



LEGISLATION COMMITTEE

June 5, 2014

10:30 A.M.

651 Pine Street, Room 101, Martinez

Supervisor Mary N. Piepho, Chair
Supervisor Karen Mitchoff, Vice Chair

Agenda Items:

Items may be taken out of order based on the business of the day and preference of the Committee

1. Introductions
2. Public comment on any item under the jurisdiction of the Committee and not on this agenda (speakers may be limited to three minutes).
3. **APPROVE the Record of Action for the May 1, 2014 meeting of the Legislation Committee.**
4. **CONSIDER recommending to the Board of Supervisors a position of "support" on AB 2060 (Perez): Supervised Population Workforce Training Grant Program, as recommended by the Workforce Development Board.**
5. **CONSIDER recommending a position of "support" on AB 2231, as amended (Gordon): State Controller: Property Tax Postponement, to the Board of Supervisors, as recommended by the County Treasurer-Tax Collector.**
6. **CONSIDER recommending a position of "support" to the Board of Supervisors on AB 2418 (Bonilla): Health Care Coverage: Prescription Drugs: Refills, as requested by Assembly Member Bonilla.**
7. **CONSIDER recommending a position of "support" on SB 1000, as amended (Monning): Public Health: Sugar-Sweetened Beverages: Warnings, to the Board of Supervisors, as recommended by Contra Costa Health Services.**
8. **CONSIDER recommending an amendment to the 2014 Federal Legislative Platform to include support for improved funding and care of U.S. military veterans and families, as recommended by Supervisor Glover.**
9. **CONSIDER recommending a position of "support" on the Comprehensive Veterans Health and Benefits and Military Retirement Pay Restoration Act of 2014, as introduced (Sanders), as recommended by Contra Costa Veterans Service Officer.**

10. **ACCEPT the Status Report on state bills of interest to the County and provide direction to staff, as needed.**
11. The next meeting is currently scheduled for August 7, 2014. (The July 3, 2014 meeting is cancelled.)
12. Adjourn

The Legislation Committee will provide reasonable accommodations for persons with disabilities planning to attend Legislation Committee meetings. Contact the staff person listed below at least 72 hours before the meeting.

Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the County to a majority of members of the Legislation Committee less than 96 hours prior to that meeting are available for public inspection at 651 Pine Street, 10th floor, during normal business hours.

Public comment may be submitted via electronic mail on agenda items at least one full work day prior to the published meeting time.

For Additional Information Contact:

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lara.delaney@cao.cccounty.us



Contra Costa County Board of Supervisors

Subcommittee Report

LEGISLATION COMMITTEE

3.

Meeting Date: 06/05/2014
Subject: Record of Action
Submitted For: LEGISLATION COMMITTEE,
Department: County Administrator
Referral No.: None
Referral Name: Record of Action
Presenter: L. DeLaney **Contact:** L. DeLaney, 925-335-1097

Referral History:

Record of Action for May 1, 2014.

Referral Update:

Record of Action for the May 1, 2014 meeting is attached.

Recommendation(s)/Next Step(s):

APPROVE the Record of Action for the Legislation Committee meetings of May 1, 2014.

Attachments

May 1, 2014 Record of Action



LEGISLATION COMMITTEE

Record of Action

May 1, 2014

10:30 A.M.

651 Pine Street, Room 101, Martinez

Supervisor Mary N. Piepho, Chair
Supervisor Karen Mitchoff, Vice Chair

Present: Mary N. Piepho, Chair
Karen Mitchoff, Vice Chair

Staff Present: Kathy Gallagher, Employment and Human Services
Lauren Brosnan, Employment and Human Services
Dave Spinelli, Sheriff's Office
Jason Vorhauer, Sheriff's Office
Vana Tran, County Administrator's Office
Lara DeLaney, Senior Deputy County Administrator

1. Introductions
2. Public comment on any item under the jurisdiction of the Committee and not on this agenda (speakers may be limited to three minutes).

None.

3. APPROVE the Records of Action for the Legislation Committee meetings of February 24, 2014 and April 3, 2014.

The Record of Action for the February 24, 2014 and April 3, 2014 meetings were approved as submitted.

AYES: Chair Mary N. Piepho, Vice Chair Karen Mitchoff
Passed

4. RECEIVE the report on State Budget Priorities of the California State Association of Counties (CSAC) and provide direction to staff, as needed.

The Committee voted unanimously to accept the report and provided direction to staff.

AYES: Chair Mary N. Piepho, Vice Chair Karen Mitchoff

Passed

5. ADOPT a position of "support" on **AB 2393**, as introduced (Levine): Vehicle registration fees, as recommended by the Sheriff's Office.

The Committee voted unanimously to recommend a position of "support."

AYES: Chair Mary N. Piepho, Vice Chair Karen Mitchoff

Passed

6. Staff recommends that the Legislation Committee consider recommending a position of "support" to the Board of Supervisors on AB 2381.

The Committee voted unanimously to recommend a position of "support."

AYES: Chair Mary N. Piepho, Vice Chair Karen Mitchoff

Passed

7. The County Librarian, Jessica Hudson, recommends that the Legislation Committee consider recommending a position of "support" to the Board of Supervisors on SB 1455.

The Committee voted unanimously to recommend a position of "support."

AYES: Chair Mary N. Piepho, Vice Chair Karen Mitchoff

Passed

8. The Director of EHSD recommends that the Legislation Committee consider recommending a position of "support" to the Board of Supervisors on SB 1341.

The Committee voted unanimously to recommend a position of "support."

AYES: Chair Mary N. Piepho, Vice Chair Karen Mitchoff

Passed

9. CONSIDER recommending a position of "support" on AB 2228 as introduced (Cooley): Crisis nurseries, to the Board of Supervisors, as recommended by the Director of Employment and Human Services.

The Committee voted unanimously to recommend a position of "support."

AYES: Chair Mary N. Piepho, Vice Chair Karen Mitchoff

Passed

10. CONSIDER recommending a position of "support" on SB 899 as introduced (Mitchell) CalWORKs: eligibility, to the Board of Supervisors, as recommended by the Director of Employment and Human Services.

The Committee voted unanimously to recommend a position of "support."

AYES: Chair Mary N. Piepho, Vice Chair Karen Mitchoff
Passed

11. The next meeting is currently scheduled for June 5, 2014.

The Committee confirmed the date of the next meeting.

12. Adjourn

For Additional Information Contact:

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Contra Costa County Board of Supervisors

Subcommittee Report

LEGISLATION COMMITTEE

4.

Meeting Date: 06/05/2014
Subject: AB 2060 (Perez): Supervised Population Workforce Training Grant Program
Submitted For: LEGISLATION COMMITTEE,
Department: County Administrator
Referral No.: 2014-22
Referral Name: AB 2060 (Perez): Supervised Population Workforce Training Grant Program
Presenter: L. DeLaney **Contact:** L. DeLaney, 925-335-1097

Referral History:

The Workforce Development Board executive committee recommended at its meeting on 5/14 that the Board of Supervisors adopt a "support" position on AB 2060.

Referral Update:

SUMMARY: Establishes the Supervised Population Workforce Training Grant Program. Specifically, this bill:

- 1) Establishes the Supervised Population Workforce Training Grant Program to be administered by the California Workforce Investment Board (CWIB).
- 2) Requires the grant program to be developed and implemented, as specified; and funded, upon appropriation from the Legislature, using money from the Recidivism Reduction Fund. Provides that implementation of the program is contingent upon the CWIB Director notifying the Department of Finance that sufficient moneys have been appropriated for this specific grant program.
- 3) Requires CWIB to administer the grant program as follows:
 - a) Develop criteria for the selection of grant recipients through a public application process, including the rating and ranking of applications that meet threshold criteria.
 - b) Design the grant program application process to ensure all of the following occurs:
 - i) There is fairness and competitiveness for smaller counties;
 - ii) There is fair and equitable geographic distribution of grant funds; and,
 - iii) There is greater consideration given to counties that have demonstrated a collaborative working relationship with local workforce investment boards and that currently have in place a workforce training program for the supervised population.

- 4) Requires the grant program to be competitively awarded through at least two rounds of funding, as specified, and provides that each county is eligible to apply but that a single application may include multiple counties applying jointly. Requires each application to include a partnership agreement between the county or counties and one or more local workforce investment boards that outline the actions each party agrees to undertake as part of the project proposed in the application;
- 5) Requires, at a minimum, each project proposed in the application to include a provision for an education and training assessment for each individual of the supervised population who participates in the project.
- 6) Provides that eligible uses of grant funds include, but are not limited to, vocational training, stipends for trainees, and apprenticeship opportunities for the supervised population. States that supportive services and job readiness activities are to serve as bridge activities that lead to enrollment in long-term training programs.
- 7) Provides that preference is to be awarded to applications for the following:
 - a) An application that proposes matching funds, including, but not limited to, moneys committed by local workforce investment boards, local governments, and private foundation funds.
 - b) An application submitted by a county that currently administers or participates in a workforce training program for the supervised population.
 - c) An application that proposes participation by one or more nonprofit community based organizations that serve the supervised population.
- 8) Requires an application to meet the following requirements:
 - a) Set a specific purpose for the use of the grant funds, as well as provide the baseline criteria and metrics by which the overall success of the grant project can be evaluated;
 - b) Define the specific subset of the supervised population, among the eligible supervised population that the grant money will serve;
 - c) Define the industry sector or sectors in which the targeted supervised population will be trained, including the current and projected workforce within the region for those jobs, the range of wage rates, and the training and education requirements within those industry sectors; and,
 - d) Define the general methodology and training methods proposed to be used and explain the manner in which the progress of the targeted supervised population will be monitored during the grant period.
- 9) Requires a grant recipient, as a condition of receiving funds, to agree to provide information to CWIB in sufficient detail to allow CWIB to meet specified reporting requirements.
- 10) States that eligible uses of grant funds include, but are not limited to, vocational training, stipends for trainees, and apprenticeship opportunities for the supervised population.
- 11) Requires grant recipients to report annually to CWIB regarding their use of the funds and

11) Requires grant recipients to report annually to CWIB regarding their use of the funds and workforce training program outcomes upon completion of the grant period.

12) Requires CWIB to submit a report, as specified, to the Legislature, using the reports from the grant recipients, by January 1, 2018 containing all the following information:

- a) The overall success of the grant program, as specified;
- b) An evaluation of the effectiveness of the grant program, as specified;
- c) A recommendation on the long-term viability of local workforce investment board and county collaborations on workforce training programs for the supervised population; and,
- d) A recommendation on the long-term viability of county workforce training programs for the supervised population.
- e) In considering the overall success and effectiveness of the grant program, the report shall include a discussion of all of the following:
 - i) Whether the programs aligned with the workforce needs of high-demand sectors of the state and regional economies;
 - ii) Whether there was an active job market for the skills being developed where the member of the supervised population was likely to be released;
 - iii) Whether the program increased the number of members of the supervised population that obtained a marketable and industry or apprenticeship board-recognized certification, credential, or degree;
 - iv) Whether the program increased the number of the supervised population that successfully completed a job readiness basic skill bridge program and enroll in a long term training program;
 - v) Whether there were formal or informal networks in the field that support finding employment upon release from custody; and,
 - vi) Whether the program led to employment in occupations with a livable wage.

13) Establishes that the provisions of this bill will sunset on January 1, 2021, unless extended.

COMMENTS: According to the author, "With orders from the U.S. Supreme Court to reduce its prison population, the state needs smart, effective policies to help local jurisdictions achieve realignment goals and reduce recidivism. Workforce development for the re-entry population is a practical strategy for improving access to a stable job. It helps improve offender outcomes, reduce the likelihood of recidivism, and promote community safety and stability."

Recommendation(s)/Next Step(s):

CONSIDER recommending to the Board of Supervisors a position of "support" on AB 2060 (Perez): Supervised Population Workforce Training Grant Program, as recommended by the Workforce Development Board.

Fiscal Impact (if any):

According to the Assembly Appropriations Committee, while the bill is silent on funding levels, a statewide grant program of any significance would require General Fund funding in the millions to tens of millions of dollars, depending on the breadth of the program objectives. The stated objectives are limited to "vocational training, stipends for trainees, and apprenticeship opportunities for the supervised population."

The bill requires the grant program be competitive, open to all counties, and funded, upon appropriation from the Legislature, using money from the Recidivism Reduction Fund (RRF).

The Recidivism Reduction Fund is currently projected to have at least \$81 million available for the 2014-15 budget year. The Governor's Budget appropriates the entire fund.

Attachments

AB 2060 Bill Text

AMENDED IN ASSEMBLY MAY 23, 2014

AMENDED IN ASSEMBLY MAY 7, 2014

AMENDED IN ASSEMBLY APRIL 21, 2014

AMENDED IN ASSEMBLY APRIL 2, 2014

AMENDED IN ASSEMBLY MARCH 20, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2060

**Introduced by Assembly Member V. Manuel Pérez
(Coauthor: Assembly Member Skinner)**

February 20, 2014

An act to add and repeal Chapter 4 (commencing with Section 1234) of Title 8 of Part 2 of the Penal Code, relating to recidivism.

LEGISLATIVE COUNSEL'S DIGEST

AB 2060, as amended, V. Manuel Pérez. Supervised Population Workforce Training Grant Program.

Existing law defines probation to mean the suspension of the imposition or execution of a sentence of an individual convicted of a crime and the order of his or her conditional and revocable release in the community under the supervision of a probation officer. Existing law authorizes probation for some, but not all, felony convictions.

Existing law requires all eligible people released from prison on and after October 1, 2011, or, whose sentences have been deemed served, as provided, after serving a prison term for a felony, upon release from prison, and for a period not exceeding 3 years immediately following release, to be subject to postrelease community supervision provided

by a county agency designated by each county's board of supervisors that is consistent with evidence-based practices, including, but not limited to, supervision policies, procedures, programs, and practices demonstrated by scientific research to reduce recidivism among individuals under postrelease supervision. Existing law authorizes a court, when sentencing a person to county jail for a felony, to commit the person to county jail for either the full term in custody, as specified, or to suspend the execution of a concluding portion of the term selected at the court's discretion. Under existing law, this period of suspended execution is supervised by the county probation officer and is known as mandatory supervision.

Existing law creates the Recidivism Reduction Fund in the State Treasury, available upon appropriation by the Legislature, for, among other things, activities designed to reduce recidivism of the state's prison population.

This bill would, until January 1, 2021, establish the Supervised Population Workforce Training Grant Program to be administered, as provided, by the California Workforce Investment Board and funded, upon appropriation by the Legislature, using moneys from the Recidivism Reduction Fund. The bill, until January 1, 2021, among other things, would provide grant program eligibility criteria for counties. The bill, until January 1, 2021, would also provide that eligible uses for grant funds include, but are not limited to, vocational training, stipends for trainees, and apprenticeship opportunities for the supervised population, which would include individuals on probation, mandatory supervision, and postrelease community supervision. By January 1, 2018, the board would be required to submit a report to the Legislature containing specified information, including an evaluation of the effectiveness of the grant program. ~~The bill would state findings and declarations of the Legislature.~~

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 the~~
- 2 ~~following:~~
- 3 ~~(a) In order to meet the requirements of the federal court order~~
- 4 ~~in the matter sometimes referred to as Plata/Coleman v. Brown,~~
- 5 ~~(Case No. C01-1351) California is required to reduce the prison~~

1 inmate population to 147.5 percent of design capacity by February
2 2016.

3 (b) The court decision is the result of decades of litigation under
4 two separate cases, which were brought together due to the severity
5 of the impact of overcrowding on the inmate population.

6 (c) Over this time, the Legislature passed and the Governor
7 signed a range of legislation. Most significantly, Assembly Bill
8 109 (Chapter 15, Statutes of 2011), the 2011 Realignment
9 Legislation addressing public safety, was enacted, which shifted
10 to counties the responsibility for monitoring, tracking, and
11 incarcerating lower level offenders previously sent to state prison.
12 By mid-2013, more than 100,000 offenders had been diverted to
13 county supervision instead of going to state prison.

14 (d) Recognizing that the state would need to take additional
15 actions to meet the court order, the Legislature passed and the
16 Governor signed legislation, Senate Bill 105 (Chapter 310, Statutes
17 of 2013), which appropriated to the Department of Corrections
18 and Rehabilitation \$315 million in General Fund support in the
19 2013–14 fiscal year. These moneys were appropriated to be used
20 for contracts to secure additional prison bed space, and, if an
21 unexpended balance existed, the bill allowed for up to \$75 million
22 to be deposited in the Recidivism Reduction Fund. Program savings
23 of 50 percent are also required to be transferred to the Recidivism
24 Reduction Fund.

25 (e) Research shows that formerly incarcerated individuals do
26 better and remain out of prison longer when they have training
27 and a job with advancement opportunities. Obtaining quality jobs,
28 however, is not realistic for many incarcerated individuals without
29 additional training and education. This means that without
30 successful workforce development programs, the supervised
31 population is less likely to become contributors to our society and
32 more likely to recidivate.

33 (f) The California Workforce Investment Board and local
34 workforce investment boards can play an important role in
35 identifying high-demand industry sectors in the state, and within
36 regional economies. Further, these entities have the expertise to
37 identify local workforce needs and help individuals receive training
38 that will make them competitive within the local job market in
39 which they live.

1 ~~SEC. 2.~~

2 ~~SECTION 1.~~ Chapter 4 (commencing with Section 1234) is
3 added to Title 8 of Part 2 of the Penal Code, to read:

4
5 CHAPTER 4. SUPERVISED POPULATION WORKFORCE TRAINING
6 GRANT PROGRAM
7

8 1234. For purposes of this chapter, the following terms have
9 the following meanings:

10 (a) “California Workforce Investment Board” or “State WIB”
11 means the California Workforce Investment Board established
12 pursuant to Article 1 (commencing with Section 14010) of Chapter
13 3 of Division 7 of the Unemployment Insurance Code.

14 (b) “Grant program” means the Supervised Population
15 Workforce Training Grant Program.

16 (c) “Recidivism Reduction Fund” means the Recidivism
17 Reduction Fund created pursuant to Section 1233.9.

18 (d) “Supervised population” means those persons who are on
19 probation, mandatory supervision, or postrelease community
20 supervision and are supervised by, or are under the jurisdiction of,
21 a county.

22 1234.1. (a) This chapter establishes the Supervised Population
23 Workforce Training Grant Program to be administered by the
24 California Workforce Investment Board.

25 (b) The grant program shall be developed and implemented in
26 accordance with the criteria set forth in Section 1234.3. In
27 developing the program, the State WIB shall consult with public
28 and private stakeholders, including local workforce investment
29 boards, local governments, and nonprofit community-based
30 organizations that serve the supervised population.

31 (c) The grant program shall be funded, upon appropriation by
32 the Legislature, using moneys from the Recidivism Reduction
33 Fund. Implementation of this program is contingent upon the
34 director of the State WIB notifying the Department of Finance that
35 sufficient moneys have been ~~received~~ *appropriated for this specific*
36 *grant program*.

37 (d) The outcomes from the grant program shall be reported
38 pursuant to Section 1234.4.

39 1234.2. The State WIB shall administer the grant program as
40 follows:

1 (a) Develop criteria for the selection of grant recipients through
2 a public application process, including, but not limited to, the rating
3 and ranking of applications that meet the threshold criteria set forth
4 in this section.

5 (b) Design the grant program application process to ensure all
6 of the following occurs:

7 (1) Outreach and technical assistance is made available to
8 eligible applicants, especially to small population and rural
9 counties.

10 (2) Grants are awarded on a competitive basis.

11 (3) Small and rural counties are competitive in applying for
12 funds.

13 (4) Applicants are encouraged to develop evidence-based, best
14 practices for serving the workforce training and education needs
15 of the supervised population.

16 (5) The education and training needs of both of the following
17 are addressed:

18 (A) Individuals with some postsecondary education who can
19 enter into programs and benefit from services that result in
20 certifications, and placement on a middle skill career ladder.

21 (B) Individuals who require basic education as well as training
22 in order to obtain entry level jobs where there are opportunities
23 for career advancement.

24 1234.3. (a) The grant program shall be competitively awarded
25 through at least two rounds of funding, with the first phase of
26 funding being awarded on or before May 1, 2015.

27 (b) Each county is eligible to apply, and a single application
28 may include multiple counties applying jointly. Each application
29 shall include a partnership agreement between the county or
30 counties and one or more local workforce investment boards that
31 outline the actions each party agrees to undertake as part of the
32 project proposed in the application.

33 (c) At a minimum, each project proposed in the application shall
34 include a provision for an education and training assessment for
35 each individual of the supervised population who participates in
36 the project. The assessment may be undertaken by the applicant
37 or by another entity. A prior assessment of an individual may be
38 used if, in the determination of the State WIB, its results are
39 accurate.

1 (d) Eligible uses of grant funds include, but are not limited to,
2 vocational training, stipends for trainees, and apprenticeship
3 opportunities for the supervised population. Supportive services
4 and job readiness activities shall serve as bridge activities that lead
5 to enrollment in long-term training programs.

6 (e) Preference shall be awarded to applications for the following:

7 (1) An application that proposes matching funds, including, but
8 not limited to, moneys committed by local workforce investment
9 boards, local governments, and private foundation funds.

10 (2) An application submitted by a county that currently
11 administers or participates in a workforce training program for the
12 supervised population.

13 (3) An application that proposes participation by one or more
14 nonprofit community-based organizations that serve the supervised
15 population.

16 (f) An application shall meet the following requirements:

17 (1) Set a specific purpose for the use of the grant funds, as well
18 as provide the baseline criteria and metrics by which the overall
19 success of the grant project can be evaluated.

20 (2) Define the specific subset of the supervised population,
21 among the eligible supervised population that the grant money
22 will serve.

23 (3) Define the industry sector or sectors in which the targeted
24 supervised population will be trained, including the current and
25 projected workforce within the region for those jobs, the range of
26 wage rates, and the training and education requirements within
27 those industry sectors.

28 (4) Define the general methodology and training methods
29 proposed to be used and explain the manner in which the progress
30 of the targeted supervised population will be monitored during the
31 grant period.

32 (g) As a condition of receiving funds, a grant recipient shall
33 agree to provide information to the State WIB in sufficient detail
34 to allow the State WIB to meet the reporting requirements in
35 Section 1234.4.

36 1234.4. (a) On at least an annual basis, and upon completion
37 of the grant period, grant recipients shall report to the State WIB
38 regarding their use of the funds and workforce training program
39 outcomes.

1 (b) By January 1, 2018, the State WIB shall submit a report to
2 the Legislature using the reports from the grant recipients. The
3 report shall contain all the following information:

4 (1) The overall success of the grant program, based on the goals
5 and metrics set in the awarded grants.

6 (2) An evaluation of the effectiveness of the grant program
7 based on the goals and metrics set in the awarded grants.

8 (3) A recommendation on the long-term viability of local
9 workforce investment board and county collaborations on
10 workforce training programs for the supervised population.

11 (4) A recommendation on the long-term viability of county
12 workforce training programs for the supervised population.

13 (5) In considering the overall success and effectiveness of the
14 grant program, the report shall include a discussion of all of the
15 following:

16 (A) Whether the programs aligned with the workforce needs of
17 high-demand sectors of the state and regional economies.

18 (B) Whether there was an active job market for the skills being
19 developed where the member of the supervised population was
20 likely to be released.

21 (C) Whether the program increased the number of members of
22 the supervised population that obtained a marketable and industry
23 or apprenticeship board-recognized certification, credential, or
24 degree.

25 (D) Whether the program increased the numbers of the
26 supervised population that successfully complete a job readiness
27 basic skill bridge program and enroll in a long-term training
28 program.

29 (E) Whether there were formal or informal networks in the field
30 that support finding employment upon release from custody.

31 (F) Whether the program led to employment in occupations
32 with a livable wage.

33 (c) (1) The requirement for submitting a report imposed under
34 subdivision (b) is inoperative on January 1, 2021, pursuant to
35 Section 12031.5 of the Government Code.

36 (2) A report to be submitted pursuant to subdivision (b) shall
37 be submitted in compliance with Section 9795 of the Government
38 Code.

39 1234.5. This chapter shall remain in effect only until January
40 1, 2021, and as of that date is repealed, unless a later enacted

- 1 statute, that is enacted before January 1, 2021, deletes or extends
- 2 that date.

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Contra Costa County Board of Supervisors

Subcommittee Report

LEGISLATION COMMITTEE

5.

Meeting Date: 06/05/2014

Subject: AB 2231, as amended (Gordon): State Controller: Property Tax Postponement

Submitted For: LEGISLATION COMMITTEE,

Department: County Administrator

Referral No.: 2014-22

Referral Name: AB 2231, as amended (Gordon): State Controller: Property Tax Postponement

Presenter: Russell V. Watts

Contact: L. DeLaney, 925-335-1097

Referral History:

Russell V. Watts, County Treasurer-Tax Collector, requested support from the Board of Supervisors on AB 2231. Supervisor Mitchoff sent a "Chair" letter expressing her support.

Referral Update:

SUBJECT: State Controller: Property Tax Postponement

CURRENT STATUS: 05/27/2014: In ASSEMBLY. Read third time. Passed ASSEMBLY.
*****To SENATE.

SUMMARY: This bill reinstates the Senior Citizens and Disabled Citizens Property Tax Postponement (PTP) program, allowing applications to the State Controller to provide property tax deferment to seniors and disabled persons to recommence on July 1, 2015. In summary, this bill:

- 1) Establishes the Senior Citizens and Disabled Citizens Property Tax Postponement Fund (Fund) within the State Treasury and annually appropriates funds for the purposes of paying costs and disbursements related to the PTP program; requires the Controller to transfer moneys in the Fund in excess of \$10 million to the General Fund (GF).
- 2) Increases the amount of equity required of applicants in a residential dwelling from 20% to 40% of the full value of the property to be eligible for the PTP program.
- 3) Requires loan payments and funds derived from the voluntary sale of a residential dwelling that has a lien placed on it due to the PTP program to be deposited into the Fund.
- 4) Repeals current law allowing the Controller to subordinate liens for postponement of real property taxes, and instead requires all liens under the PTP program to have the priority of judgment liens.

5) Provides that taxes shall become due and payable in full if, in addition to current law, the claimant is refinancing the residential dwelling or has executed a reverse mortgage.

6) Requires a county tax collector to notify the Controller within 60 days of any property subject to a PTP program lien that becomes tax defaulted.

7) Requires the Controller, upon request of the tax collector, to provide information that is required for the preparation and enforcement of the sale of property.

8) Makes various other modifications to the procedures for filings for the PTP program as well as notifications and payments with respect to tax delinquent properties.

COMMENTS

1) Purpose. According to the author, this bill would reinstate the PTP program and give seniors and disabled Californians some financial flexibility. The bill would also incorporate several changes to the suspended PTP program designed to secure the PTP Fund ensure the program's long-term sustainability.

The author claims the PTP program provided assistance to nearly 6,000 California seniors and disabled persons over the 30 years it was previously in operation. After five years of suspension, the homes of some former participants in the program are now at risk of tax default sale. This bill would provide relief to those on fixed incomes who are unable to pay their tax bills and risk losing their homes.

