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## SENATE COMMITTEE ON LOCAL GOVERNMENT

Senator Maria Elena Durazo, Chair

2025 - 2026 Regular

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<b>Author:</b>	Committee on Local Government	<b>Fiscal:</b>	No
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### *LOCAL GOVERNMENT OMNIBUS ACT OF 2026*

*Proposes minor changes to state laws governing local governments' powers and duties.*

#### **Background**

Each year, local officials discover problems with state statutes affecting counties, cities, special districts, and redevelopment agencies, as well as the laws on land use planning and development. These minor problems do not warrant separate (and expensive) bills. According to the Legislative Analyst, the cost of producing a bill in 2001-02 was \$17,890.

The Senate Local Government Committee responds by combining several of these minor topics into an annual "omnibus bill." In 2025, for example, the Committee's omnibus bill was SB 858, which contained seven proposals to change state law, avoiding approximately \$108,000 in legislative costs. Although this practice may violate a strict interpretation of the single-subject and germaneness rules as presented in *Californians for an Open Primary v. McPherson* 43 Cal.Rptr.3d 315 (2006), nevertheless it is an expeditious and relatively inexpensive way to respond to multiple requests.

#### **Proposed Law**

Senate Bill 1439, the "Local Government Omnibus Act of 2026," proposes the following changes to the state laws affecting local agencies' powers and duties.

***Merced County public administrator.*** State law establishes various county offices, including the public administrator, who is responsible for administering the estate of a county resident who dies. Public administrators are elected positions, but the Board of Supervisors may put a measure before voters to convert it into an appointed position. County boards can also consolidate the public administrator with the district attorney. Additionally, in 17 counties are authorized under law to appoint a public administrator, and boards in 7 counties can have a joint public guardian, veteran service officer, and public administrator. Finally, 11 counties may separate the public guardian and district attorney offices. In Merced County, the District Attorney serves as the public administrator, with deputy public administrators who handle cases working for the Merced County Behavioral Health and Recovery Services Department. Merced County notes that appointing a public administrator housed with the public conservator/public guardian's office would achieve efficiency by consolidating and aligning the activities with the organization undertaking the work. **SB 1439** allows Merced County to appoint the public administrator, consolidate it with the office of public administrator, veteran service officer, and public guardian,

and separate the office of public administrator from the office of district attorney. [See SEC. 2 of the bill.]

***County clerk gender-neutral references.*** State law establishes various county offices, including the county clerk. The responsibilities of the county clerk varies from county to county but generally includes maintaining records filed with the clerk, issuing marriage licenses, and acting as the administrative recordkeeper of the board of supervisors. A county clerk must sign and affix a seal to documents when performing their official duties. Committee staff notes that the statutes governing county clerks have not been updated in many years, and accordingly contain outdated gendered references. **SB 1439** updates the statutes describing the county clerk's duties to use gender-neutral terminology. [See SEC. 3, 4, 5, 7, 8, 9, and 10.]

***County recorder notification program.*** Current law requires a county board of supervisors to establish a recorder notification program for the purpose of reducing home title fraud (SB 255, Seyarto, 2025). Under the program, the county recorder must, within 30 days of recordation of a deed, quitclaim deed, mortgage, or deed of trust, notify by mail the parties executing that document. The County Recorders Association of California notes that in cases of fraud, the person executing the document may be someone other than the current owner, resulting in the notification being misdirected to another party. **SB 1439** instead requires notification of the current assessee at the most recent address for tax bills. [See SEC. 11.]

***Allowable securities for local government investments.*** State law regulates the investments into which any local agency may place its surplus funds. The California Association of County Treasurers and Tax Collectors requests the following changes to local agency investment authority:

- ***Commercial paper.*** Current law allows the State Treasurer to purchase commercial paper issued by a federally or state-chartered bank or a state-licensed branch of a foreign bank. State law allows cities, counties, and other local agencies to purchase commercial paper. The California Association of County Treasurers and Tax Collectors notes that it is unclear if cities, counties, and local agencies can purchase commercial paper issued by state- or federally-licensed branches of foreign banks. **SB 1439** clarifies that cities, counties, and local agencies may purchase commercial paper issued by a federally or state-licensed branch of a foreign bank and a federally or state-chartered bank. [See SEC. 12 and 13.]
- ***Supranationals.*** Current law allows local agencies to invest in obligations issued or guaranteed by several supranational organizations, including the International Bank for Reconstruction and Development, the International Finance Corporation, and the Inter-American Development Bank (IDB), so long as they have a AA rating and meet other requirements. The California Association of County Treasurers and Tax notes that the universe of liquid AAA and AA bond issuers available to local agencies has significantly diminished. As a result, government investment officers are seeking alternative investment options that maintain safety and offer portfolio diversification for managed investment pools. They further note the Inter-American Investment Corporation (IDB Invest) is a high-credit-quality entity within the same financial group as the IDB. **SB 1439** allows local agencies to invest in obligations issued by IDB Invest, allowing agencies to invest in the full range of issuances offered by the Inter-American Development Bank Group. [See SEC. 12 and 13.]

- *Letters of credit.* Current law allows the State Treasurer to accept letters of credit from any of the 11 regional Federal Home Loan Banks (FHLB) to secure state deposits held in banks headquartered outside of California. State law allows counties and the City of Los Angeles to accept letters of credit, but restricts eligible letters of credit to those issued solely by the FHLB of San Francisco. The California Association of County Treasurers and Tax Collectors notes that 57 of California's 58 counties maintain primary banking relationships with large national institutions headquartered outside the San Francisco FHLB district. They note that the current restriction forces these banks into more expensive collateralization methods, ultimately reducing the interest yields available to local agencies. **SB 1439** allows counties and the City of Los Angeles to accept letters of credit that are drawn on accept letters of credit from a bank's own regional FHLB. [See SEC. 14.]

***Surplus Land Act (SLA) large dispositions.*** The SLA spells out the steps local agencies must follow when they want to dispose of land. It requires local governments to give a "first right of refusal" to other governments and nonprofit housing developers, and to negotiate in good faith with them to try to come to agreement. The SLA designates certain types of land as "exempt surplus land." Statute provides that the entirety of the SLA does not apply to disposals of exempt surplus land. In 2023, the Legislature revised certain provisions of the SLA to address implementation issues, including to create an exemption for disposition of 10 or more acres of surplus land (SB 747, Caballero and AB 480, Ting) if certain conditions are met, in order to address disposition challenges that are unique to large areas. The Legislature also defined "disposition" of surplus land to include sales or leases with a term of 15 years or greater. Assembly Local Government Committee staff notes that the exemption for 10 or more acres refers to disposition to "buyers," which may unintentionally exclude leases of surplus land from the exemption. **SB 1439** corrects "buyers" to "persons or entities." [See SEC. 15 of the proposed bill.]

### Comments

Purpose of the bill. SB 1439 compiles, into a single bill, noncontroversial statutory changes to five parts of state laws that affect local agencies and land use. Moving a bill through the legislative process costs the state around \$18,000. By avoiding three other bills, the Committee's measure avoids approximately \$72,000 in legislative costs. Although the practice may violate a strict interpretation of the single-subject and germaneness rules, the Committee insists on a very public review of each item. More than 150 public officials, trade groups, lobbyists, and legislative staffers see each proposal before it goes into the Committee's bill. Should any item in SB 1439 attract opposition, the Committee will delete it. In this transparent process, there is no hidden agenda. If it's not consensus, it's not omnibus.

### Support and Opposition (4/10/2026)

Support: County of Merced

Opposition: None Submitted

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