

**LEGISLATURE RETURNS, QUICKLY
PASSES CONSUMER PRIVACY BILL**

The Legislature returned from summer recess on Monday, August 18, and hit the ground running, by exhuming, amending, and passing a long-stalled consumer financial privacy bill ([SB 1](#)) in the space of a day. In fact, the bill by Senator [Jackie Speier](#) (D-Hillsborough) was approved by three Assembly committees and the full Assembly in less than four hours. The Senate concurred in Assembly amendments the following day, sending the bill to Governor Davis for expected signature.

The key element of the bill would require financial institutions to ask for permission before sharing or selling personal information with outside companies, and put other restrictions on the sharing of information.

The Legislature's haste in enacting the bill was impelled by the threat of a much stronger initiative qualifying for the March 2004 ballot if no action was taken. Supporters of the bill had collected enough signatures to qualify such an initiative, and were posed to submit them to the Secretary of State absent immediate legislative action. The pendency of the initiative motivated the bill's fervent opponents – banks, the insurance industry, the Chamber of Commerce, and others – to negotiate amendments and withdraw the opposition which had successfully killed three similar legislation three years running.

**COMPLEX LITIGATION & PROBATE FEE
CHANGES MAY BE REVISED**

Some of the new, higher court fees enacted by the Legislature as part of the bipartisan compromise worked out with the state's Courts to avoid devastating cutbacks in court operations and access to justice may soon be revised.

In particular, plaintiffs' attorneys have raised concerns that language in [AB 1759](#) increasing the complex case filing fee to \$500 per party, rather than per case, stood to increase the cost of filing such cases by tens of thousands of dollars in multi-plaintiff cases, effectively pricing low-income plaintiffs out of the courthouse. Both the Consumer Attorneys of California and the Administrative Office of the Courts agreed that the bill language did not accurately reflect the substance of the agreed-to compromise. Senator [Joe Dunn](#) (D-Santa Ana), the principal architect of the compromise, was working

with other parties to the agreement on corrective amendments to be enacted on an urgency basis.

Amendments were also being developed to clean up and effectuate the implementation of other fee increases enacted as part of the compromise, including the new graduated probate filing fees.

STATE BUDGET STILL NOT COMPLETE

Although [Governor Davis](#) signed the budget bill for fiscal year 2003-04, the final budget remains incomplete. When the Senate returned from summer recess, it still faced the task of concurring in amendments to five bills utilized by the Assembly when it adopted the budget and sent it to the Governor.

Each of the five bills reflects one or more specific changes to the Senate-approved budget, including augmentations, reductions, transfers and outright repeals. The Senate approved one of the bills immediately upon its return ([SB 1045](#), which reduces the required transfer of redevelopment agency funds to the Education Revenue Augmentation Fund from \$250 million to \$135 million). However, the remaining four bills, all of which were initially authored by the [Senate Budget and Fiscal Review Committee](#), were re-referred to the Senate Rules Committee for consideration and further assignment. These bills are:

- [SB 1042](#) - Reestablishes funding and programmatic authority to operate a program to reimburse local governments for corrections training costs.
- [SB 1044](#) - Reinstates funding for rural county sheriffs grants. The program provides a \$500,000 grant to each of the sheriffs from the state's 37 smallest (population) counties.
- [SB 1046](#) - Reduces by \$50 million appropriations to specified education programs and utilizes the funds to help equalize revenue limit allocations to local school districts.
- [SB 1048](#) - Repeals a \$4.7 million transfer to the General Fund from the Department of Transportation's Aeronautics Account. Repeal of the transfer effectively keeps funding in place for security at small and rural airports.

LEGISLATIVE DEADLINES UPCOMING

- [August 29 \(Friday\)](#) – Last day for legislative fiscal committees to report bills to the floor.
- [Sept. 1 – Sept. 12](#) – Floor sessions only; no committee may meet for any purpose.
- [Sept. 12 \(Friday\)](#) – Last day for any bill to be passed. Interim recess begins on adjournment.