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**SB-813 Local Government Omnibus Act of 2021.** (2021-2022)

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**Senate Bill No. 813**

**CHAPTER 224**

An act to amend Section 11010.3 of the Business and Professions Code, to amend Sections 12463 and 53891 of the Government Code, and to amend Section 32133 of the Health and Safety Code, relating to government financial reporting.

[ Approved by Governor September 22, 2021. Filed with Secretary of State September 22, 2021. ]

**LEGISLATIVE COUNSEL'S DIGEST**

SB 813, Committee on Governance and Finance. Local Government Omnibus Act of 2021.

Existing law provides that a person who has made an offer to purchase an interest in an undivided-interest subdivision, as specified, and not exempted, has the right to rescind any contract resulting from the acceptance of that offer during a specified timeframe. Existing law defines and describes the terms "subdivided lands" and "subdivision" for these purposes. Existing law requires any person who intends to offer subdivided lands for sale or lease, as specified, to file with the Bureau of Real Estate an application for a public report consisting of, among other things, a notice of intention and a completed questionnaire. Existing law also requires that every sales contract relating to the purchase of real property in a subdivision clearly set forth the legal description of the property, of the encumbrances outstanding at the date of the sales contract, and the terms of the contract.

Existing law exempts the proposed sale or lease of those lots or other interests in a subdivision that are limited to industrial or commercial uses by law or by a declaration of covenants, conditions, and restrictions that has been recorded in the official records of the county or counties in which the subdivision is located from certain of those provisions relating to the filing of a report with the Bureau of Real Estate and sales contracts.

This bill would instead exempt the proposed sale or lease of those lots or other interests from all provisions described above.

Existing law requires the Controller to compile, publish, and make publicly available on the Controller's website reports of the financial transactions and information on annual compensation of each county, city, and special district within this state.

Existing law requires the officer of each local agency, who has charge of the financial records of the local agency, to furnish to the Controller a report of all the financial transactions of the local agency during the preceding fiscal year within 7 months of the close of each fiscal year in a form required by the Controller. Existing law requires the report to include, among other things, the annual compensation of a local agency's elected officials, officers, and employees, as specified.

This bill would specify that the reports shall be furnished at the time prescribed by the Controller and would revise the amount of time in which the report is required to be furnished to either 7 months or within the time prescribed by the Controller, whichever is later.

Existing law requires the board of directors of a hospital district to at least annually engage the services of a qualified accountant to conduct an audit of the books of the hospital and prepare a report. Existing law requires the financial statement of the district with the auditor's certification to be published by the board of directors, as provided.

This bill would revise and recast that provision to, instead, require publication of a notice of the report, as specified, including a website link to the audit report. By imposing a new requirement on hospital districts, this bill would create a state-mandated local program.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

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.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

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## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** (a) This act shall be known, and may be cited, as the Local Government Omnibus Act of 2021.

(b) The Legislature finds and declares that Californians want their governments to be run efficiently and economically and that public officials should avoid waste and duplication whenever possible. The Legislature further finds and declares that it desires to control its own costs by reducing the number of separate bills. Therefore, it is the intent of the Legislature in enacting this act to combine several minor, noncontroversial statutory changes relating to the common theme, purpose, and subject of local government into a single measure.

**SEC. 2.** Section 11010.3 of the Business and Professions Code is amended to read:

**11010.3.** (a) (1) This chapter shall not apply to the proposed sale or lease of those lots or other interests in a subdivision that are limited to industrial or commercial uses by law or by a declaration of covenants, conditions, and restrictions that has been recorded in the official records of the county or counties in which the subdivision is located.

(2) Paragraph (1) shall not affect any determination whether there are five or more lots, parcels, or other interests for the purposes of Section 11000, 11001, or 11004.5.

(b) For the purposes of this section, "commercial use" includes, but is not limited to, the operation of a business that provides facilities for the overnight stay of its customers, employees, or agents and the operation of an apartment complex that is not a community apartment project, as defined in Section 11004.

