

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
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May 7, 2008

TO: Sacramento Local Agency Formation Commission
FROM: Peter Brundage, Executive Officer *PR*
RE: Legislative Update

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

RECOMMENDATION

Information only, no action is recommended.

SUMMARY

This memo is part of the ongoing effort to keep your Commission informed regarding various legislative matters. An ad-hoc committee appointed by the CALAFCO Board of Directors has considered and adopted positions on several bills. Staff will continue to track the bills, in collaboration with CALAFCO, and report back to the Commission.

LEGISLATION

AB 1998(Silva) Political Reform Act of 1974: Local Agency Formation Commissions.

Status: 04/24/2008-In Senate. Read first time. To Com. on RLS. for assignment.

Location: 04/24/2008-S RLS.

Summary: Existing law provides for the existence, in each county, of a local agency formation commission (LAFCO), an administrative body vested with the authority and responsibility to control the process of municipal expansion by overseeing local agency boundary changes, including the incorporation, annexation, and reorganization of cities and special districts. The LAFCO for each county reviews and approves or disapproves proposed local government changes of organization; and, under specified circumstances, the determinations of the LAFCO are subject to voter approval through the circulation of a signature petition and a subsequent ballot measure. This bill would impose on a committee formed to support or oppose a LAFCO proposal, as defined, requirements regarding the filing of campaign statements. The bill would require the committee to file monthly campaign statements from the time circulation of a petition begins until a measure is placed on the ballot or the committee is terminated. After a LAFCO proposal measure is placed on the ballot, the bill would require a committee formed to support or oppose the proposal to file those campaign statements required of other committees formed to support or oppose ballot measures under the Political Reform Act of 1974. This bill contains other related provisions and other existing laws.

Notes: This bill will move the financial disclosure requirements from LAFCo to the FPPC. It is sponsored by CALAFCO.

AB 2046(Jones) Water Supply Assessments: Groundwater.

Status: 04/29/2008-Re-referred to Com. on APPR..

Current Location: 04/29/2008-A APPR. Calendar:

Summary: Existing law requires a city or county that determines a project, as defined, is subject to the California Environmental Quality Act to identify any public water system that may supply water for the project and to request those public water systems to prepare a specified water supply assessment. If no public water system is identified, the city or county is required to prepare the water supply assessment. Existing law requires, if a water supply for a proposed project includes groundwater, that certain additional information be included in the water supply assessment, including a detailed description and analysis of the amount and location of groundwater that is projected to be pumped and an analysis of the sufficiency of the groundwater from the basin or basins from which the proposed project will be supplied to meet the projected water demand associated with the proposed project. This bill would require the water supply assessment to exclude from the amount of groundwater projected to be pumped and the groundwater included in the sufficiency analysis any source of groundwater that has not been determined by the State Department of Public Health or a local health officer to have been treated to the treatment standard applicable to the proposed use. By imposing new duties on cities and counties and local health officers with respect to that determination, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

AB 2278(Aghazarian Caballero) Local Agencies.

Status: Last Amend: 03/06/2008, 03/10/2008-Re-referred to Com. on L. GOV.

Location: 03/10/2008-A L. GOV.

Calendar: 04/30/08 1:30 p.m. - Room 447 ASM LOCAL GOVERNMENT

Summary: Existing property tax law requires, in the event that a jurisdictional change affects the service area or service responsibility of one or more special districts, the board of supervisors of the county or counties in which the districts are located to negotiate any exchange of property tax revenues on behalf of the district or districts. This bill would authorize a fire protection district, as specified, to negotiate any exchange of property tax revenues on its own behalf when a jurisdictional change occurs that affects its service area or service responsibility.

Notes: Please note AB 2278 would have allowed Fire Protection Districts to negotiate their own property tax exchange agreement in the event of an annexation or detachment, rather than the Board of Supervisors.

The Bill now has a new sponsor and has been amended to *require the Office of Planning and Research to advise and educate local agencies and other interested stakeholders about the role that public-private partnerships can play in planning, studying, designing, financing, constructing, operating, maintaining, or managing local infrastructure projects.*

AB 2484(Caballero) Local Government: Special Districts.

Status: Last Amend: 04/07/2008, 04/08/2008-Re-referred to Com. on L. GOV.

Location: 04/08/2008-A L. GOV.

Calendar: 04/30/08 1:30 p.m. - Room 447 ASM LOCAL GOVERNMENT

Summary: This bill would require the commission to review and approve or disapprove proposals for the divestiture of the power to provide particular functions or class of services, within all or part of the jurisdictional boundaries of a special district, and would prohibit the approval of proposals where the commission has determined that the special district will not have sufficient revenues to

carry out the proposed new or different functions or class of services, except as specified. This bill would require the commission to take the same actions with regard to written protests against a proposal for the exercise of new or different functions or class of services, or the divestiture of the power to provide particular functions or class of services, within all or part of the jurisdictional boundaries of a special district, in both a registered voter district or city, or a landowner-voter district.

Notes: This bill was prepared by the Legislative Committee and sponsored by CALAFCO.

AB 2499(Smyth) Local Agency Formation: Incorporation or Annexation.

Status: 03/06/2008-Referred to Com. on L. GOV.

Location: 03/06/2008-A L. GOV.

Summary: Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, governs the procedures for the formation, change of organization, and reorganization of cities and special districts. That act also provides, unless otherwise determined by the local agency formation commission, that territory shall not be incorporated into, or annexed to, a city, if, as a result of that incorporation or annexation, unincorporated territory is completely surrounded by that city or by territory of that city, on one or more sides and the Pacific Ocean on the remaining sides. This bill would delete "completely" from this prohibition and thereby provide that, unless otherwise determined by the commission, territory shall not be incorporated into, or annexed to a city if, as a result of that incorporation or annexation, unincorporated territory is surrounded by that city or by territory of that city on one or more sides and the Pacific Ocean on the remaining sides.

Notes: This bill will be amended to remove the current language and introduce language to delete two provisions of C-K-H that are specifically related to Los Angeles LAFCo. Requested by LA LAFCo. It is anticipated CALAFCO will support the amended bill.

AB 3047(Committee on Local Government) Local Agency Formation Commissions: Notice Requirements.

Status: Last Amend: 04/21/2008, 04/22/2008-Re-referred to Com. on L. GOV.

Location: 04/22/2008-A L. GOV.

Calendar: 04/30/08 1:30 p.m. - Room 447 ASM LOCAL GOVERNMENT

Summary: (1) The Cortese-Knox-Hertzberg Act of 2000 requires the local agency formation commission in each county to review and approve or disapprove proposals for changes of organization or reorganization of cities and districts within the county. The legislative body of the affected local agency is authorized to adopt, by resolution, a proposal for a change of organization or reorganization. At least 20 days before the adoption of the resolution of application for organization or reorganization, the legislative body is authorized to give mailed notice of its intention to do so to the commission and to each interested agency and each subject agency. All provisions in the act governing the time within which an official or the commission is to act are required to be deemed directory, rather than mandatory, except for notice requirements and the specified requirements for conducting a hearing in relation to an application to initiate proceedings. This bill would instead authorize the legislative body to give mailed notice of its intention to adopt a resolution of application at least 21 days before the adoption of the resolution to the commission and to each interested agency and each subject agency. The bill also would make a conforming addition to the exceptions to the requirement that the time within which an official or the commission is to act is to be deemed directory, rather than mandatory, and would make other conforming changes. This bill contains other related provisions and other existing laws.

Notes: This is the annual CALAFCO Omnibus Bill that contains technical changes to the Cortese-Knox-Hertzberg Act. Additional items will be amended into the bill during the session.

SB 301(Romero) Local Government Finance.

Status: Last Amend: 01/18/2008, 04/28/2008-To Com. on L. GOV.

Location: 04/29/2008-A L. GOV.

Summary: The Vehicle License Fee (VLF) Law establishes, in lieu of any ad valorem property tax upon vehicles, an annual license fee for any vehicle subject to registration in this state. Under existing law, the Controller is required to allocate VLF revenues in the Motor Vehicle License Fee Account in a specified order to, among others, each city that was incorporated from an unincorporated territory after August 5, 2004, but before July 1, 2009. Existing law also requires cities that were incorporated before August 5, 2004, be allocated additional VLF revenues in an amount determined pursuant to a specified formula. For purposes of this formula, existing law specifies that the population of a city that is incorporated before August 5, 2004, is that city's actual population, as defined, residing in areas annexed after August 5, 2004, but before July 1, 2009. This bill would require that cities that are incorporated from an unincorporated territory after August 5, 2004, but before July 1, 2014, be allocated VLF revenues. This bill would specify, for purposes of this formula used to determine additional VLF revenues for cities that were incorporated before August 5, 2004, that the city's actual population is the population residing in areas annexed after August 5, 2004. This bill contains other related provisions and other existing laws.

SUPPORT: (Verified 1/23/08)

Alamo Incorporation Movement
California Association of Local Agency Formation Commissions
East Los Angeles Residents Association
Eastvale Incorporation Committee
League of California Cities
Nahas Company, LLC
Orange County Local Agency Formation Commissions

Notes: This bill has been amended to remove the AB 1602 sunset on VLF subventions for annexations and to extend indefinitely the VLF subvention for incorporations

**SB 375 (Steinberg) Transportation Planning: Travel Demand Models:
Sustainable Communities Strategy: Environmental Review.**

Status: Last Amend: 03/24/2008, 01/28/2008-From committee with author's amendments. Read second time. Amended. Re-referred to Com. on APPR.

Current Location: 03/24/2008-A APPR.

Existing law requires certain transportation planning activities by the Department of Transportation and by designated regional transportation planning agencies, including development of a regional transportation plan. Existing law authorizes the California Transportation Commission, in cooperation with the regional agencies, to prescribe study areas for analysis and evaluation. This bill would require the commission, by July 1, 2009, to adopt guidelines for travel demand models used in the development of regional transportation plans by certain transportation planning entities. The bill would require the Department of Transportation to assist the commission, on request, in this regard, and would impose other related requirements. This bill contains other related provisions and other existing laws. **Position:** Watch **Priority:** 1

SB 378(Steinberg) Disaster Preparedness and Flood Prevention Bond Act of 2006.

Status: Last Amend: 06/04/2007, 06/19/2007-To Com. on W.,P. & W.

Location: 06/19/2007-A W.,P. & W.

Summary: The Disaster Preparedness and Flood Prevention Bond Act of 2006, which was enacted by the Legislature and approved by the voters at the November 7, 2006, statewide general election, authorizes the expenditure of \$4,090,000,000 in bond funds for specified disaster preparedness and flood prevention projects. Those projects include projects for the evaluation, repair, rehabilitation, reconstruction, or replacement of levees, weirs, bypasses, and facilities of the State Plan of Flood Control; improving or adding facilities to the State Plan of Flood Control to increase levels of flood prevention for urban areas; reducing the risk of levee failure in the delta; and protection, creation, and enhancement of flood protection corridors and bypasses through specified actions. The bill would require the Department of Water Resources (department), when evaluating levees and facilities pursuant to a specified project, to include an evaluation of the risk of the levees and facilities failing due to a seismic event. In implementing the projects for the protection, creation, and enhancement of flood protection corridors and bypasses through specified actions, the bill would require the department to give priority for projects and expenditures that result in a system wide reduction of flood risks and for projects that address the needs of disadvantaged communities, as the bill would define that term. A grant program that would provide bond funds to rehabilitate, reconstruct, replace, or improve existing flood levees, or construct new flood levees, or other management facilities that are a part of the State Plan of Flood Control would be required to comply with specified requirements. This bill contains other related provisions and other existing laws.

SB 1191(Alquist) Local Government: Community Service Districts: Broadband Access.

Status: Last Amend: 03/24/2008, -From committee with author's amendments. Read second time. Amended, Re-referred to Com. on L.GOV

Location: 03/24/2008-S L. GOV.

Calendar: 04/02/08 9:30 a.m. - Room 112 SEN LOCAL GOVERNMENT

Summary: Existing law authorizes a community services district to be formed to, among other things, provide fire protection services, organize, promote, conduct, and advertise programs of community recreation, provide transportation services, abate graffiti, and construct, maintain, and operate mailboxes. This bill would authorize a community services district to construct, own, improve, maintain, and operate broadband facilities and to provide broadband services, under specified circumstances, until a private person or entity is ready, willing, and able to acquire, construct, improve, maintain, and operate broadband facilities and to provide broadband services, and to sell those services at a comparable cost and quality of service to the district and its property owners, residents, and visitors.

Notes: This was a power discussed during the CSD rewrite. It was removed from the list of powers based on the strong objection from private broadband service providers.

SB 1458(Committee on Local Government) Local government: the County Service Area Law.

Status: Last Amend: 03/24/2008, -From committee with author's amendments. Read second time. Amended, Re-referred to Com. on L.GOV.

Location: 03/24/2008-S L. GOV.

Calendar: 04/02/08 9:30 a.m. - Room 112 SEN LOCAL GOVERNMENT

Summary: The County Service Area Law authorizes the formation of county service areas to provide authorized services, as specified. This bill would revise and recast the County Services Area Law and make conforming changes.

Notes: This bill is the culmination of the work of the CSA Rewrite Work Group, of which CALAFCO was a participant. It significantly overhauls the CSA law and brings it into conformance with CKH.