Charter City Authority Over Prevailing Wage: *State Building and Construction Trades Council v. City of Vista*

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CALIFORNIA HOME RULE AND STATE ECONOMIC REGULATION

(*STATE BUILDING & TRADES COUNCIL OF CALIFORNIA V. CITY OF VISTA*)

INTRODUCTION

The City of Vista approved its Charter in 2007. One of the main reasons for the adoption of a Charter was the large-scale public works program that began after the voters approved a sales tax override to pay for needed public infrastructure. The Charter proposal allowed the City to forego the paying of state mandated prevailing wages for public works paid for with local funds. A state trade union association filed a writ of mandate in San Diego Superior Court to require Vista to follow the Labor Code prevailing wage and apprenticeship laws.

The Writ was denied by the Trial Court. The Fourth District Court of Appeals, Division One, affirmed the denial of the writ on a 2-1 vote. The Supreme Court granted the trade union association's petition for review on the question whether prevailing wage law is a matter of statewide concern requiring charter cities to pay prevailing wages in public works contracts. The Supreme Court affirmed the denial of the writ and held that public works contracting, under the spending power, is a "municipal affair" subject to local control by Charter Cities.[1]

Since 1932, Charter Cities have been exempt from state prevailing wage laws, including apprentice programs, because the contracting for construction of local improvements with local funds is considered a "municipal affair."[2] In 2004, the California Supreme Court considered the same issue in a case involving the City of Long Beach.[3] However, it reached a decision on other grounds. In their opinion, the Court stated that it should revisit the 1932 precedent in a future case to see if circumstances had changed to warrant a change in the law. The Supreme Court decided to take up the Vista case to revisit the issue of whether state prevailing wage laws are applicable to charter cities when contracting for public works using local funds.

On July 2, 2012, the Supreme Court, by a 5-2 vote, upheld the right of charter cities to determine whether they should pay prevailing wages and enter into apprenticeship programs when contracting for public works projects paid for with local funds. Essentially, the Court made a legal determination that the constitutional protections afforded to charter cities were still viable and that local projects built with local funds are not subject to prevailing wage and apprenticeship mandates. Whether a charter city pays prevailing wage with local funds is up to each city and not the Legislature.

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[1] State Building and Construction Trades Council of California, AFL-CIO v. City of Vista (filed July 2, 2012) Cal. Supreme Court No. S173586, Slip Op. (Vista).

[2] *City of Pasadena v. Charleville* (1932) 215 Cal. 384, 392 (disapproved on other grounds, city hiring of aliens) in *Purdy & Fitzpatrick v. State of California* (1969) 71 Cal.2d 566, 585.

[3] *City of Long Beach v. Dept. of Industrial Relations* (2004) 34 Cal.4th 942.

The purpose of this paper is to review some of the background surrounding the constitutional protections of charter cities. It will also discuss what the holding of the case means for charter cities, especially when the spending authority of charter cities is implicated.

CALIFORNIA'S STRONG TRADITION OF HOME RULE

Originally, California made cities "subordinate subdivisions of the State Government under the 1849 Constitution." (*San Francisco v. Canavan* (1872) 42 Cal. 541, 557.) The 1879 Constitution still required all cities to comply with general state laws. (*People v. Hoge* (1880) 55 Cal. 612, 618; *see also* Comment, *Municipal Home Rule: Municipal Market as a Public Purpose* (1923) 11 Cal.L.Rev. 446.)

In 1896, the Constitution was amended to strengthen the authority of Home Rule ("Charter") cities. Former Article XI, § 6 exempted all charter cities from laws that interfered with local "municipal affairs." (*Fragley v. Phelan* (1899) 126 Cal. 383; *Ex Parte F.W. Braun* (1903) 141 Cal. 204, 207-213 ("*Braun*").) *Braun* upheld one of the most fundamental elements of "municipal affairs," the power to tax. Subsequent case law reinforced this "fiscal affair" component of Home Rule at issue in the *Vista* case by also recognizing that one of the core values of managing "fiscal affairs" is the power over expenditure of funds. (*Rothschild v. Bantel* (1907) 152 Cal. 5 (custody of municipal funds); *Los Angeles Gas & Elec. Corp . v. City of Los Angeles* (1922) 188 Cal. 307, 317-318 (constitutional credit prohibitions do not bind charter cities); *Mullins v. Henderson* (1946) 75 Cal.App.2d 117, 129-130 (charter cities may pay private employees to operate a street railway); *In re: Work Uniform Compensation Cases* (2005) 133 Cal.App.4th 328 (expenditures on public employee wages).)

