



# SB 319 – Annual Reports

## *Senator Melissa Melendez*

### **Background**

This measure is sponsored by the Desert Valleys Builders Association (DVBA).

SB 319 builds from previous legislation (SB 1202) by Senator Stone which was signed into law with no “no” votes in 2018. This law amended the Mitigation Fee Act (MFA) in that a local agency collecting development impact fees that had failed to provide its obligatory annual reports for three consecutive years shall be subject to a public request for an audit of its Mitigation Fee Act funds, at the local agency’s expense.

### **Problem Being Addressed**

The Desert Valleys Builders Association is currently using the new law to obtain an audit from the City of Coachella. Unfortunately, at the time of filing suit, the City had failed to report on its fee collections for the previous nine years.

While in the process of the public request of an audit, the organization noticed two issues in need of clarification in the Code.

The intent of SB 1202 was for an audit of all the years where the agency failed to perform its annual reporting obligations. DVBA is in need of clarity because the current law states the public can request an audit at the agency’s expense when it has failed to provide at least three consecutive annual reports. However, the scope of the audit has not been defined. The agency they are dealing with states they are only required to audit the three years, not all nine.

### **Which code section is affected?**

This bill amends Government Code 66023(h) which deals with the annual reporting obligations.

### **Summary**

SB 319 is one of two aimed at clarifying language in the Mitigation Fee Act, which is a primary tool used against unreasonable construction costs. Specifically, the audits will call into review all years where the agency failed to provide the obligatory annual reports.

### **Support**

Desert Valleys Builders Association - *Sponsor*