

AMENDED IN ASSEMBLY APRIL 6, 2006

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

ASSEMBLY BILL

No. 2652

Introduced by Assembly Member Laird

February 24, 2006

An act to ~~amend Section 17558.6 of~~ *add Sections 17558.7, 17558.8, and 17602* to the Government Code, relating to state mandates.

LEGISLATIVE COUNSEL'S DIGEST

AB 2652, as amended, Laird. Commission on State Mandates: ~~report.~~ *claim reductions.*

~~Existing law declares the intent of the Legislature that the Commission on State Mandates~~

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. These procedures require the Controller to pay claims approved by the Commission on State Mandates, authorize the Controller to reduce claims in specified circumstances, and authorize a claimant to challenge a reduction by filing an incorrect reduction claim with the commission. Existing law declares the intent of the Legislature that the commission review its processes by which local agencies may appeal the reduction of reimbursement claims for state-mandated local programs.

~~This bill would require the commission to report to the Legislature on the results of this review on or before April 1, 2007. provide for the consolidation of claims alleging an incorrect reduction at the initiative of an individual claimant or the commission if the claims involve common questions of law or fact that predominate over any~~

matter affecting only an individual claim and the consolidation would result in consistent decisionmaking by the commission. In the case of an individual claimant seeking to consolidate claims, the bill would require the Controller to provide the commission and the claimant with a list of claimants who have filed similar incorrect reduction claims under the same mandate. It also would require the commission, on January 15, 2007, and on each January 15 thereafter, to report to the Legislature the number of individual and consolidated incorrect reduction claims decided during the preceding calendar year and whether and why the reduction was upheld or overturned.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 17558.7 is added to the Government
2 Code, to read:
3 17558.7. (a) If the Controller reduces a claim approved by
4 the commission, the claimant may file with the commission an
5 incorrect reduction claim pursuant to regulations adopted by the
6 commission.
7 (b) A claimant eligible to file an incorrect reduction claim may
8 file a consolidated incorrect reduction claim on behalf of other
9 claimants whose claims for reimbursement under the same
10 mandate have been reduced if all of the following apply:
11 (1) The method, act, or practice that the claimant alleges led
12 to the reduction has led to similar reductions of other parties'
13 claims, and all of the claims involve common questions of law or
14 fact.
15 (2) The common questions of law or fact among the claims
16 predominate over any matter affecting only an individual claim.
17 (3) The consolidation of similar claims by individual claimants
18 would result in consistent decisionmaking by the commission.
19 (4) The claimant filing the consolidated claim would fairly and
20 adequately protect the interests of the other claimants.
21 (c) A claimant that seeks to file a consolidated incorrect
22 reduction claim shall, at the time it files an incorrect reduction
23 claim, on a form provided by the commission, notify the
24 commission of its intent to file a consolidated incorrect reduction
25 claim.

1 (d) Within 10 days after receipt of an incorrect reduction
2 claim and notice of intent to consolidate, the commission shall
3 request that the Controller provide the commission and the
4 claimant with a list of claimants for whom the Controller has
5 reduced similar claims under the same mandate. Upon receipt of
6 this list from the Controller, the claimant may notify the
7 claimants on the list and other interested parties of its intent to
8 file a consolidated incorrect reduction claim.

9 (e) Within 30 days of receipt of the notice of intent to
10 consolidate from the original claimant, on a form provided by the
11 commission, any other eligible claimant shall file with the
12 commission its notice of intent to join the consolidated incorrect
13 reduction claim, which shall include a copy of the remittance
14 advice or other notice from the Controller of the claim reduction,
15 and one copy of the reimbursement claims for which an incorrect
16 reduction is alleged.

17 (f) The commission shall notify each claimant that files an
18 intent to join the consolidated incorrect reduction claim that it
19 may opt out of the consolidated claim and not be bound by any
20 determination made on that consolidated claim. A claimant may
21 opt out of a consolidated claim no later than 15 days after the
22 date for filing comments on the claim before the hearing on the
23 claim. A claimant that opts out of the consolidated claim, in
24 order to preserve its right to challenge a reduction made by the
25 Controller on that same mandate, shall file an individual
26 incorrect reduction claim pursuant to commission requirements.

27 (g) The commission shall adopt regulations establishing
28 procedures for receiving a consolidated incorrect reduction
29 claim pursuant to this section and for providing a hearing on a
30 consolidated claim.

31 SEC. 2. Section 17558.8 is added to the Government Code, to
32 read:

33 17558.8. (a) The commission may, on its own initiative,
34 consolidate incorrect reduction claims filed with the commission
35 by different claimants under the same mandate if all of the
36 following apply:

37 (1) The same method, act, or practice led to the reduction in
38 each claim, and all of the claims involve common questions of
39 law or fact.

1 (2) *The common questions of law or fact among the claims*
2 *predominate over any matter affecting only an individual claim.*

3 (3) *The consolidation of similar claims by individual claimants*
4 *would result in consistent decisionmaking by the commission.*

5 (b) *The commission shall adopt regulations establishing*
6 *procedures for consolidation of incorrect reduction claim*
7 *pursuant to this section and for providing a hearing on a*
8 *consolidated claim.*

9 SEC. 3. *Section 17602 is added to the Government Code, to*
10 *read:*

11 *17602. On January 15, 2007, and on each January 15*
12 *thereafter, the commission shall report to the Legislature the*
13 *number of individual and consolidated incorrect reduction*
14 *claims decided during the preceding calendar year and whether*
15 *and why the reduction was upheld or overturned.*

16 SECTION 1. ~~Section 17558.6 of the Government Code is~~
17 ~~amended to read:~~

18 ~~17558.6. It is the intent of the Legislature that the~~
19 ~~Commission on State Mandates review its process by which local~~
20 ~~agencies may appeal the reduction of reimbursement claims on~~
21 ~~the basis that the reduction is incorrect in order to provide for a~~
22 ~~more expeditious and less costly process, and report to the~~
23 ~~Legislature the results of this review on or before April 1, 2007.~~