The Home Rule section was amended again in 1914, with the final change coming on June 2, 1970. (Cal. Const. Art. XI, Sec. 5.) California is still the state with the strongest Home Rule tradition.[4] This constitutional provision states under subsection (a), in part, that charter city authority "with respect to municipal affairs shall supersede all laws inconsistent therewith."
Applying the "municipal affairs" rule has been difficult at best since the 1914 amendment. Courts have reviewed "municipal affairs" issues on an *ad hoc* basis. This led to confusion over whether there is a unifying standard for determining what a "municipal affair" is. One justice referred to the definition of **"municipal affairs"** as **"loose, indefinable, wild words."** (*Braun* (1903) 141 Cal. 204, 214.) This *ad hoc* process is contrary to usual methods of statutory construction. (*See e.g., Estate of Horman* (1971) 5 Cal.3d 62; *Maples v. Kern County Assessment Appeals Bd*. (2002) 103 Cal.App.4th 172,) To determine whether local rules govern a "municipal affair," courts will look at the wisdom of the measure over the passage of time as established by the evidentiary record. (*Bishop v. City of San Jose* (1969) 1 Cal.3d 56 ("*Bishop*").) In *Bishop,* the Supreme Court held that the Legislature's intent in adopting general laws

[4] Sato, *"Municipal Affairs" in California,* 60 Cal.L.Rev. 1055 (1972); *see also,* Sandalow, *The Limits of Municipal Power Under Home Rule: A Role for the Courts*, 48 Minn. L. Rev. 643 (1964).

could lead courts to the conclusion that the matter is of statewide rather than local concern. However, a Legislative declaration, standing alone, is not determinative of the state/local authority issue. (*County of Riverside v. Superior Court* (2003) 30 Cal.4th 278, 286.)

In the *Bishop* dissent, Justice Peters argued the "inquiry ends once the statewide concern is found, and there is no need to weigh the state and municipal concerns or to determine which should predominate." (*Bishop* at p.66.) Justice Peters' approach is more like the "preemption" test that governs general law cities rather than one that reflects the true constitutional grant of authority given to charter cities. (*See, e.g., Fisher v. City of Berkeley* (1984) 37 Cal.3d 644, 708.) Under preemption, the Court looks solely at whether the Legislature has occupied the field of regulation.

The *Bishop* decision is still a great influence on subsequent decisions in the area of "municipal affairs." **(***California Federal Savings & Loan Assn. v. City of Los Angeles* (1991) 54 Cal.3d 1, 16 ("*Cal Fed*").) This doctrine does not designate any particular area of regulation as being solely a "municipal affair" or a "statewide concern." However, the method of analysis is key. Since the case law is made on an *ad hoc* basis, general rules are hard to establish. Typically, courts have looked at the external effects of municipal regulation, the scope of statewide interests and the effects on the internal procedures of a charter city. **The Supreme Court follows *Bishop* to this day and still makes an independent determination using the record before it.**

***BISHOP, CAL FED & BRADLEY* TEST FOR DETERMINING A "STATEWIDE CONCERN"**

Since *Bishop*, the Supreme Court has further refined these standards, primarily in two cases. **(***See, Johnson v. Bradley* (1992) 4 Cal.4th 389 ("*Bradley*")**;** *California Federal Savings & Loan Assn. v. City of Los Angeles* (1991) 54 Cal.3d 1.) *Cal Fed* rejected a city tax and *Bradley* upheld public campaign finance using the same analysis.

First the Court must find if the charter city's interest is a "municipal affair". Second, the Court must look to whether there is an actual conflict between the state statute and the charter city's measure. (*Bradley* (1992) 4 Cal.4th at p. 400; *Cal Fed* (1991) 54 Cal.3d at p. 16.) ***Next, the inquiry is whether the statute in question qualifies as a "statewide concern."*** (*Bradley* at p. 404; *Cal Fed* at p. 17.)

In *Cal Fed*, the Court found a statewide concern. *Cal Fed* cited tax uniformity laws and the significant trial court record documenting statewide concerns. Among factors that weighed in favor of finding a statewide concern was a constitutional provision requiring taxation uniform with other states. Article XIII, § 27 limits taxation of banks to a state tax based on "net income" and is "in lieu of all other taxes and license fees."