2) Background to the PTP Program. The state currently has and has had several property tax relief programs benefitting elderly and disabled persons, including property tax reappraisal relief, property tax assistance, and property tax postponement. Unlike assistance programs that refund a percentage of property taxes paid, the PTP program provides a direct grant to qualifying seniors and disabled persons who own their residence, allowing recipients to defer payment of all or a portion of their property taxes.

Historically, aggregate loan repayments have equaled or exceeded the program's administrative costs, and over the long-term, the program has been self-supporting. In addition to allowing program participants to remain in their homes, the PTP program has reduced county property tax default rates and increased county tax collection revenues.

The state has not provided funding for the PTP program since the 2007-08 budget and has not paid claims since 2008. On February 20, 2009, the postponement program was indefinitely suspended as part of the budget reductions to the state's GF programs; the funding was eliminated, and the Controller was prohibited from accepting new applications from that date.

3) Implementation and Seed Capital. The bill currently contains no appropriation or other source of seed funding to reinitiate loans, and the Controller has identified several implementation concerns and areas where the program could be further refined and improved. Should this bill be passed by this Committee, the members may wish to encourage the author to continue working with the Controller to resolve these issues.

4) Related Legislation. AB 1322 (Patterson) of 2013 was similar to this bill and would have reinstated the Senior Citizens' PTP program that provided property tax deferment to seniors and disabled persons. That bill was held on the Suspense File of this Committee.

Recommendation(s)/Next Step(s):

ADOPT a position of "support" on AB 2231, as amended (Gordon): State Controller: Property Tax Postponement, as recommended by the County Treasurer-Tax Collector.

Fiscal Impact (if any):

1) GF costs to the Controller of approximately \$3.5 million in FY 2015-16 to reinstitute the program, eventually decreasing to annual administration costs of approximately \$3 million per year. Over the long term, these costs may be offset, at least in part, by ongoing interest on loans and the Fund, and fees generated by the program.

2) In order to reinstitute the PTP program, a source of initial seed capital funds and an appropriation to the Controller to make the first loans will be required.

Attachments

AB 2231 Bill Text

AB 2381 "Chair" support letter

AMENDED IN ASSEMBLY APRIL 21, 2014

AMENDED IN ASSEMBLY MARCH 24, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2231

Introduced by Assembly Members Gordon, Levine, and Patterson

February 20, 2014

An act to amend Sections *16181*, 16182, *16184*, 16186, 16190, 16200, 16210, 16211, ~~16211.5~~, and ~~16213~~ and *16211.5* of, to repeal Sections 16185, 16212, *16213*, and 16214 of, and to repeal and add Section 16180 of, the Government Code, and to amend Sections 2514, 3375, 20503, 20583, 20584, 20602, 20621, 20622, 20645.5, and 20645.6 of, to amend and repeal Section 20623 of, to repeal Section 20583.1 of, to add Section 3376 to, and to repeal Chapter 3.3 (commencing with Section 20639) of Part 10.5 of Division 2 of, the Revenue and Taxation Code, relating to state government, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2231, as amended, Gordon. State Controller: property tax postponement.

The Senior Citizens and Disabled Citizens Property Tax Postponement Law, until February 20, 2009, authorized a claimant, as defined, to file a claim with the Controller to postpone the payment of ad valorem property taxes, ~~where if~~ household income, as defined, did not exceed specified amounts. That law authorized the Controller, upon approval of the claim, to either make a payment directly to specified entities, or to issue the claimant a certificate of eligibility that constituted a written promise of the state to pay the amount specified on the certificate, as

provided. That law required these payments to be made out of specified funds appropriated to the Controller, and also required certain repaid property tax postponement payments to be paid into an impound account and transferred, as specified, to the General Fund. That law also required all sums paid by the Controller for postponed property taxes to be secured by a lien in favor of the State of California.

Existing law, on and after February 20, 2009, prohibits a person from filing a claim for postponement, and prohibits the Controller from accepting applications for postponement, under the Senior Citizens and Disabled Citizens Property Tax Postponement Law.

This bill would make inoperative the prohibition against a person filing a claim for postponement and the Controller from accepting applications for postponement under the program as of July 1, 2015, and would repeal these provisions on January 1, 2016. This bill would exclude losses and nonexpenses from “income” for purposes of these provisions. This bill would also exclude mobilehomes and houseboats from the scope of these provisions, would repeal the related Senior Citizens Mobilehome Property Tax Postponement Law, and make conforming changes to related provisions.

This bill would create in the State Treasury a Senior Citizens and Disabled Citizens Property Tax Postponement Fund. This bill would delete the requirement that funds be placed in an impound account and would, instead, require that repaid property tax postponement payments be directly deposited into the newly created fund. The bill would continuously appropriate these funds to the Controller for purposes of administering the property tax postponement program, as specified.

Existing law authorizes the Controller to subordinate the lien for postponed property taxes—~~where~~ *if* the Controller determines subordination is appropriate.

This bill would eliminate that authorization *and make other conforming changes*.

Existing law requires that the owners equity interest in the residential dwelling be at least 20% of the full value of the property in order to be eligible to participate in the postponement program.

This bill would increase the equity requirement to at least 40%.

Existing law requires the repayment of postponed taxes in specified circumstances.

This bill would, in addition, require repayment if the claimant refinances the dwelling or has elected to participate in a revenue mortgage program for the dwelling. The bill would require that the

county tax collector notify the Controller within 60 days of all property subject to a “Notice of Lien for Postponed Property Taxes” becoming tax defaulted or subject to collection procedures, as specified.

Existing law requires a claim for postponement to be filed after May 15 of the calendar year in which the fiscal year for which postponement is claimed begins, and on or before December 10 of that fiscal year.

This bill would instead require a claim for postponement to be filed after September 1 of the calendar year in which the fiscal year for which postponement is claimed begins, and on or before April 10 of that fiscal year.

Existing law makes optional certain duties of local agencies related to recordation of the tax lien.

This bill would delete that provision, thereby imposing a state-mandated local program.

Existing law requires, if a postponement claim, as specified, is filed timely but before the delinquency date of the first or 2nd installment of property taxes, that any delinquent penalties and interest for the fiscal year be canceled unless the failure to perfect the claim was due to willful neglect on the part of the claimant or representative, in which case the certificates of eligibility for the fiscal year can be used to pay delinquent taxes only if accompanied by sufficient amounts to pay the delinquent interest and penalties.

This bill would instead require, if a postponement claim is filed timely before the delinquency date of the 2nd installment of property taxes on the secured roll, that any delinquent penalties, costs, fees, and interest accrued for the fiscal year be canceled. This bill would instead require, in the event of willful neglect to perfect the claim, that an electronic funds transfer for that current fiscal year be used to pay only the delinquent taxes. This bill would authorize the tax collector, if the payment amount sufficient to pay all of the delinquent penalties, costs, fees, and interest is not received by the tax collector within 30 days from the date of the electronic funds transfer, to return the electronic funds transfer to the Controller to deny the postponement claim. This bill would require the Controller to provide a specified notification to the claimant and a copy of the notification to the tax collector.

This bill would also require the Controller, upon written request of the tax collector, to provide the tax collector with information that is required for the preparation and enforcement of the sale of tax-defaulted property, and would require the tax collector or his or her designee to certify, under penalty of perjury, that the information is requested for

these purposes. This bill would also provide that any information provided to the tax collector is not a public record and is not open to public inspection. By requiring the tax collector to make a certification under penalty of perjury, this bill would expand the crime of perjury thereby imposing a state-mandated local program.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

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 with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: yes.

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

1 SECTION 1. Section 16180 of the Government Code is
2 repealed.
3 SEC. 2. Section 16180 is added to the Government Code, to
4 read:
5 16180. (a) There is hereby created in the State Treasury a
6 Senior Citizens and Disabled Citizens Property Tax Postponement
7 Fund. Subject to subdivision (b) and notwithstanding Section
8 13340, the fund is continuously appropriated to the Controller,
9 commencing January 1, 2015, for purposes of administering this
10 chapter, including, but not limited to, necessary administrative
11 costs and disbursements relating to the postponement of property
12 taxes pursuant to the Senior Citizens and Disabled Citizens
13 Property Tax Postponement Law (Chapter 2 (commencing with
14 Section 20581) of Part 10.5 of Division 2 of the Revenue and
15 Taxation Code).

1 (b) The Controller shall transfer any moneys in the fund in
2 excess of ten million dollars (\$10,000,000) to the General Fund.

3 (c) Any loan repayments relating to the Senior Citizens and
4 Disabled Citizens Property Tax Postponement Law shall be
5 deposited into the Senior Citizens and Disabled Citizens Property
6 Tax Postponement Fund.

7 *SEC. 3. Section 16181 of the Government Code is amended to*
8 *read:*

9 16181. (a) The Controller shall maintain a record of all
10 properties against which a notice of lien for postponed property
11 taxes has been recorded. The record shall include, but not be
12 limited to, the names of each claimant, a description of the real
13 property against which the lien is recorded, the identification
14 number of the notice of lien assigned by the Controller, and the
15 amount of the lien.

16 ~~(b) The Controller shall maintain a record of all properties~~
17 ~~against which the Department of Housing and Community~~
18 ~~Development has been notified to withhold the transfer of title.~~
19 ~~The record shall include, but not be limited to, the names of each~~
20 ~~claimant, a description of the mobilehome against which a lien is~~
21 ~~charged, and the amount of the lien.~~

22 ~~(e)~~
23 (b) Upon written request of any person or entity, or the agent
24 of either, having a legal or equitable interest in real property ~~or a~~
25 ~~mobilehome which~~ *that* is subject to a lien for postponed taxes,
26 the Controller shall within 10 working days following receipt of
27 the request issue a written statement showing the amount of the
28 obligation secured by the lien as of the date of ~~such~~ *the* statement
29 and ~~such~~ *any* other information as will reasonably enable the person
30 or entity, or the agent of either, to determine the amount to be paid
31 the Controller in order to obtain a certificate of release or discharge
32 of the lien for postponed taxes.

33 ~~(d)~~
34 (c) The Controller shall adopt regulations necessary to
35 implement the provisions of this chapter and may establish a
36 reasonable fee, not to exceed ten dollars (\$10), for the provision
37 of the statement of lien status provided for herein.

38 ~~SEC. 3.~~

39 *SEC. 4. Section 16182 of the Government Code is amended*
40 *to read:*

1 16182. (a) All sums paid by the Controller under the provisions
2 of this chapter, together with interest thereon, shall be secured by
3 a lien in favor of the State of California when funds are transferred
4 to the county by the Controller upon the real property for which
5 property taxes have been postponed. In the case of a residential
6 dwelling which is part of a larger parcel taxed as a unit, such as a
7 duplex, farm, or multipurpose or multidwelling building, the lien
8 shall be against the entire tax parcel.

9 (b) In the case of real property:

10 (1) The lien shall be evidenced by a notice of lien for postponed
11 property taxes executed by the Controller, or the authorized
12 delegate of the Controller, and shall secure all sums paid or owing
13 pursuant to this chapter, including amounts paid subsequent to the
14 initial payment of postponed taxes on the real property described
15 in the notice of lien.

16 (2) The notice of lien may bear the facsimile signature of the
17 Controller. Each signature shall be that of the person who shall be
18 in the office at the time of execution of the notice of lien; provided,
19 however, that such notice of lien shall be valid and binding
20 notwithstanding any such person having ceased to hold the office
21 of Controller before the date of recordation.

22 (3) The form and contents of the notice of lien for postponed
23 property taxes shall be prescribed by the Controller and shall
24 include, but not be limited to, the following:

25 (A) The names of all record owners of the real property for
26 which the Controller has advanced funds for the payment of real
27 property taxes.

28 (B) A description of the real property for which real property
29 taxes have been paid.

30 (C) The identification number of the notice of lien which has
31 been assigned the lien by the Controller.

32 (4) The notice of lien shall be recorded in the office of the
33 county recorder for the county in which the real property subject
34 to the lien is located.

35 (5) The recorded notice of lien shall be indexed in the Grantor
36 Index to the names of all record owners of the real property and
37 in the Grantee Index to the Controller of the State of California.

38 (6) After the notice of lien has been duly recorded and indexed,
39 it shall be returned by the county recorder to the office of the
40 Controller. The recorder shall provide the county tax collector with

1 a copy of the notice of lien which has been recorded by the
2 Controller.

3 (7) From the time of recordation of a notice of lien for postponed
4 property taxes, a lien shall attach to the real property described
5 therein and shall have the priority of a judgment lien for all
6 amounts secured thereby, except that the lien shall remain in effect
7 until it is released by the Controller in the manner prescribed by
8 Section 16186.

9 *SEC. 5. Section 16184 of the Government Code is amended to*
10 *read:*

11 16184. The Controller shall reduce the amount of the obligation
12 secured by the lien against the real property ~~or mobilehome~~ by the
13 amount of any payments received for that purpose and by
14 notification of any amounts paid by the Franchise Tax Board
15 pursuant to Section 20564 or by any amounts authorized pursuant
16 to subdivision (f) of Section 20621 of the Revenue and Taxation
17 Code. The Controller shall also increase the amount of the
18 obligation secured by ~~such~~ the lien by the amount of any
19 subsequent payments made pursuant to Section 16180 with respect
20 to the real property and to reflect the accumulation of interest. All
21 such increases and decreases shall be entered in the record
22 described in Section 16181.

23 ~~SEC. 4.~~

24 *SEC. 6. Section 16185 of the Government Code is repealed.*

25 ~~SEC. 5.~~

26 *SEC. 7. Section 16186 of the Government Code is amended*
27 *to read:*

28 16186. If at any time the amount of the obligation secured by
29 the lien for postponed property taxes is paid in full or otherwise
30 discharged, the Controller, or the authorized delegate of the
31 Controller, shall in the case of real property:

32 (a) Execute and cause to be recorded in the office of the county
33 recorder of the county wherein the real property described in the
34 lien is located, a release of the lien conclusively evidencing the
35 satisfaction of all amounts secured by the lien. The cost of
36 recording the release of the lien shall be added to and become part
37 of the obligation secured by the lien being released.

38 (b) Direct the tax collector to remove from the secured roll, the
39 information required to be entered thereon by paragraph (1) of

subdivision (a) of Section 2514 of the Revenue and Taxation Code with respect to the property described in the lien.

(c) Direct the assessor to remove from the assessment records applicable to the property described in the lien, the information required to be entered on such records by Section 2515 of the Revenue and Taxation Code.

~~SEC. 6.~~

SEC. 8. Section 16190 of the Government Code is amended to read:

16190. All amounts owing pursuant to Article 1 (commencing with Section 16180) of this chapter shall become due if any of the following occurs:

(a) The claimant, who is either the sole owner or sole possessory interest holder of the residential dwelling, as defined in Section 20583 or Section 20640 of the Revenue and Taxation Code, or a coowner or copossessory interest holder with a person other than a spouse or other individual eligible to postpone property taxes pursuant to Chapter 2 (commencing with Section 20581), Chapter 3.3 (commencing with Section 20639), or Chapter 3.5 (commencing with Section 20640) of Part 10.5 of Division 2 of such code, ceases to occupy the premises as his residential dwelling, dies, or sells, conveys, or disposes of the property, or allows any tax or special assessment on the premises described in Section 20583 of such code to become delinquent. If the sole owner or possessory interest holder claimant dies and his or her surviving spouse inherits the premises and continues to own and occupy it as his or her principal place of residence, then the lien amount does not become due and payable unless taxes or special assessments described in the preceding sentence become delinquent, or such surviving spouse dies, or sells, conveys or disposes of the interest in the property.

(b) The claimant, who is a coowner or copossessory interest holder of the residential dwelling, as defined in Section 20583 or Section 20640.2 of the Revenue and Taxation Code, with a spouse or another individual eligible to postpone property taxes pursuant to Chapter 2 (commencing with Section 20581), Chapter 3.3 (commencing with Section 20639), or Chapter 3.5 (commencing with Section 20640) of Part 10.5 of Division 2 of such code, dies, and the surviving spouse or other surviving eligible individual allows any tax or special assessment on the premises described in

1 Section 20583 of such code to become delinquent or such surviving
2 spouse or other individual ceases to occupy the premises as a
3 residential dwelling, dies, or conveys, or disposes of the interest
4 in the property.

5 (c) The failure of the claimant to perform those acts the claimant
6 is required to perform where such performance is secured, or will
7 be secured in the event of nonperformance, by a lien which is
8 senior to that of the lien provided by Section 16182.

9 (d) Postponement was erroneously allowed because eligibility
10 requirements were not met.

11 (e) The claimant is refinancing the residential dwelling.

12 (f) The claimant has elected to participate in a reverse mortgage
13 program for the residential dwelling.

14 ~~SEC. 7.~~

15 *SEC. 9.* Section 16200 of the Government Code is amended
16 to read:

17 16200. In the event that the Controller receives the notice
18 described in Section 16187 of this code or Section 3375 of the
19 Revenue and Taxation Code, the Controller may take any of the
20 following actions which will best serve the interests of the state:

21 (a) Notify by United States mail the tax collector or other party
22 that such notice has been received and that the Controller must be
23 given at least 20 days prior notice of the date that the property will
24 be sold at auction. If the Controller elects to proceed under this
25 subdivision, the Controller may use funds appropriated by Section
26 16100 to bid on the property at the auction up to the amount
27 secured by the state's lien on the property and any lien on such
28 property having priority over the state's lien. All additional
29 amounts paid pursuant to this subdivision shall be added to the
30 amount secured by the lien on such property provided for in Article
31 1 (commencing with Section 16180) of this chapter.

32 (b) Acknowledge by United States mail that the notice required
33 by Section 16187 of this code or Section 3375 of the Revenue and
34 Taxation Code has been received.

35 ~~SEC. 8.~~

36 *SEC. 10.* Section 16210 of the Government Code is amended
37 to read:

38 16210. In the event that the amount secured by the state's lien
39 provided for in Article 1 (commencing with Section 16180) is paid
40 by reason of the sale or condemnation of the property on which

1 the lien attaches, the funds so received shall be placed in the Senior
2 Citizens and Disabled Citizens Property Tax Postponement Fund.

3 ~~SEC. 9:~~

4 *SEC. 11.* Section 16211 of the Government Code is amended
5 to read:

6 16211. The claimant under Chapter 2 (commencing with
7 Section 20581), Chapter 3 (commencing with Section 20625), or
8 Chapter 3.5 (commencing with Section 20640) of Part 10.5 of
9 Division 2 of the Revenue and Taxation Code whose residential
10 dwelling was sold or condemned ~~may shall not~~ draw upon the
11 amount in the account to purchase a new residential dwelling, and
12 ~~the amount so drawn shall be secured by a new lien against the~~
13 ~~new residential dwelling from the time the Controller records the~~
14 ~~new lien against the new residential dwelling as provided for under~~
15 ~~Section 16182: Senior Citizens and Disabled Citizens Property~~
16 ~~Tax Postponement Fund.~~

17 ~~In the case of real property, the Controller shall subordinate the~~
18 ~~new lien to the lien of the note and deed of trust of the purchase~~
19 ~~money obligations used in the acquisition of the new residential~~
20 ~~dwelling, provided the claimant has an equity of at least 40 percent~~
21 ~~of the full value of the property, as required by paragraph (1) of~~
22 ~~subdivision (b) of Section 20583 of the Revenue and Taxation~~
23 ~~Code, prior to recordation of that subordination. The lien shall~~
24 ~~have priority over all subsequent liens, except as provided in~~
25 ~~Section 2192.1 of the Revenue and Taxation Code.~~

26 ~~SEC. 10:~~

27 *SEC. 12.* Section 16211.5 of the Government Code is amended
28 to read:

29 16211.5. (a) In the event that the real property securing the
30 state's lien provided for in Article 1 (commencing with Section
31 16180) is the residential dwelling of a claimant under Chapter 2
32 (commencing with Section 20581) of Part 10.5 of Division 2 of
33 the Revenue and Taxation Code and is voluntarily sold, the funds
34 derived from the voluntary sale of the residential dwelling shall
35 be placed in the Senior Citizens and Disabled Citizens Property
36 Tax Postponement Fund. At that time, the Controller shall release
37 the state's lien in the manner prescribed by Section 16186.

38 (b) The claimant under Chapter 2 (commencing with Section
39 20581) of Part 10.5 of Division 2 of the Revenue and Taxation
40 Code whose residential dwelling was voluntarily sold shall not

draw upon the amount in the Senior Citizens and Disabled Citizens Property Tax Postponement Fund.

~~SEC. 11.~~

SEC. 13. Section 16212 of the Government Code is repealed.

~~SEC. 12.~~ Section 16213 of the Government Code is amended to read:

~~16213. At the end of the six-month period specified in Section 16210 or the six-month period specified in Section 16211.5, all funds remaining in an impound account shall be transferred to the Senior Citizens and Disabled Citizens Property Tax Postponement Fund, established pursuant to Section 16180.~~

SEC. 14. Section 16213 of the Government Code is repealed.

~~16213. At the end of the six-month period specified in Section 16210 or the six-month period specified in Section 16211.5, all funds remaining in an impound account shall be transferred to the General Fund.~~

~~SEC. 13.~~

SEC. 15. Section 16214 of the Government Code is repealed.

~~SEC. 14.~~

SEC. 16. Section 2514 of the Revenue and Taxation Code is amended to read:

2514. (a) With respect to a claimant whose property taxes are paid by a lender from an impound, trust, or other type of account described in Section 2954 of the Civil Code, the tax collector shall notify the auditor of the claimant's name and address, and the duplicate amount of money the Controller transferred to the tax collector via an electronic fund transfer.

The county auditor, treasurer, or disbursing officer shall send a check in the amount of money based on the electronic transfer by the Controller, to the Controller within 60 days of the replicated payment.

(b) The procedures established by this chapter shall not be construed to require a lender to alter the manner in which a lender makes payment of the property taxes of such a claimant.

~~SEC. 15.~~

SEC. 17. Section 3375 of the Revenue and Taxation Code is amended to read:

3375. The county tax collector shall notify the Controller within 60 days, in the manner as the Controller shall direct, of all property subject to a "Notice of Lien for Postponed Property Taxes"

1 recorded pursuant to Section 16182 of the Government Code that
2 becomes tax defaulted subsequent to the date of entry on the
3 secured roll of the information required by subdivision (a) of
4 Section 2514.

5 ~~SEC. 16.~~

6 *SEC. 18.* Section 3376 is added to the Revenue and Taxation
7 Code, to read:

8 3376. (a) Upon request of the tax collector, the Controller shall
9 provide to the tax collector information that is required for the
10 preparation and enforcement of the sale of property under Part 6
11 (commencing with Section 3351) of Division 1. This information
12 may include social security numbers.

13 (b) The tax collector or his or her designee shall certify, under
14 penalty of perjury, to the Controller, that the information requested
15 pursuant to subdivision (a) is required for the purposes specified
16 in subdivision (a).

17 (c) Any information provided to the tax collector pursuant to
18 this subdivision is not a public record and is not open to public
19 inspection.

20 ~~SEC. 17.~~

21 *SEC. 19.* Section 20503 of the Revenue and Taxation Code is
22 amended to read:

23 20503. (a) "Income" means adjusted gross income as defined
24 in Section 17072 plus all of the following cash items:

- 25 (1) Public assistance and relief.
- 26 (2) Nontaxable amount of pensions and annuities.
- 27 (3) Social security benefits (except Medicare).
- 28 (4) Railroad retirement benefits.
- 29 (5) Unemployment insurance payments.
- 30 (6) Veterans' benefits.
- 31 (7) Exempt interest received from any source.
- 32 (8) Gifts and inheritances in excess of three hundred dollars
33 (\$300), other than transfers between members of the household.
34 Gifts and inheritances include noncash items.
- 35 (9) Amounts contributed on behalf of the contributor to a
36 tax-sheltered retirement plan or deferred compensation plan.
- 37 (10) Temporary workers' compensation payments.
- 38 (11) Sick leave payments.
- 39 (12) Nontaxable military compensation as defined in Section
40 112 of the Internal Revenue Code.

1 (13) Nontaxable scholarship and fellowship grants as defined
2 in Section 117 of the Internal Revenue Code.

3 (14) Nontaxable gain from the sale of a residence as defined in
4 Section 121 of the Internal Revenue Code.

5 (15) Life insurance proceeds to the extent that the proceeds
6 exceed the expenses incurred for the last illness and funeral of the
7 deceased spouse of the claimant. “Expenses incurred for the last
8 illness” includes unreimbursed expenses paid or incurred during
9 the income calendar year and any expenses paid or incurred
10 thereafter up until the date the claim is filed. For purposes of this
11 paragraph, funeral expenses shall not exceed five thousand dollars
12 (\$5,000).

13 (16) If an alternative minimum tax is required to be paid
14 pursuant to Chapter 2.1 (commencing with Section 17062) of Part
15 10, the amount of alternative minimum taxable income (whether
16 or not cash) in excess of the regular taxable income.

17 (17) Annual winnings from the California Lottery in excess of
18 six hundred dollars (\$600) for the current year.

19 (b) For purposes of this chapter, total income shall be determined
20 for the calendar year (or approved fiscal year ending within that
21 calendar year) which ends within the fiscal year for which
22 assistance is claimed.

23 (c) For purposes of this chapter, all losses and nonexpenses shall
24 be converted to zero for the purpose of determining whether the
25 homeowner meets the Property Tax Postponement requirement.

26 (d) For purposes of Chapter 2 (commencing with Section
27 20581), Chapter 3 (commencing with Section 20625), and Chapter
28 3.5 (commencing with Section 20640), total income shall be
29 determined for the calendar year ending immediately prior to the
30 commencement of the fiscal year for which postponement is
31 claimed.

32 ~~SEC. 18.~~

33 *SEC. 20.* Section 20583 of the Revenue and Taxation Code is
34 amended to read:

35 20583. (a) “Residential dwelling” means a dwelling occupied
36 as the principal place of residence of the claimant, and so much
37 of the land surrounding it as is reasonably necessary for use of the
38 dwelling as a home, owned by the claimant, the claimant and
39 spouse, or by the claimant and either another individual eligible
40 for postponement under this chapter or an individual described in

1 subdivision (a), (b), or (c) of Section 20511 and located in this
2 state. It shall include condominiums that are assessed as realty for
3 local property tax purposes. It also includes part of a multidwelling
4 or multipurpose building and a part of the land upon which it is
5 built.

6 (b) As used in this chapter in reference to ownership interests
7 in residential dwellings, “owned” includes (1) the interest of a
8 vendee in possession under a land sale contract provided that the
9 contract or memorandum thereof is recorded and only from the
10 date of recordation of the contract or memorandum thereof in the
11 office of the county recorder where the residential dwelling is
12 located, (2) the interest of the holder of a life estate provided that
13 the instrument creating the life estate is recorded and only from
14 the date of recordation of the instrument creating the life estate in
15 the office of the county recorder where the residential dwelling is
16 located, but “owned” does not include the interest of the holder of
17 any remainder interest or the holder of a reversionary interest in
18 the residential dwelling, (3) the interest of a joint tenant or a tenant
19 in common in the residential dwelling or the interest of a tenant
20 where title is held in tenancy by the entirety or a community
21 property interest where title is held as community property, and
22 (4) the interest in the residential dwelling in which the title is held
23 in trust, as described in subdivision (d) of Section 62, provided
24 that the Controller determines that the state’s interest is adequately
25 protected.

