

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
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April 4, 2012

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: Legislative Update

CONTACT: Don Lockhart, AICP, Assistant Executive Officer (916) 874-2937

RECOMMENDATION

Information only, no action is recommended.

BACKGROUND

This memo is part of the ongoing effort to keep your Commission informed regarding various legislative matters.

On March 16, 2012, an ad-hoc committee appointed by the CALAFCO Board of Directors met to consider and adopt positions on several bills, as noted below.

PENDING LEGISLATION

[AB 2238](#) ([Perea D](#)) **Public water systems: drinking water.**

Current Text: Amended: 3/29/2012

Introduced: 2/24/2012

Last Amended: 3/29/2012

Status: 3/29/2012-From committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV. Read second time and amended.

Summary:

Current law requires the State Department of Public Health to administer programs to fund improvements and expansion of small community water systems using specified priorities. Current law requires the department to encourage the consolidation of small community water systems that serve disadvantaged communities if consolidation will help the affected agencies and the state meet specified goals. Current law allows funding of studies regarding the feasibility of consolidating 2 or more community water systems, at least one of which is a small community water system that serves a disadvantaged community. Current law requires the department to give funding priority to projects involving physical restructuring of 2 or more community water systems into a single, consolidated system when it is shown that the consolidation would further specified goals. This bill would require the department to promote the consolidation and merger of small community water systems that serve disadvantaged communities, as specified, and would require the studies performed prior to a construction project to include the feasibility of consolidating or merging community water systems. This bill would prohibit the department from determining the consolidation or merger to be infeasible if the local agency formation commission (LAFCO) also conducted a study or service review of the project and determined the project was feasible. This bill would also require the department to give priority to funding projects involving managerial consolidation

or merger when the consolidation or merger would further specified goals. This bill contains other related provisions and other current laws.

Position: Oppose

Subject: Water, Municipal Services

CALAFCO Comments: This bill, sponsored by California Rural Legal Assistance, would require LAFCo to determine the feasibility of consolidations and other service efficiency options in every MSR. It would also require LAFCo to determine compliance with the Safe Drinking Water Act. Both are discretionary under current law. It would also make LAFCo eligible to apply for certain water grants and loans to pay for the feasibility studies.

AB 2291 (Gordon D) Local agency formation: extension of services.

Current Text: Introduced: 2/24/2012

Introduced: 2/24/2012

Status: 3/15/2012-Referred to Com. on L. GOV.

Summary:

Current law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, authorizes a local agency formation commission, until January 1, 2013, to review and comment on the extension of services into previously unserved territory within unincorporated areas and the creation of new service providers to extend urban-type development into previously unserved areas to ensure that the proposed extension is consistent with the policies of the commission and certain policies under state law. This bill would eliminate the repeal date of January 1, 2013.

Position: None at this time

CALAFCO Comments: We believe this is a placeholder bill. CALAFCO Legislative Committee supports letting this section sunset as no LAFCo uses these provisions.

AB 2624 (Smyth R) Sustainable communities.

Current Text: Introduced: 2/24/2012

Introduced: 2/24/2012

Summary:

The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, an initiative measure approved by the voters at the November 7, 2006, statewide general election makes about \$5,400,000,000 in bond funds available for safe drinking water, water quality and supply, flood control, natural resource protection, and park improvements. Current law establishes the Strategic Growth Council and appropriated \$500,000 from the funding provided by the initiative to the Natural Resources Agency to support the council and its activities. The council is required to manage and award grants and loans to a council of governments, metropolitan planning organization, regional transportation planning agency, city, county, or joint powers authority for the purpose of developing, adopting, and implementing a regional plan or other planning instrument to support the planning and development of sustainable communities. This bill would make a local agency formation commission eligible for the award of financial assistance for those planning purposes.

Position: Support

Subject: Sustainable Community Plans

CALAFCO Comments: Makes LAFCo an eligible agency to apply for Strategic Growth Council grants. Sponsored by CALAFCO.

AB 2698 (Committee on Local Government) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Current Text: Introduced: 3/21/2012

Introduced: 3/21/2012

Status: 3/26/2012-Referred to Com. on L. GOV.

Summary:

Current law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, sets forth the powers and duties of a local agency formation commission, including, among others, the power to approve the annexation of a contiguous disadvantaged community, under specified circumstances. Current law provides that an application to annex a contiguous

disadvantaged community is not required if the commission finds that a majority of the residents within the affected territory are opposed to annexation. This bill would provide that an application to annex a contiguous disadvantaged community is not required if the commission finds that a majority of the registered voters within the affected territory are opposed to annexation. This bill contains other related provisions and other current laws.

Position: Sponsor

Subject: CKH General Procedures

CALAFCO Comments: CALAFCO-sponsored annual CKH Omnibus bill.

SB 1498 (Emmerson R) Local agency formation commission: powers.

Current Text: Introduced: 2/24/2012

Introduced: 2/24/2012

Status: 3/28/2012-Set for hearing April 18.