While taxation is a significant local concern, this Court cautioned against "compartmentalizing" any specific area of regulation on either side of the equation. (*Cal*

Fed at pp. 15-18.) ***Hence, if the "statewide concern" is both (1) related to the resolution of the concern and (2) narrowly tailored, state law will prevail.*** (*Bradley* at p. 404, *Cal Fed* at p.17.) In *Cal Fed,* the Legislature regulated the entire banking industry. The legislative and trial court record established the need for uniformity with other states. The Legislature had tailored the legislation to meet those interests. A strong factual record, specific Constitutional authority, and a comprehensive regulatory scheme justified supersession of a core municipal affair. It gave the *Cal Fed* Court the ability to make a legal determination that changes in the law and the circumstances the law addressed, on state and nationwide basis, required that the state interest should prevail over a strong local interest in taxation.

In *Bradley*, the Court found a conflict and saw a statewide concern in electoral regulation, but eventually found that Elections Code § 85300 was not reasonably related to the statewide concern of "enhancing the integrity of the electoral process" or preventing conflicts of interest. (*Bradley* at pp. 410-411.) Therefore, it was not necessary to determine whether the statute was narrowly tailored. The Court looked at the broad purposes of the Elections Code rather than trying to parse a narrower "goal". (*Bradley* at pp. 406-408.) Since the broad purposes of the Elections Code did not support the narrow scope of the statute prohibiting local public financing of local elections, the City of Los Angeles did not have to follow the state prohibition in the conduct of its elections.

To see whether a law is narrowly tailored, the Court must look at the level of intrusion into the "municipal affairs" of a charter city. In *Vista*, mandatory higher costs were imposed on locally funded construction. Prevailing wage laws were not merely a law designed to establish uniform procedural standards. Even assuming a "statewide concern," cases involving economic regulation must show only a minimal intrusion into the fiscal affairs of charter cities. (*i.e., County of Riverside v. Superior Court* (2003) 30 Cal.4th 278, 287-289.)

Since these three cases (*Bishop, Cal Fed,* and *Bradley*) were decided, courts have relied upon this analysis to determine Section 5(a)[5] and similar questions involving the same constitutional protections for the University of California. (*i.e.*, *Regents of University of California v. Aubry* (1996) 42 Cal.App.4th 579, 586-592). Courts have also relied upon strong trial court records, as found in *Cal Fed,* to show the reasons behind the need for uniform statewide control.

***SBTCC V. CITY OF VISTA*: SUPREME COURT OPINION**

The majority opinion was written by Justice Joyce Kennard. Two separate dissents were written by Justices Werdegar and Liu. Justice Kennard found that contracting for public works construction using local funds was a "municipal affair." She also found that the prevailing wage laws were sufficiently important to be of "statewide interest." Because of the conflict between the two interests, the Court weighed the competing interests and found that the state interest was not comprehensive enough to overcome the municipal

[5] California Constitution *Article XI, Section 5(a).*

interest. Therefore, the prevailing wage law was not of sufficient scope to be considered a matter of "statewide concern". The Court did not have to reach the issues of whether PWL was "reasonably related" to a statewide concern or if it was "narrowly tailored" to minimize state intrusion into "municipal affairs."

A QUESTION OF LAW OR FACT

Justice Kennard first addressed the issue of legal standards. Is the analysis fact or legally- based? At the Court of Appeal, Justice Benke's opinion was mostly a fact-based analysis. The appellate court looked at the legislative and trial court records and found no factual justification to find a "statewide" interest. At the trial court, the trade unions submitted one declaration that talked about the regional nature of the construction industry and how construction workers drive great distances to find work. The trade unions also argued that the scope of PWL had changed in scope over the years and had become a matter of "statewide concern."

Kennard rejected this approach. She considered the analysis as a purely legal determination. The majority opinion stated as follows:

> The Court of Appeal's approach raises the question whether the determination of a statewide concern presents predominantly a legal or a factual question. Fundamentally, the question is one of constitutional interpretation; the controlling inquiry is how the state Constitution allocates governmental authority between charter cities and the state. The answer to that constitutional question does not necessarily depend on whether the municipal activity in question has some regional or statewide effect. For example, we have said that the salaries of charter city employees are a municipal affair and not a statewide concern regardless of any possible economic effect those salaries might have beyond the borders of the city. (*Sonoma County Organization of Public Employees v. County of Sonoma* (1979) 23 Cal.3d 296, 316-317 (*Sonoma County*).) (*Vista* @ p. 9.)