26 (c) Except as provided in subdivision (c), and Chapter 3
27 (commencing with Section 20625), ownership must be evidenced
28 by an instrument duly recorded in the office of the county where
29 the residential dwelling is located.

30 (d) “Residential dwelling” does not include any of the following:

31 (1) Any residential dwelling in which the owners do not have
32 an equity of at least 40 percent of the full value of the property as
33 determined for purposes of property taxation or at least 40 percent
34 of the fair market value as determined by the Controller and where
35 the Controller determines that the state’s interest is adequately
36 protected. The 40-percent equity requirement shall be met at the
37 time the claimant or authorized agent files an initial postponement
38 claim and tenders to the tax collector the initial certificate of
39 eligibility described in Sections 20602, 20639.6, and 20640.6.

1 (2) Any residential dwelling in which the claimant's interest is
2 held pursuant to a contract of sale or under a life estate, unless the
3 claimant obtains the written consent of the vendor under the
4 contract of sale, or the holder of the reversionary interest upon
5 termination of the life estate, for the postponement of taxes and
6 the creation of a lien on the real property in favor of the state for
7 amounts postponed pursuant to this act.

8 (3) Any residential dwelling on which the claimant does not
9 receive a secured tax bill.

10 (4) Any residential dwelling in which the claimant's interest is
11 held as a possessory interest, except as provided in Chapter 3.5
12 (commencing with Section 20640).

13 ~~SEC. 19.~~

14 *SEC. 21.* Section 20583.1 of the Revenue and Taxation Code
15 is repealed.

16 ~~SEC. 20.~~

17 *SEC. 22.* Section 20584 of the Revenue and Taxation Code is
18 amended to read:

19 20584. (a) "Property taxes" means all ad valorem property
20 taxes, special assessments, and other charges or user fees which
21 are attributable to the residential dwelling on the county tax bill
22 and the ad valorem property taxes, special assessments, or other
23 charges or user fees appearing on the tax bill of any chartered city
24 which levies and collects its own property taxes.

25 (b) Whenever a residential dwelling is an integral part of a larger
26 tax unit, such as a duplex, farm or a multipurpose building,
27 "property taxes" shall be the percentage of the total property taxes
28 as the value of the residential dwelling is of the value of the total
29 tax unit.

30 (c) "Property taxes" means property taxes for current fiscal
31 years for which the claim is made and excludes delinquent taxes
32 for prior fiscal years.

33 ~~SEC. 21.~~

34 *SEC. 23.* Section 20602 of the Revenue and Taxation Code is
35 amended to read:

36 20602. Upon approval of a claim described in Section 20601,
37 the Controller shall make payments directly to a county tax
38 collector for the property taxes owed on behalf of a qualified
39 claimant. Payments may, upon appropriation by the Legislature,
40 be made out of the amounts otherwise appropriated pursuant to

1 Section 16100 of the Government Code that are secured by a
2 secured tax lien and obligation as specified by Article 1
3 (commencing with Section 16180) of Chapter 5 of Division 4 of
4 the Government Code.

5 ~~SEC. 22.~~

6 *SEC. 24.* Section 20621 of the Revenue and Taxation Code is
7 amended to read:

8 20621. Each claimant applying for postponement under Article
9 2 (commencing with Section 20601) shall file a claim under penalty
10 of perjury with the Controller on a form supplied by the Controller.
11 The claim shall contain all of the following:

12 (a) Evidence acceptable to the Controller that the person was a
13 “senior citizen claimant” or a “blind or disabled claimant.”

14 (b) A statement showing the household income for the period
15 set forth in Section 20503.

16 (c) A statement describing the residential dwelling in a manner
17 that the Controller may prescribe.

18 (d) The name of the county in which the residential dwelling is
19 located and the address of the residential dwelling.

20 (e) The county assessor’s parcel number applicable to the
21 property for which the claimant is applying for the postponement
22 of property taxes.

23 (f) (1) Documentation evidencing the current existence of any
24 abstract of judgment, federal tax lien, or state tax lien filed or
25 recorded against the applicant, and any recorded mortgage or deed
26 of trust that affects the subject residential dwelling, for the purpose
27 of determining that the claimant possesses a 40-percent equity in
28 the subject residential dwelling as required by paragraph (1) of
29 subdivision (b) of Section 20583.

30 (2) Actual costs, not in excess of fifty dollars (\$50), paid by the
31 claimant to obtain the documentation shall reduce the amount of
32 the lien for the year, but not the face amount of the payment
33 prescribed in Section 16180 of the Government Code.

34 (g) Other information required by the Controller to establish
35 eligibility.

36 ~~SEC. 23.~~

37 *SEC. 25.* Section 20622 of the Revenue and Taxation Code is
38 amended to read:

39 20622. The claim for postponement shall be filed after
40 September 1 of the calendar year in which the fiscal year for which

1 postponement is claimed begins, and on or before April 10 of that
2 fiscal year; if April 10th falls on Saturday, Sunday, or a legal
3 holiday, the date is extended to the next business day.

4 ~~SEC. 24.~~

5 *SEC. 26.* Section 20623 of the Revenue and Taxation Code is
6 amended to read:

7 20623. (a) No person shall file a claim for postponement under
8 this chapter on or after the effective date of the act adding this
9 section, and the Controller shall not accept applications for
10 postponement under this chapter on or after that date.

11 (b) This section shall become inoperative on July 1, 2015, and
12 as of January 1, 2016, is repealed, unless a later enacted statute
13 that is enacted before January 1, 2016, deletes or extends the dates
14 on which it becomes inoperative and is repealed.

15 ~~SEC. 25.~~

16 *SEC. 27.* Chapter 3.3 (commencing with Section 20639) of
17 Part 10.5 of Division 2 of the Revenue and Taxation Code is
18 repealed.

19 ~~SEC. 26.~~

20 *SEC. 28.* Section 20645.5 of the Revenue and Taxation Code
21 is amended to read:

22 20645.5. (a) If a postponement claim under Chapter 2
23 (commencing with Section 20581), Chapter 3.3 (commencing with
24 Section 20639), or Chapter 3.5 (commencing with Section 20640)
25 is filed timely before the delinquency date of the second installment
26 of property taxes on the secured roll, then any delinquent penalties,
27 costs, fees, and interest accrued for that fiscal year shall be canceled
28 unless the failure to perfect the claim was due to willful neglect
29 on the part of the claimant or representative.

30 (b) In the event of willful neglect, an electronic funds transfer
31 for that current fiscal year can be used to pay delinquent taxes only
32 if accompanied by sufficient amounts to pay all of the delinquent
33 penalties, costs, fees, and interest. If an amount sufficient to pay
34 all of the delinquent penalties, costs, fees, and interest is not
35 received by the tax collector within 30 days from the date of the
36 electronic funds transfer, the tax collector may return the electronic
37 funds transfer to the Controller to deny the postponement claim.

38 (c) (1) The Controller shall notify the claimant in writing when
39 the electronic funds transfer has been submitted to the tax collector.

(2) In the event of willful neglect, in addition to the information required pursuant to paragraph (1), the Controller shall also notify the claimant in writing and provide a copy of the notification to the tax collector, that a payment amount sufficient to pay all of the delinquent penalties, costs, fees, and interest must be received by the tax collector within 30 days from the date of the electronic funds transfer, and that if this payment is not received by the tax collector, the tax collector may return the electronic funds transfer to the Controller to deny the postponement claim.

~~SEC. 27.~~

SEC. 29. Section 20645.6 of the Revenue and Taxation Code is amended to read:

20645.6. (a) If the Controller denies a postponement claim under Chapter 2 (commencing with Section 20581), Chapter 3 (commencing with Section 20625), Chapter 3.3 (commencing with Section 20639), or Chapter 3.5 (commencing with Section 20640), and the denial is reversed after appeal pursuant to Section 20645.1, the Controller shall electronically transfer funds to the county, if the taxes for the fiscal year have been paid, for the amount of the taxes. If the taxes for the fiscal year are delinquent, any resulting penalties or interest shall be canceled.

(b) The Controller shall notify the claimant in writing when an electronic funds transfer has been made pursuant to subdivision (a).

~~SEC. 28.~~

SEC. 30. The Legislature finds and declares that Section 16 of this act, which adds Section 3376 to the Revenue and Taxation Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

In order to protect those persons subject to enforcement of Part 6 (commencing with Section 3351) of Division 1 of the Revenue and Taxation Code against the risk of identity theft, it is in the state's interest to limit public access to information.

1 ~~SEC. 29.~~

2 *SEC. 31.* No reimbursement is required by this act pursuant
3 to Section 6 of Article XIII B of the California Constitution for
4 certain costs that may be incurred by a local agency or school
5 district because, in that regard, this act creates a new crime or
6 infraction, eliminates a crime or infraction, or changes the penalty
7 for a crime or infraction, within the meaning of Section 17556 of
8 the Government Code, or changes the definition of a crime within
9 the meaning of Section 6 of Article XIII B of the California
10 Constitution.

11 However, if the Commission on State Mandates determines that
12 this act contains other costs mandated by the state, reimbursement
13 to local agencies and school districts for those costs shall be made
14 pursuant to Part 7 (commencing with Section 17500) of Division
15 4 of Title 2 of the Government Code.

O

The Board of Supervisors

County Administration Building
651 Pine Street, Room 106
Martinez, California 94553

John Gioia, 1st District
Candace Andersen, 2nd District
Mary N. Piepho, 3rd District
Karen Mitchoff, 4th District
Federal D. Glover, 5th District

Contra Costa County



David Twa
Clerk of the Board
and
County Administrator
(925) 335-1900

May 14, 2014

The Honorable Susan Bonilla
Capitol Building #4140
Sacramento, CA 95814

RE: AB 2381 (Bonilla) Private Parking Facilities – SUPPORT

Dear Assembly Member Bonilla:

As Chair of the Board of Supervisors of Contra Costa County, I write to inform you that Contra Costa County supports AB 2381 which seeks to clarify that state law allows cities and counties to adopt ordinances allowing private property owners to regulate and enforce parking rules on their properties.

Contra Costa County works with community partners, businesses, and residents to promote and enhance local business vitality. It is important for property owners and their merchant tenants to have the ability to manage their lots to ensure adequate numbers of open spaces for customers to park. The City of Walnut Creek has adopted a city ordinance to allow private property owners to meter their lots and enforce time limits on those meters. However, the validity of the Walnut Creek ordinance has been put into question by an Attorney General legal opinion which states that California statute must authorize such an ordinance. This opinion, while not binding, has had the unfortunate consequence of discouraging other cities and counties from adopting ordinances that would benefit their downtown business associations, local merchants, and customers. AB 2381 will provide clarity to the matter by addressing the Attorney General opinion and clearly stating that such ordinances are valid.

AB 2381 provides cities and business owners the tools to better manage parking in privately owned lots. For these reasons, Contra Costa County supports the bill and wishes you success in its passage.

Sincerely,

A handwritten signature in purple ink that reads "Karen Mitchoff".

KAREN MITCHOFF
Chair, Board of Supervisors

AB 2381 (Bonilla) Private Parking Facilities

May 14, 2014

Page 2 of 2

cc: Members, Board of Supervisors
 Contra Costa County Legislative Delegation
 David Twa, County Administrator
 Cathy Christian, Nielsen Merksamer



Contra Costa County Board of Supervisors

Subcommittee Report

LEGISLATION COMMITTEE

6.

Meeting Date: 06/05/2014
Subject: AB 2418 (Bonilla): Health Care Coverage: Prescription Drugs: Refills
Submitted For: LEGISLATION COMMITTEE,
Department: County Administrator
Referral No.: 2014-23
Referral Name: AB 2418 (Bonilla): Health Care Coverage: Prescription Drugs: Refills
Presenter: L. DeLaney **Contact:** L. DeLaney, 925-335-1097

Referral History:

Assembly Member Bonilla has requested support of this bill, AB 2418. Staff has sent the bill to the Health Services Department and to the Contra Costa Health Plan administrator to review the bill.

Referral Update:

SUMMARY

This bill requires health plans and insurers that provide prescription drug benefits to comply with three provisions for products sold and contracts issued after January 1, 2016. Specifically, this bill:

- 1) Requires a plan that imposes a mandatory mail-order restriction for some or all covered prescription drugs to establish a process for enrollees to opt out of that restriction, and allows a plan to require the use of specific contracting pharmacies.
- 2) Prohibits plans from denying coverage for a refill for purposes of placing all enrollee's medications on the same schedule, and requires the application of prorated cost-sharing to refills that are for purposes of such synchronization and that meet other criteria.
- 3) Prohibits plans from denying coverage for the early refill of covered ophthalmic products at 70% of the predicted days of use.

COMMENTS

1) Purpose. According to the author, this bill is aimed at improving patient medication adherence and health outcomes through streamlining the medication refill process using three strategies. The author states that by creating processes that support and improve patient access to medications, patients experience better health outcomes and improved quality of life. Furthermore, patients

who pick up their medications at their local pharmacy have the opportunity to talk with the pharmacist about how to properly take their medications and to understand the positive benefits of taking their medication.

2) Background. This bill contains three separate provisions.

a) Mandatory mail order opt-out. Pharmacy benefit managers and plans that provide prescription drug benefits generally contract with, or own, mail-order pharmacies in addition to community pharmacies. According to these entities, providing certain drugs through mail-order arrangements can sometimes be cost-efficient and clinically beneficial, as there is greater assurance of medication adherence and a greater ability to direct utilization to certain drugs, offering cost savings based on negotiated prices and rebates. The Centers for Medicaid and Medicare Services (CMS), however, requires participating Medicare Part D pharmacy benefit plans to allow patients to opt out of mandatory mail order. Truly mandatory mail order with no opportunity to opt out does not appear widespread at this time. Most plans that use mandatory mail order programs for certain drugs allow enrollees to opt out. However, even some plans offering opt-out processes would not be compliant with this bill and would have to change their processes in order to comply. For example, this bill would prohibit plans from requiring enrollees to sign a form in order to opt out.

b) Prohibition on denial of refills for synchronization purposes. This bill requires plans and insurers to allow enrollees to refill prescriptions at less than the full amount, for purposes of synchronizing medications (putting a patient's medications on the same schedule). CMS requires participating Medicare Part D pharmacy benefit plans to allow patients to receive "short fills" at a prorated cost-sharing amount, similar to this bill.

c) Topical ophthalmics. Also aligning with a Medicare requirement, this bill allow for early refills of covered ophthalmic products - generally eye drops--at 70% of the predicted days of use. This provision is intended to account for potential spillage.

3) Support. California Pharmacists Association and California Healthcare Institute, co-sponsors of this bill, write in support that lack of medication adherence results in lost opportunities to treat patients and improving adherence requires a multi-faceted approach, including the strategies outlined in this bill. Patient advocate groups also support this bill.

4) Opposition. Health plans, insurers and pharmacy benefit managers oppose this bill, concerned about the costs and administrative complexity of the proposed changes. Health plans and insurers view this bill as micromanaging the prescription refill process. Blue Shield of California (BSC) argues this bill will eviscerate the benefits members realize from mandatory mail order programs.

5) Staff Comments. The mandatory mail-order provision of this bill raises questions of the balance between consumer choice about where to pick up drugs, versus the provision of pharmaceutical benefits in the most cost-effective way. Given the emergence of costly specialty drugs that account for a small percentage of prescriptions but a large portion of overall drug spending, it appears this bill may result in increased cost pressure, particularly in future years as plans seek new strategies to mitigate the cost of prescription drug benefits. Removing the ability of plans to use mandatory mail-order for certain drugs may have significant costs over the long term.

Furthermore, in addition to requiring a way to opt out of mandatory mail-order, this bill may be

Furthermore, in addition to requiring a way to opt out of mandatory mail-order, this bill may be interpreted as a requirement to go further and prohibit the use of limited networks of pharmacies for the provision of certain drugs. In other words, when someone opts out of mail order, it may restrict a plan's ability to direct enrollees to certain pharmacies over others. This bill states, "the opt-out process may require the use of a plan's participating pharmacy that, at the discretion of the plan, is suited to special handling of the prescription drug and patient care." However, the inclusion of this language may preclude arrangements currently in use that are not in place due to special handling or patient care requirements, but exist purely for purposes of cost efficiency. For example, under current law and practice, a plan can require enrollees to fill certain high-cost prescriptions at, for example, Pharmacy X, even though a plan might have contracts with numerous other pharmacies for provision of other drugs. By contracting with Pharmacy X to be the sole provider for the high-cost Drug A, the plan is able to reduce costs by procuring Drug A at volume discounts and/or negotiating rebates. Although it is not explicitly stated, this bill may require the plan to allow the enrollee to choose any community pharmacy contracted with the plan for provision of any drug, except for drugs the plan believes require special handling and patient care. If this is required, it may increase costs by undermining negotiated pricing agreements. If the intent is to allow the use of limited pharmacy networks as they are currently used, as a means to manage drug costs, this should be clarified.

Overall, if the opt-out provisions become law, consumers may gain choice at the front end, but they will likely pay some price for it through increased costs for benefits. Given the mandatory nature of the bill's opt-out provisions, these costs will not be apparent and consumers and employers will not have the option to avoid these costs or weigh potential benefits against the costs, since they will be embedded in the benefit design. Plans and insurers that provide prescription drug benefits are still required to provide adequate access to drugs to as a condition of state licensure. Given this, it is far from obvious that prohibiting strategies that may mitigate growth in drug spending truly benefits consumers over the long run, when considering the potential for increased benefit costs.

Recommendation(s)/Next Step(s):

CONSIDER recommending a position of "support" on AB 2418 (Bonilla): Health Care Coverage: Prescription Drugs: Refills, as requested by Assembly Member Bonilla.

Fiscal Impact (if any):

This bill has been amended and implications of the mandatory mail order provisions have been clarified since the California Health Benefits Review Program (CHBRP) analyzed it. Cost estimates from CHBRP have been modified, and costs are estimated as follows:

- 1) Potential one-time costs to DMHC of \$200,000 for plan licensing, regulatory, and enforcement costs (Managed Care Fund). Ongoing costs are likely to be minor.
- 2) Minor one-time costs to CDI, in the range of \$30,000 (Insurance Fund) for oversight and enforcement.
- 3) Costs of at least \$6,000 annually for provision of services through CalPERS benefit plans (GF/federal/special/local funds). About 60% of this cost is state cost, while the rest is a local cost. This range is based on assumptions related to cost-sharing and percentage of visits billed.
- 4) State expenditures for Medi-Cal Managed Care Plans are estimated to increase by at least

\$154,000 annually.

5) Increased employer-funded premium costs in the private insurance market of at least \$845,000 annually.

6) Increased premium expenditures by employees and individuals purchasing insurance of at least \$500,000 annually, as well as increased out-of-pocket expenditures of at least \$1.8 million.

7) To the extent this bill precludes the ability of plans and insurers to direct enrollees, for certain drugs, to mandatory mail order or to networks of specific pharmacies with which plans have pricing agreements for certain drugs, there could be significant cost pressures to the market beyond that estimated by CHBRP. This cost pressure is likely to grow over time, as this bill will limit the ability of pharmaceutical benefits managers to use mandatory mail order, and may limit the use of narrower networks of pharmacies for certain high-cost drugs.

Attachments

AB 2418 Bill Text

AMENDED IN ASSEMBLY MAY 27, 2014

AMENDED IN ASSEMBLY MAY 7, 2014

AMENDED IN ASSEMBLY APRIL 23, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2418

**Introduced by Assembly Members Bonilla and Skinner
(Coauthors: Assembly Members Bonta, Maienschein, and Nestande)**

February 21, 2014

An act to add Sections 1367.247, 1367.248, and 1367.249 to the Health and Safety Code, and to add Sections 10123.207, 10123.208, and 10123.209 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 2418, as amended, Bonilla. Health care coverage: prescription drugs: refills.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law imposes various requirements on contracts and policies that cover prescription drug benefits. Existing law, the Pharmacy Law, provides for the licensure and regulation of pharmacists by the California State Board of Pharmacy and prohibits the refilling of a prescription without the authorization of the prescriber, except as specified.

This bill would require a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2016, that provides coverage for prescription drug benefits and imposes

a mandatory mail-order restriction for all or some covered prescription drugs to establish a process allowing enrollees and insureds to opt out of the restriction, as specified. The bill would require a health care service plan contract or a health insurance policy issued, amended, or renewed on or after January 1, 2016, that provides coverage for prescription drug benefits to permit and apply a prorated daily cost-sharing rate to refills of prescriptions that are dispensed by a participating pharmacy for less than the standard refill amount if the prescriber or pharmacist indicates that the refill is in the best interest of the enrollee or insured and is for the purpose of synchronizing the refill dates of the enrollee's or insured's medications, provided that certain requirements are satisfied. The bill would also require a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2016, that provides coverage for prescription drug benefits to allow for the early refill of covered topical ophthalmic products at 70% of the predicted days of use. Because a willful violation of the bill's requirements by a health care service plan would be a crime, the bill would impose a state-mandated local program.

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.
State-mandated local program: yes.

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

- 1 SECTION 1. The Legislature hereby finds and declares all of
- 2 the following:
- 3 (a) As ~~much~~ many as 75 percent of patients do not take their
- 4 medications as prescribed. Poor adherence to prescribed treatments
- 5 poses serious health risks to nonadhering patients, particularly
- 6 those with chronic diseases.
- 7 (b) Poor adherence to prescribed treatments leads to unnecessary
- 8 disease progression, avoidable utilization of inpatient and outpatient
- 9 medical care, higher mortality rates, and increased medical
- 10 spending. According to the New England Healthcare Institute,
- 11 poor adherence to medication results in \$100 billion in excess
- 12 hospital visits and a total of \$290 billion in avoidable medical

1 spending each year — 13 percent of all health care expenditures
2 in the United States. Adherence to prescription medication prevents
3 these unnecessary complications and is a cost-effective and simple
4 tool in the treatment of health conditions.

5 (c) Given the evidence showing benefits to patients, the federal
6 Centers for Medicare and Medicaid Services requires Medicare
7 Part D plans to permit beneficiaries to choose between mail-order
8 delivery or community pharmacy access to prescription drugs,
9 requires Part D plans to allow for the synchronization of refill dates
10 for patients with multiple prescriptions, and recommends that Part
11 D plans authorize early refills of topical ophthalmic products at
12 70 percent of the predicted days of use.

13 (d) It is the intent of the Legislature to enact legislation that
14 promotes policies designed to improve patient medication
15 adherence.

16 SEC. 2. Section 1367.247 is added to the Health and Safety
17 Code, to read:

18 1367.247. (a) A health care service plan contract issued,
19 amended, or renewed on or after January 1, 2016, that provides
20 coverage for prescription drug benefits and that imposes a
21 mandatory mail-order restriction for some or all covered
22 prescription drugs shall establish a process for enrollees to opt out
23 of that restriction. The opt out process may require the use of a
24 plan's participating pharmacy that *is not a mail-order-only*
25 *pharmacy*, at the discretion of the plan, ~~is suited to special handling~~
26 ~~of the prescription drug and patient care plan~~. The opt out process
27 may require 30 days' written notice before the election to opt out
28 is effective. The opt out process shall comply with all of the
29 following requirements:

30 (1) Not impose conditions or restrictions on an enrollee opting
31 out of the mandatory mail-order restriction. For purposes of this
32 subparagraph, "conditions or restrictions" include, but are not
33 limited to, requiring prescriber approval or submission of
34 documentation by the enrollee or prescriber.

35 (2) Allow an enrollee to opt out of the mandatory mail-order
36 restriction, and revoke his or her prior opt out of the restriction, at
37 any time.

38 (3) The choice by an enrollee to opt out shall be valid for the
39 duration of the plan year or until the enrollee elects to revoke the
40 opt out, whichever occurs first, provided that the enrollee remains

1 enrolled in the same product with either the same subscriber, with
2 respect to individual plan contracts, or the same plan sponsor, with
3 respect to group plan contracts.

4 (4) A health care service plan shall provide an enrollee who
5 obtains a covered prescription drug that is subject to the mandatory
6 mail-order restriction with a separate written notice of the
7 restriction and any exceptions upon dispensing of the first fill of
8 the drug or no less than 30 days prior to the restriction taking effect
9 for the first refill of the drug. This written notice shall be in addition
10 to any information contained in the plan's evidence of coverage
11 or evidence of benefits. The notice shall inform the enrollee of the
12 right to opt out of the mandatory mail-order restriction and
13 instructions on how to do so.

14 (b) This section shall not apply to a drug that is not available at
15 a participating community pharmacy due to any of the following:

16 (1) An industry shortage listed on the Current Drug Shortages
17 Index maintained by the federal Food and Drug Administration
18 (FDA).

19 (2) A manufacturer's instructions or restrictions.

20 (3) Any risk evaluation and management strategy approved by
21 the FDA.

22 (4) A special shortage affecting the plan's network of
23 participating pharmacies.

24 (c) Nothing in this section shall be construed to establish a new
25 mandated benefit or to prevent the application of deductible or
26 copayment provisions in a plan contract.

27 (d) Nothing in this section shall be construed to limit or prohibit
28 differential copayments in the form of financial incentives whereby
29 an enrollee's cost sharing is reduced when he or she uses mail
30 order rather than a community pharmacy.

31 (e) For purposes of this section, the following definitions shall
32 apply:

33 (1) For group health care service plan contracts, "plan year" has
34 the meaning set forth in Section 144.103 of Title 45 of the Code
35 of Federal Regulations.

36 (2) For individual health care service plan contracts, "plan year"
37 means the calendar year.

38 SEC. 3. Section 1367.248 is added to the Health and Safety
39 Code, to read:

1 1367.248. (a) A health care service plan contract issued,
2 amended, or renewed on or after January 1, 2016, that provides
3 coverage for prescription drug benefits shall permit and apply a
4 prorated daily cost-sharing rate to the refills of prescriptions that
5 are dispensed by a participating pharmacy for less than the standard
6 refill amount if the prescriber or pharmacist indicates that the refill
7 for less than the standard amount is in the best interest of the
8 enrollee and is for the purpose of synchronizing the refill dates of
9 the enrollee's medications and all of the following apply:

10 (1) The prescription drugs being synchronized are covered and
11 authorized by the health care service plan contract.

12 (2) The prescription drugs being refilled for less than the
13 standard amount are not subject to quantity limits or other
14 utilization management controls that are inconsistent with the
15 synchronization plan, including, but not limited to, controlled
16 substance prescribing and dispensing guidelines intended to prevent
17 misuse or abuse.

18 (3) The prescription drugs being synchronized are dispensed
19 by a single participating pharmacy.

20 (4) The patient has completed at least 90 consecutive days on
21 the prescription drugs being synchronized.

22 (5) The prescription drugs being refilled for less than the
23 standard amount are of a formulation that can be effectively split
24 over the required short fill period to achieve synchronization.

25 (6) The prescriber has not done either of the following with
26 respect to the ~~prescriptions~~ *prescription* drugs being refilled for
27 less than the standard amount:

28 (A) Indicated, either orally or in his or her own handwriting,
29 "No change to quantity," or words of similar meaning.

30 (B) Checked a box on the prescription marked "No change to
31 quantity," and personally initialed the box or checkmark.

32 (b) This section shall not apply to a drug that is not available at
33 a participating community pharmacy due to any of the following:

34 (1) An industry shortage listed on the Current Drug Shortages
35 Index maintained by the federal Food and Drug Administration
36 (FDA).

37 (2) A manufacturer's instructions or restrictions.

38 (3) Any risk evaluation and management strategy approved by
39 the FDA.

1 (4) A special shortage affecting the plan's network of
2 participating pharmacies.

3 (c) Nothing in this section shall be construed to establish a new
4 or mandated benefit or to prevent the application of deductible or
5 copayment provisions in a plan contract.

6 SEC. 4. Section 1367.249 is added to the Health and Safety
7 Code, to read:

8 1367.249. (a) A health care service plan contract issued,
9 amended, or renewed on or after January 1, 2016, that provides
10 coverage for prescription drug benefits shall allow for early refills
11 of covered topical ophthalmic products at 70 percent of the
12 predicted days of use.

13 (b) Nothing in this section shall be construed to establish a new
14 mandated benefit or to prevent the application of deductible or
15 copayment provisions in a plan contract.

16 SEC. 5. Section 10123.207 is added to the Insurance Code, to
17 read:

18 10123.207. (a) A health insurance policy issued, amended, or
19 renewed on or after January 1, 2016, that provides coverage for
20 prescription drug benefits and that imposes a mandatory mail-order
21 restriction for some or all covered prescription drugs shall establish
22 a process for insureds to opt out of that restriction. The opt out
23 process may require the use of a plan's participating pharmacy
24 that *is not a mail-order-only pharmacy*, at the discretion of the
25 ~~plan, is suited to special handling of the prescription drug and~~
26 ~~patient care plan.~~ The opt out process may require 30 days' written
27 notice before the election to opt out is effective. The opt out process
28 shall comply with all of the following requirements:

29 (1) Not impose conditions or restrictions on an insured opting
30 out of the mandatory mail-order restriction. For purposes of this
31 subparagraph, "conditions or restrictions" include, but are not
32 limited to, requiring prescriber approval or submission of
33 documentation by the insured or prescriber.

34 (2) Allow an insured to opt out of the mandatory mail-order
35 restriction, and revoke his or her prior opt out of the restriction, at
36 any time.

37 (3) The choice by an insured to opt out shall be valid for the
38 duration of the plan year or until the insured elects to revoke the
39 opt out, whichever occurs first, provided that the insured remains
40 enrolled in the same product with either the same policyholder,

1 with respect to individual policies, or the same plan sponsor, with
2 respect to group policies.

3 (4) A health insurer shall provide an insured who obtains a
4 covered prescription drug that is subject to the mandatory
5 mail-order restriction with a separate written notice of the
6 restriction and any exceptions upon dispensing of the first fill of
7 the drug or no less than 30 days prior to the restriction taking effect
8 for the first refill of the drug. This written notice shall be in addition
9 to any information contained in the insurer's evidence of coverage
10 or evidence of benefits. The notice shall inform the insured of the
11 right to opt out of the mandatory mail-order restriction and
12 instructions on how to do so.

13 (b) This section shall not apply to a drug that is not available at
14 a participating community pharmacy due to any of the following:

15 (1) An industry shortage listed on the Current Drug Shortages
16 Index maintained by the federal Food and Drug Administration
17 (FDA).

18 (2) A manufacturer's instructions or restrictions.

19 (3) Any risk evaluation and management strategy approved by
20 the FDA.

21 (4) A special shortage affecting the insurer's network of
22 participating pharmacies.

23 (c) Nothing in this section shall be construed to establish a new
24 mandated benefit or to prevent the application of deductible or
25 copayment provisions in a policy.

26 (d) Nothing in this section shall be construed to limit or prohibit
27 differential copayments in the form of financial incentives whereby
28 an insured's cost sharing is reduced when he or she uses mail order
29 rather than a community pharmacy.

30 (e) For purposes of this section, the following definitions shall
31 apply:

32 (1) For group health insurance policies, "plan year" has the
33 meaning set forth in Section 144.103 of Title 45 of the Code of
34 Federal Regulations.

35 (2) For individual health insurance policies, "plan year" means
36 the calendar year.

37 SEC. 6. Section 10123.208 is added to the Insurance Code, to
38 read:

39 10123.208. (a) A health insurance policy issued, amended, or
40 renewed on or after January 1, 2016, that provides coverage for

1 prescription drug benefits shall permit and apply a prorated daily
2 cost-sharing rate to the refills of prescriptions that are dispensed
3 by a participating pharmacy for less than the standard refill amount
4 if the prescriber or pharmacist indicates that the refill for less than
5 the standard amount is in the best interest of the insured and is for
6 the purpose of synchronizing the refill dates of the insured's
7 medications and all of the following apply:

8 (1) The prescription drugs being synchronized are covered and
9 authorized by the health insurance policy.

10 (2) The prescription drugs being refilled for less than the
11 standard amount are not subject to quantity limits or other
12 utilization management controls that are inconsistent with the
13 synchronization plan, including, but not limited to, controlled
14 substance prescribing and dispensing guidelines intended to prevent
15 misuse or abuse.

16 (3) The prescription drugs being synchronized are dispensed
17 by a single participating pharmacy.

18 (4) The insured has completed at least 90 consecutive days on
19 the prescription drugs being synchronized.

20 (5) The prescription drugs being refilled for less than the
21 standard amount are of a formulation that can be effectively split
22 over the required short fill period to achieve synchronization.

23 (6) The prescriber has not done either of the following with
24 respect to the ~~prescriptions~~ *prescription* drugs being refilled for
25 less than the standard amount:

26 (A) Indicated, either orally or in his or her own handwriting,
27 "No change to quantity," or words of similar meaning.

28 (B) Checked a box on the prescription marked "No change to
29 quantity," and personally initialed the box or checkmark.

30 (b) This section shall not apply to a drug that is not available at
31 a participating community pharmacy due to any of the following:

32 (1) An industry shortage listed on the Current Drug Shortages
33 Index maintained by the federal Food and Drug Administration
34 (FDA).

35 (2) A manufacturer's instructions or restrictions.

36 (3) Any risk evaluation and management strategy approved by
37 the FDA.

38 (4) A special shortage affecting the insurer's network of
39 participating pharmacies.

1 (c) Nothing in this section shall be construed to establish a new
2 or mandated benefit or to prevent the application of deductible or
3 copayment provisions in a policy.

4 SEC. 7. Section 10123.209 is added to the Insurance Code, to
5 read:

6 10123.209. (a) A health insurance policy issued, amended, or
7 renewed on or after January 1, 2016, that provides coverage for
8 prescription drug benefits shall allow for early refills of covered
9 topical ophthalmic products at 70 percent of the predicted days of
10 use.

11 (b) Nothing in this section shall be construed to establish a new
12 mandated benefit or to prevent the application of deductible or
13 copayment provisions in a policy.

14 SEC. 8. No reimbursement is required by this act pursuant to
15 Section 6 of Article XIII B of the California Constitution because
16 the only costs that may be incurred by a local agency or school
17 district will be incurred because this act creates a new crime or
18 infraction, eliminates a crime or infraction, or changes the penalty
19 for a crime or infraction, within the meaning of Section 17556 of
20 the Government Code, or changes the definition of a crime within
21 the meaning of Section 6 of Article XIII B of the California
22 Constitution.

O



Contra Costa County Board of Supervisors

Subcommittee Report

LEGISLATION COMMITTEE

7.

Meeting Date: 06/05/2014

Subject: SB 1000, as amended (Monning): Public Health: Sugar-Sweetened Beverages: Warnings

Submitted For: LEGISLATION COMMITTEE,

Department: County Administrator

Referral No.: 2014-23

Referral Name: SB 1000, as amended (Monning): Public Health: Sugar-Sweetened Beverages: Warnings

Presenter: Dr. William B. Walker

Contact: L. DeLaney, 925-335-1097

Referral History:

Dr. William B. Walker, Contra Costa Health Services, requested support from the Board of Supervisors on SB 1000.

Referral Update:

SUBJECT: Public Health: Sugar-Sweetened Beverages: Warnings

CURRENT STATUS: 05/29/2014: In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.

SUMMARY: This bill establishes the Sugar-Sweetened Beverages Safety Warning Act (SSBSWA), to be administered by the Department of Public Health (DPH), and requires a safety warning on all sealed sugar-sweetened beverage (SSB) containers; multipacks of sealed containers; packages of concentrates, as defined; vending machines; and self-serve beverage dispensing machines. Requires the safety warning to be affixed to beverage containers, as specified, if the safety warning is not printed directly on the container. Requires the label to be posted in a place that is easily visible at the point-of-purchase of an establishment where a beverage dispensing machine is not self-serve.

ANALYSIS: Existing law:

1. Establishes DPH to protect and improve the health of communities through education, promotion of healthy lifestyles, and research for disease and injury prevention.
2. Establishes the Sherman Food, Drug, and Cosmetic Law (Sherman Act), which is administered by DPH, to regulate the contents, packaging, labeling, and advertising of food, drugs, and cosmetics in California.
3. Allows DPH, upon the request of a health officer, to authorize the local health department of a city, county, city and county, or local health district to enforce the

department of a city, county, city and county, or local health district to enforce the provisions of the Sherman Act and its regulations that pertain to retail food establishments, as defined, if DPH determines that the local health department has sufficient personnel with adequate training to do so, and requires that the enforcement be limited to the area under the jurisdiction of the local health department.

This bill:

1. Establishes the SSBSWA whereby a person, as defined, is prohibited from distributing, selling, or offering for sale in the state SSBs in a sealed beverage container; in a multipack of sealed beverage containers; in concentrate form, as defined; on the premises where a vending machine or beverage dispensing machine, as defined, is located and where SSBs are sold in unsealed beverage containers unless the container bears a safety warning, as specified, or the safety warning is posted on the premises, as specified, and otherwise meets all the requirements, as specified.

2. Defines "sugar-sweetened beverage" as any sweetened non-alcoholic beverage, carbonated or non-carbonated, sold for human consumption that has added caloric sweeteners and contains 75 calories or more per 12 fluid ounces. Specifies that SSBs do not include any beverage containing 100% natural fruit juice or natural vegetable juice with no added caloric sweeteners; any liquid product commonly referred to as a dietary aid; any product for consumption by infants and that is commonly referred to as infant formula; or any beverage whose principal ingredient by weight is natural liquid milk.

3. Defines "non-alcoholic beverage" as any beverage that contains less than one-half of one percent alcohol per volume. Defines "caloric sweetener" as any substance containing calories, suitable for human consumption, that humans perceive as sweet and includes, without limitation, sucrose, fructose, glucose, and other sugars and fruit juice concentrates. Defines "caloric" as a substance that adds calories to the diet of a person who consumes that substance.

4. Requires the safety warning to read "STATE OF CALIFORNIA SAFETY WARNING: Drinking beverages with added sugar(s) contributes to obesity, diabetes, and tooth decay" on the front of SSB sealed beverage containers, separate and apart from all other information, on a contrasting background, and entirely in bold type. Requires the safety warning to be affixed to an SSB beverage container in a manner that it cannot be removed without thorough application of water or other solvents if the warning is not printed directly on a sealed container. Requires the warning to be placed on a vending machine and on a self-serve beverage dispensing machine. Requires the safety warning to be posted at the point-of-purchase if a beverage dispensing machine is not self-serve.

5. Beginning July 1, 2015, any violation of the SSBSWA is punishable by a civil penalty of not less than \$50 but no greater than \$500. Specifies that a person is not to be found in violation of the SSBSWA more than once during any one inspection visit.

6. Creates, in the State Treasurer's Office, the Sugar-Sweetened Beverages Safety Warning Fund consisting of moneys collected for the violation of the SSBSWA, which is to be appropriated by the Legislature for allocation to local enforcement agencies for the purpose of enforcing the SSBSWA.

7. Allows DPH to adopt regulations to develop new language for the safety warning, if necessary.

8. Specifies that the provisions of the SSBSWA are severable and that any provision or its application that is held invalid cannot affect other provisions or applications that can be given effect without the invalid provisions or applications.

Background

According to the U.S. Department of Agriculture, in 2009, Americans consumed 13.8 billion gallons of SSBs, which equates to nearly 45 gallons per capita annually of SSBs with added caloric sweeteners. According to the UCLA Center for Health Policy Research, in California, 62% of adolescents ages 12-17 and 41% of children ages 2-11 drink at least one SSB every day. In addition, 24% of adults drink at least one SSB on an average per day. Adults who drink SSBs occasionally (not every day) are 15% more likely to be overweight or obese, and adults who drink one or more SSBs per day are 27% more likely to be overweight or obese than adults who do not. According to a report produced by the Robert Wood Johnson Scholar's Program, SSBs were the single largest contributor to energy intake during the last decade, and SSB consumption has increased by almost 500% during the past 50 years.

Prior Legislation

SB 622 (Monning, 2013) would have enacted the Sweetened Beverage Tax Law, which imposed a one-cent per fluid ounce tax on any beverage that adds caloric sweeteners, such as sodas, energy drinks, sweet teas, and sports drinks. SB 622 would have required funds generated by the Sweetened Beverage Tax to be directed to the newly created Children's Health Promotion Fund and allocated to statewide childhood obesity prevention activities and programs. SB 622 was held under submission in the Senate Appropriations Committee.

AB 669 (Monning, 2011) was SB 622's predecessor. AB 669 was held in the Assembly Revenue and Taxation Committee.

AB 2100 (Coto, 2010) would have imposed a one cent tax per teaspoon of added sweetener in a bottled sweetened beverage or in a sweetened concentrate. AB 2100 was held in the Assembly Revenue and Taxation Committee.

SB 1210 (Florez, 2010) was a measure similar to SB 622. SB 1210 was placed on the former Senate Revenue and Taxation Committee's suspense file.

SB 1520 (Ortiz, 2002) would have imposed an excise tax upon every distributor, manufacturer, or wholesale dealer at a rate of \$2 per gallon of soft drink syrup or simple syrup and \$0.21 per gallon of bottled soft drinks, and \$0.21 per gallon of soft drink that may be produced from powder, that is sold in this state. The soda tax provisions were removed from the April 29, 2002, version of the bill.

AB 105 (Moore, 1983) would have imposed an excise tax on the distribution of non-alcoholic carbonated beverages, except carbonated water and carbonated fruit juice, at the rate of \$0.07 per gallon. The provisions of that bill also included an excise tax on the distribution of non-alcoholic carbonated beverage syrup at the rate of \$0.50 per gallon of liquid syrup. This bill died in the Assembly Revenue and Taxation Committee.

SUPPORT: (Verified 5/28/14)

California Black Health Network (co-source)

California Center for Public Health Advocacy (co-source)

California Medical Association (co-source)

Latino Coalition for a Healthy California (co-source)

A World Fit For Kids!

Alameda County

Alameda County Public Health Commission

Alameda County Public Health Department

AltaMed Health Services

American Academy of Pediatrics, California

American Association of Clinical Endocrinologists

American Cancer Society Cancer Action Network

American Federation of State, County and Municipal Employees, AFL-CIO

American Heart Association

Asian Pacific Islander Obesity Prevention Alliance

Asian & Pacific Islander American Health Forum

Berkeley Media Studies Group

Bike San Gabriel Valley

Blue Shield of California

California Academy of Family Physicians

California Academy of Physician Assistants

California Association for Health, Physical Education, Recreation and Dance

California Association of Environmental Health Administrators

California Children's Hospital Association

California Chiropractic Association

California Conference of Local Health Department Nutritionists

California Convergence

California Dental Association

California Dietetic Association

California Food Policy Advocates

California Optometric Association

California Pan-Ethnic Health Network

California Park & Recreation Society

California Primary Care Association

California Public Health Association - North

California Rural Legal Assistance Foundation

California School-Based Health Alliance

California State Alliance of YMCAs

California WIC Association

Center for Collaborative Solutions

Center for Ecoliteracy

Center for Science in the Public Interest

Central California Alliance for Health

Central CA Regional Obesity Prevention Program

ChangeLab Solutions

Children's Hospital Oakland

City of Berkeley

City of Carson

City of Santa Ana

Community Health Improvement Partners

Congress of California Seniors

Consumer Federation of California

Courage Campaign

Day One

Dignity Health

Ecology Center

FAME Corporations

First 5 Alameda County

First 5 Association of California

First 5 California

First 5 LA

First 5 Santa Clara County

Greenlining Institute

Guam Communications Network

Having Our Say Coalition

Health Education Council

Health Improvement Partnership of Santa Cruz

Health Officers Association of California

Healthy & Active Before 5

Libreria Del Pueblo, Inc.

Los Angeles Trust for Children's Health

Lucile Packard Children's Hospital Stanford

Network of Ethnic Physicians

Orfalea Foundation

Pacific Islander Cancer Survivors Network

Pacoima Beautiful

Pajaro Valley Community Health Trust

Partners for Fit Youth

Philippine Medical Society of Northern California

Public Health Institute

San Diego County Childhood Obesity Initiative

San Diego Hunger Coalition

San Francisco County and City

San Mateo County

Santa Clara County

Santa Cruz County

Santa Cruz County Child Care Planning Council

Santa Cruz County Children's Network

SF Bay Area Physicians for Social Responsibility

Shape Up San Francisco Coalition

Southern CA Public Health Association

Strategic Alliance for Healthy Food and Activity Environments

Street Level Health Project

Vision y Compromiso

Worksite Wellness LA

OPPOSITION: (Verified 5/28/14)

Asian Business Association

California Asian Pacific Chamber of Commerce

California Automatic Vendors Council

California Chamber of Commerce

California Grocers Association

California Hotel & Lodging Association

California League of Food Processors

California Independent Oil Marketers Association

California Manufacturers & Technology Association

California Nevada Soft Drink Association

California Restaurant Association

California Retailers Association

California Service Station & Auto Repair Association

California Teamsters Public Affairs Council

Grocery Manufacturers Association

International Franchise Association

The Latino Coalition

Los Angeles County Business Federation

National Association of Theatre Owners of CA/NV

Neighborhood Market Association

Simi Valley Chamber of Commerce

ARGUMENTS IN SUPPORT: According to the author, California is in the midst of an obesity and diabetes epidemic that is wreaking havoc on the public's health. Sugary drinks are a major contributor to the problem. This bill provides information to consumers to make informed choices by requiring warning labels, similar to those on tobacco and alcohol, that explain the proven health risks associated with drinking these beverages.

The science is clear and conclusive. Overwhelming research has unequivocally shown that sugary drinks are major contributors to obesity, diabetes, and tooth decay, which cost California billions of dollars in health care and lost productivity annually.

Nearly 40% of California children are currently overweight or obese. Liquid sugar has a unique role in driving today's skyrocketing cases of preventable diabetes. Individuals who drink one or two sugary drinks per day have a 26% higher risk for developing type-2 diabetes and if current trends are not reversed, it is predicted that one in three children, and nearly half of Latino and African American children, born in the year 2000 will develop type-2 diabetes in their lifetime.

Sugary drinks are the biggest contributor of added calories in the American diet and are unique in not providing any nutritional value.

The sponsors and many other supporters of this bill argue that overweight, obesity, and physical inactivity cost California's economy an estimated \$52 billion a year in unforeseen medical expenses and lost productivity. They further state that research shows that over the past 30 years the average American's daily caloric intake has increased by nearly 300 calories, and 43% of those additional calories come from additional soda consumption.

The California Food Policy Advocates states that a recent focus group of CalFresh participants in the Central Valley revealed that while many were generally aware that SSBs are unhealthy, several participants were unclear how SSBs are connected to the rising obesity rates even though there is overwhelming science linking the obesity epidemic to the consumption of soda and other sugary drinks.

The Center for Science in the Public Interest argues that major soft drink companies have steadily increased the sizes of popular single-serving containers in order to encourage ever greater consumption. The Center states that soft drinks have become the most consumed food or beverage in the United States.

ARGUMENTS IN OPPOSITION: The California Teamsters Public Affairs Council writes in opposition of this bill and states that almost any food that is consumed in excessive amounts can have negative health effects. The Council is concerned that this bill will have a negative effect on employment for its members and states that this bill would likely result in warning labels on everything that can be unhealthy.

A coalition of opponents writes in opposition of this bill arguing that it contains inconsistencies that would be confusing to consumers, such as requiring warning labels on some products but not on others, such as- high calorie milk-based products that are also high in sugar. They also argue that it does not make sense for the state legislature to mandate additional California labeling when a new, national effort is already going forward, through the FDA's proposal to update nutrition labels for all food and beverage products.

Recommendation(s)/Next Step(s):

ADOPT a position of "support" on SB 1000, as amended (Monning): Public Health: Sugar-Sweetened Beverages: Warnings, as recommended by Contra Costa Health Services.

Fiscal Impact (if any):

According to the Senate Appropriations Committee:

* One-time costs likely between \$150,000 and \$300,000 to develop and adopt regulations to implement the bill (General Fund). DPH indicates that the language of the bill is specific enough that it will not necessarily require implementing regulations to clarify terms or set forth compliance requirements. In addition, the existing regulations that allow the DPH to delegate authority for enforcement of portions of the Sherman Act to local agencies do not include the new sections added to the Health and Safety Code by this bill.

* Ongoing costs of about \$400,000 per year for DPH to enforce labelling and public notice requirements (General Fund). Under current law, DPH enforces requirements of the Sherman Food, Drug, and Cosmetic Law at food processing and distribution sites. DPH indicates it could enforce the provisions of this bill at those sites using existing resources. However, the bill also requires enforcement at a very large number of retail food sale sites. Under current practice, the DPH does not inspect or enforce food safety laws at retail sites. Because local environmental health officers do not generally have the legal infrastructure to impose civil penalties, DPH will likely need to respond to complaints, conduct spot inspections, and assess civil penalties for violations of the bill's requirements. To the extent that local environmental health officers opt to enforce the bill's provisions at retail food facilities, the costs for DPH to conduct spot checks at such facilities will be reduced.

* Unknown impacts on state agencies that own or operate cafeterias, vending machines, or other retail sales locations (various funds). To the extent that state agencies will be subject to the regulatory requirements of the bill, there could be administrative costs to comply. For example, the requirement to maintain records of sales of covered beverages could impose additional administrative costs. It is not clear, however, the extent to which state agencies will be regulated under the bill. Typically, state agencies that host food facilities contract out for those services. In those cases, the costs of compliance should generally be a responsibility of the vendor. If the costs of compliance are large, a vendor could seek to pass those costs along to customers and/or to the contracting state agency. The bill also requires that owner of premises where covered beverages are sold or dispensed are obligated to comply with the bill's requirements. Even if state agencies contract out for services that sell covered benefits, there could be some administrative cost to ensure that vendors are complying with the law.

* Unknown potential savings to state health programs (various funds). Obesity-related health conditions, such as diabetes, heart disease, and other conditions are a major driver of health care costs in the United States. There is a clear association between the increased consumption of high-calorie, sugar-sweetened beverages and the rise of obesity in the United States over the last several decades. If this bill is successful in reducing the consumption of sugar-sweetened beverages (and consumers do not switch to other high-sugar beverages not covered by the bill), there will likely be some long-run reduction in overweight and obesity rates. The extent of this impact is unknown. To the extent that the bill is able to reduce overweight and obesity rates in the state, there are likely to be corresponding reductions in spending by state health programs, such as Medi-Cal and CalPERS health care programs.

Attachments

AMENDED IN SENATE MAY 27, 2014

AMENDED IN SENATE MARCH 27, 2014

SENATE BILL

No. 1000

Introduced by Senator Monning
(Coauthors: Senators DeSaulnier, Lara, Leno, Mitchell, and
Steinberg)
(Coauthors: Assembly Members Ammiano and Williams)

February 13, 2014

An act to add Article 15 (commencing with Section 111224) to Chapter 5 of Part 5 of Division 104 of the Health and Safety Code, relating to public health.

LEGISLATIVE COUNSEL'S DIGEST

SB 1000, as amended, Monning. Public health: sugar-sweetened beverages: safety warnings.

(1) Existing federal law, the Federal Food, Drug, and Cosmetic Act, regulates, among other things, the quality and packaging of foods introduced or delivered for introduction into interstate commerce and generally prohibits the misbranding of food. Existing federal law, the Nutrition Labeling and Education Act of 1990, governs state and local labeling requirements, including those that characterize the relationship of any nutrient specified in the labeling of food to a disease or health-related condition. Existing state law, the Sherman Food, Drug, and Cosmetic Law, generally regulates misbranded food and provides that any food is misbranded if its labeling does not conform with the requirements for nutrient content or health claims as set forth in the Federal Food, Drug, and Cosmetic Act and the regulations adopted pursuant to that federal act. Existing law requires that a food facility,

as defined, make prescribed disclosures and warnings to consumers, as specified. A violation of these provisions is a crime.

Existing state law, the Pupil Nutrition, Health, and Achievement Act of 2001, also requires the sale of only certain beverages to pupils at schools. The beverages that may be sold include fruit-based and vegetable-based drinks, drinking water with no added sweetener, milk, and in middle and high schools, an electrolyte replacement beverage if those beverages meet certain nutritional requirements.

This bill would establish the Sugar-Sweetened Beverages Safety Warning Act, which would prohibit a person from distributing, selling, or offering for sale a sugar-sweetened beverage in a sealed beverage container, or a multipack of sugar-sweetened beverages, in this state unless the beverage container or multipack bears a specified safety warning, as prescribed. The bill also would require every person who owns, leases, or otherwise legally controls the premises where a vending machine or beverage dispensing machine is located, or where a sugar-sweetened beverage is sold in an unsealed container to place a specified safety warning in certain locations, including, on the exterior of any vending machine that includes a sugar-sweetened beverage for sale.

~~This bill would require every person that distributes, sells, or offers for retail sale a sugar-sweetened beverage to maintain on its business premises, for a period of two years following each distribution, purchase, or sale, all records, including legible invoices and purchase orders, to determine the quantity and type of sugar-sweetened beverages distributed, purchased, or sold.~~

(2) Under existing law, the State Department of Public Health, upon the request of a health officer, as defined, may authorize the local health department of a city, county, city and county, or local health district to enforce the provisions of the Sherman Food, Drug, and Cosmetic Law. Existing law authorizes the State Department of Public Health to assess a civil penalty against any person in an amount not to exceed \$1,000 per day, except as specified. Existing law authorizes the Attorney General or any district attorney, on behalf of the State Department of Public Health, to bring an action in a superior court to grant a temporary or permanent injunction restraining a person from violating any provision of the Sherman Food, Drug, and Cosmetic Law.

This bill, commencing July 1, 2015, would provide that any violation of the provisions described in (1) above, or regulations adopted pursuant to those provisions, is punishable by a civil penalty of not less than \$50,

but no greater than \$500. By imposing additional enforcement duties on local agencies, this bill would impose a state-mandated local program.

