March 1, 2004

Memorandum

To: Commissioners

From: Henry Sepulveda
   Director of Legislation

Subj: Legislative Report

Carry-over bills from 2003. Table 1 (attached) summarizes the status of the “two-year” bills initially introduced in the 2003 portion of the current 2003-04 Legislative Session. These are bills on which the Commission has taken a formal position or which were of interest to the Commission and were accordingly being monitored on a “Watch” basis.

As shown in Table 1, several of these two-year bills were processed by the Legislature in January and February 2004. Among the more noteworthy of these measures:

- **AB 1066 (Liu)**, a Commission-sponsored bill proposing the issuance of $700 million in State general obligation bonds to finance the seismic improvement of local “essential services” facilities (fire stations, communications centers); died on the Appropriations Committee Suspense calendar because the Committee denied passage of virtually all state-issued bond bills.

- **AB 920 (Nakano)** makes modifications to the Natural Hazards Disclosure form used in land-transfer transactions; pending before the Senate Judiciary Committee;

- **SB 111 (Knight)**, a clean-up bill, deletes several obsolete reporting requirements by state agencies including previously issued reports by the Commission; pending approval of Assembly amendments on the Senate floor.

Newly introduced bills of 2004. Unless a bill is exempted from the rule, the Legislature deems February 20 as the deadline for the introduction of new bills to be taken up in 2004. Table 1 (“Legislation Introduced in 2004”) summarizes the bills that the Legislative Advisory Committee and Commission staff have determined merit attention from the full Commission. Listed below are the more noteworthy of those new proposals.
• **AB 3032 (Calderon)**, a Commission-sponsored bill, exempts URM building owners that have made improvements to a URM building from the existing requirement to post an entry-area sign warning about the dangers posed by URM buildings during earthquakes. In addition, the bill authorizes local governments to permit those URM building owners to post a sign indicating that the building has been improved in accordance with applicable seismic-related building codes.

• **AB 3033 (Calderon)**, a second Commission-sponsored bill, seeks to promote seismic retrofit improvement of URM buildings by minimizing the requirements imposed by local building departments on retrofit projects. Specifically, the bill proposes, on a trial basis, to restrict additional requirements that local building agencies may impose as a pre-condition to approving a proposed URM retrofit project and, therefore, minimizing the costs of the project. The measure also calls for a Commission report on the impact of the changes in promoting the retrofitting of URM structures.

**Technical Clean-up Measure.** Per previous direction from the Commission, staff is arranging for a technical clean-up amendment to the current law governing the Commission’s funding authority. Insurance Code Section 10089.45 was added in 2003 to support the Commission’s annual operating budget by imposing assessments on property insurance policies. The new law was inserted in a portion of the Insurance Code that affects another State entity, the California Earthquake Authority (CEA). Last Fall after enactment of the new law, the CEA contacted the Commission staff to register its concern about the placement of the new provision (Section 10089.45) in the Insurance Code. Specifically, the CEA was concerned that the term, “assessment,” (as used in the context of describing the Commission’s funding authority) could be confused with the use of the term, “assessment” (as used for purposes of the laws affecting CEA operations).

To address this issue, the staff arranged with the Legislative Counsel for a technical, non-substantive amendment that would re-position the law affecting the Commission’s budget and place it in a different area of the Insurance Code. This move will be accomplished by a simple re-numbering of the subject section of law and will be included in a technical corrections omnibus bill carried by the Assembly Judiciary Committee. As of March 1, the omnibus bill had not yet been formally introduced. Staff will update the Commission at the March 12 hearing.

• **AB 1790 (Corbett)** directs the State Allocation Board to establish a seismic safety upgrade program for K-12 facilities. The program is to provide grants to schools (on a matching basis) to conduct on-site reviews of vulnerable schools, as well as for construction to upgrade the schools. The program regulations are to be adopted by January 1, 2006. These actions are a follow-up to the comprehensive seismic safety study review of K-12 schools mandated by AB 300, Corbett (2000) and conducted by the Division of the State Architect.
• **AB 1831 (Bermudez)** allocates $25 million of federal funds received by the state for Homeland Security to the purchase of interoperable communications equipment by local agencies. This proposal is consistent with recommendations included in the Commission’s Earthquake Loss Reduction Plan.

• **AB 2533 (Salinas)** is a spot bill in-progress. Assemblyman Salinas has been working with Commission staff to address weaknesses in the current laws affecting URM buildings. The Assemblyman is considering various legislative options to encourage increased compliance with the current placarding requirements and the enforcement of those requirements.

• **AB 2720 (Laird)** revises the standard applicable to the use of architects and structural engineers on hospital seismic improvement projects. Existing law allows use of any qualified professional engineer to prepare and supervise project plans if the alterations “do not affect architectural or structural conditions.” This bill would allow use of any engineer if the alterations “do not substantially impact the structural design or architectural conditions.”

• **AB 3010 (Laird) and SB 1175 (Denham)** are parallel legislative proposals that would allow newly constructed “joint-use” facilities on community college campuses to be built in accordance with either the UBC or the Field Act. Under current law, the construction of facilities on community college campuses must comply with the Field Act. These bills are identical to SB 242 (Knight) of 2003, which was approved by the Legislature in 2003, but vetoed by Governor Davis.

• **SB 1727 (Scott)** exempts, effective January 1, 2005, all community college facilities (owned or leased) from the Field Act.

**Recommendations for Positions on Bills.** Table 1 identifies the current Commission-approved positions on legislation first introduced in 2003. For the bills introduced in 2004, Table 1 also shows the initial staff recommendations for positions on those bills. Those staff recommendations will be presented to the Legislative Advisory Committee at its next meeting on Monday, March 8. The Committee recommendations (determined at the March 8 meeting) will be relayed to the full Commission at its public hearing on March 11 in Paso Robles, California.
LIST OF ATTACHMENTS

- Table 1

- Selected Legislative Bills
  - AB 920 (Nakano)
  - AB 3032 (Calderon)
  - AB 3033 (Calderon)
  - AB 1790 (Corbett)
  - AB 2533 (Salinas)
  - AB 2720 (Laird)
  - AB 3010 (Laird)
  - SB 1727 (Scott)