



ENGROSSMENT*



Winter-2011&2012

By LEGISLATIVE INTENT SERVICE, INC. www.legintent.com 1-800-666-1917

HAPPY NEW YEAR!

With the change in the calendar comes a new schedule for legislative bills introduced in the California Assembly and Senate. Here are some legislative deadlines coming up during the next two winter months:

The state Legislature will reconvene from the Interim Recess on **January 4, 2012**. There must be a budget submitted by the Governor on or before **January 10, 2012**.

If you have a 2011 bill still out there being considered, **January 13th** is the last day for policy committees to hear and report on these bills for referral to fiscal committees, and the last day for any committee to hear and report to the Floor on these same 2011 bills is **January 20th**. The last day for each house to pass bills introduced in 2011 is **January 31st**.

For 2012 bills, the last day for such bills to be introduced is **February 24, 2012**.

2011 BILLS

There were an unusual number of 2011 bills requested for legislative history research this past Fall, even before the Governor signed or vetoed them. A number of our research projects arose out of interested parties' efforts related to the new legislation, such as the issue of budgets, funding, and redevelopment agencies.

REDEVELOPMENT

AB 26x and 27x were two budget trailer bills that were intended to stabilize school funding by reducing or eliminating the diversion of property tax revenues from school districts to the state's community redevelopment agencies. More specifically, AB 26x

barred redevelopment agencies from engaging in new business and provided for their windup and dissolution, while AB 27x offered an alternative that provided for redevelopment agencies to continue to operate if the cities and counties that created them agreed to make payments into funds benefitting the state's schools and special districts.

On December 29, 2011, the State Supreme Court upheld the validity of AB 26x but invalidated AB 27x in the case of *California Redevelopment Association vs. Matosantos*, (S194861). The Court found that AB 27x was expressly prohibited by Proposition 22 of 2010 from requiring such payments to benefit schools and special districts. While the Court gave the Governor and legislators the right to eliminate community redevelopment agencies, there remained more than 400 redevelopment agencies whose fate still remain uncertain.

NEW! "BENEFIT" CORPORATIONS

AB 361 authorizes the creation of a new corporate form called a "benefit corporation." Current state law under the General Corporation Law and the Nonprofit Corporation Law authorizes the formation and governance of general corporations or nonprofit public benefit corporations, nonprofit mutual benefit corporations, and nonprofit religious corporations. There is no state law providing for the formation and governance of benefit corporations, which would have the purpose of creating a general public benefit, defined as a material positive impact on society and the environment, taken as a whole, as assessed against a third-party standard from the business and operations of a benefit corporation.

The new statutes are **Corporations Code § § 14600 through 14631**, under Part 13 of Division 3 of Title 1. The author of this bill, Jared Huffman of San Rafael, carried this bill for "B Lab," which was established to

create a better world through business. A/M Huffman stated the following:

There is tremendous demand from the business community California and nationally for states to create this new kind of corporation. These visionary entrepreneurs and investors want to build businesses with an eye toward the triple bottom line of people, planet, and profit. AB 361 creates a new corporate form, which allows businesses to voluntarily elect an alternative corporate structure with higher standards of corporate purpose, accountability, and transparency.

GAVEL IN, GAVEL OUT

When the City of Bell drew wide-spread public attention for the pay scandals involving its local officials, **AB 23** was carried to preclude serial or simultaneous compensation for members of a legislative body attending serial or simultaneous meetings by simply gaveling in and gaveling out of meetings. To enhance the transparency of local compensation policies when officials serve on multiple, overlapping entities, AB 23 now requires the clerk or a member of the legislative body of a local agency to make a verbal statement regarding the compensation that would be received by members of that legislative body if these same members reconvene as another legislative body. The public will now receive notice when such meetings trigger compensation and stipends, although AB 23 does not apply to reimbursements.

ONLINE VOTER REGISTRATION

California Common Cause sponsored **SB 397** to permit online voter registration to begin *prior* to the completion of a new statewide voter registration database, under certain conditions. Current law allows voters to submit an affidavit of voter registration electronically under the Elections Code once "VoteCal," a stalled statewide voter registration database, is implemented and which will comply with the requirements of federal law. Common Cause argued that since VoteCal is delayed until 2015, it should still be practical and convenient to allow for online voter registration, which 11 states currently (or soon will) offer. SB 397 would require the DMV and the Secretary of State to develop a process and the infrastructure to allow electronic copies of applicants'

signatures and other information required by law that is in the possession of the DMV to be transferred to the Secretary of State and to the county election management systems to allow a registered voter to vote in California.

RENTERS MAY POST POLITICAL SIGNS

SB 337 prohibits a landlord from prohibiting a tenant from posting or displaying political signs relating to an election or legislative vote, initiative, referendum or recall. The tenant will still need to comply with the time period established by local ordinances for posting and removal of political signs. The author of this bill, Sen. Christine Kehoe of San Diego, argued that tenants should not lose their right to freedom of expression simply because they rent their property.

PAYMENT BONDS AMENDED

From 2009 through 2011, during the national economic crisis that badly hit the state's housing construction industry, the subject of payment bonds was finally addressed successfully in **SB 293**. This bill adjusted the rights and time periods governing payment and claims for payment between owners, contractors and subcontractors by shortening the payment schedule, lowering the retention withholdings on public works to no more than 5%, and changing the process for filing a late payment notice by requiring that all late payment claims be submitted before a general contractor files a NOC.

RECOVERABLE COSTS OF LEGISLATIVE RESEARCH

The **fees** paid by your firm that were incurred to have us **research legislative intent can be recovered** *if your position prevails in court.* Van de Kamp v. Gumbiner, 221 CA3rd 1260 (1990)

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