This bill would also create the Sugar-Sweetened Beverages Safety Warning Fund for the receipt of all moneys collected for violations of those provisions. The bill would allocate moneys in this fund, upon appropriation by the Legislature, to the ~~department~~ *local enforcement agencies* for the purpose of enforcing those provisions. ~~This bill would also require the State Department of Public Health to adopt regulations for the implementation of those provisions.~~

The bill would make legislative findings and declarations relating to the consumption of sugar-sweetened beverages, obesity, and dental disease.

(3) 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, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

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

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) The prevalence of obesity in the United States has increased
4 dramatically over the past 30 years. In California, adult obesity
5 rates have increased from 8.9 percent in 1984 to 25.0 percent in
6 2012, and if current trends continue, the rate is expected to increase
7 to 46.6 percent in 2030. Nearly 40 percent of California children
8 are currently overweight or obese. Although no group has escaped
9 the epidemic, low income and communities of color are
10 disproportionately affected.

11 (b) The obesity epidemic is of particular concern because obesity
12 increases the risk of diabetes, heart disease, arthritis, asthma, and
13 certain types of cancer. Depending on their level of obesity, from
14 60 percent to over 80 percent of obese adults currently suffer from
15 type II diabetes, high blood cholesterol, high blood pressure, or
16 other related conditions.

1 (c) The medical costs for people who are obese are dramatically
2 higher than those of normal weight. Overweight and obesity
3 account for \$147 billion in health care costs nationally, or 9 percent
4 of all medical spending, with one-half these costs paid publicly
5 through the Medicare and Medicaid programs.

6 (d) Health care costs and lost productivity resulting from
7 overweight, obesity, and physical inactivity are estimated to cost
8 California more than \$52 billion annually.

9 (e) There is overwhelming evidence of the link between obesity
10 and the consumption of sweetened beverages, such as soft drinks,
11 energy drinks, sweet teas, and sports drinks. The 2010 Dietary
12 Guidelines for Americans recommend that everyone reduce their
13 intake of sugar-sweetened beverages. California adults who drink
14 a soda or more per day are 27 percent more likely to be overweight
15 or obese, regardless of income or ethnicity.

16 (f) Individuals who drink one to two sugar-sweetened beverages
17 per day have a 26 percent higher risk for developing type II
18 diabetes. Over the past 10 years, the percentage of teens nationwide
19 that have diabetes or prediabetes has increased from 9 percent to
20 23 percent. According to the American Diabetes Association,
21 persons with type I diabetes should limit or avoid consumption of
22 sugar-sweetened beverages. Complications of diabetes include:
23 heart disease, nerve damage, gum infections, kidney disease,
24 hearing impairment, blindness, amputation of toes, feet, or legs,
25 and increased risk of Alzheimer's disease.

26 (g) According to nutrition experts, sweetened beverages, such
27 as soft drinks, energy drinks, sweet teas, and sports drinks, offer
28 little or no nutritional value, but massive quantities of added sugars.
29 A 20-ounce bottle of soda contains the equivalent of approximately
30 17 teaspoons of sugar. Yet, the American Heart Association
31 recommends that Americans consume no more than five to nine
32 teaspoons of sugar per day.

33 (h) Sugar-sweetened beverages are the single largest source of
34 added sugars in the American diet, with the average American
35 drinking nearly 45 gallons of sweetened beverages a year, the
36 equivalent of 39 pounds of extra sugar every year. Over 50 percent
37 of the United States population drinks one or more sugar-sweetened
38 beverages per day.

39 (i) In California, 19 percent of two to five year olds, inclusive,
40 drink a sugar-sweetened beverage each day. That number climbs

1 to 32 percent among 6 to 11 year olds, inclusive, and 65 percent
2 among 12 to 17 year olds, inclusive. Additionally, major disparities
3 now exist between races and ethnicities. Seventy-four percent of
4 African American adolescents drink at least one sugar-sweetened
5 beverage each day, compared to 73 percent of Latinos, 63 percent
6 of Asians, and 56 percent of whites.

7 (j) Sugar-sweetened beverages are a unique contributor to excess
8 caloric consumption. Research shows that calories from
9 sugar-sweetened beverages do not satisfy hunger the way calories
10 from solid food or fat or protein-containing beverages such as
11 those containing milk and plant-based proteins. As a result,
12 sugar-sweetened beverages tend to add to the calories people
13 consume rather than replace them.

14 (k) Consistent evidence shows a positive relationship between
15 sugar intake and dental caries (cavities) in adults and fewer caries
16 when sugar intake is restricted. Children who frequently consume
17 beverages high in sugar are at an increased risk for dental caries.
18 Untreated dental caries can lead to pain, infection, tooth loss, and
19 in severe cases, death.

20 (l) Evidence suggests that health warnings can increase
21 knowledge and reduce consumption of harmful products. Studies
22 show that prominent health warnings on the face of cigarette
23 packages can increase health knowledge, perceptions of risk, and
24 can promote smoking cessation of both youth and adults.

25 SEC. 2. Article 15 (commencing with Section 111224) is added
26 to Chapter 5 of Part 5 of Division 104 of the Health and Safety
27 Code, to read:

28
29 Article 15. Sugar-Sweetened Beverages Safety Warning Act
30

31 111224. This article shall be known and may be cited as the
32 Sugar-Sweetened Beverages Safety Warning Act.

33 111224.05. It is the intent of the Legislature, by enacting this
34 article, to protect consumers and to promote informed purchasing
35 decisions by requiring a warning about the harmful health effects
36 that result from the consumption of drinks with added sugars.

37 111224.10. For purposes of this article, unless the context
38 clearly requires otherwise, the following definitions shall apply:

39 (a) "Beverage container" means any sealed or unsealed container
40 regardless of size or shape, including without limitation, those

1 made of glass, metal, paper, plastic, or any other material or
2 combination of materials that is used or intended to be used to hold
3 a sugar-sweetened beverage for individual sale to a consumer.

4 (b) “Beverage dispensing machine” means any device that mixes
5 concentrate with any one or more other ingredients and dispenses
6 the resulting mixture into an unsealed container as a ready-to-drink
7 beverage.

8 (c) “Caloric sweetener” means any substance containing calories,
9 suitable for human consumption, that humans perceive as sweet
10 and includes, without limitation, sucrose, fructose, glucose, and
11 other sugars and fruit juice concentrates. “Caloric” means a
12 substance that adds calories to the diet of a person who consumes
13 that substance.

14 (d) “Concentrate” means a syrup or powder that is used or
15 intended to be used for mixing, compounding, or making a
16 sugar-sweetened beverage.

17 (e) “Consumer” means a person who purchases a
18 sugar-sweetened beverage for a purpose other than resale in the
19 ordinary course of business.

20 (f) “Department” means the State Department of Public Health,
21 and any agency or person lawfully designated by the department
22 to enforce or implement this article.

23 (g) “Distribute” means to sell or otherwise provide a product
24 to any person for resale in the ordinary course of business to a
25 consumer within this state.

26 (h) “Natural fruit juice” means the original liquid resulting from
27 the pressing of fruit, the liquid resulting from the reconstitution of
28 natural fruit juice concentrate, or the liquid resulting from the
29 restoration of water to dehydrated natural fruit juice.

30 (i) “Natural vegetable juice” means the original liquid resulting
31 from the pressing of vegetables, the liquid resulting from the
32 reconstitution of natural vegetable juice concentrate, or the liquid
33 resulting from the restoration of water to dehydrated natural
34 vegetable juice.

35 (j) “Person” means any natural person, partnership, cooperative
36 association, limited liability company, corporation, personal
37 representative, receiver, trustee, assignee, any other legal entity,
38 any city, county, city and county, district, commission, the state,
39 or any department, agency, or political subdivision thereof, any

1 interstate body, and, to the extent permitted by federal law, the
2 United States and its agencies and instrumentalities.

3 (k) “Powder” means a solid mixture with added caloric
4 sweetener used in making, mixing, or compounding a
5 sugar-sweetened beverage by mixing the powder with any one or
6 more other ingredients, including, without limitation, water, ice,
7 syrup, simple syrup, fruits, vegetables, fruit juice, or carbonation
8 or other gas.

9 (l) “Sale” or “sell” means any distribution or transfer for a
10 business purpose, whether or not consideration is received.

11 (m) “Sealed beverage container” means a beverage container
12 holding a beverage that is closed or sealed before being offered
13 for sale to a consumer.

14 (n) (1) “Sugar-sweetened beverage” means any sweetened
15 nonalcoholic beverage, carbonated or noncarbonated, sold for
16 human consumption that has added caloric sweeteners and contains
17 75 calories or more per 12 fluid ounces. “Nonalcoholic beverage”
18 means any beverage that contains less than one-half of 1 percent
19 alcohol per volume.

20 (2) “Sugar-sweetened beverage” does not include any of the
21 following:

22 (A) Any beverage containing 100 percent natural fruit juice or
23 natural vegetable juice with no added caloric sweeteners.

24 (B) Any liquid product manufactured for any of the following
25 uses and commonly referred to as a “dietary aid”:

26 (i) An oral nutritional therapy for persons who cannot absorb
27 or metabolize dietary nutrients from food or beverages.

28 (ii) A source of necessary nutrition used as a result of a medical
29 condition.

30 (iii) An oral electrolyte solution for infants and children
31 formulated to prevent dehydration due to illness.

32 (C) Any product for consumption by infants and that is
33 commonly referred to as “infant formula.”

34 (D) Any beverage whose principal ingredient by weight is milk.
35 “Milk” means (i) natural liquid milk, regardless of the animal
36 ~~source or butterfat content.~~ *source, plant source, or butterfat*
37 *content, (ii) natural milk concentrate, whether or not reconstituted*
38 *and regardless of animal source, plant source, or butterfat content,*
39 *or (iii) dehydrated natural milk, whether or not reconstituted and*
40 *regardless of animal source, plant source, or butterfat content.*

(o) “Syrup” means a liquid mixture with added caloric sweetener used in making, mixing, or compounding a sugar-sweetened beverage by mixing the syrup with any one or more other ingredients, including, without limitation, water, ice, a powder, simple syrup, fruits, vegetables, fruit juice, vegetable juice, or carbonation or other gas.

(p) “Unsealed beverage container” means a beverage container into which a beverage is dispensed or poured at the business premises where the beverage is purchased, including, without limitation, a container for fountain drinks.

111224.15. (a) A person shall not distribute, sell, or offer for sale a sugar-sweetened beverage in a sealed beverage container in this state unless the container bears the following safety warning and otherwise meets all of the requirements under this section:

“STATE OF CALIFORNIA SAFETY WARNING: Drinking beverages with added sugar(s) contributes to obesity, diabetes, and tooth decay.”

(b) (1) The safety warning required by subdivision (a) shall be prominently displayed and readily legible under ordinary conditions on the front of the sealed beverage container, separate and apart from all other information, and shall be on a contrasting background. The first five words of the safety warning required under subdivision (a), “STATE OF CALIFORNIA SAFETY WARNING” shall appear in capital letters. The entire safety warning shall appear in bold type.

(2) Size of type and number of characters. The safety warning required under subdivision (a) shall appear in a font size and in a maximum number of characters (i.e., letters, numbers, and marks) per inch, as follows:

(A) For beverage containers of 8 fluid ounces or less, the safety warning shall be in script, type, or printing not smaller than 1 millimeter, and there shall be no more than 40 characters per linear inch.

(B) For beverage containers of more than 8 fluid ounces and less than 1 liter, the safety warning shall be in script, type, or printing not smaller than 2 millimeters, and there shall be no more than 25 characters per linear inch.

(C) For beverage containers of 1 liter or more, the safety warning shall be in script, type, or printing not smaller than 3 millimeters, and there shall be no more than 12 characters per linear inch.

1 (c) If the safety warning required under subdivision (a) is not
2 printed directly on the beverage container, the safety warning shall
3 be affixed to the beverage container in such a manner that it cannot
4 be removed without thorough application of water or other solvents.

5 (d) A person shall not distribute, sell, or offer for sale a
6 multipack of sugar-sweetened beverages in sealed beverage
7 containers in this state unless the multipack of beverages bears the
8 safety warning required under subdivision (a). The safety warning
9 shall be posted conspicuously on ~~each side~~ *at least two sides* of
10 the multipack, in addition to being posted on each individual sealed
11 beverage container.

12 (e) A person shall not distribute, sell, or offer for sale a
13 concentrate in this state unless the packaging of the concentrate,
14 which is intended for retail sale, bears the safety warning required
15 under subdivision (a). The safety warning shall be posted
16 conspicuously on the front of the packaging of the concentrate.

17 111224.20. (a) Every person who owns, leases, or otherwise
18 legally controls the premises where a vending machine or beverage
19 dispensing machine is located, or where a sugar-sweetened
20 beverage is sold in an unsealed beverage container, shall place, or
21 cause to be placed, a safety warning in each of the following
22 locations:

23 (1) On the exterior of any vending machine that includes a
24 sugar-sweetened beverage for sale.

25 (2) On the exterior of any beverage dispensing machine used
26 by a consumer to dispense a sugar-sweetened beverage through
27 self-service.

28 (3) At the point-of-purchase where any consumer purchases a
29 sugar-sweetened beverage in an unsealed beverage container, when
30 the unsealed beverage container is filled by an employee of a food
31 establishment rather than the consumer.

32 (b) The safety warning required by subdivision (a) shall contain
33 the following language:

34 “STATE OF CALIFORNIA SAFETY WARNING: Drinking
35 beverages with added sugar(s) contributes to obesity, diabetes, and
36 tooth decay.”

37 (c) The safety warning required by subdivision (a) shall be
38 prominently displayed and readily legible under ordinary
39 conditions, separate and apart from all other information, and shall
40 be on a contrasting background. The first five words of the safety

1 warning in subdivision (b), “STATE OF CALIFORNIA SAFETY
2 WARNING” shall appear in capital letters. The entire safety
3 warning shall appear in bold type.

4 ~~111224.25. Every person that distributes, sells, or offers for~~
5 ~~retail sale a sugar-sweetened beverage shall maintain on its~~
6 ~~business premises, for a period of two years following each~~
7 ~~distribution, purchase, or sale, all records, including, legible~~
8 ~~invoices and purchase orders, as may be necessary to determine~~
9 ~~the quantity and type of sugar-sweetened beverages distributed,~~
10 ~~purchased, or sold. The department and a local enforcement agency~~
11 ~~shall have the right to inspect, examine, and copy those records at~~
12 ~~any time during normal business hours for the purpose of ensuring~~
13 ~~compliance by distributors with the requirements of this article.~~
14 ~~The refusal to allow a full inspection, examination, or copying of~~
15 ~~those records shall constitute a violation of this article.~~

16 111224.30. (a) Notwithstanding Section 111825, subdivision
17 (b) of Section 111855, or any other law, commencing July 1, 2015,
18 any violation of this article, or a regulation adopted pursuant to
19 this article, is punishable by a civil penalty of not less than fifty
20 dollars (\$50), but no greater than five hundred dollars (\$500). The
21 department or a local enforcement agency may assess the civil
22 penalty according to the procedures set forth in Section 111855.
23 A person shall not be found to violate this article more than once
24 during any one inspection visit.

25 (b) There is hereby created in the State Treasury the
26 Sugar-Sweetened Beverages Safety Warning Fund. The fund shall
27 consist of moneys collected for the violation of this article. The
28 department and local enforcement agencies shall remit to the
29 Treasurer any civil penalties collected pursuant to subdivision (a)
30 on a biannual basis, no later than March 15 and September 15 of
31 each year. Notwithstanding any other law, moneys in the fund,
32 upon appropriation by the Legislature, shall be allocated to local
33 enforcement agencies for the purpose of enforcing this article.

34 ~~111224.35. The department shall adopt regulations for the~~
35 ~~implementation of this article in accordance with the~~
36 ~~Administrative Procedure Act (Chapter 3.5 (commencing with~~
37 ~~Section 11340) of Part 1 of Division 3 of Title 2 of the Government~~
38 ~~Code). Notwithstanding Section 111224.15 or 111224.20, if, after~~
39 ~~appropriate investigation and consultation with the state health~~
40 ~~officer, the department finds that available scientific information~~

1 would justify a change in the language of the safety warnings set
2 forth in Sections 111224.15 and 111224.20, the department may
3 adopt regulations to develop new language for the safety warning
4 and may require that the alternative language be adopted in lieu
5 of the language set forth in Sections 111224.15 and 111224.20.

6 111224.40. It is the intent of the Legislature that nothing in
7 this article shall be construed to preempt or prohibit the adoption
8 and implementation of local ordinances related to sugar-sweetened
9 beverages, except any local ordinance requiring a safety warning
10 to be placed on a sugar-sweetened beverage container that is
11 inconsistent with this article. An ordinance is not deemed
12 inconsistent with this article if it affords greater protection than
13 the requirements set forth in this article.

14 SEC. 3. The provisions of this act are severable. If any
15 provision of this act or its application is held invalid, that invalidity
16 shall not affect other provisions or applications that can be given
17 effect without the invalid provision or application.

18 SEC. 4. If the Commission on State Mandates determines that
19 this act contains costs mandated by the state, reimbursement to
20 local agencies and school districts for those costs shall be made
21 pursuant to Part 7 (commencing with Section 17500) of Division
22 4 of Title 2 of the Government Code.

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Roberta Lawson
RDH, MPH
Executive Administrator

March 20, 2014

Ron Chapman, MD, MPH, Director
California Department of Public Health
1615 Capitol Avenue, Suite 73.770
PO Box 997377, MS 0500
Sacramento, CA 95899-7377

RE: SB 1000 (Monning) Public health: sugar-sweetened beverages: safety warnings

Dear Dr. Chapman:

As you know, the California Conference of Local Health Officers (CCLHO) is an organization of all legally appointed physician health officers in California's 61 city and county jurisdictions established in statute in 1947 to consult with, advise, and make recommendations to the California Department of Public Health, other departments, boards, commissions and officials of federal, state, and local government, the Legislature, and any other organization or association on matters affecting health.

On March 6, 2014, the CCLHO Board voted to take a support position on SB 1000, a bill by Senator Monning calling for the use of safety warnings on sugary beverages as a mechanism to prevent obesity, diabetes and tooth decay. CCLHO urges the California Department of Public Health (CDPH) to also support this legislation.

The prevalence of obesity in the United States with its associated health problems has increased dramatically over the past 30 years. Today, nearly 40% of California children are either overweight or obese – the highest in history. These children have a much greater likelihood of going on to become obese as adults, so we can anticipate that the adult obesity rates will continue to climb. .

Sugar beverages are the largest single cause of childhood obesity. Drinking one sugary beverage a day increases the chances for a child to become overweight by 55%. California adults who drink one soda or more per day are 27 percent more likely to be overweight or obese, and individuals who drink one to two sugar-sweetened beverages per day have a 26 percent higher risk for developing type II diabetes.

We know that adults and parents have the responsibility to make good choices for themselves and their families. However, people need reliable information to make good decisions and an environment that supports making healthy choices. SB 1000 would provide both by requiring a warning label on the front or all cans and bottles of soda and fruit drinks with added sweeteners that have 75 or more calories per 12 ounces. This warning will allow consumers to make purchasing choices informed by the latest scientific evidence.

Senate Bill 1000 is a major step forward in the fight against California's obesity and diabetes epidemic. It will protect consumers and promote informed purchasing decisions by requiring a warning about the harmful effects of consuming beverages with added sugars. We know from the successful tobacco control work in our state that health warnings can increase knowledge and perception of risk, and SB 1000 can make a major contribution to improving community health in California.

If you have questions, please contact me at Muntu.davis@acgov.org or 510-267-8010. Thank you.

Sincerely



Contra Costa County Board of Supervisors

Subcommittee Report

LEGISLATION COMMITTEE

8.

Meeting Date: 06/05/2014

Subject: Amend federal platform to include support for improved funding and care of U.S. military veterans and families

Submitted For: LEGISLATION COMMITTEE,

Department: County Administrator

Referral No.: 2014-24

Referral Name: Amend federal platform to include support for improved funding and care of U.S. military veterans and families

Presenter: Lara DeLaney

Contact: L. DeLaney, 925-335-1097

Referral History:

Supervisor Glover requested support from the Board of Supervisors on amending the 2014 Federal Legislative Platform to include support for improved funding and care of U.S. military veterans and families.

Referral Update:

On behalf of a citizen and veteran who has served over eight years active duty in the U.S. Army, both enlisted and commissioned, and served in Vietnam (enlisted) from August 1969 to August 1970, Supervisor Glover requests support from the Legislation Committee and the Board of Supervisors to include support for improved funding and care of U.S. military veterans and families in the County's 2014 Federal Platform. Currently, the Federal Platform includes support for providing America's veterans organizations with resources to make necessary repairs to their meeting halls and facilities, however improved funding and care of veterans and families has not been included in the Platform.

Veterans Halls policy on Contra Costa County's 2014 Federal Platform:

The County will support legislation to provide America's veterans organizations with resources to make necessary repairs to their meeting halls and facilities.

Across America, the meeting halls and posts of Veterans Service Organizations such as the American Legion and Veterans of Foreign Wars serve as unofficial community centers. Unfortunately, many of these facilities have deteriorated in recent years due to declining membership and reduced rental revenues as a result of the economic downturn.

The County will support legislation that would create a competitive grant program for veterans' organizations, classified by the IRS as 501c19 non-profit organizations and comprised primarily of past or present members of the United States Armed Forces and their family members, to use for repairs and improvements to their existing facilities.

Recommendation(s)/Next Step(s):

AMEND the 2014 Federal Legislative Platform to include support for improved funding and care of U.S. military veterans and families, as recommended by Supervisor Glover.

Fiscal Impact (if any):

No direct fiscal impact to Contra Costa County.

Attachments

No file(s) attached.



Contra Costa County Board of Supervisors

Subcommittee Report

LEGISLATION COMMITTEE

9.

Meeting Date: 06/05/2014

Subject: Comprehensive Veterans Health and Benefits and Military Retirement Pay Restoration Act of 2014, as introduced (Sanders)

Submitted For: LEGISLATION COMMITTEE,

Department: County Administrator

Referral No.: 2014-25

Referral Name: Comprehensive Veterans Health and Benefits and Military Retirement Pay Restoration Act of 2014, as introduced (Sanders)

Presenter: Nathan D. Johnson **Contact:** L. DeLaney, 925-335-1097

Referral History:

Nathan D. Johnson, Veterans Service Officer, requested support from the Board of Supervisors on the Comprehensive Veterans Health and Benefits and Military Retirement Pay Restoration Act of 2014.

Referral Update:

REPORT FROM FEDERAL LOBBYIST:

This bill actually made it to the Senate floor in late February 2014, but Republicans ultimately blocked it from receiving a final vote; Majority Leader Reid's attempt to waive a point of order in order to end debate on the measure was defeated by a party-line vote of 56 of 41, with the exception of Senators Jerry Moran (R-KS) and Dean Heller (R-NV) who joined Democrats in attempting to force a final vote.

The primary complaint with the bill, according to Senate Republicans, had to do with the new budget authority that would be established by the bill, because it would have violated the budget agreement from December 2013. They also had issues with the discretionary budget spending that would have essentially relied on funds "saved" from the rollback of the war in Afghanistan. During floor debate there were also attempts to add amendments that related to increased sanctions on Iran.

Despite all this, Senator Sanders announced recently that he would be reviving/reintroducing this legislation in the coming weeks, as well as a VA accountability bill. At this time it remains unclear whether any concessions and/or modifications would be made to the budgetary aspects of the bill in order to garner additional Republican support, but without any such updates the bill would likely face the same level of opposition from Senate Republicans.

I'll keep an eye out for this when the Senate returns next week, and provide relevant updates

moving forward.

Perrin Badini, Alcalde-Fay

SUMMARY:

The legislation includes provisions that would:

- Improve veterans' health care through increased access to complementary and alternative medicine, chiropractic care and transportation services.
- Improve VA's claims system in part by requiring quarterly reports to Congress on efforts to eliminate a backlog of benefits claims by 2015. VA would have to detail both the projected and actual number of claims received, pending, completed and on appeal.
- Expand access to education benefits for veterans and their survivors, including making recently-separated veterans eligible for tuition at the in-state rate and improving the level of benefits offered to survivors of certain service members killed on active duty.
- Ensure veterans receive consistent access to the benefits they have earned by establishing advanced appropriations for the mandatory accounts at the Department of Veterans Affairs.
- Assist veterans suffering from reproductive issues, largely related to the widespread use of improvised explosive devices in Iraq and Afghanistan, in starting their families.
- Renew provisions from the VOW to Hire Heroes Act of 2011, including a two-year extension for the Veterans Retraining Assistance Program.

The legislation will not increase the deficit because the \$24 billion cost of the bill is paid for by \$4 billion in savings from the VA and offset by \$20 billion in caps on the Overseas Contingency Operations fund that will lock in savings from winding down military operations in Afghanistan and Iraq.

Registered Support:

The American Legion

Veterans of Foreign Wars

Iraq and Afghanistan Veterans of America

Wounded Warrior Project

Disabled American Veterans

Military Officers Association of America

Military Order of the Purple Heart

The Retired Enlisted Association

Commissioned Officers Association of the U.S. Public Health Service

VetsFirst

United States Army Warrant Officers Association

Easter Seals Disability Services

National Association for Uniformed Services

National Association of State Veterans Homes

Air Force Sergeants Association

Association of the United States Navy

Marine Corps Reserve Association

Gold Star Wives

National Guard Association of the United States

Paralyzed Veterans of America

National Military Family Association

Enlisted Association of the National Guard of the United States

US Coast Guard Chief Petty Officers Association

Jewish War Veterans of the United States of America

Vietnam Veterans of America

Federal Law Enforcement Officers Association

Non Commissioned Officers Association

American Military Retirees Association

Senator Frank B. Aguon, Jr. of Guam

Fleet Reserve Association

National Coalition for Homeless Veterans

American Ex-Prisoners of War

National Society of Professional Engineers

Consortium for Citizens with Disabilities

Military-Veterans Advocacy

Recommendation(s)/Next Step(s):

ADOPT a position of "support" on Comprehensive Veterans Health and Benefits and Military Retirement Pay Restoration Act of 2014, as introduced (Sanders), as recommended by Contra Costa Veterans Service Officer.

Fiscal Impact (if any):

No fiscal impact.

Attachments

Bill Summary

SUMMARY—S. 1950

Comprehensive Veterans Health and Benefits and Military Retirement Pay Restoration Act of 2014

Section 1

Short title and table of contents

Section 2

References to title 38, United States Code

Section 3

Budgetary effects

TITLE I—SURVIVOR AND DEPENDENT MATTERS

Section 101

Section 101 would require additional dependency and indemnity compensation (DIC) paid to the surviving spouses of veterans with children to be increased for each month occurring during a three-year period beginning on the date of entitlement. Currently, additional DIC is only paid for each month during the two year period following the date of entitlement.

Section 102

Section 102 would provide that remarriage after age 55 of a surviving spouse of certain veterans shall not bar the furnishing of DIC, medical care for survivors and dependents of certain veterans, educational assistance and housing loans.

