



# City of La Quinta

**CITY / SA/ HA/ FA MEETING DATE:** February 18, 2014

**AGENDA CATEGORY:**

**ITEM TITLE:** SUPPORT CALIFORNIA SENATE BILL 69, ASSEMBLY BILL 1521, OPPOSE HOUSE RESOLUTION 29 AND DIRECT STAFF TO DEVELOP LEGISLATIVE POLICY POSITIONS

**BUSINESS SESSION:** 2

**CONSENT CALENDAR:**

**STUDY SESSION:**

**PUBLIC HEARING:**

---

## **RECOMMENDED ACTION:**

Support California Senate Bill 69, Assembly Bill 1521, oppose House Resolution 29 and direct City Manager to draft letters presenting the City's position to be signed by the Mayor; and further direct staff to develop legislative policy positions for City Council consideration.

## **EXECUTIVE SUMMARY:**

- Support of Senate Bill 69 (SB 69) and Assembly Bill 1521 (AB 1521) would provide additional revenue to cities and recently incorporated cities by allowing new vehicle license fee adjustments.
- Opposition of House Resolution 29 (HR 29) addresses additional restrictions and requirements that increase costs when contracting out for city services (such as requiring City contractors to pay their employees living wages and benefits).
- Frequently, the City receives requests to take a position on legislation moving through the California State Legislature and United States Congress, such as the aforementioned Bills and House Resolution. Development of a legislative policy positions guide will allow the City to expedite efforts to respond to legislative requests during time sensitive legislative cycles.

## **FISCAL IMPACT:**

None.

## **BACKGROUND/ANALYSIS:**

The California State Department of Motor Vehicles collects fees on vehicles licenses, a portion of which goes to cities. Cities rely on this Vehicle License Fee

(VLF) revenue to pay for city services, and newly incorporated cities require the revenue to ensure their future fiscal health. In 2011, SB 89 redirected VLF revenues, which took away a key source of funding for four newly incorporated cities in Riverside County. SB 69 would allow newly incorporated cities to resume receipt of revenues anticipated prior to their incorporation.

AB 1521 is a companion piece of legislation that would ensure the continuance of VLF revenue to cities. It would establish a VLF adjustment amount based on changes in assessed valuation of property that would replace lost revenue (from the SB 89 directive) with property tax revenue. Support of AB 1521 would increase revenue to cities.

HR 29 relates to the outsourcing of public services. It adds new requirements and mandates to local governments when considering contracting out for city services, which would increase city expenditures. Cities already have various local and state contracting laws in place that facilitate efficient service delivery without the extra costs. The City should oppose this legislation.

For streamlining and expediting legislation efforts in the future, developing a legislative policy positions guide for the City would provide for a comprehensive approach to allow staff to take immediate action on pressing legislation. It would outline the City Council's policy positions on key legislative matters that could affect cities and serve as guiding document for staff on reviewing legislation. The guide would be presented to the City Council annually and would include: legislative goals, top priorities, and legislative trends that may impact the City's ability to conduct business and provide services to the community. With the guide, staff would be authorized to prepare position letters for the Mayor's signature, and subsequently send copies to all members of the City Council. Should this item be of interest to the City Council, staff will bring forward an agenda item in March 2014 for City Council consideration.

Report prepared by: Chris Escobedo, Assistant to City Manager

Report approved for submission by: Frank Spevacek, City Manager