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California Counties Express Relief and Appreciation Over Passage of Key Senate Bills

SACRAMENTO – California county officials expressed relief today over the Senate’s successful passage of two bills — SB 65 and SB 67 — that are critical to the fiscal health of California counties and the communities they serve.

“The passage – and signing – of these two bills is vital to the continued operations of local governments throughout California, said Gary Wyatt, CSAC President and Imperial County Supervisor. “We greatly appreciate the Senate following through on its assurances to local government, and we urge the Governor sign this legislation immediately.”

While in session today, the Senate approved these two measures without any dissenting votes:

SB 65 – The cash management bill that includes clean-up language to accelerate payback of deferred payments of HUTA (Highway Users Tax Account) or gas tax funds to counties and cities. The \$250 million in deferred gas taxes has already been paid by the public and is owed to counties and cities.

SB 67 – The much-needed clean-up measure to ensure timely and cost-effective securitization of the Proposition 1A “loan” – a \$2 billion “loan” of local government property tax revenues to the state under the suspension provisions of Proposition 1A (2004).

“We are grateful that Senators understood what dire fiscal circumstances local governments would be facing if these bills were not passed and signed into law by the middle of this month,” Wyatt said.

More than 1,000 local agencies have already signed up for the Proposition 1A Securitization Program. Any further delay in the adoption of SB 67 would have left local agencies throughout California facing dramatic cashflow shortfalls, potentially requiring midyear service reductions, layoffs, and other drastic measures to manage their local budgets.

Passage and signing of SB 65 is also of vital importance to California counties and cities, as it provides for an accelerated payback of deferred payments of gas tax funds to counties and cities.

“The valuable work of local government public works departments was evident just this week through their incredibly dedicated efforts in the face of the powerful storm that rocked much of California,” Wyatt said. “Without the continued flow of funds to our public works, diligent maintenance and clean-up work like this will be severely impacted.”

The California State Association of Counties (CSAC) is the voice of California’s 58 counties at the state and federal level. The Association’s long-term objective is to significantly improve the fiscal health of all California counties – from Alpine County with a little more than 1,200 people to Los Angeles County with more than 10 million – so they can adequately meet the demand for vital public programs and services. CSAC also places a strong emphasis on educating the public about the value and need for county programs and services.

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