Section 103

Section 103 would extend the marriage delimiting date for surviving spouses of Persian Gulf War veterans to qualify for death pension from January 1, 2001, to the date that is 10 years and one day after the date on which the Persian Gulf War ends.

Section 104

Section 104 would make effective date provisions consistent with provisions for benefits eligibility of a veteran's child based upon termination of remarriage by annulment.

Section 105

Section 105 would expand the Marine Gunnery Sergeant John David Fry Scholarship to include surviving spouses of members of the Armed Forces who die in the line of duty.

Section 106

Section 106 would expand eligibility for the Yellow Ribbon Program to beneficiaries of the Marine Gunnery Sergeant John David Fry Scholarship.

Section 107

Section 107 would authorize VA to provide, to any spina bifida-affected child of a veteran who served on active duty in Thailand beginning on January 9, 1962, and ending on May 7, 1975, and was exposed to a herbicide agent during such service, the same health care, vocational training and rehabilitation, and monetary allowance required to be paid to a similarly-affected child of a Vietnam veteran.

Section 108

Section 108 would direct VA to carry out a three-year program to assess the feasibility and advisability of providing assisted living, group home care or similar services, and transportation to individuals entitled to VA benefits as children of Vietnam and Korean War veterans born with spina bifida who live in rural areas and have no access to such services otherwise. In addition, it requires VA to notify eligible individuals and enter into an agreement with appropriate service providers.

Section 109

Section 109 would direct VA to carry out a two-year program to assess the feasibility and advisability of providing grief counseling services in group retreat settings for surviving spouses of veterans who died while serving on active duty.

Section 110

Section 110 would require VA to conduct a program evaluation of the Survivors' and Dependents' Educational Assistance Program.

TITLE II—EDUCATION MATTERS

Section 201

Section 201 would require VA to disapprove a course of education provided by a public institution of higher learning for purposes of Post-9/11 GI Bill and Montgomery GI Bill (MGIB) education benefits, if the institution charges tuition and fees for that course for the covered individual at a rate that is higher than the rate the institution charges for tuition and fees for that course for residents of the State in which the institution is located. The public institution would be required to charge the in-state tuition rate for Post-9/11 GI Bill and MGIB beneficiaries while the individual is living in the State and enrolls in a course of education within three years from discharge or release from military service.

Section 202

Section 202 would reauthorize VA's Work-Study Program. In addition, it would expand the program to allow veterans to work in congressional offices to conduct outreach and assistance to servicemembers, veterans, and their families.

Section 203

Section 203 would prohibit any person, except with written permission from VA, from using the phrases “GI Bill” and “Post-9/11 GI Bill” in connection with any promotion, goods, services, or commercial activity in a manner that reasonably and falsely suggests that such use is approved, endorsed, or authorized by VA, despite any disclaimer to the contrary. The Attorney General may obtain injunctive relief to enforce this prohibition.

Section 204

Section 204 would direct VA to complete a program review of the on-the-job training program administered by the VA and submit a report to Congress.

Section 205

Section 205 would require GAO to submit a report to Congress on VA’s processes for identifying and resolving incorrect payments under the Post-9/11GI Bill and MGIB.

Section 206

Section 206 would decrease the amount of reporting fees paid by VA to educational and training institutions that are used by institutions for making certifications required by title 38 or for supporting programs for veterans.

TITLE III—HEALTH CARE MATTERS

Subtitle A—Expansion and Improvements of Benefits Generally

Section 301

Section 301 would require the Department of Veterans Affairs to provide health care and nursing home services to veterans enrolled in the VA health care system.

Section 302

Section 302 would allow veterans who do not have a service-connected disability or have noncompensable service-connected disabilities rated at zero percent that do not have access to health insurance except through a health exchange (as established under the Affordable Care Act) to enroll in VA’s health care system beginning on or before December 31, 2014. VA would also be required to provide public notification of the date that veterans may begin enrolling in the VA health care system. This section clarifies that the existing priority levels, which require VA to prioritize care to the most severely service-connected disabled and lowest-income veterans, remain unchanged by this legislation.

Section 303

Section 303 would extend the period of time individuals – including members of the active component, National Guard and Reserves – are eligible to enroll in the VA health care system from five years to ten years post-deployment.

Section 304

Section 304 would extend VA's Caregiver Program to all seriously injured veterans incurred or aggravated in the line of duty, regardless of era.

Section 305

Section 305 would ensure veterans receive the immunizations listed on the recommended adult immunization schedule established by the Centers of Disease Control's Advisory Committee on Immunization Practices. This section would direct the VA to include information on such immunizations in VA's annual report to Congress. Additionally, it would require VA to report to Congress on VA's development and implementation of quality measures and metrics, including targets for compliance.

Section 306

Section 306 would require the increased provision of chiropractic care services to veterans at VA medical centers and clinics.

Section 307

Section 307 would amend the date of eligibility for purposes of obtaining hospital care and medical services at VA in connection with exposure to contaminated water at Camp Lejeune, North Carolina, from January 1, 1957, to August 1, 1953.

Section 308

Section 308 would expand eligibility for reimbursement for emergency medical treatment to certain veterans that were unable to receive care because of a waiting period imposed by VA for new patient examinations. This section would also authorize funds to be appropriated for this purpose and would take effect on the date that is one year after the date of the enactment of this Act.

Section 309

Section 309 would relocate, within Chapter 17, VA's authority to continue to provide hospital care and medical services, nursing home care, and extended care services during any fiscal year only to the extent and in the amount provided in advance in appropriations to a more appropriate section of title 38, U.S.C.

Section 310

Section 310 would require VA to streamline its formula to determine eligibility for VA health care based on income to one income level per state.

Section 311

Section 311 would extend the authority for VA to transport individuals to and from VA facilities in connection with vocational rehabilitation, counseling, examination, treatment, or care.

Section 312

Section 312 would authorize VA to cover the cost of care for veterans receiving long-term care through VA's Medical Foster Home Program.

Section 313

Section 313 would extend for an additional three years, a pilot program to provide rehabilitation, quality of life, and community integration services to veterans with complex-mild to severe traumatic brain injury. It would also authorize VA to enter into agreements with community providers to deliver brain injury rehabilitative care to veterans. VA would be required to report to Congress on the program and on any recommendations to improve it.

Section 314

Section 314 would direct VA to carry out a two-year program to assess the feasibility and advisability of promoting health through the payment of fitness center membership for veterans determined to be overweight or obese and who reside more than 15 minutes driving distance from a VA fitness facility.

Section 315

Section 315 would require VA to carry out a three-year program to assess the feasibility and advisability of promoting the achievement of a healthy weight in veterans enrolled in VA health care through the designation of VA fitness facilities within VA medical centers and clinics.

Subtitle B—Health Care Administration

Section 321

Section 321 would reauthorize the Health Professional Scholarship Program.

Section 322

Section 322 would provide funds to VA for the purpose of developing a partnership with institutions of higher education to ensure the availability of clinicians in orthotics and prosthetics trained at the masters or doctoral level to meet the needs of veterans receiving orthotic and prosthetic care.

Section 323

Section 323 would require VA to use its existing capitation-based resource allocation model when entering into contracts for furnishing health care services. Such contracts would be required to give preference, as appropriate, to Federally-Qualified Health Centers and Community Health Centers. This section would also require VA to incorporate best practices when entering into contracts for furnishing health care services, such as requiring contractors to provide information on scheduling and appearance for appointments.

Section 324

Section 324 would prohibit VA from expanding the dialysis pilot program to any facility that is not an initial facility until after the date that: the secretary has fully implemented the dialysis pilot program at each initial facility for a period of not less than two years; an independent analysis of the dialysis pilot program has been conducted at each initial facility; and a report has been submitted to Congress after the date of completion of the independent analysis. This section would take effect on the date that is one year after the date of the enactment of this Act.

Section 325

Section 325 would require VA to implement local and state reporting requirements of infectious diseases and develop performance measures to assess whether Veterans Integrated Service Networks and medical centers are complying with such requirements. This section would take effect on the date that is one year after the date of the enactment of this Act.

Section 326

Section 326 would require VA to contract with a third party to conduct an independent study to assess the organizational structures of medical centers and improve succession planning of key leadership of the Veterans Integrated Service Networks and medical centers. The Secretary must report to Congress on the findings of the study within 90 days of its completion. This section would take effect on the date that is one year after the date of the enactment of this Act.

Section 327

Section 327 would require VA to develop and transmit to Congress a strategic plan for improving access and quality of health care services for veterans in rural areas. This plan would include goals and objectives for: the recruitment and retention of health care personnel in rural areas; ensuring timeliness and improving quality in the delivery of health care services in rural areas through contract and fee-basis providers; implementation, expansion, and enhanced use of telemedicine services; ensuring the full and effective use of mobile outpatient clinics.

Section 328

Section 328 would require VA to report to Congress regarding telemedicine services (the use by a health care provider of telecommunications to assist in the diagnosis or treatment of a patient's medical condition) for veterans, including updates on VA teleconsultation and telemedicine initiatives, training, and partnerships with primary care providers. This section would take effect on the date that is one year after the date of the enactment of this Act.

Section 329

Section 329 would designate the VA medical center at 3900 Woodland Avenue in Philadelphia, Pennsylvania, as the “Corporal Michael J. Crescenzo Department of Veterans Affairs Medical Center”.

Subtitle C—Complementary and Alternative Medicine

Section 331

Section 331 would direct VA to develop a plan to expand materially and substantially the scope of research and education on and delivery of complementary and alternative medicine services for veterans.

Section 332

Section 332 would require VA to carry out a three-year program to assess the feasibility and advisability of various approaches for integrating the delivery of complementary and alternative medicine services with other health care services provided by VA. The program shall be conducted at not fewer than 15 different VA medical centers.

Section 333

Section 333 would direct VA to conduct a comprehensive study of barriers encountered by veterans in accessing and receiving complementary and alternative medicine and the barriers encountered by providers in delivering such services.

Section 334

Section 334 would require VA to establish a three-year program for the award of grants to public or private nonprofit entities to assess the feasibility and advisability of using wellness programs to complement the provision of mental health care to veterans and family members eligible for VA counseling services.

Subtitle D—Mental Health Care

Section 341

Section 341 would direct VA to include, as a component of VHA health care personnel education and training programs, education and training of marriage and family therapists as well as licensed professional mental health counselors. This section would take effect on the date that is one year after the date of the enactment of this Act.

Section 342

Section 342 would require VA to contract with outside providers to establish a program of supportive services to family members and caregivers of veterans suffering with mental illness. The education program would provide these individuals with information on different mental health disorders, mental health first aid and techniques for coping with the stress of living with someone with mental illness.

Within two years, successful graduates of the education program would replace contractors and become trained volunteer peer support coordinators. This section would require VA to offer the program to children, teens and young adults, using age-appropriate materials and programming. Furthermore, it would require VA to conduct an annual study of participation and satisfaction within the educational program and peer support program for the next five years and to report to Congress annually during that period.

Section 343

Section 343 would require VA to submit a report to Congress, not later than one year after the date of enactment of this Act, on the feasibility and advisability of providing mental health services for families of certain veterans at facilities of the Department.

Section 344

Section 344 would require VA to submit a report to Congress, not later than one year after the date of enactment of this act and each year following, on VA's Community Mental Health Partnership Pilot. The report would include information on the number of participating sites, the number of participating individuals, the effectiveness of the pilot and any plans for expansion of the pilot.

Subtitle E—Dental Care Eligibility Expansion and Enhancement

Section 351

Section 351 would authorize VA to provide restorative dental services to veterans to reinstate dental functions lost as a result of VA dental care services or treatment. Currently, VA may provide dental care services to certain veterans under limited circumstances but is unable to provide restorative services, such as dentures. This section would take effect on the date that is one year after the date of the enactment of this Act.

Section 352

Section 352 would direct VA to carry out a 3-year program to provide comprehensive dental care services to 30,000 veterans not currently eligible to receive VA dental care services. The program would be conducted at not fewer than 16 locations, with the number of veterans served divided appropriately between each location. VA would be required to determine the annual limit on expenditures per veteran, which may not be less than \$1,000. This section would take effect on the date that is one year after the date of the enactment of this Act.

Section 353

Section 353 would direct VA to carry out a program of education to promote dental health for veterans who are enrolled in VA's health care system. The program would provide veterans with education on proper techniques for dental care and the benefits of maintaining proper dental hygiene. The program would help veterans identify signs and symptoms of commonly occurring dental issues and options for obtaining dental care. This section would take effect on the date that is one year after the date of the enactment of this Act.

Section 354

Section 354 would require VA to include dental care services provided by private sector dental providers in the electronic medical records of veterans, survivors, and dependents enrolled in the VA Dental Insurance Program. This section would also extend the VA Dental Insurance

Program for an additional two years. This section would take effect on the date that is one year after the date of the enactment of this Act.

Section 355

Section 355 would authorize funds to be appropriated to carry out this subtitle.

Subtitle F—Health Care Related to Sexual Trauma

Section 361

Section 361 would extend counseling and treatment to servicemembers who suffered sexual trauma while serving on inactive duty training.

Section 362

Section 362 would expand eligibility for care and services for Military Sexual Trauma (MST) at a VA facility to active duty servicemembers. Active duty servicemembers would not be required to initially be seen by the Department of Defense (DOD) and receive a referral before seeking treatment at a VA facility for MST. This section would take effect on the date that is one year after the date of the enactment of this Act.

Section 363

Section 363 would require VA to develop a clinical screening tool to better identify and treat veterans who have experienced domestic abuse and to better assess the prevalence of domestic abuse in the veteran population.

Section 364

Section 364 would require VA to report on the prevalence of domestic abuse in the veteran population, the types of treatments and care offered to this group of veterans, the effectiveness of these approaches, and on any correlation between MST or other sexual trauma and experiencing domestic abuse. It would also require the VA-DOD Joint Executive Committee to conduct an annual assessment for the next five years of the processes and procedures regarding the transition and continuum of care from the DOD to VA for individuals who have experienced MST or domestic abuse. The assessment would also include the processes and collaboration by the agencies to assist individuals filing a claim for MST or domestic abuse related disability. This section would take effect on the date that is nine months after the date of the enactment of this Act.

Subtitle G—Reproductive Treatment and Services

Section 371

Section 371 would clarify that fertility counseling and treatment, including through assisted reproductive technology, are included in the medical services package.

Section 372

Section 372 would allow spouses and surrogates of veterans, whose infertility was related to military service, to access fertility counseling and treatment through VA. This section would allow VA to coordinate the fertility treatment of spouses with that of the veteran's, if the veteran's infertility is not related to military service. This section would clarify that VA will not be required to find or certify surrogates, or to provide maternity care to a spouse or surrogate.

Section 373

Section 373 would allow veterans, whose infertility is related to military service, to access a monetary benefit equal to the lesser of one cycle of fertility treatment through assisted reproductive technology or the cost of three adoptions, to assist in the adoption of one or more child.

Section 374

Section 374 would allow stakeholders and interested parties to participate in the regulatory process to determine how best to implement new services added by sections 2 through 4 of this Committee Print. VA would be required to complete the rulemaking process within 540 days after enactment, and would not be allowed to provide any of these services until this process is complete.

Section 375

Section 375 would require VA and DOD to share best practices and refer patients, as appropriate.

Section 376

Section 376 would require VA to request that DOD and HHS work together to research ways that VA can meet the long-term reproductive care needs of veterans with genitourinary injuries and infertility related to their military service.

Section 377

Section 377 would require VA to submit an annual report detailing the statistics on the population that accessed fertility services and treatments, the types and volumes of services provided, the costs of these services, and a description of how services are coordinated with DOD services.

Section 378

Section 378 would make permanent a program to provide child care for veterans receiving health care and mental health care at VA facilities and creates a similar program for vet centers.

Section 379

Section 379 would make permanent a program to provide reintegration and readjustment counseling in retreat settings to newly separated women veterans.

Subtitle H--Major Medical Facility Leases

Section 381

Section 381 would authorize VA to enter into 27 major medical facility leases in 18 states and Puerto Rico.

Section 382

Section 382 would require the funding prospectus of a proposed lease to include a detailed analysis of how the lease is expected to comply with Office of Management and Budget (OMB) Circular A-11 and the Anti-Deficiency Act. It also directs VA, at least 30 days before entering into a lease, to submit to the congressional veterans committees: (1) notice of the intention to enter into, and a copy of, such lease; (2) a description and analysis of any differences between the lease prospectus submitted and the proposed lease; and (3) a scoring analysis demonstrating that the proposed lease fully complies with OMB Circular A-11. VA must also to report any material differences between the proposed lease and the lease entered, no later than 30 days after entering into a lease.

TITLE IV—EMPLOYMENT AND RELATED MATTERS

Subtitle A—Training and Other Services for Veterans Seeking Employment

Section 401

Section 401 would reauthorize the Veterans Retraining Assistance Program (VRAP), created by the VOW to Hire Heroes Act of 2011, for an additional two years. This section would delay the sunset date to June rather than March to coincide with the standard academic term. It would also allow veterans to enroll in an eligible program at a four-year institution if such program is not reasonably available at a community college or technical school.

Section 402

Section 402 would reauthorize, for an additional two years, the Department of Veterans Affairs' (VA) authority to provide benefits under the Vocational Rehabilitation and Employment (VR&E) Program to members of Armed Forces with severe injuries or illnesses.

Section 403

Section 403 would reauthorize, for an additional two years, VA's authority to provide veterans who have exhausted benefits under the VR&E program and state-provided unemployment benefits up to 12 additional months of VR&E benefits.

Section 404

Section 404 would create a new, unified, online employment portal containing information regarding all federal programs and activities concerning employment, unemployment and training resources for veterans.

Section 405

Section 405 would require the Department of Labor (DOL) to compile a list of Internet websites and applications that are beneficial for veterans in pursuit of employment. This section would also require DOL to report to the Veterans' Affairs Committees on the feasibility and advisability of creating a single, unified, employment portal.

Section 406

Section 406 would improve DOD's Transition Assistance Program by requiring DOL to provide transitioning servicemembers with information regarding disability-related employment and education protections.

Subtitle B—Employment of Veterans and Recognition of Veteran Status With Respect to Employment Related Matters

Section 411

Section 411 would require federal agencies to develop plans to hire an aggregate of 15,000 veterans to existing vacancies within five years using the Veterans Recruitment Appointment and the Veterans Employment Opportunities Act authorities.

Section 412

Section 412 would, as a condition of receiving Jobs for Veterans State Grants, require states to recognize military experience when issuing licenses and credentials to veterans. This section would require states to issue licenses and credentials to certain veterans without requiring such veterans to undergo further training.

Section 413

Section 413 would require the Department of Justice (DOJ) and the Department of Homeland Security (DHS) to award grants to eligible entities to hire veterans as first-responders. This section would give preference to veterans who served on active duty after September 11, 2001. There would be authorized to be appropriated for fiscal year 2015 one hundred twenty-five million dollars for DOJ and one hundred twenty-five million dollars for DHS to carry out this section. The amounts to be authorized to be appropriated would be available for expenditure through September 30, 2018.

Section 414

Section 414 would require federal agencies to favorably consider as an evaluation factor for contracts and task or delivery orders valued at or above twenty-five million dollars, contractors that employ a significant number of veterans.

Section 415

Section 415 would direct the Department of Labor, through its Veterans' Employment and Training Service, to conduct a study on barriers and potential discrimination facing veterans in the labor market. The study would include an evaluation of the adequacy and effectiveness of current federal laws in preventing or ameliorating acts of discrimination against members of the National Guard and Reserves and veterans seeking or retaining employment in the civilian labor market. Additionally, the Department would make such recommendations as it may have for legislative or administrative action to address barriers or discrimination that veterans may face in the civilian labor market and educating employers in the civilian labor market on issues regarding hiring a veteran or member of the National Guard or Reserves and the translation of experience of veterans and members of the National Guard and Reserves. This section would take effect on the date that is one year after the date of the enactment of this Act.

Subtitle C—Program on Career Transition**Section 421**

Section 421 would require VA to establish a three year program to provide young veterans, between the ages 18-30, the opportunity to serve in an internship whereby they would be paired with employers in the private sector to gain civilian work experience. This section would require VA to provide such veterans with Professional Skills Workshops to help them develop the skills needed to succeed in the civilian workforce, increased marketable skills, and assist them in obtaining long-term employment. This section would authorize VA to furnish pay and benefits to each eligible participant up to twenty-five thousand dollars per the duration of the eligible individual's participation in the program. Not later than 45 days after the completion of the first year of the program and not later than 180 days after the completion of the second and third years of the program, VA would be required to submit to Congress a report on the program. There would be authorized to be appropriated for fiscal year 2015 six hundred million dollars for VA to carry out this section.

Subtitle D—Improving Employment and Reemployment Rights of Members of the Uniformed Services**Section 431**

Section 431 would allow the United States to serve as a named plaintiff in all suits filed by the Attorney General, while preserving the right of the aggrieved person to intervene in such suits, or to bring their own suits where the Attorney General has declined to file suit. It would also allow the Attorney General to investigate and file suit to challenge a pattern or practice in violation of the Uniformed Services Employment and Reemployment Rights Act (USERRA).

Section 432

Section 432 would allow for the suspension and debarment of federal contractors that repeatedly violate the rights of members of the uniformed services provided for under USERRA.

Section 433

Section 433 would provide the Special Counsel with authority to subpoena attendance, testimony, and documents from federal employees and federal executive agencies in order to carry out investigations related to USERRA.

Section 434

Section 434 would authorize the Attorney General to issue civil investigative demands in investigations under USERRA. It would not include the authority to compel oral testimony or sworn answers to interrogatories.

Subtitle E—Small Business Matters

Section 441

Section 441 would expand VA contracting goals and preferences to include conditional ownership of small business concerns if such small business concerns are 100 percent owned by one or more veterans.

Section 442

Section 442 would permit the surviving spouse of a veteran owner of a small business, who is less than 100 percent disabled and whose death is not a result of a service-connected disability, to maintain the status of such small business concern for up to three years following the death of such veteran.

Section 443

Section 443 would permit the surviving spouse of a servicemember, who owns at least 51 percent of a small business concern and dies in the line of duty, to maintain the status of such small business concern for up to ten years following the death of such servicemember.

Section 444

Section 444 would require VA to consider small businesses, licensed in a community property state, as if such small business were licensed in a non-community property state if such consideration would result in a greater ownership of such small business concern for purposes of eligibility as a veteran owned small business.

Section 445

Section 445 would require the DOL, in consultation with VA, the Small Business Administration, and other entities the Secretary considers appropriate, to submit to Congress a report outlining the benefits, services, and other assistance available to veterans to obtain the training necessary to purchase and operate a franchise; any known statistics about the number of veterans who seek this type of training each year and complete this type of training each year; and information regarding any barriers encountered by veterans in obtaining that training.

TITLE V—ACCOUNTABILITY AND ADMINISTRATIVE IMPROVEMENTS

Section 501

Section 501 would direct VA to reorganize the Veterans Health Administration (VHA) into geographically defined VISNs. In addition, it directs the Secretary to ensure that each VISN provides high quality health care to veterans, increases efficiency in care delivery, implements best practices, enhances collaboration with partner entities, among other management functions. Finally, this section requires the Secretary, at least every three years, to review and assess VISN structure and operations and submit review results to the Committees on Veterans' Affairs.

Section 502

Section 502 would require VA to establish not more than four regional support centers within VHA to assess how effectively and efficiently each VISN conducts outreach to veterans who served in contingency operations; administers programs for the benefits of women veterans; manages programs that address homelessness among veterans, and consumes energy. In addition, the regional support centers would assess the quality of work performed within finance operations, compliance related activities and such other matters concerning the operation and activities of each VISN as the Secretary considers appropriate.

Section 503

Section 503 would require the establishment of a Commission on Capital Planning for VA medical facilities. In addition to voting members appointed by a variety of government entities, the Commission would also include non-voting members representing VSOs and experts in the field of management, construction, and leasing of capital assets. Within six months of the first meeting the Commission would begin to issue a series of reports, beginning with VA's Major Medical Facility Lease Program, including any improvements that can be made to the lease authorization process. Other reports would include management processes of VA's construction projects, from contract award through change order processing; a general review of VA's construction program that would examine issues such as facility master planning, sustainability, and under- and unutilized buildings; and recommendations on the most effective means to work through the existing backlog of construction projects. VA would be required to report to the Committees on Veterans' Affairs on the feasibility and advisability of all recommendations, implement each recommendation that was considered feasible, and provide a description of the actions that are being taken or any legislative action needed to implement those recommendations considered feasible and advisable.

Section 504

Section 504 would provide advance appropriations for mandatory accounts of the Department of Veterans Affairs.

Section 505

Section 505 would require VA to establish a free, publicly-available website that aggregates information on Department research data files. VA would also require that any final, peer-reviewed manuscript about VA-funded research be submitted to a free, publicly-available

website. Finally, the VA-DOD Joint Executive Committee would prepare recommendations for establishing a program for long-term cooperation and data sharing to facilitate research.

Section 506

Section 506 would require GAO to conduct an assessment of the information made publically available by the Veterans Benefits Administration (VBA) in order to determine whether such information supports and improves the timeliness and accuracy of claims decisions. GAO would also examine whether such information supports VA's Strategic Plan to Eliminate the Compensation Claims Backlog, encourages the filing of Fully Developed Claims, and provides sufficient notice to claimants filing electronically that VSOs are available to assist with applications for benefits. Finally, it would require GAO to report to the House and Senate Committees on Veterans' Affairs on recommendations for legislative or administrative action that may be necessary to improve the information made available to the public. This section would take effect on the date that is one year after the date of the enactment of this Act.

Section 507

Section 507 would require GAO to submit to the Committees on Veterans' Affairs a report on the VA's advisory committees.

TITLE VI—IMPROVEMENT OF PROCESSING OF CLAIMS FOR COMPENSATION

Subtitle A—Claims Based on Military Sexual Trauma

Section 601

Section 601 would require, in the case of a claim for disability compensation based on a mental health condition related to military sexual trauma, the Secretary to treat an examination or opinion as being necessary to make a decision on a claim if the evidence of record before the Secretary does not contain a diagnosis and opinion by a mental health professional that may assist in corroborating the occurrence of a military sexual trauma stressor.

Section 602

Section 602 would require VA to assign to each individual seeking compensation for a disability based on military sexual trauma a case representative officer who shall serve as a liaison between such individual and VA and provide advice and general information to such individual on the claims process.

Section 603

Section 603 would require VA to submit to the Committees on Veterans' Affairs a report on the current standard of proof for service-connection under chapter 11 of title 38, U.S.C., for covered mental health conditions based on military sexual trauma. The report would also include any recommendations the Secretary considers appropriate to improve the adjudication of claims for compensation based on military sexual trauma.

Section 604

Section 604 would require VA to report to Congress on claims based on post-traumatic stress disorder alleged to have been incurred or aggravated by military sexual trauma submitted to the Secretary.

Subtitle B—Claims for Dependency and Indemnity Compensation

Section 611

Section 611 would authorize VA to carry out a one-year program to assess the feasibility and advisability of expediting the treatment of certain dependency and indemnity compensation claims that are fully developed at filing. This section would also require VA to report to Congress on the results of the program and provide any recommendations VA may have for legislative or administrative action to improve the adjudication of dependency and indemnity compensation claims.