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 authorizes a city or district to provide new or extended services by contract or agreement outside its jurisdictional boundaries if the city or district requests and receives permission to do so from the local agency formation commission in the affected county. Current law authorizes the commission to authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization, or outside its sphere of influence to respond to an current or impending threat to the public health or safety of the residents of the affected territory, under specified circumstances. This bill would additionally authorize the commission to authorize a city or district to provide new or current services outside its jurisdictional boundaries and outside its sphere of influence to support current or planned uses involving public or private properties, subject to approval at a noticed public hearing, in which certain determinations are made. The bill would also authorize the commission to delegate to its executive officer the approval of certain requests to authorize a city or district to provide new or extended services outside its jurisdictional boundaries or outside its sphere of influence, as described above, under specified circumstances. The bill would also make certain technical, nonsubstantive, and conforming changes. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: Municipal Services

CALAFCO Comments: Sponsored by the League of Cities, this bill does two things: 1) it includes the CALAFCO proposed language on expanding out-of-agency service authority (56133) and 2) removes the annexation requirements from SB 244. Those provisions require a city to apply to annex a disadvantaged unincorporated community if they apply to annex adjacent uninhabited territory.

SB 1566 (Negrete McLeod D) Vehicle license fees: allocation.

Current Text: Introduced: 2/24/2012

Introduced: 2/24/2012

Status: 3/28/2012-Set for hearing April 18.

Summary:

Current law requires that a specified amount of motor vehicle license fees deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund be allocated by the Controller, as specified, to the Local Law Enforcement Services Account in the Local Revenue Fund 2011, for allocation to cities, counties, and cities and counties. This bill would instead require, on and after July 1, 2012, that those revenues be distributed first to each city that was incorporated from an unincorporated territory after August 5, 2004, in an amount determined pursuant to a specified formula and second to each city that was incorporated before August 5, 2004, in an amount determined pursuant to a specified formula. By authorizing within the Motor Vehicle License Fee Account in the Transportation Tax Fund, a continuously appropriated fund, to be used for a new purpose, the bill would make an appropriation. This bill contains other related provisions and other current laws.

Position: Support

Subject: Annexation Proceedings, Tax Allocation

CALAFCO Comments: This problem would correct the VLF problem created by last year's budget bill SB 89, and restore VLF to recent incorporations and inhabited annexations.

ACA 17 (**Logue R**) **State-mandated local programs.**

Current Text: Introduced: 2/15/2011

Introduced: 2/15/2011

Summary:

Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, the state is required to provide a subvention of funds to reimburse the local government. With regard to certain mandates imposed on a city, county, city and county, or special district that have been determine to be payable, the Legislature is required either to appropriate, in the annual Budget Act, the full payable amount of the mandate, determined as specified, or to suspend the operation of the mandate for the fiscal year. The California Constitution provides that the Legislature is not required to appropriate funds for specified mandates.

Position: None at this time

Subject: LAFCo Administration

CALAFCO Comments: Changes state mandate law in a proposed constitutional amendment. Included is specific language that releases mandate responsibility if the local agency can charge an individual or applicant for the cost of providing the mandated service. Would likely exempt some mandates to LAFCo from state funding.

SB 46 (**Correa D**) **Public officials: compensation disclosure.**

Current Text: Amended: 6/2/2011

Introduced: 12/9/2010

Last Amended: 6/2/2011

Summary:

Current provisions of the Political Reform Act of 1974 require certain persons employed by agencies to file annually a written statement of the economic interests they possess during specified periods. The act requires that state agencies promulgate a conflict of interest code that must contain, among other topics, provisions that require designated employees to file statements disclosing reportable investments, business positions, interests in real property, and income. The act requires that every report and statement filed pursuant to the act is a public record and is open to public inspection. This bill would, commencing on January 1, 2013, and continuing until January 1, 2019, require every designated employee and other person, except a candidate for public office, who is required to file a statement of economic interests to include, as a part of that filing, a compensation disclosure form that provides compensation information for the preceding calendar year, as specified. This bill contains other related provisions and other current laws.

Attachments:

[CALAFCO Opposition Letter](#)

Position: Oppose

Subject: LAFCo Administration

CALAFCO Comments: Similar to a 2010 bill, this would require all those who file a Form 700 to also file an extensive compensation and reimbursement disclosure report. Would require all local agencies, including LAFCo, to annually post the forms on their website.

AB 1266 (**Nielsen R**) **Local government: Williamson Act: agricultural preserves: advisory board.**

Current Text: Introduced: 2/18/2011

Introduced: 2/18/2011

Status: 7/14/2011-From consent calendar. Ordered to third reading. Ordered to inactive file at the request of Senator La Malfa.

Summary:

Current law, the Williamson Act, authorizes a city or county to enter into contracts to establish agricultural preserves. Current law also authorizes the legislative body of a city or county to appoint an advisory board to advise the legislative body on agricultural preserve matters. This bill would specify matters on which the advisory board may advise the legislative body of a county or city. This bill would also state that the advisory board is not the exclusive

mechanism through which the legislative body can receive advice on or address matters regarding agricultural preserves.

Position: None at this time

Subject: Ag Preservation - Williamson

CALAFCO Comments: Specifies additional responsibilities for the county or city Williamson Act advisory board. May also be a placeholder for more significant modifications to the Williamson Act.