This approach places more authority on the judiciary and less on the type of "record" developed by either the Legislature or a trial court. However, the Court will look at the impact the legislation has on charter cities to come to its "legal" determination. Just how the Courts will factor in the trial court record and "facts' developed in each case is still difficult to determine and must be looked at on a case-by-case basis. While the *Vista* Court discounted the factual record developed in the trial court, the *Cal Fed* Court used the strong trial court record to justify state control. Since the Courts will look at how the impact of state legislation changes over time, it is not the type of legal analysis you would find in a typical statutory construction case and determining what "facts" a court will consider in the future when making its "legal" determination will continue to be elusive.

The analysis will not necessarily rely upon legislative reliance on regional or statewide impacts. The Court compared the regional impacts of private construction worker wages with public employee wages. Both can have regional or statewide impacts. In the past, the Supreme Court has drawn very strict limits on state power when it comes to the setting of municipal or county wages, or the wages of employees of the University of California.[6] (*County of Riverside v. Superior Court* (2003) 30 Cal.4th 278; *San Francisco Labor Council v. Regents of University of California* (1980) 26 Cal.3d 785; *Sonoma County Organization of Public Employees v. County of Sonoma* (1979) 23 Cal.3d 296; *Bishop v. City of San Jose* (1969) 1 Cal.3d 56.)

Placing private construction worker wages in this class of cases helps charter cities fight off arguments that regional or statewide impacts should shift power to the state for state economic regulatory purposes. This analogy is important since it places the wages of private construction workers on the same plane as public employee wages. In both instances, the charter city must pay them, directly or indirectly, out of the city treasury. The Court correctly stated that both public and private wages are part of a regional and statewide market. The mere fact that what a city does has regional impacts cannot be the sole basis of state regulatory dominance. If any regional impacts could lead to state control of local resources, charter cities would be subject to virtually all state regulations. Being a charter city would have virtually no meaning. When the Legislature attempts to make findings that statewide regulation is necessary to address statewide or regional impacts, more justification will be needed to justify state intrusion into local affairs than merely citing regional impacts, as the trade unions did in *Vista*.

The analogy to wages of city workers is also interesting in that charter cities have greater protection from state regulation when "compensation" is the subject matter at issue. The control of "compensation" is regulated by Article XI, Section 5(b) instead of 5(a) which was the focus of the *Vista* case. The Constitution grants plenary authority to charter cities when they regulate public employee compensation. (Cal. Const. Art XI § 5(b) ; *City of Downey v. Board of Administration* (1975) 47 Cal.App.3d 621, 629.) When a charter city's enactment falls within one of these core areas governed by 5(b), including compensation, it supersedes any conflicting state statute. (*Cobb v. O'Connell* (2005) 134 Cal.App.4th 91; *in re Work Uniform Cases* (2005) 133 Cal.App.4th 328, 335.) The Court did not differentiate between these two subsections when coupling private sector compensation with public sector wages for the purposes of the Court's analysis.

This linkage was one of the more interesting portions of the Opinion. While the State has an interest in keeping construction wages stable, the Court recognized the right of charter cities to determine for themselves how to spend their own money in the face of a regional or statewide interest. It made no distinction of how those employees were being paid. The Court has reaffirmed that fiscal control is the most critical element of municipal sovereignty regardless of who cashes the paycheck. The Court has granted a greater degree of protection for municipal fiscal sovereignty to charter cities under *Vista*.

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[6] The University of California has the same type of constitutional protections as charter cities. (California Constitution *Article IX, Section 9.)*

The Court also went on to state that factual findings of the Legislature are not controlling. (*Vista at* p. 10.) This determination was of particular importance in the *Vista* case. In 2003, the Legislature adopted a Joint Resolution that stated that all local governments must pay prevailing wages in their covered public works projects, including charter cities. (Senate Concurrent Resolution No. 49, filed Secy. of State September 18, 2003.) The Resolution was introduced on August 27, 2003 and passed both houses, without hearings, within 15 days.

Needless to say, the Legislature did little to develop any factual record. It states that the PWL "generally" applies to public projects and "reaffirms" that it should apply to all public projects "including the projects of charter cities." The timing of this Resolution was six days after the Supreme Court had accepted review in the *Long Beach* case. (*City of Long Beach v. Dept. of Industrial Relations* (2004) 34 Cal.4th 942.)

In the *Vista* decision, the Court retained the *Bishop-Bradley-Cal Fed* analysis while making clarifications in many of the factors it considers important. In doing so, it reaffirmed the role of the Courts to determine whether the constitutional powers of charter cities are sufficient to ward off state intrusion into municipal affairs. It also indicated a willingness to place greater restrictions on state power when it interferes with core municipal fiscal values. Regional or statewide impacts alone will not be enough to justify state intrusion. Also, factual findings of the Legislature will not bind the Courts. The Court made clear that it will interpret the constitutional authority of charter cities in a manner different from a typical statutory construction case or a preemption analysis.[7]

Retention Of The *Bishop, Bradley, Cal Fed* Test

In its opinion, the Court made it clear that the test developed in *Bishop* and refined in the *Bradley* and *Cal Fed* decisions is still good law. The test, discussed above, requires a comparison between the relative merits of the charter city and state interests in the subject matter.

First, the Court looked at the charter city interest at sake to determine if it is a "municipal affair' under Article XI, Section 5(a).

> It is apparent from our analysis in *Charleville*, *supra*, 215 Cal. at page 389, that the construction of a *city-operated facility* for the benefit of a *city's inhabitants* is quintessentially a municipal affair, as is the control over *the expenditure of a city's own funds*. Here, the two fire stations in the City of Vista, like the municipal water system in *Charleville*, *supra*, 215 Cal. 384, are facilities operated by the city for the benefit of the city's

[7] In *Bishop*, Justice Peters, writing for the three justice minority, advocated that the analysis should stop when a state interest is found. The *Vista* opinion is another step away from this approach. (*Bishop v. City of San Jose* (1969) 1 Cal.3d 56, 66.)

> inhabitants, and they are financed from the city's own funds. We conclude therefore that the matter at issue here involves a "municipal affair." (*Vista* at p. 12.)

The Court framed the "municipal affair" issue from the city perspective. In Vista's case, the public works contracts were paid through locally generated tax revenues. The projects implicated the spending power of the City. Therefore, the Court, still relying on *Charleville,* quickly found a "municipal affair."

The Court found that there was a conflict between the "municipal affair" and the state prevailing wage laws. Under the definition of a "public work," prevailing wage laws are applicable to all cities, including charter cities. (Labor Code § 1720.) Since there was no exemption for charter cities, the Court found a conflict between the state and municipal interests. The conflict required the Court to go to the next part of the test. Is the State's interest of "statewide concern?"

The Court examined the reasons behind the state interest as shown through the trial court record and the scope of the prevailing wage laws. The Court found that the prevailing wage law was of state interest, but did not find it was broad-based enough to be considered a "statewide concern." The standard the Court used was taken from the *Cal Fed* decision as follows:

> When, as here, state law and the ordinances of a charter city actually conflict and we must decide which controls, **"the hinge of the decision is the identification of a convincing basis for legislative action originating in extramunicipal concerns, one justifying legislative supersession based on sensible, pragmatic considerations."** (*California Fed. Savings*, *supra*, 54 Cal.3d at p. 18.) In other words, for state law to control there must be something more than an abstract state interest, as it is always possible to articulate some state interest in even the most local of matters. Rather, there must be "a convincing basis" for the state's action — a basis that "justif[ies]" the state's interference in what would otherwise be a merely local affair. (*Ibid.*) **Here, that convincing justification is not present.** (*Vista* at p. 13.) (*emphasis added.*)

The Court looked at the State's interest in the prevailing wage and apprenticeship laws from 1932, *Charleville*, onward. In its analysis, it reviewed the trade union argument of a regional labor market requiring state control versus the right of charter cities to control their own expenditures.

> Certainly regional labor standards and the proper training of construction workers are statewide concerns *when considered in the abstract*. But the question presented here is not whether the

> state government has an abstract interest in labor conditions and vocational training. **Rather, the question presented is whether the state can require a charter city to exercise its purchasing power in the construction market in a way that supports regional wages and subsidizes vocational training, while increasing the charter city's costs.** No one would doubt that the state could use *its own* resources to support wages and vocational training in the state's construction industry, but can the state achieve these ends by interfering in the fiscal policies of charter cities? Autonomy with regard to the expenditure of public funds lies at the heart of what it means to be an independent governmental entity. **" '[W]e can think of nothing that is of greater municipal concern than how a city's tax dollars will be spent; nor anything which could be of less interest to taxpayers of other jurisdictions.' "** (*Johnson v. Bradley*, *supra*, 4 Cal.4th at p. 407.) Therefore, the Union here cannot justify state regulation of the spending practices of charter cities merely by identifying some indirect effect on the regional and state economies. (See *County of Riverside*, *supra*, 30 Cal.4th at p. 296 ["No doubt almost anything a county does . . . can have consequences beyond its borders. **But this circumstance does not mean this court may eviscerate clear constitutional provisions, or the Legislature may do what the Constitution expressly prohibits it from doing."].)** (*Vista at* p. 15-16.) (*emphasis added*)