Section 612

Section 612 would require VA to provide recommendations to the House and Senate Committees on Veterans' Affairs for legislative or administrative action that would improve the timeliness and accuracy with which VA processes certain survivor benefits. This section would take effect on the date that is one year after the date of the enactment of this Act.

Subtitle C—Agency of Original Jurisdiction

Section 621

Section 621 would direct VA to establish a working group to assess and develop recommendations for the improvement of the Veterans Benefits Administration (VBA) employee work credit and work management systems. The working group is charged with developing a data-based method to revise the employee work credit system, a revision schedule, and recommendations for the improvement of VBA's resource allocation model. It would require the Secretary to carry out the recommendations he considers appropriate and also require VA to submit an interim and final report to Congress.

Section 622

Section 622 would direct VA to establish a task force to assess the retention and training of claims processors and adjudicators that are employed by VA and other departments and agencies of the Federal government. Not later than one year after the establishment of the task force, it would be required to produce a government-wide strategic and operational plan for promoting employment of veterans in claims processing positions across the Federal government.

Section 623

Section 623 would require VA to compile information and report to the Committees on Veterans' Affairs information on attempts to obtain records from a Federal department or agency other than VA.

Section 624

Section 624 would allow VA to recognize representatives of Indian tribes as individuals eligible to represent veterans in the preparation, presentation, and prosecution of claims for VA benefits.

Section 625

Section 625 would require VA to carry out a two-year program to assess the feasibility and advisability of entering into memoranda of understanding with local governments and tribal organizations to improve the quality of disability compensation claims and to provide claims submittal assistance to veterans who may be eligible for disability compensation or pension. Under the program, VA would be required to enter into memoranda of understanding with at least two tribal organizations and 10 state or local governments.

Section 626

Section 626 would require VA to post, at Regional Offices and claims intake facilities and on its webpage, and distribute through other mediums or using other methods such as collaboration with VSOs, information on the average processing time for fully developed claims and claims that are not fully developed.

Section 627

Section 627 would direct VA to submit a quarterly report to the Committees on Veterans' Affairs, which shall also be made available to the public, on claims reduction goals and actual production at both the initial claim and appellate level.

Section 628

Section 628 would require VA to submit a report and plan to the Committees on Veterans' Affairs on the use of existing authorities to expedite benefit decisions. The VA would be required to report on the use of temporary, intermediate and provisional rating decisions and to submit a plan to increase the use of temporary and intermediate rating decisions in order to expedite benefit decisions.

Section 629

Section 629 would require VA to submit information to Congress on the sufficiency of disability examinations. It would also require VA to provide a report and plan on efforts to utilize private medical evidence and to prevent the ordering of unnecessary medical examinations.

Subtitle D—Board of Veterans' Appeals and Court of Appeals for Veterans Claims

Section 631

Section 631 would require the Court of Appeals for Veterans Claims to treat documents that are misfiled with the Board of Veterans' Appeals or Agency of Original Jurisdiction and expresses disagreement and a clear intent to seek review as timely filed if misfiled within 120 days after the date of the original decision.

Section 632

Section 632 would require any hearing before the Board of Veterans' Appeals to be conducted using video conferencing technology. This section provides an absolute right that a hearing be conducted in-person before the Board upon the request of the appellant.

TITLE VII—OUTREACH MATTERS

Section 701

Section 701 would direct VA to carry out a two-year program that would competitively award grants to increase veterans' awareness of benefits and services and improve coordination of outreach activities between federal, state and local agencies and nonprofit organizations.

Section 702

Section 702 would codify VA's authority to enter into cooperative agreements and arrangements with State veterans' agencies to carry out, improve, or enhance outreach activities between VA and State veterans' agencies. VA would be required to include such agreements and arrangements in its annual report on outreach activities.

Section 703

Section 703 would direct VA to establish an advisory committee on national outreach activities composed of individuals with backgrounds in: press relations, traditional and new media marketing, shaping a brand image, and communications. Veterans with press and public relations experience would also be appointed to the maximum extent practicable. The advisory committee would collaborate with the Assistant Secretary of Public and Intergovernmental Affairs to advise the Secretary on national outreach activities to ensure VA is effectively communicating its benefits and services to stakeholders. Advisory committee meetings would be required to take place on VA-owned property and make use of teleconference technology when practicable.

Section 704

Section 704 would direct VA to establish an advisory board at each VA healthcare system for purposes of enhancing and improving local outreach activities. Advisory board membership would be voluntary and would be composed of individuals with backgrounds in: press relations, traditional and new media marketing, shaping a brand image, and communications. Veterans with press and public relations experience would also be appointed to the maximum extent practicable. Each advisory board would advise the director of the VA healthcare system, in collaboration with VA employees of the healthcare system and involved in press and public relations, on outreach activities to ensure VA is effectively communicating its benefits and services to local stakeholders, as well as to explain policy changes or new programs at VA. Advisory boards would be required to meet on VA-owned property and make use of teleconference technology when practicable.

Section 705

Section 705 would require VA to submit its report to Congress on outreach activities annually, not biennially.

Section 706

Section 706 would require VA, in support of its budget for a fiscal year, to submit to Congress the amount requested for outreach activities of the Office of Public and Intergovernmental Affairs. VA would also be required to establish and maintain procedures, as well as submit a report on such procedures to Congress, to ensure the effective coordination and collaboration of outreach activities by the Office of Public and Intergovernmental Affairs across the Veterans Benefits, Veterans Health, and National Cemetery Administrations.

TITLE VIII—OTHER MATTERS

Section 801

Section 801 would repeal section 403 of the Bipartisan Budget Act of 2013, which modified the annual cost-of-living adjustment for certain military retirees by making the adjustments equal to inflation minus one percent, as of the date of the enactment of such Act.

Section 802

Section 802 would provide that if a veteran, surviving spouse, or surviving child is eligible for a pension and disposes of a resource that was part of such individual's estate for less than its fair market value within three years before applying for such pension, then VA shall deny or discontinue the pension payments for a certain number of months based on the value of the resources transferred.

Section 803

Section 803 would extend current law regarding pension payments received by veterans and surviving spouses who have no dependents and are receiving Medicaid-covered nursing home care. This authority provides these veterans \$90 per month for incidentals, while preventing the VA pension program from subsidizing Medicaid. This authority has been extended several times, most recently pursuant to P.L. 112-260, the "Dignified Burial and Other Veterans' Benefits Improvement Act of 2012."

Section 804

Section 804 would improve safety requirements for VA's Homeless Grant and Per Diem Program by requiring recipients of per diem payments to comply with codes relevant to operations and level of care provided, including applicable provisions of the most recently published version of the Life Safety Code of the National Fire Protection Association and with any other State or local building codes or licensing regulations.

It would require VA to conduct an inspection of each facility receiving per diem not less than once per year to certify compliance with fire safety standards and would prohibit VA from providing per diem payments to grant recipients that do not meet the certification requirements.

VA would be required to notify Congress within 30 days of terminating per diem payments to a recipient because the building's certification has been revoked. Current recipients of per diem funding would be required to obtain certification within two years of enactment.

Section 805

Section 805 would allow State Veterans Homes with excess bed capacity to enter into contracts grants for residential care for veterans, without triggering recapture requirements related to construction grants.

Section 806

Section 806 would extend the period for scheduling medical exams for veterans receiving temporary disability ratings for severe mental disorders from 6 to 18 months after separation or discharge from active duty.

Section 807

Section 807 would authorize VA to issue veteran identification cards. Additionally, VA would be authorized to work with national retail chains to ensure that such chains recognize the card when offering reduced prices on pharmaceutical, consumer products, and services to veterans.

Section 808

Section 808 would honor as veterans certain persons who performed service in the reserve components of the Armed Forces.

Section 809

Section 809 would extend VA's authority to obtain information from the Secretary of Treasury and the Commissioner of Social Security for income verification purposes.

Section 810

Section 810 would extend VA's authority to issue and guarantee certain loans.

Section 811

Section 811 would direct VA, in consultation with DOD, to review the process for determining whether certain individuals have the requisite service requirements for purposes of receiving specific Filipino veterans' benefits.

Section 812

Section 812 would direct VA, in consultation with DOD, the Department of Homeland Security and such military historians as the DOD recommends, to review the process used to determine whether an individual performed honorable service as a coastwise merchant seaman during the period beginning on December 7, 1941, and ending on December 31, 1946, for purposes of eligibility for veterans' benefits.

Section 813

Section 811 would require VA, in consultation with DOD and such agencies or individuals VA considers appropriate, to submit a report to Congress on the extent to which Laotian military forces provided combat support to the Armed Forces of the United States between February 28, 1961, and May 15, 1975; whether the current classification by the DOD Civilian/Military Service Review Board is appropriate; and any recommendations for legislative action.

Section 814

Section 814 would require VA to submit, not later than two years after enactment, reports on the provision of disability compensation by VA to veterans with hearing loss and other auditory system injuries. Among other requirements, the report would include an evaluation of the extent to which veterans who had a military occupational specialty during service that is not included on the Duty Military Occupational Specialty Noise Exposure Listing are precluded from receiving benefits related to hearing loss from VA. This section would take effect on the date that is one year after the date of the enactment of this Act.

Section 815

Section 815 would require VA, in consultation with DOD to submit, not later than two years after enactment, a report to Congress that identifies goals for prevention, early detection, and treatment of hearing loss by VA's National Center for Rehabilitative Auditory Research and the Hearing Center of Excellence of the Department of Defense. The report would also include recommendations for any legislative or administrative actions necessary with respect to the Hearing Loss and Auditory System Inquiry Registry. This section would take effect on the date that is one year after the date of the enactment of this Act.

Section 816

Section 816 would limit the amount of bonuses payable to VA employees during Fiscal Year 2014.



Contra Costa County Board of Supervisors

Subcommittee Report

LEGISLATION COMMITTEE

10.

Meeting Date: 06/05/2014
Subject: Status Report on State Bills of Interest to Contra Costa County
Submitted For: LEGISLATION COMMITTEE,
Department: County Administrator
Referral No.: 2014-26
Referral Name: State Legislation
Presenter: L. DeLaney **Contact:** L. DeLaney, 925-335-1097

Referral History:

The Legislation Committee routinely reviews the Status Report on bills of interest to the County and can direct staff to follow-up or provide more information about particular bills.

Referral Update:

The status of bills of interest to the County is included in the attached report.

Recommendation(s)/Next Step(s):

The Legislation Committee may consider recommending a position to the Board of Supervisors on any of the bills of interest, or may request staff to provide additional information about a bill.

Fiscal Impact (if any):

None.

Attachments

Status Report on State Bills

Master File 2014

CA AB 1519 **AUTHOR:** Donnelly [R]
TITLE: **State Responsibility Areas: Fire Prevention Fees**
INTRODUCED: 01/16/2014
DISPOSITION: Pending
LOCATION: Assembly Natural Resources Committee
SUMMARY:
Amends existing law that requires the State Board of Equalization to collect a fire prevention fee to be charged on each structure on a parcel that is within a state responsibility area. Eliminates the specified civil penalty imposed for unpaid fire prevention fees.
STATUS:
04/07/2014 In ASSEMBLY Committee on NATURAL RESOURCES:
Failed passage.
04/07/2014 In ASSEMBLY Committee on NATURAL RESOURCES:
Reconsideration granted.
Position: Watch

CA AB 1533 **AUTHOR:** Waldron [R]
TITLE: **In Home Supportive Services: Criminal Background Checks**
INTRODUCED: 01/21/2014
DISPOSITION: Pending
LOCATION: Assembly Human Services Committee
SUMMARY:
Amends existing law that provides for an investigation of the qualifications of the In-Home Supportive Services provider applicant, including specified criminal background checks.
STATUS:
04/29/2014 In ASSEMBLY Committee on HUMAN SERVICES: Not heard.
Position: Watch

CA AB 1594 **AUTHOR:** Williams [D]
TITLE: **Solid Waste: Recycling: Diversion: Green Material**
INTRODUCED: 02/03/2014
DISPOSITION: Pending
LOCATION: Assembly Second Reading File
SUMMARY:
Amends existing law which state that the use of solid waste for beneficial reuse in the construction and operation of a solid waste landfill, including the use of alternative daily cover, constitutes diversion through recycling and is not considered disposal. Provides the use of green material, including composted materials, as alternative daily cover does not constitute diversion through recycling. Authorizes application for a deferral. Exempts such material from quarterly disposal fee.

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STATUS:

05/28/2014 In ASSEMBLY. Read second time. To third reading.

Commentary:

Deidra reviewing

CA AB 1607

AUTHOR: Fox [D]

TITLE: **Sexually Violent Predators**

INTRODUCED: 02/05/2014

DISPOSITION: Pending

LOCATION: SENATE

SUMMARY:

Amends existing law that provides the procedures for the processing of a petition by a person committed as a sexually violent predator for conditional release. Requires a court, if it determines the petition is not frivolous, to give notice of the intention to conduct a conditional release hearing, and to set a date therefor. Provides that if the petition is granted to a county other than the county of commitment, the jurisdiction of the person would be transferred to the county of placement.

STATUS:

05/23/2014 In ASSEMBLY. Read third time. Passed ASSEMBLY.
*****To SENATE. (75-0)

Position: Watch

CA AB 1637

AUTHOR: Frazier [D]

TITLE: **Driver's Licenses: Veteran Designation**

INTRODUCED: 02/11/2014

DISPOSITION: Pending

LOCATION: Assembly Appropriations Committee

SUMMARY:

Allows an applicant for a driver's license or identification card to allow a person to request the driver's license or identification card be printed with the word VETERAN. Requires the applicant to present to the Department of Motor Vehicles proof of veteran status with a specified form. Requires the word VETERAN be printed on the face of the license or card. Authorizes the Department to charge an additional fee to a person who requests such designation.

STATUS:

05/23/2014 In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

Commentary:

Consistent with Board policy (supported in 2013). Sent letter of support on 3/6/14.

Position: Support

CA AB 1642

AUTHOR: Chesbro [D]

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TITLE: **Pest Control: Pierce's Disease**

INTRODUCED: 02/11/2014

DISPOSITION: Pending

LOCATION: SENATE

SUMMARY:

Extends the repeal date of the Pierce's Disease Control program in the Department of Food and Agriculture and the Pierce's Disease Management Account in the Food and Agriculture Fund. Includes the Glassy-Winged Sharpshooter Board.

STATUS:

05/27/2014 In ASSEMBLY. Read third time. Passed ASSEMBLY.
*****To SENATE. (76-0)

Position: Watch

CA AB 1653

AUTHOR: Garcia [D]

TITLE: **CalWORKs: Victims of Domestic Violence**

INTRODUCED: 02/11/2014

DISPOSITION: Pending

LOCATION: SENATE

SUMMARY:

Requires the State Department of Social Services to establish a standard, statewide notice to inform all CalWORKs applicants and recipients that victims of domestic violence have a right to request a waiver of program requirements. Requires the county to waive program requirements if the county determines that good cause to waive those requirements exists. Requires counties to use the standard, statewide notice or an approved county notice to inform all applicants and recipients of their waiver rights.

STATUS:

05/27/2014 In ASSEMBLY. Read third time. Passed ASSEMBLY.
*****To SENATE. (77-0)

PRIVATE FILE: Master2014

Commentary:

assess for impact on CalWORKS?- DV 3-18-2014

EHSD: Support

CA AB 1725

AUTHOR: Maienschein [R]

TITLE: **Conservatorship Hearings**

INTRODUCED: 02/14/2014

DISPOSITION: Pending

LOCATION: Assembly Appropriations Committee

SUMMARY:

Authorizes a court, after a hearing attended by the proposed conservatee or the proposed conservatee's counsel, or both, to recommend a conservatorship to the officer providing conservatorship investigation when the court, in a conservatorship proceeding under the Probate Code, determines that a person,

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for whom a conservator has been established may be gravely disabled as a result of mental disorder or chronic alcoholism and is unwilling to accept, or is unable to accept voluntary treatment.

STATUS:

05/23/2014 In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

Position: Watch

CA AB 1729

AUTHOR: Logue [R]

TITLE: **Local Government: Agricultural Land: Payments**

INTRODUCED: 02/14/2014

DISPOSITION: Pending

LOCATION: Assembly Appropriations Committee

SUMMARY:

Appropriates a specified amount of money from the General Fund to make subvention payments to counties to reimburse the counties for property tax revenues not received as a result of contracts between the counties and owners of agricultural land in which the owners agree, under the Williamson Act, to continue using such property as agricultural for purposes of property taxation.

STATUS:

03/20/2014 To ASSEMBLY Committee on APPROPRIATIONS.

03/20/2014 From ASSEMBLY Committee on APPROPRIATIONS with author's amendments.

03/20/2014 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

Position: Watch

CA AB 1799

AUTHOR: Gordon [D]

TITLE: **Land Use: Mitigation Lands**

INTRODUCED: 02/18/2014

DISPOSITION: Pending

LOCATION: Assembly Appropriations Committee

SUMMARY:

Specifies, where a governmental entity or specified district is the transferee of property, that an endowment or other financial mechanism is not required if the entity or district provides evidence to the local or State agency that it possesses an investment-grade credit rating by a nationally recognized rating organization or other equivalent evidence of financial responsibility and enters into a contractual agreement enforcing mitigation requirements. Requires related reporting.

STATUS:

05/23/2014 In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

Commentary:

BOS approved Support position on 4/22/14. Sent letter of support on 5/13/14.

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Position: Support

CA AB 1873 **AUTHOR:** Gonzalez [D]
TITLE: Mail Ballot Elections
INTRODUCED: 02/19/2014
DISPOSITION: Pending
LOCATION: Assembly Third Reading File
SUMMARY:
Authorizes a board of supervisors of a county to conduct a special election or special consolidated election to fill a congressional or legislative vacancy wholly by mail under specified conditions. Provides the time frame for the processing of mail ballots and for local entities that have computer capability. Removes the all-mail ballot election require for a city with a specified population. Relates to the requirements to conduct an all-mail election within areas with overlapping boundaries.
STATUS:
05/28/2014 In ASSEMBLY. Read third time and amended. To third reading.
Position: Watch

CA AB 1876 **AUTHOR:** Quirk [D]
TITLE: Jails and Juvenile Facility:Telephone Service Contracts
INTRODUCED: 02/19/2014
DISPOSITION: Pending
LOCATION: SENATE
SUMMARY:
Requires any contract to provide telephone services to any person detained or sentenced to a jail or juvenile facility to be negotiated and awarded to an entity that meets the jail or juvenile facility's technical, functional, and security requirements for services, and that provides the lowest cost of service to any person who pays for the telephone service. Prohibits such contract from including any commission or other payment to the entity operating the facility.
STATUS:
05/23/2014 In ASSEMBLY. Read third time. Passed ASSEMBLY.
*****To SENATE. (42-21)
Position: Watch

CA AB 1894 **AUTHOR:** Ammiano [D]
TITLE: Medical Cannabis
INTRODUCED: 02/19/2014
DISPOSITION: Pending
LOCATION: Assembly Third Reading File
SUMMARY:
Enacts the Medical Cannabis Regulation and Control Act. Creates the Division of Medical Cannabis Regulation and Enforcement. Relates to the taxation of

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commercial medical cannabis registrants. Prohibits more than one such registration. Provides for required registrant recordkeeping. Specifies that a recommendation of medical cannabis without being necessary is unprofessional conduct. Authorizes a local privilege and use tax subject to voter approval.

STATUS:

05/27/2014 In ASSEMBLY. Read second time. To third reading.

CA AB 1961

AUTHOR: Eggman [D]

TITLE: Land Use: Planning: Sustainable Farmland Strategy

INTRODUCED: 02/19/2014

DISPOSITION: Pending

LOCATION: Assembly Appropriations Committee

SUMMARY:

Requires each county to develop a sustainable farmland strategy. Requires the sustainable farmland strategy to include, among other things, a map and inventory of all agriculturally zoned land within the county, a description of the goals, strategies, and related policies and ordinances, to retain agriculturally zoned land where practical and mitigate the lose of such land to other uses or zones.

STATUS:

05/23/2014 In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

Position: Watch

CA AB 2126

AUTHOR: Bonta [D]

TITLE: Meyers Milias Brown Act Mediation

INTRODUCED: 02/20/2014

DISPOSITION: Pending

LOCATION: Assembly Third Reading File

SUMMARY:

Amends the Meyers-Milias-Brown Act. Permits either party to contract negotiations to request mediation and agree upon a mediator. Authorizes the Public Employee Relations Board to appoint a mediator upon request. Relates to a waiver of such request if the public agency has a impasse procedure. Authorizes certain collective bargaining negotiation differences to apply to these provisions.

STATUS:

05/27/2014 In ASSEMBLY. Read second time. To third reading.

Commentary:

Assembly Bill 2126, by Assembly Member Rob Bonta, has been amended to include language from Senate Bill 979, by Senator Jim Beall. BOS approved Oppose positions on AB 2126 and SB 979 on 4/22/14. Sending opposition letters.

Position: Oppose

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CA AB 2151 **AUTHOR:** Wagner [R]
TITLE: **Counties: Search and Rescue: Costs**
INTRODUCED: 02/20/2014
DISPOSITION: Pending
LOCATION: SENATE
SUMMARY:
Provides that whenever a county or city and county is billed by another county or city and county for a search or rescue of one of its residents who is a specified age or older, the county of city and county may in turn seek reimbursement for the actual costs incurred from that resident, for the search and rescue necessitated the use of extraordinary methods and specified acts or omissions were a contributing factor to the need for the search and rescue. Requires an ordinance for reimbursement.
STATUS:
05/19/2014 In ASSEMBLY. Read third time. Passed ASSEMBLY.
*****To SENATE. (72-0)
Position: Watch

CA AB 2217 **AUTHOR:** Melendez [R]
TITLE: **Pupil and Personnel Health: AEDs**
INTRODUCED: 02/20/2014
DISPOSITION: Pending
LOCATION: SENATE
SUMMARY:
States the intent of the Legislature to encourage all public schools to acquire and maintain at least one automated external defibrillator (AED). Authorizes a public school to solicit and receive nonstate funds to acquire and maintain an AED. Provides that the employees of the school district are not liable for civil damages resulting from certain uses, attempted uses or non-uses of an AED. Exempts a public school or district, that is in compliance with AED requirements, from civil damage liability.
STATUS:
05/27/2014 In ASSEMBLY. Read third time. Passed ASSEMBLY.
*****To SENATE. (77-0)
Commentary:
Consistent with Board policy (we supported last year's AB 939). Sent letter of support on 4/1/14.
Position: Support

CA AB 2231 **AUTHOR:** Gordon [D]
TITLE: **State Controller: Property Tax Postponement**
INTRODUCED: 02/20/2014
DISPOSITION: Pending
LOCATION: SENATE
SUMMARY:

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Relates to claims for postponement under the Senior Citizens and Disabled Citizens Property Tax Postponement Law. Makes inoperative a prohibition against a person filing a claim for postponement. Excludes mobilehomes and houseboats from certain provisions. Creates a specified fund. Makes changes concerning eligibility, repayment of postponed taxes, delinquent penalties and interest, electronic funds transfer requirements, the sale of tax-defaulted property, public meetings, and other matters.

STATUS:

05/27/2014 In ASSEMBLY. Read third time. Passed ASSEMBLY.
*****To SENATE. (77-0)

Commentary:

TT Rusty Watts requests support. Sent letter of support from Chair on 5/13/14. To Legislation Cmte for Support on 6/5/14, as recommended by Rusty Watts.

Position: Support

CA AB 2241

AUTHOR: Eggman [D]
TITLE: Local Government: Agricultural Land
INTRODUCED: 02/21/2014
DISPOSITION: Pending
LOCATION: Assembly Third Reading File
SUMMARY:

Requires a city or county to charge the property owner a recission fee of a specified percentage of the fair market value of the property at the time of the recission for both land under a Williamson Act contract and land designated as a farmland security zone.

STATUS:

05/28/2014 In ASSEMBLY. Read third time. Passed ASSEMBLY.
*****To SENATE.

Position: Watch

CA AB 2273

AUTHOR: Ridley-Thomas S [D]
TITLE: Payment of Election Expenses
INTRODUCED: 02/21/2014
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee
SUMMARY:

Provides that expenses authorized and necessarily incurred on or after a specified date, and for each year thereafter, for elections proclaimed by the Governor to fill a vacancy in the office of Senator or Member of the Assembly, or to fill a vacancy in the office of United States Senator or Member of United States House of Representatives, shall be paid by the state.

STATUS:

05/23/2014 In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

Position: Watch

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- CA AB 2275 **AUTHOR:** Ridley-Thomas S [D]
TITLE: Copies of Marriage, Birth and Death Certificates
INTRODUCED: 02/21/2014
DISPOSITION: Pending
LOCATION: Senate Judiciary Committee
SUMMARY:
Authorizes, if the request for a certified copy of a birth, death or marriage record is made electronically, an official to accept electronic acknowledgment, sworn under penalty of perjury, that the requester is an authorized person. Requires a method for the clerk to establish the identity of the requester electronically and would require a system used to process the electronic request and to establish the requester's identity to protect their personal information.
STATUS:
05/22/2014 To SENATE Committee on JUDICIARY.
Position: Watch
- CA AB 2284 **AUTHOR:** Williams [D]
TITLE: Recycling: Household Batteries Pilot Projects
INTRODUCED: 02/21/2014
DISPOSITION: Pending
LOCATION: Assembly Second Reading File
SUMMARY:
Requires the development and funding of local battery recycling pilot projects which would be required to provide data regarding the implementation and outcomes of the projects. Requires a review and compilation of information collected from the projects to be made available to local agencies, and the development of guidelines to assist local governments. Appropriates funds deposited in the Integrated Waste Management Account to develop and fund such projects.
STATUS:
05/28/2014 In ASSEMBLY. Read second time. To third reading.
Commentary:
Consistent with Board policy. Sent letter of support on 5/20/14.
Position: Support
- CA AB 2313 **AUTHOR:** Nestande [R]
TITLE: Metal Theft and Related Recycling Crimes
INTRODUCED: 02/21/2014
DISPOSITION: Pending
LOCATION: SENATE
SUMMARY:
Requires the Office of Emergency Services to establish a Metal Theft Task Force Program to provide grants to applicant agencies for the purpose of providing local law enforcement and district attorneys with tools necessary to

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interdict the commission of metal theft and related recycling crimes. Imposes a fee on sellers of junk.

STATUS:

05/27/2014 In ASSEMBLY. Read third time. Passed ASSEMBLY.
*****To SENATE. (66-3)

CA AB 2314

AUTHOR: Hall [D]
TITLE: **Peace Officers: Firearms**
INTRODUCED: 02/21/2014
DISPOSITION: Pending
LOCATION: SENATE
SUMMARY:

Authorizes any probation officer or deputy probation officer to carry firearms as determined by the chief probation officer on a case-by-case and unit-by-unit basis under terms and conditions specified by the chief probation officer. Requires the development of a policy as to whether officers who supervise high-risk caseloads should be armed. Provides the time period for the development and implementation of such policy. Defines high-risk caseload.

