

COMMISSION ON STATE MANDATES

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September 8, 2005

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County of Los Angeles
Auditor-Controller's Office
500 W. Temple Street, Room 603
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Ms. Jesse McGuinn
Department of Finance
915 L Street, 8th Floor
Sacramento, CA 95814

Ms. Ginny Brummels
State Controller's Office
Division of Accounting & Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

And: Interested Parties
(see enclosed mailing list)

Re: Notice of Complete Test Claim Filing and Schedule for Comments – *Accounting for Local Revenue Realignment*s, 05-TC-01

On August 12, 2005, a test claim was filed on the above named program by the County of Los Angeles, Claimant. Following initial review, the Commission staff found the test claim to be complete. The Commission is now requesting state agencies and interested parties to comment on the test claim as specified in the enclosed notice.

Please contact Nancy Patton at (916) 323-8217 if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Paula Higashi".

PAULA HIGASHI
Executive Director

Enclosures:

Notice of Complete Test Claim Filing and Schedule for Comments
Copy of Test Claim (state agencies only)
Mailing List
Regulations – New and Amended Sections

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MAILED: FAXED: _____
DATE: 9/8/05 INITIAL: AE
CHRON: _____ FILE:
WORKING BINDER: _____

BEFORE THE
COMMISSION ON STATE MANDATES
STATE OF CALIFORNIA

IN RE TEST CLAIM ON:

Health & Safety Code Section 33681.1.2 added by Statutes of 2004, Chapter 211 (SB 1096) and amended by Statutes of 2004, Chapter 610 (AB 2115); Health & Safety Code Sections 33681.13, 33681.14 as added by (SB 1096); Health & Safety Code Section 33681.15 added by (AB 2115); Revenue & Taxation Code Sections 96.81, 97.75, 97.76, 97.77 added by (SB 1096); Revenue & Taxation Code Sections 97.31, 98.02, as amended by (SB 1096); Revenue & Taxation Code Section 97.68 added by Statutes of 2003, Chapter 162 (AB 1766) and amended by (SB 1096); Revenue & Taxation Sections 97.70, 97.71, 97.72, 97.73 as added by (SB 1096) and amended by (AB 2115)

Filed on August 12, 2005

By the County of Los Angeles, Claimant

No. 05-TC-01

Accounting for Local Revenue Realignment

NOTICE OF COMPLETE TEST CLAIM
FILING AND SCHEDULE FOR
COMMENTS (Gov. Code § 17500 et seq.;
Cal. Code Regs., Tit. 2, §§ 1183, subd.(g)
& 1183.02)

**TO: County of Los Angeles
Department of Finance
State Controller's Office
Interested Parties**

On August 12, 2005, the County of Los Angeles, Claimant, filed a test claim on the above-described statutes and/or executive orders alleging a reimbursable state-mandated program pursuant to article XIII B, section 6 of the California Constitution and Government Code section 17514. The test claim is complete. The test claim will be heard and determined by the Commission on State Mandates pursuant to article XIII B, section 6, Government Code section 17500 et seq., and case law. The procedures for hearing and determining this claim are prescribed in the Commission's regulations, California Code of Regulations, title 2, chapter 2.5, section 1181, et seq. Please note that amendments to these regulations were recently adopted, and are effective September 6, 2005. The amendments are attached.

COMMENT PERIOD

The key issues before the Commission are:

- Do the provisions listed above impose a new program or higher level of service within an existing program upon local entities within the meaning of section 6, article XIII B of the California Constitution and costs mandated by the state pursuant to section 17514 of the Government Code?
- Does Government Code section 17556 preclude the Commission from finding that any of the test claim provisions impose costs mandated by the state?
- Have funds been appropriated for this program (e.g., state budget) or are there any other sources of funding available? If so, what is the source?

State Agency Review of Test Claim - State agencies are requested to analyze the test claim merits and to file written comments within 30 days, or no later than **October 6, 2005**. Requests for extensions of time may be filed in accordance with sections 1183.01, subdivision (c) and 1181.1, subdivision (g) of the regulations.

Claimant Rebuttal - The claimant and interested parties may file rebuttals to state agencies' comments under section 1183.03 of the regulations. The rebuttal is due 30 days from the actual service date of written comments from any state agencies.

Mailing Lists - Under section 1181.2 of the regulations, the Commission will promulgate a mailing list of parties, interested parties, and interested persons for each test claim and provide the list to those included on the list, and to anyone who requests a copy. Any written material filed with the Commission on this claim shall be simultaneously served on the other parties listed on the mailing list provided by the Commission.

Consolidating Test Claims - Pursuant to Commission regulations, the executive director may consolidate part or all of any test claim with another test claim. See sections 1183.05 and 1183.06 of the regulations.

INFORMAL/PREHEARING CONFERENCE

An informal conference or prehearing conference may be scheduled if requested by any party. See sections 1183.04 and 1187.4 of the regulations.

HEARING AND STAFF ANALYSIS

A tentative hearing date for the test claim will be set when the draft staff analysis of the claim is being prepared. At least eight weeks before a hearing is conducted, the draft staff analysis will be issued to parties, interested parties, and interested persons for comment. Comments are due at least five weeks prior to the hearing or on the date set by the Executive Director, pursuant to section 1183.07 of the regulations. Before the hearing, a final staff analysis will be issued.

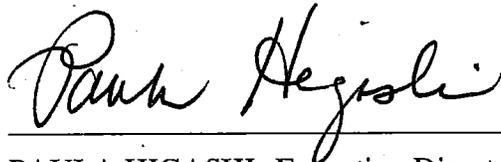
Dismissal of Test Claims - Under section 1183.09 of the regulations, test claims may be dismissed when postponed or placed on inactive status by the claimant for more than one year. Before dismissing a test claim, the Commission will provide 60 days notice and opportunity for other parties to take over the claim.

Parameters and Guidelines - If the Commission determines that a reimbursable state mandate exists, the claimant is responsible for submitting proposed parameters and guidelines for reimbursing all eligible local entities. See section 1183.1 of the regulations. All interested parties and affected state agencies will be given an opportunity to comment on the claimant's proposal before consideration and adoption by the Commission.

Reasonable Reimbursement Methodology - Government Code section 17557 requires the Commission, when adopting parameters and guidelines, to consult with claimants, Department of Finance, the State Controller, and the Legislature to consider a reasonable reimbursement methodology that balances accuracy with simplicity. Government Code section 17518.5 authorizes the claimant or any affected state agency or interested party to propose a reasonable reimbursement methodology.

Statewide Cost Estimate - The Commission is required to adopt a statewide cost estimate of the reimbursable state-mandated program within 12 months of receipt of a test claim. This deadline may be extended for up to six months upon the request of either the claimant or the Commission.

Dated: Sept. 8, 2005



PAULA HIGASHI, Executive Director