

Hi, this is Chris Micheli with the Sacramento governmental relations firm of Aprea & Micheli, and an adjunct professor at McGeorge School of Law. Today's podcast goes in depth on the Commission on State Mandates.

California's Commission on State Mandates derives its power from Article XIII B Section 6 of the California State Constitution. Article XIII B deals with a government spending limitation and it contains 15 sections. This article to our state constitution was added by Prop 4 on the November 6th, 1979 ballot. It was done by initiative of the people.

Section 6 of Article XIII B provides that, whenever the Legislature or any state agency mandates a new program or a higher level of service on any local government, then the state must provide a subvention of funds to reimburse that local government for the cost of the program or the increased level of service. Section 6 provides an exception that the Legislature may, but not need provide a subvention of funds for the following specified mandates, and there are four of them.

The first is legislative mandates requested by the local agency that was affected. Two, legislation defining a new crime or changing an existing definition of a crime. Third, legislative mandates that were enacted prior to January 1, 1975, or executive orders or regulations initially implementing legislation that was enacted prior to 1/1/75. Four, certain legislative mandates contained in statutes.

Now, Section 6 of Article XIII B of the constitution also contains several other relevant provisions. For example, ad valorem property tax revenues cannot be used to reimburse a local government for the cost of a new program or higher level of service mandated by the state. This subdivision applies to a mandate only as it affects a city, county, city and county, or a special district.

A mandated new program, or a higher level of service, includes a transfer by the Legislature from the state, to cities, counties, cities and counties, or special districts of complete or partial financial responsibility for a required program for which the state previously had complete or partial financial responsibility.

In addition, California Government Code found in Section 17500, which was added to the Code in 2004, provides the following statement of legislative intent concerning state mandates:

"The Legislature finds and declares that the existing system for reimbursing local agencies and school districts for the cost of state mandated local programs has not provided for the effective determination of the state's responsibilities under Section 6 of Article XIII B of the California Constitution.

The Legislature finds and declares that the failure of the existing process to adequately and consistently resolve the complex legal questions involved in the determination of state mandated costs has led to an increasing reliance by local agencies and school districts on the judiciary. Therefore, in order to relieve unnecessary congestion in the judicial system, it is necessary to create a mechanism which is capable of rendering sound quasi-judicial decisions and providing an effective means of resolving disputes under the existence of state mandated local programs."

It continues, “It is the intent of the Legislature in enacting this part, to provide for the implementation of Section 6 of Article XIII B of the California Constitution. Further, the Legislature intends that the Commission on State Mandates, as a quasi-judicial body, will act in a deliberative manner in accordance with the requirements of Section 6 of Article XIII B of the California Constitution.”

Pursuant to California law, the Commission on State Mandates has four primary duties. One, adheres and decides test claims alleging that the Legislature or a state agency imposed a reimbursable state mandated program on local agencies, school districts, or community college districts. Two, adheres and decides claims alleging that the State Controller has incorrectly reduced a reimbursement claim for a state mandated program.

Three, adheres and decides request to adopt a new test claim decision to supersede a previously adopted test claim decision upon a showing that the state’s liability for that decision, pursuant to Article XIII B Section 6A, has been modified by subsequent change in the law. Four, it determines the existence of significant financial distress for applicant counties that seek to reduce the level of aid that they provide under General Assistance and General Relief.

According to the Commission on State Mandates, the concept of state reimbursement to local agencies and school districts for state-mandated activities, originated with the Property Tax Relief Act of 1972. This was known as SB 90, and its Chapter 1406 of the Statutes of 1972.

The primary purpose of the Property Tax Relief Act was to limit the ability of local agencies and school districts to levy taxes. To offset these limitations, the Legislature declared its intent to reimburse the local agencies and school districts for the cost of new programs or increased levels of service that were mandated by state government.

The Legislature authorized the State Board of Control to hear and decide upon claims, requesting reimbursement for cost mandated by the state. Originally, it was begun as the State Board of Control, but on January 1, 1985 the Commission took over the role of the SBC. Now the commission acts as a quasi-judicial body, and its main role is to hear and decide claims alleging that the state imposed or reimbursable state mandate on a local government.

Thanks for joining this podcast to look at the Commission on State Mandates.