (Chesbro).

Transportation

- **Transportation Budget Bill:** This new law's provisions: maintain annual ongoing funding for local transit operations at approximately \$350 million; provide a one-year extension to expend Prop 1B funds; clarify that local governments are not subject to the same Proposition 42 maintenance-of-effort Revenue and Taxation requirements when they are apportioned fuel excise tax revenues; and, 4) reenacts the fuel tax swap and extends the expenditure period from three to four years for Proposition 1B funds for regional public waterborne transit agencies. AB 105 (Budget Committee).
- **Vehicle Miles Traveled:**—This resolution encourages the President and Congress to study the possibility of collecting revenues for transportation based on vehicle miles traveled. AJR 5 (B. Lowenthal).