**SEC. 3.** Section 12463 of the Government Code is amended to read:

**12463.** (a) The Controller shall compile, publish, and make publicly available on the Controller's website, in a format that may be printed and downloaded, reports of the financial transactions and information on annual compensation, consistent with subdivision (l) of Section 53892, of each county, city, and special district, respectively, within this state, together with any other matter the Controller deems of public interest. The reports shall include the appropriations limits and the total annual appropriations subject to limitation of the counties, cities, and special districts. The reports to the Controller shall be made in the time, form, and manner prescribed by the Controller, consistent with Section 53891.

(b) The Controller shall compile and publish reports of the financial transactions of each county, city, and special district pursuant to subdivision (a) on or before November 1 of each year following the end of the annual reporting period. The Controller shall make data collected pursuant to this subdivision available upon request to the Legislature and its agents, on or before April 1 of each year.

(c) The Controller shall annually publish, on the internet website of the Controller, reports of the financial transactions of each school district within this state, together with any other matter the Controller deems of public interest. The reports shall include the appropriations limit and the total annual appropriations subject to limitation of the school district. The reports to the Controller shall be made in the time, form, and manner prescribed by the Controller.

(d) As used in this section, the following terms have the following meanings:

(1) "School district" means a school district as defined in Section 80 of the Education Code.

(2) "Special district" means any of the following:

(A) A special district as defined in Section 95 of the Revenue and Taxation Code.

(B) A commission provided for by a joint powers agreement pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1.

(C) A nonprofit corporation that is any of the following:

(i) Was formed in accordance with the provisions of a joint powers agreement to carry out functions specified in the agreement.

(ii) Issued bonds, the interest on which is exempt from federal income taxes, for the purpose of purchasing land as a site for, or purchasing or constructing, a building, stadium, or other facility, that is subject to a lease or agreement with a local public entity.

(iii) Is wholly owned by a public agency.

**SEC. 4.** Section 53891 of the Government Code is amended to read:

**53891.** (a) The officer of each local agency who has charge of the financial records shall furnish to the Controller a report of all the financial transactions of the local agency during the preceding fiscal year. The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available. The report shall be furnished within seven months after the close of each fiscal year or within the time prescribed by the Controller, whichever is later, and shall be in the form and manner required by the Controller. A local agency shall submit to the Controller information on annual compensation, as described in subdivision (l) of Section 53892, for the previous calendar year no later than April 30th.

(b) The Controller shall prescribe uniform accounting and reporting procedures that shall be applicable to all local agencies except cities, counties, and school districts, and except for local agencies that substantially follow a system of accounting prescribed by the Public Utilities Commission of the State of California or the Federal Energy Regulatory Commission. The procedures shall be adopted under Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2. The Controller shall prescribe the procedures only after consultation with and approval of a local governmental advisory committee established pursuant to Section 12463.1. Approval of the procedures shall be by majority vote of the members present at a meeting of the committee called by the chairperson thereof.

**SEC. 5.** Section 32133 of the Health and Safety Code is amended to read:

**32133.** At least once each year the board shall engage the services of a qualified accountant of accepted reputation to conduct an audit of the books of the hospital and prepare a report. A notice of the report shall be published, pursuant to Section 6061 of the Government Code and shall include all of the following:

(a) The date the audit was completed.

(b) The preparer and the executor of the audit.

(c) The location, including address, of the file for public inspection.

(d) The website link to the audit report on the district's internet website.

(e) A summary of any material findings or declaration of no material findings.

**SEC. 6.** The Legislature finds and declares that Section 5 of this act, which amends Section 32133 of the Health and Safety Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act furthers public access to hospital district records by requiring hospital districts to publish specified information related to an annual audit report, including a link to the audit report on the district's internet website.

**SEC. 7.** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district under this act would result from a legislative mandate that is within the scope of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution.