



Agenda Report

Fullerton City Council

MEETING DATE: APRIL 16, 2019

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: KENNETH A. DOMER, CITY MANAGER

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SUBJECT: MONTHLY LEGISLATIVE UPDATE

SUMMARY

A summary of legislative activity during March 2019 as provided by Townsend Public Affairs (TPA) including a brief summary of preliminary efforts to support Assembly Constitutional Amendment No. 13 (ACA 13), a proposed amendment pertaining to a reallocation of sales tax revenue of online sales from the location of the point of sale to the delivery address designated by the purchaser.

RECOMMENDATION

Receive and file the Monthly Legislative Update report.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statements:

- Fiscal and Organizational Stability
- Public Safety
- Infrastructure and City Assets

FISCAL IMPACT

No fiscal impact.

BACKGROUND

The City's Legislative Platform serves as the policy document that communicates supportive or opposing advocacy of legislation having potential to impact the City of Fullerton. The City's Legislative Platform is reviewed by the City Council annually and is based upon three Guiding Principles:

1. Preserve Local Control
2. Promote Fiscal Stability
3. Support Funding Opportunities

The 2019 Legislative Platform reflects the version adopted by the City Council on February 19, 2019 and contains Policy Statements organized into the following categories:

- Administration
- Economic Development
- Air Quality
- Building
- Natural Hazards
- Solid Waste and Recycling
- Water Quality and Water Supply
- California Environmental Quality Act
- Land Use Planning and Housing
- Libraries
- Parks and Recreation
- Human Resources and Risk Management
- Public Safety
- Police
- Fire and Emergency Medical Services
- Public Works

Following the City Council's adoption, TPA has transmitted the City's 2019 Legislative Platform to the City's Federal and State representatives to provide them with guidelines to follow as they monitor relevant legislation and grant funding opportunities for the City of Fullerton. In addition, TPA provides monthly legislative updates to the City Council on state legislation, federal legislation, funding opportunities and other political issues of importance to the City of Fullerton. The monthly update reports also include a quick reference matrix identifying proposed legislation, the City's advocacy position and the date of any advocacy letters sent on behalf of the City Council. The "sent" advocacy letters are accessible to the public on the City's website under the heading of Legislative Reports within the City Manager's Office.

DISCUSSION

2019 marks the start of a new two-year legislative cycle.

Below is a list of key upcoming deadlines in the State Legislature:

- April 11 – Spring Recess begins
- April 22 – Legislature reconvenes from Spring Recess
- April 26 – Last day for policy committees to hear and report fiscal bills to fiscal committees
- May 3 – Last day for policy committees to hear and report non-fiscal bills to the floor

Throughout the month of March, legislators have been focused on passing bills out of their policy committees before their upcoming deadlines. Several bills have taken their first round of amendments in order to be passed onto their respective appropriations committees or onto the Assembly and Senate Floor. Key policy topics that have been discussed thus far this legislative session include homelessness, water quality, climate change adaptation, and education.

In addition, on March 26, 2019 Assemblyman Jay Obernolte introduced Assembly Constitutional Amendment (ACA 13) pertaining to a reallocation of sales tax revenue of online sales from the location of the point of sale to the delivery address designated by the purchaser. In accordance with Policy Statement No. 2 of the City Council's Legislative Platform:

Support local sales and use tax reform to create an equitable distribution structure that appropriately captures and allocates online sales tax.

Staff is working to support ACA 13 because initial analysis by the League of California Cities' City Manager's Working Group (CMWG), projects that allowing increased interstate sales tax before fixing the distribution methodology, will only exacerbate revenue loss impacts for cities that would face a reduction of sales tax revenue caused by a new distribution methodology. Therefore the CMWG recommended that an increased use tax from online sales could help to soften any decrease a city would feel, if the methodology could be changed quickly. The City of Fullerton is considered to be one of the cities that would benefit from a new sales tax revenue distribution methodology.

Attachments:

- Attachment 1 – Townsend Public Affairs – March 2019 Update Report
- Attachment 2 – Townsend Public Affairs –March 2019 Advocacy Tracking Matrix
- Attachment 3 – City of Fullerton 2019 Legislative Platform
- Attachment 4 – Assembly Constitutional Amendment (ACA 13)