AMENDED IN ASSEMBLY MAY 6, 2003

AMENDED IN ASSEMBLY APRIL 9, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL No. 1199

Introduced by Assembly Member Berg
(Coauthor: Senator Aanestad)

February 21, 2003

An act to amend Section 2 of Chapter 1338 of the Statutes of 1989, as amended by Section 1 of Chapter 306 of the Statutes of 1993, relating to local government finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1199, as amended, Berg. County of Del Norte.

Existing law appropriated $1,190,000 to the Controller for allocation as a loan to the County of Del Norte to mitigate the impact of the late opening of the Pelican Bay State Prison and requires that the loan be repaid with interest, as specified. Existing law also requires that payment of the loan begin on July 20, 1995, and that payment, including interest, be paid in annual installments of $119,000 until the debt is fully paid.

The Bradley-Burns Uniform Local Sales and Use Tax Law also authorizes a county to impose a local sales and use tax at a rate of 1.25%, and similarly authorizes a city, located within a county imposing such a tax rate, to impose a local sales and use tax rate of 1% that is credited against the county rate. Existing law requires a city, county, or city and county imposing a local sales and use tax pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law to contract with the State Board

of Equalization to administer the local sales and use tax. Existing law also requires the board, at least twice during each calendar quarter, to transmit local sales and use tax revenue to the city, county, or city and county in which the revenue was collected.

This bill would, if for any calendar quarter the total amount of local sales tax revenue derived by the County of Del Norte is less than the total amount derived by the county for the corresponding quarter of the immediately preceding calendar year, postpone for one year the schedule for the county's annual loan payments to the state.

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

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

SECTION 1. Section 2 of Chapter 1338 of the Statutes of 1989 is amended to read:

Sec. 2. (a) In enacting this section, the Legislature finds and declares that the decision to postpone the opening of the Pelican Bay State Prison imposed a significant cost burden on the County of Del Norte. County staff necessary to accommodate the ~~added~~ *additional* workload from the prison were hired and modifications to the county court facility necessary for the increased security requirements associated with the handling of maximum security prisoners were initiated. Because these expenditures were incurred by Del Norte County with the full expectation of the opening of the prison on time, and because the State of California was able to realize significant savings by postponing the opening of the prison, it is appropriate for the state to offer the county some assistance prior to the date Pelican Bay State Prison is occupied.

(b) (1) There is hereby appropriated from the General Fund the sum of one million one hundred ninety thousand dollars ($1,190,000) to the Controller for allocation as a loan to the County of Del Norte for the purpose of mitigating the impact of the late opening of Pelican Bay State Prison.

(2) The loan made pursuant to this subdivision shall be repaid with interest at the rate calculated for moneys invested in the Pooled Money Investment Fund. Repayment, including interest, shall be made in annual installments of one hundred nineteen thousand dollars ($119,000) until the debt is fully paid. In the event that the Controller certifies that the County of Del Norte is in

default on this loan, the Director of Corrections is authorized to reduce amounts owed by the Department of Corrections to the County of Del Norte by up to eighty thousand dollars ($80,000) in a fiscal year, and to transfer the amount thus reduced to the Controller to offset the amount owed by the County of Del Norte on this loan. The first payment on this loan shall be due on July 20, 1995.

(3) (A) If, for any calendar quarter, the total amount of revenue derived by the County of Del Norte from a tax imposed by the county under the Bradley-Burns Uniform Local and Sales Tax Law (Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code) is less than the total amount of revenue so derived by the county for the corresponding quarter of the immediately preceding calendar year, the obligation of the County of Del Norte to make the annual payment, required pursuant to paragraph (2) for the calendar year containing that quarter, is postponed for one year.

(B) If any payment obligation is postponed pursuant to this paragraph, any subsequent payment obligation under paragraph (2) shall also be postponed for one year. For purposes of this paragraph, a payment obligation under paragraph (2) that is subject to postponement includes a payment obligation that has previously been postponed, one or more times, under this paragraph.

(C) This paragraph applies to all payment obligations established by paragraph (2) of this subdivision.

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