Received
March 15, 2011
Commission on
State Mandates

JOHN CHIANG
California State Controller
Division of Accounting and Reporting

March 15, 2011

Mr. Drew Bohan
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

Re: **Proposed Parameters and Guidelines**
Identity Theft, 03-TC-08
Penal Code Section 530.6, subdivision (a)
Statutes 2000, Chapter 956
City of Newport Beach, Claimant

Dear Mr. Bohan:

We have reviewed the proposed parameters and guidelines drafted by your office. Below are our comments and recommendations. Proposed additions are underlined and deletions are indicated with strikethrough as follows:

II. ELIGIBLE CLAIMANTS

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Any ~~local~~ city or county whose law enforcement agency ~~that~~ incurs increased costs as a result of this reimbursable state-mandated program is eligible to claim reimbursement of ~~those~~ these costs.

COMMENT: Pursuant to Government Code section 17518, "local agency" means any city, county, special district, authority, or other political subdivision of the State. The Summary of Findings of the Statement of Decision states: The Commission finds that the test claim statute imposes a reimbursable state-mandated program for cities and counties for some of the required activities within the meaning of article XIII B, section 6 of the California Constitution.

III. PERIOD OF REIMBURSEMENT

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The ~~County of Alameda~~ City of Newport Beach filed the test claim on September 25, 2003, establishing eligibility for reimbursement beginning July 1, 2002.

COMMENT: The City of Newport Beach is the claimant who filed the test claim (03-TC-08).

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Reimbursement for state-mandated costs may be claimed as follows:

4. ~~If~~ In the event revised claiming instructions are issued by the Controller pursuant to Government Code section 17558, subdivision (c), between November 15 and February 15, a local agency filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim. (Government Code section 17560, subdivision (b)).

COMMENT: We recommend changing the language to conform to Government Code section 17560, subdivision (b).

5. If the total costs for a given fiscal year do not exceed $1,000, no reimbursement shall be allowed except as otherwise allowed by Government Code section 17564, subdivision (a).

COMMENT: Add subdivision (a) to Government Code section 17564 for specific reference.

VI. RECORDS RETENTION

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Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter is subject to the initiation of an audit by the State Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

COMMENT: The title should read "RECORD RETENTION" and we recommend adding the above sentence to be consistent with current boilerplate.

IX. REMEDIES BEFORE THE COMMISSION

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In addition, requests may be made to amend parameters and guidelines pursuant to Government Code section 17557, subdivision ~~(a)~~, (d)(1) and California Code of Regulations, title 2, section 1183.2.

COMMENT: Change from Government Code section 17557, subdivision (a) to Government Code section 17557, subdivision (d)(1) for correct reference.

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Should you have any questions regarding the above, please contact Carlos Garcia at (916) 323-0766, or e-mail to cegarcia@sco.ca.gov.

Sincerely,

JAY LAL, Manager
Local Reimbursements Section