STATUS:

05/19/2014 In ASSEMBLY. Read third time. Passed ASSEMBLY.
*****To SENATE. (75-0)

Commentary:

CPOC opposes.

CA AB 2379

AUTHOR: Weber [D]
TITLE: **Abuse of Elders and Dependent Adults: Teams**
INTRODUCED: 02/21/2014
DISPOSITION: Pending
COMMITTEE: Senate Human Services Committee
HEARING: 06/10/2014 1:30 pm
SUMMARY:

Amends existing law that authorizes counties to establish multidisciplinary personnel teams composed of persons training in the prevention, identification, management, or treatment of abuse of elderly or dependent adults, that may include social workers with experience or training in prevention of abuse of elderly or dependent adults. Adds child welfare services personnel to the list of persons who may be included in those personnel teams.

STATUS:

05/22/2014 To SENATE Committee on HUMAN SERVICES.
CWDA: Support2

CA AB 2381

AUTHOR: Bonilla [D]
TITLE: **Private Parking Facilities**
INTRODUCED: 02/21/2014
DISPOSITION: Pending

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LOCATION: Senate Transportation and Housing Committee

SUMMARY:

Authorizes a city or county to include in an ordinance or resolution authorization for the operator of privately owned and maintained offstreet parking facility to regulate unauthorized parking in that facility. Requires a facility owner or operator to include in a notice of parking violation instructions that describe the manner in which to contest the violation notice. Prohibits the owner or operator from filing with, or transmitting to, a related department a notice of parking violation.

STATUS:

05/15/2014 To SENATE Committee on TRANSPORTATION AND HOUSING.

Commentary:

BOS approved Support position on 5/13/14. Sent support letter on 5/14/14.

Position: Support

CA AB 2393

AUTHOR: Levine [D]

TITLE: Vehicle Registration Fees

INTRODUCED: 02/21/2014

DISPOSITION: Pending

LOCATION: SENATE

SUMMARY:

Relates to disbursement of vehicle registration fees. Authorizes a county to impose the fee, to increase that fee and impose an additional fee. Increases the additional fee on commercial vehicles. Requires the county to submit resolutions to increase fees to the Department of Motor Vehicles prior to the operative date of the fee increase.

STATUS:

05/27/2014 In ASSEMBLY. Read third time. Passed ASSEMBLY.
*****To SENATE. (42-31)

Commentary:

To BOS for Support on 6/3/14, as recommended by Leg Cmte and Sheriff's Office.

CA AB 2402

AUTHOR: Buchanan [D]

TITLE: Noxious Weed Management

INTRODUCED: 02/21/2014

DISPOSITION: Pending

LOCATION: Assembly Third Reading File

SUMMARY:

Relates to Noxious Weed Management Account in the Department of Food and Agriculture Fund and allocation of those funds. Revises the percentages of those allocations. Revises the purposes for which the percentage of funds allocated for research may be used to include mapping, risk assessment and prioritization of weeds. Provides for a grant program. Increases water supply

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and flow among the goals that are including in the program.

STATUS:

05/28/2014

In ASSEMBLY. Read third time. Passed ASSEMBLY.
*****To SENATE.

Position:

Support

CA AB 2403

AUTHOR:

Rendon [D]

TITLE:

Local Government: Assessments, fees, and charges

INTRODUCED:

02/21/2014

DISPOSITION:

Pending

LOCATION:

SENATE

SUMMARY:

States that provisions of the State Constitution generally require that assessments, fees, and charges be submitted to property owners for approval or rejection after the provisions of written notice and the holding of a public hearing. Modifies the definition of water to mean water from any source.

STATUS:

05/19/2014

In ASSEMBLY. Read third time. Passed ASSEMBLY.
*****To SENATE. (74-1)

Commentary:

Mitch says we can be supportive, though the bill doesn't do much for us

CA AB 2471

AUTHOR:

Frazier [D]

TITLE:

Public Contracts: Change Orders

INTRODUCED:

02/21/2014

DISPOSITION:

Pending

LOCATION:

Assembly Third Reading File

SUMMARY:

Requires a public entity, when authorized to order changes or additions in the work in a public works contract awarded to the lowest bidder, to issue a change order promptly. Requires if this requirement is not met, the public entity to be liable to the original contractor for the work that has already been performed, a documentation is submitted. Authorizes the submission of a change order for extra work performed by a subcontractor. Authorizes subcontractor request. Requires subcontractor notification.

STATUS:

05/27/2014

In ASSEMBLY. Read second time. To third reading.

Position:

Watch

CA AB 2507

AUTHOR:

Bocanegra [D]

TITLE:

Public Records Act: Exemptions

INTRODUCED:

02/21/2014

DISPOSITION:

Pending

LOCATION:

Assembly Judiciary Committee

SUMMARY:

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Provides that outside attorney billing records, when they are prepared in connection with a pending civil action in which a public agency is the defendant, are exempt from the State Public Records Act disclosure provisions during the pendency of the litigation.

STATUS:

04/22/2014 In ASSEMBLY Committee on JUDICIARY: Not heard.

Position: Watch

CA AB 2521

AUTHOR: Hagman [R]

TITLE: **Corrections: Data Collection**

INTRODUCED: 02/21/2014

DISPOSITION: Pending

LOCATION: Assembly Third Reading File

SUMMARY:

Relates to the Board of State and Community Corrections. Requires the board to collect and analyze data regarding recidivism rates of all persons who receive sentences for felonies punishable by imprisonment in a county jail or who have been placed on postrelease community supervision. Requires the data to include recidivism rates for offenders specified years after their release in the community.

STATUS:

05/28/2014 In ASSEMBLY. Read third time. Passed ASSEMBLY.
*****To SENATE.

PRIVATE FILE: Master2014

Position: Watch

CA AB 2572

AUTHOR: Ting [D]

TITLE: **Environmental Justice: Reports**

INTRODUCED: 02/21/2014

DISPOSITION: Pending

LOCATION: Assembly Natural Resources Committee

SUMMARY:

Amends existing law that requires the Secretary for Environmental Protection to submit a report on the implementation of provisions of law relating to environmental justice. Requires this report to identify and address any gaps in the Environmental Protection agency's existing programs, policies, or activities that may impede the achievement of environmental justice.

STATUS:

03/13/2014 To ASSEMBLY Committee on NATURAL
RESOURCES.

Position: Watch

CA AB 2703

AUTHOR: Quirk-Silva [D]

TITLE: **County Veterans Service Officers**

INTRODUCED: 02/21/2014

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DISPOSITION: Pending
LOCATION: Assembly Third Reading File
SUMMARY:

Relates to Department of Veterans Affairs. Requires the department to develop an allocation formula based upon performance to encourage innovation and reward outstanding service by county veterans service officers. Appropriates funds.

STATUS:
05/27/2014 In ASSEMBLY. Read second time. To third reading.

Commentary:
Consistent with Board policy (Veterans Issues #148). Sent letter of support on 2/25/14.

Position: Support

CA AJR 39

AUTHOR: Hernandez R [D]
TITLE: Cable and Video Service
INTRODUCED: 02/19/2014
DISPOSITION: Pending
LOCATION: Senate Third Reading File
SUMMARY:

Calls on the United State Congress to amend a specified federal law to allow states and their municipalities to determine the best use of public, educational, and government channel support.

STATUS:
04/10/2014 Withdrawn from SENATE Committee on RULES.
04/10/2014 In SENATE. Ordered to third reading.
Position: Support

CA SB 270

AUTHOR: Padilla [D]
TITLE: Solid Waste: Single-Use Carryout Bags
INTRODUCED: 02/14/2013
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee
SUMMARY:

Prohibits specified stores from providing a single-use carryout bag to a customer. Requires such stores to meet other requirements regarding providing recycled paper bags and compostable bags. Imposes these prohibitions and requirements on convenience food stores, foodmarts, and other specified stores. Requires bags sold or provided to a store by a reusable grocery bag producer to meet specified requirements. Requires certification. Requires online information. Authorizes local civil penalties.

STATUS:
05/20/2014 In ASSEMBLY. Read second time and amended.
Re-referred to Committee on APPROPRIATIONS.

Commentary:

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BOS approved Support position on 4/1/14. Sent letter of support on 5/13/14.

Position: Support

CA SB 498

AUTHOR: Lara [D]
TITLE: **Solid Waste: Biomass Conversion**
INTRODUCED: 02/21/2013
DISPOSITION: Pending
LOCATION: Assembly Natural Resources Committee
SUMMARY:

Amends the State Integrated Waste Management Act of 1989 that requires each city, county, and regional agency to develop a source reduction and recycling element of an integrated waste management plan and defines the term biomass conversion. Revises the definition of that term to mean the production of heat, fuels, or electricity by the controlled combustion of, or the use of other noncombustion thermal technologies on, those specified materials.

STATUS:

04/24/2014 To ASSEMBLY Committees on NATURAL RESOURCES and ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.

Position: Watch

CA SB 673

AUTHOR: DeSaulnier [D]
TITLE: **Employees' Retirement: Contra Costa County**
INTRODUCED: 02/22/2013
DISPOSITION: Pending
LOCATION: ASSEMBLY
SUMMARY:

Makes the Contra Costa County retirement system for purposes of the County Employees Retirement System. Authorizes the board of retirement to appoint an administrator and personnel as required to accomplish the work of the board. Authorizes the administrator to make appointments on its behalf. Provides these employees are employees of the retirement system and not the county. Exempts such employees from civil service provisions and merit system rules. Makes the board a public agency for certain purposes.

STATUS:

01/28/2014 In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY. (34-0)

PRIVATE FILE: Master2014

Commentary:

SUMMARY

SB 673 is a district bill to designate the Contra Costa County Employee Retirement Association (CCCERA) as the statutory employer for all purposes of staff serving at the CCCERA.

BACKGROUND

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Currently, the staff serving at the CCCERA is employed by the county, as provided in Government Code section 31522.1. Since the passage in 1996 of Article XVI, section 17 of the State Constitution, which gives retirement boards plenary authority to administer retirement systems, there have been several issues regarding the county's and CCCERA's respective rights and responsibilities for these employees. This matter first arose as to the ability to establish retirement benefits for these employees. The parties litigated this issue which was resolved by the appellate decision, *Corcoran v. Contra Costa County Employees Retirement Association*(1997) 60 Cal.App.4th 89. The Corcoran decision established that CCCERA sets retirement benefits for staff serving at CCCERA. A subsequent appellate decision, *Westley v. Cal. Pub. Employees Retirement System*(2003) 105 Cal.App.4th 1095, held that Article XVI, Section 17 did not give CalPERS authority to determine staff compensation.

Against this legal backdrop, administrative issues continued to arise concerning terms and conditions of employment for the staff serving at CCCERA. In 2011, CCCERA filed a legal action to clarify the parties' respective roles and responsibilities for the staff. This case was resolved in 2013 through a court-approved settlement providing that the staff would be employed by the CCCERA directly instead of employed by the county and that the parties would jointly seek the legislation necessary to implement this transition.

THIS BILL

SB 673 designates the CCCERA as the statutory employer for staff serving at the CCCERA. SB 673 maintains existing terms and conditions of employment for represented employees during the transition period. The County and the CCCERA jointly seek passage of this bill.

Sent letter of support on 1/8/14.

Position: Support
Priority: High
Sponsored: County Sponsored

CA SB 674

AUTHOR: Corbett [D]
TITLE: **CEQA: Exemption: Residential Infill Projects**
INTRODUCED: 02/22/2013
DISPOSITION: Pending
LOCATION: Assembly Natural Resources Committee
SUMMARY:

Relates to California Environmental Quality Act exemptions for residential infill projects; exempts as residential a use consisting of residential units and primary neighborhood-serving goods, services, and retail uses that do not exceed a specified percentage of the total building square footage of the project.

STATUS:
05/08/2014 To ASSEMBLY Committees on NATURAL

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RESOURCES and LOCAL GOVERNMENT.

Commentary:

Consistent with Board policy #105.

Position: Support

CA SB 803

AUTHOR: DeSaulnier [D]

TITLE: **Counties: Consolidation of Offices**

INTRODUCED: 02/22/2013

DISPOSITION: Pending

COMMITTEE: Assembly Local Government Committee

HEARING: 06/18/2014 1:30 pm

SUMMARY:

Authorizes Contra Costa County to, by ordinance, appoint the public administrator to the board of supervisors, appoint the same person to the office of the public administrator and public guardian, and separate the consolidated offices of district attorney and public administrator.

STATUS:

05/08/2014 To ASSEMBLY Committee on LOCAL GOVERNMENT.

Commentary:

County-sponsored bill. Sent letter of support on 5/22/14.

Position: Support

Sponsored: County Sponsored

CA SB 837

AUTHOR: Steinberg [D]

TITLE: **Schools: Transitional Kindergarten**

INTRODUCED: 01/06/2014

DISPOSITION: Pending

LOCATION: Senate Third Reading File

SUMMARY:

Creates the Kindergarten Readiness Act of 2014. Requires each school district or charter school that offers kindergarten to offer transitional kindergarten. Requires a child that meets specified minimum age requirements to be admitted. Authorizes the average daily attendance of district and charter school to include the average daily attendance of pupils enrolled. Specifies teacher requirements. Requires informing the public of such kindergarten programs. Authorizes contracting with local providers.

STATUS:

05/27/2014 In SENATE. Read second time and amended. To third reading.

Commentary:

BOS approved Watch position on 4/22/14. Sent letter with concerns on 5/13/14.

Position: Watch

CA SB 909

AUTHOR: Pavley [D]

TITLE: **Dependent Children: Health Screenings**

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INTRODUCED: 01/23/2014
DISPOSITION: Pending
LOCATION: Senate Appropriations Committee
SUMMARY:

Permits, in the absence of a standing court order, a social worker to authorize a noninvasive initial medical, dental, and mental health screening of a child in temporary custody. Requires the worker to make reasonable attempts to notify the parent that the child will be undergoing a screening and to provide the parent with a reasonable opportunity to object. Requires screening only upon the order of the court, if the parent objects. Adds mental health care to the care that may be authorized for the child.

STATUS:

05/23/2014 In SENATE Committee on APPROPRIATIONS: Held in committee.

Bureau-Subject: ChildrensServices
CWDA: Support2
Position: Watch

CA SB 939

AUTHOR: Block [D]
TITLE: Criminal Jurisdiction
INTRODUCED: 02/03/2014
DISPOSITION: Pending
LOCATION: Assembly Public Safety Committee
SUMMARY:

Amends existing law that requires when more than one violation of certain specified provisions of law occurs in more than one jurisdictional territory, that jurisdiction for any of those offenses is in any jurisdiction where at least one of the offenses occurred if all district attorneys in counties with jurisdiction of the offenses agree to the venue. Includes human trafficking, pimping, and pandering in those offenses. Deletes provisions of existing law regarding the prosecution of human trafficking.

STATUS:

05/21/2014 From ASSEMBLY Committee on PUBLIC SAFETY with author's amendments.

05/21/2014 In ASSEMBLY. Read second time and amended.
Re-referred to Committee on PUBLIC SAFETY.

Commentary:

Consistent with Board policy #126: SUPPORT legislation that will combat the negative impact that human trafficking has on victims in our communities, including the impact that this activity has on a range of County services and supports, and support efforts to provide additional tools, resources and funding to help counties address this growing problem.

Position: Support

CA SB 942

AUTHOR: Vidak [R]

Master File 2014

TITLE: Special Elections
INTRODUCED: 02/04/2014
DISPOSITION: Pending
LOCATION: Senate Appropriations Committee
SUMMARY:

Provides that expenses authorized and necessarily incurred on or after and before specified dates for elections proclaimed by the Governor to fill a vacancy in the office of Senator or Member of the Assembly, or to fill a vacancy in the office of United States Senator or Member of the United States House of Representatives, shall be paid by the state.

STATUS:
05/23/2014 In SENATE Committee on APPROPRIATIONS: Held in committee.
Position: Support

CA SB 955

AUTHOR: Mitchell [D]
TITLE: Interception of Electronic Communications
INTRODUCED: 02/06/2014
DISPOSITION: Pending
LOCATION: ASSEMBLY
SUMMARY:

Adds human trafficking to the list of offenses for which interception of electronic communications may be ordered pursuant to provisions of existing law.

STATUS:
05/27/2014 In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY. (32-0)
Position: Watch

CA SB 963

AUTHOR: Torres [D]
TITLE: Elections: Payment of Expenses
INTRODUCED: 02/06/2014
DISPOSITION: Pending
LOCATION: Senate Appropriations Committee
SUMMARY:

Provides that expenses authorized and necessarily incurred for elections proclaimed by the Governor to fill a vacancy in the office of Senator or Member of the Assembly, or to fill a vacancy in the office of United States Senator or Member of the United States House of Representatives, shall be paid by the state. Requires the state to pay only those additional expenses directly related to an election.

STATUS:
05/23/2014 In SENATE Committee on APPROPRIATIONS: Held in committee.
Position: Support

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CA SB 979 **AUTHOR:** Beall [D]
 TITLE: **Public Employee Organizations: Differences: Panel**
 INTRODUCED: 02/11/2014
 DISPOSITION: Pending
 LOCATION: Senate Public Employment and Retirement Committee
 SUMMARY:
 Amends existing law that authorizes a local employee organization to request that the differences in negotiations regarding wages, hours, and other terms and conditions of employment be submitted to a fact finding panel. Provides that the differences under existing law include those differences that arise from any dispute over any matter within the scope of representation as to which an obligation to meet and confer exists and are not limited to negotiations after impasse.
 STATUS:
 03/19/2014 Re-referred to SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

 Commentary:
 BOS approved Oppose position on 4/22/14. Sending opposition letter.
 Position: Oppose

CA SB 983 **AUTHOR:** Hernandez E [D]
 TITLE: **Sales And Use Taxes: Revenue Sharing Agreement**
 INTRODUCED: 02/11/2014
 DISPOSITION: Pending
 COMMITTEE: Senate Governance and Finance Committee
 HEARING: 05/28/2014 9:30 am
 SUMMARY:
 Amends existing law that prohibits a local agency from entering into an agreement with any other person that would involve the payment of Bradley-Burns local tax proceeds if the agreement results in a reduction in the amount of revenue that is received by another local agency from a retailer that is located within the territorial jurisdiction of that other local agency. Provides that a buying company does not include a retailer that contracts to sell fuel through a card lock system.
 STATUS:
 05/28/2014 From SENATE Committee on GOVERNANCE AND FINANCE: Do pass.
 Position: Watch

CA SB 1014 **AUTHOR:** Jackson [D]
 TITLE: **Pharmaceutical Waste: Home Generated**
 INTRODUCED: 02/13/2014
 DISPOSITION: Pending
 LOCATION: Senate Third Reading File

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SUMMARY:

Requires the adoption of regulations to authorize a participant of a model drug waste disposal program to establish a program to collect and properly dispose to establish a program to collect and properly dispose of home-generated pharmaceutical waste. Requires an entity that elects to implement such a program to comply with the requirements specified in those regulations. Deems a participant to be in compliance with state laws and regulations concerning the handling, management, and disposal of such waste.

STATUS:

05/27/2014 In SENATE. Read second time and amended. To third reading.

Commentary:

Consistent with Board policy. Sent letter of support on 3/5/14.

Position: Support

CA SB 1029

AUTHOR: Hancock [D]

TITLE: CalWORK's and CalFresh Eligibility

INTRODUCED: 02/14/2014

DISPOSITION: Pending

LOCATION: Senate Third Reading File

SUMMARY:

Authorizes CalWORK's and CalFresh benefits to be paid to an individual who is convicted of any offense classified as a felony that has as an element the possession, use, or distribution of a controlled substance. Provides that if the individual is on supervised release, he or she would be ineligible during any revocation period.

STATUS:

05/27/2014 In SENATE. Read second time and amended. To third reading.

Commentary:

Consistent with Board policy (BOS supported SB 283 in 2013). Sent letter of support on 4/1/14.

BOS: Support

Position: Support

CA SB 1081

AUTHOR: Hernandez E [D]

TITLE: Federally Qualified Health Centers

INTRODUCED: 02/19/2014

DISPOSITION: Pending

LOCATION: Senate Appropriations Committee

SUMMARY:

Relates to the Medi-Cal program, the State Department of Health Care Services and federally qualified health center services. Requires the department to authorize an alternative payment methodology pilot project that would be implemented in any county and FQHC willing to participate with capitated

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monthly payments for each Medi-Cal managed care enrollee. Requires an evaluation of the APM pilot project to be conducted by an independent entity.

STATUS:

05/23/2014 In SENATE Committee on APPROPRIATIONS: Held in committee.

Commentary:

Consistent with Board policy. Sent letter of support on 4/7/14. Requested by Dr. Walker.

Position: Support

CA SB 1089

AUTHOR: Mitchell [D]
TITLE: **Medi-Cal: Juvenile Inmates**
INTRODUCED: 02/19/2014
DISPOSITION: Pending
LOCATION: Assembly Health Committee

SUMMARY:

Relates to the Medi-Cal program. Relates to a process to allow counties to receive any available federal financial participation for acute inpatient hospital services and inpatient psychiatric services provided to juvenile inmates who are admitted as inpatients in a medical institution. Provides that the process developed be implemented in only those counties that elect to provide the county's pro rata portion of the nonfederal share of the state's administrative costs.

STATUS:

05/15/2014 To ASSEMBLY Committee on HEALTH.

Position: Watch

CA SB 1129

AUTHOR: Steinberg [D]
TITLE: **Successor Agencies to Redevelopment Agencies**
INTRODUCED: 02/19/2014
DISPOSITION: Pending
FILE: 61
LOCATION: Senate Third Reading File

SUMMARY:

Authorizes a successor agency to utilize the proceeds of bonds issued during the 2011 calendar year, upon the approval of the oversight board, if the oversight board, in consultation with the relevant metropolitan planning organization, determines that the use of the bond proceeds is consistent with the sustainable communities strategy. Prohibits required compensation agreements as part of the approval of a long-range property management plan. Requires the approval of a plan as expeditiously as possible.

STATUS:

05/27/2014 In SENATE. Read second time and amended. To third reading.

Position: Watch

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CA SB 1136 **AUTHOR:** Huff [R]
TITLE: Foster Care Providers Criminal Records
INTRODUCED: 02/20/2014
DISPOSITION: Pending
LOCATION: Senate Third Reading File
SUMMARY:
Requires the State Department of Social Services to share summary information related to a criminal records clearance or exemption with a county child welfare agency. Requires the Department and county agencies to share license denial or revocation information. Authorizes the agency to submit to the Department of Justice fingerprint images and related information of regarding the person who received the exemption. Authorizes providing subsequent state or federal arrest or disposition information.
STATUS:
05/28/2014 In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.
Position: Watch

CA SB 1224 **AUTHOR:** Correa [D]
TITLE: Tribal Gaming: Compact Ratification
INTRODUCED: 02/20/2014
DISPOSITION: Pending
LOCATION: Senate Rules Committee
SUMMARY:
Ratifies the tribal-state gaming compact entered into between the State and the Karuk Tribe, executed on a specified date.
STATUS:
04/07/2014 From SENATE Committee on HEALTH with author's amendments.
04/07/2014 In SENATE. Read second time and amended. Re-referred to Committee on HEALTH.
04/07/2014 Withdrawn from SENATE Committee on HEALTH.
04/07/2014 Re-referred to SENATE Committee on RULES.
Position: Watch

CA SB 1262 **AUTHOR:** Correa [D]
TITLE: Medical Marijuana: Regulation of Physicians, Dispensary
INTRODUCED: 02/21/2014
DISPOSITION: Pending
LOCATION: Senate Third Reading File
SUMMARY:
Requires the State Department of Public Health to license dispensing facilities and cultivation sites that provide, process, and grow marijuana for medical use,

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include a background check for license applicants, and would make these licenses subject to the restrictions of a local jurisdiction. Requires security measures for facilities. Prohibits certain physician endorsement advertising. Provides a civil fine for violations.

STATUS:

05/27/2014 In SENATE. Read second time and amended. To third reading.

Position: Watch

CA SB 1300

AUTHOR: Hancock [D]

TITLE: **Refineries: Turnarounds**

INTRODUCED: 02/21/2014

DISPOSITION: Pending

LOCATION: ASSEMBLY

SUMMARY:

Requires every petroleum refinery employee to submit to the Division of Occupational Safety and Health, a full schedule of planned turnarounds, meaning a planned, periodic shutdown of a refinery process unit or plant to perform maintenance, overhaul, and repair operations and to inspect, test, and replace process materials and equipment for the following calendar year. Authorizes the charging of fees for actions regarding refineries.

STATUS:

05/27/2014 In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY. (24-9)

Commentary:

BOS approved Support position on 4/22/14. Sent letter of support on 4/29/14.

Position: Support

CA SB 1353

AUTHOR: Nielsen [R]

TITLE: **Local Government: Williamson Act**

INTRODUCED: 02/21/2014

DISPOSITION: Pending

COMMITTEE: Assembly Local Government Committee

HEARING: 06/04/2014 1:30 pm

SUMMARY:

Amends the Williamson Act, which authorizes a city or county to enter into contracts with owners of land devoted to agricultural use, whereby the owners agree to continue using the property for that purpose, and the city or county agrees to value the land accordingly for purposes of property taxation. Authorizes a county to utilize the process for revising or entering into contracts to specify certain terms indefinitely and to utilize the process for revising or entering into contracts for certain farmland.

STATUS:

05/15/2014 To ASSEMBLY Committees on LOCAL GOVERNMENT and AGRICULTURE.

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05/15/2014 From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.
05/15/2014 In ASSEMBLY. Read second time and amended.
Re-referred to Committee on LOCAL GOVERNMENT.
Position: Watch

CA SB 1388

AUTHOR: Lieu [D]
TITLE: Human Trafficking
INTRODUCED: 02/21/2014
DISPOSITION: Pending
LOCATION: ASSEMBLY
SUMMARY:

Makes a person who seeks to purchase or purchases a commercial sex act guilty of a misdemeanor, punishable by imprisonment and a fine. Provides that fine monies shall be deposited in the Victim-Witness Assistance Fund and the Commercial Sexual Exploitation of Children Services Fund to fund grants to local programs. Authorizes the court to order a defendant who is convicted of such violation, involving a person who is a minor at the time of the offense, to pay an additional fine.

STATUS:

05/27/2014 In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY. (34-0)

Position: Watch

CA SB 1455

AUTHOR: DeSaulnier [D]
TITLE: Reading, Literacy Improvement and Library Bond Act
INTRODUCED: 02/21/2014
DISPOSITION: Pending
LOCATION: Senate Third Reading File
SUMMARY:

Enacts the State Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2016, for submission to the voters at the 2014 statewide general election for the financing of library construction and renovation pursuant to a program administered by the State Librarian. Requires the State Librarian to prepare a comprehensive assessment on the statewide need for the new construction, renovation, and rehabilitation of public libraries and submit it to specified entities.

STATUS:

05/27/2014 In SENATE. Read second time and amended. To third reading.

PRIVATE FILE: Master2014

Commentary:

To BOS for Support on 6/3/14, as recommended by Legislation Cmte.

Position: Support

As of May 28, 2014