One of the most significant portions of the Court's Opinion was the deference to charter city fiscal authority. While the State has an interest in keeping construction wages high and stable, the Court recognized that a charter city's right to determine how it spends its own money is the most important power it has. Changes in the overall economy, the need for state uniformity and other state interests are secondary when it comes to spending locally generated funds. The Court put it this way:

> Similarly, if, as the Union asserts, the state's economic integration during the 80 years since our 1932 decision in *Charleville*, *supra*, 215 Cal. 384, has made the wages of workers constructing local public works a matter of statewide concern, then that would be true for both public employees and private employees. (*Vista at* p. 19.)

The linkage between regional impacts and the need for state regulation will not be made if the State attempts to further its goals by expending local funds. However, this Opinion does not wall off all intrusions. State procedural restrictions that do not unduly impact the finances of a charter city will be allowed. (*Vista at* p. 20.)

Justice Kennard cited with approval previous Supreme Court decisions that imposed procedural rules on charter cities in the area of labor relations. (*People ex rel. Seal Beach*

Police Officers Assn. v. City of Seal Beach (1984) 36 Cal.3d 591; *Baggett v. Gates* (1982) 32 Cal.3d 128; *Professional Fire Fighters, Inc. v. City of Los Angeles* (1963) 60 Cal.2d 276.) These cases allowed the Legislature to regulate the way charter cities conduct labor relations. After *Vista*, the question will often be how far the Legislature can go in regulating charter cities through "procedural" rules that have financial impacts on local governance. (*i.e. County of Riverside v. Superior Court* (2003) 30 Cal.4th 278.) Finally, the Court looked at the non-universal nature of prevailing wage law. It does not apply to the private sector or the University of California, and has exceptions that further other state legislative interests, such as the low-income housing exception in the former redevelopment law.

> Here, the state law at issue is not a minimum wage law of broad general application; rather, the law at issue here has a far narrower application, as it pertains only to the public works projects of public agencies. In addition, it imposes substantive obligations on charter cities, not merely generally applicable procedural standards. (*Vista at* p. 20.)

Minimum wage laws apply to the public and private sector equally. Prevailing wage law only applies to most public works projects. It imposes a cost on charter cities with no specific benefit to the city itself. While a charter city may decide on its own to follow PWL to benefit the regional workforce, the Court left that decision to the legislative body that spends the funds.[8] This is different from the Supreme Court's review of broadly applicable procedural rules where the relative cost of the state rule is not considered significant.

CONCLUSION

Overall, the *Vista* decision is indicative of the Court's reluctance to force state economic policy on charter cities when they are using local funds. It prevents the State from using a "regional or statewide impact" analysis as the sole basis for extending power. The State can still put conditions in grants that include state funding requiring the charter city comply with state general laws such as prevailing wage law. However, when only the spending of local funds are at issue, the *Vista* case reaffirms that the courts will decide when factors are present that necessitate a change in the division of power between the State and charter cities. Legislative pronouncements will not suffice. Economic

[8] This procedural vs. substantive breakdown, along with other long-term distinctions, are discussed in a 1972 University of California Law Review article by the late professor Sho Sato. (*See*: Sato, *"Municipal Affairs" in California*, 60 Cal.L.Rev. 1055 (1972); *See also:* Sandalow, *The Limits of Municipal Power Under Home Rule: A Role for the Courts,* 48 Minn. L. Rev. 643 (1964) .) While Professor Sato did not accurately predict the extension of procedural rules, particularly governing labor relations, his article is a good guide to the history of Home Rule in California and helps categorize the cases into an understandable and logical format. It is excellent reading for municipal law nerds.

regulation must have a broad based application, probably including application to the private sector, to be applicable to charter city local fiscal interests.

It is likely that the Legislature will not give up on its continued efforts to impose regulatory authority on charter cites. As more cities choose the charter city path, it is likely that more legislative challenges will take place in the future to attempt to exert more control. However, it is likely that those attacks will now come under the guise of "procedural" rules where the Legislature has had the most success in regulating charter city conduct. *Vista* will help charter cities prevent future economic regulation from intruding into core municipal values.

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