

**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**  
**1112 I Street #100**  
**Sacramento, California 95814**  
**(916) 874-7458**

May 6, 2009

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.

**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 is reviewing several bills (see attached.) Staff will continue to track the bills, in collaboration with CALAFCO.

## California Association of Local Agency Formation Commissions SUMMARY OF CURRENT LAFCo LEGISLATION as of 4/23/2009

**AB 528(Silva) Local government: reorganization: expenditure reporting.**

**Last Amend:** 03/31/2009

**Status:** 04/22/2009-From L. GOV.: Do pass.To E. & R..

**Location:** 04/22/2009-A E. & R.

[Redacted]												
Dead/2YR	1st Desk	1st Policy	1st Fiscal	1st Floor	2nd Desk	2nd Policy	2nd Fiscal	2nd Floor	Conf./Conc.	Enrolled	Vetoed	Chaptered

**Summary:** (1) Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act , requires contributions and expenditures for political purposes on boundary changes approved by a local agency formation commission be disclosed and reported to the commission to the same extent and subject to the same requirements of the Political Reform Act of 1974 as provided for local initiative measures. This bill would revise these provisions to require the expenditures to be disclosed and reported pursuant to the Political Reform Act of 1974. This bill contains other related provisions and other existing laws.

**Position:** Sponsor

**Priority:** 1

**Notes:** This CALAFCO sponsored bill conforms C-K-H financial disclosure requirements with the provisions in the Political Reform Act that were signed into law last year from AB 1998, which CALAFCO also sponsored.

**AB 1109(Blakeslee) The Cortese-Knox-Hertzberg Act of 2000.**

**Last Amend:** 04/13/2009

**Status:** 04/22/2009-In committee: Set, first hearing. Hearing canceled at the request of author.

**Location:** 04/14/2009-A L. GOV.

[Redacted]												
Dead/2YR	1st Desk	1st Policy	1st Fiscal	1st Floor	2nd Desk	2nd Policy	2nd Fiscal	2nd Floor	Conf./Conc.	Enrolled	Vetoed	Chaptered

**Summary:** The Cortese-Knox-Hertzberg Act of 2000 authorizes a local agency formation commission to, among other things, initiate proceedings for the consolidation, dissolution, and formation of new districts, as specified. This bill would authorize a commission to order the administration of nonperforming districts. The bill would require the commission to, upon placing a district under temporary administration, prepare a performance study, as specified.

**Position:** None at this time

**Priority:** 1

**Notes:** Placeholder bill for legislation clarifying LAFCos role in allocating liabilities of local agencies in a dissolution or disincorporation.

**AB 1582(Committee on Local Government) Local agencies: spheres of influence.**

**Last Amend:**

**Status:** 04/13/2009-Referred to Com. on L. GOV.

**Location:** 04/13/2009-A L. GOV.

[Redacted]												
Dead/2YR	1st Desk	1st Policy	1st Fiscal	1st Floor	2nd Desk	2nd Policy	2nd Fiscal	2nd Floor	Conf./Conc.	Enrolled	Vetoed	Chaptured

**Calendar:** 05/13/09 1:30 p.m. - Room 447 ASM LOCAL GOVERNMENT

**Summary:** Existing law requires a commission to develop and determine the sphere of influence of each local governmental agency within the county. A commission is authorized, at the time a commission approves a proposal for an incorporation or a reorganization which includes an incorporation, to determine the sphere of influence for the proposed new city. The commission is required to determine the sphere of influence for any newly incorporated city within one year of the effective date of incorporation. This bill would authorize a commission, beginning January 1, 2010, to determine the sphere of influence for a proposed new district, when a commission approves a formation or reorganization that includes the formation of a district. The commission would be required to determine the sphere of influence for any newly formed district within one year of the effective date of formation. This bill contains other related provisions and other existing laws.

**Position:** Support

**Priority:** 1

**Notes:** This is the Assembly Omnibus bill which makes technical changes to CKH.

**SB 113(Committee on Local Government) Local Government Omnibus Act of 2009.**

**Last Amend:** 04/02/2009

**Status:** 04/17/2009-Set for hearing April 27.

**Location:** 04/15/2009-S APPR.

[Redacted]												
Dead/2YR	1st Desk	1st Policy	1st Fiscal	1st Floor	2nd Desk	2nd Policy	2nd Fiscal	2nd Floor	Conf./Conc.	Enrolled	Vetoed	Chaptured

**Calendar:** 04/27/09 10:30 a.m. - John L. Burton Hearing Room (4203) SEN APPROPRIATIONS

**Summary:** (1) Existing law authorizes the formation of a school facilities improvement district in a county, if the board of supervisors adopts a resolution authorizing the establishment of the district. This bill would specify that the resolution of the board of supervisors may authorize a school facilities improvement district to be operative in the county generally, or to one or more school districts or community college districts within the county. This bill contains other related provisions and other existing laws.

**Position:** Support

**Priority:** 1

**Notes:** The Senate Local Government Bill makes non substantial changes to local government laws other than CKH. CALAFCO has a number of items in the 2009 bill.

**SB 163(Cox) Local government: reorganization.**

**Last Amend:**

**Status:** 03/09/2009-To Com. on RLS.

**Location:** 03/09/2009-S RLS.

[Redacted]												
Dead/2YR	1st Desk	1st Policy	1st Fiscal	1st Floor	2nd Desk	2nd Policy	2nd Fiscal	2nd Floor	Conf./Conc.	Enrolled	Vetoed	Chaptered

**Summary:** Existing law, for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, makes various legislative findings and declarations regarding the use of local government reorganization. This bill would make a technical, nonsubstantive change to that provision.

**Position:** Watch

**Priority:** 1

**Notes:** This bill is a placeholder for an unidentified change to Cortese-Knox-Hertzberg.

**SB 194(Florez) Community Equity Investment Act of 2009.**

**Last Amend:** 04/22/2009

**Status:** 04/22/2009-From committee with author's amendments. Read second time. Amended.

Re-referred to Com. on L. GOV.

**Location:** 04/22/2009-S L. GOV.

[Redacted]												
Dead/2YR	1st Desk	1st Policy	1st Fiscal	1st Floor	2nd Desk	2nd Policy	2nd Fiscal	2nd Floor	Conf./Conc.	Enrolled	Vetoed	Chaptered

**Calendar:** 04/29/09 9:30 a.m. - Room 112 SEN LOCAL GOVERNMENT

**Summary:** Existing law requires the legislative body of each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city, and of specified land outside its boundaries. This bill would enact the Community Equity Investment Act of 2009 and require the legislative bodies of each county and city that elect to receive specified funds pursuant to the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 to amend portions of its general plan, including, among others, the land use, circulation, housing, conservation, and open-space elements to include data and analysis, goals, policies and objectives, and feasible implementation measures addressing the presence of disadvantaged unincorporated communities in or near their boundaries, as specified. This bill contains other related provisions and other existing laws.

**Position:** None at this time

**Priority:** 1

**Notes:** This is a placeholder bill at the moment. The bill is intended to provide municipal services and infrastructure investment to disadvantaged unincorporated communities. Its intent, in part, is to address the role of regional agencies (including, perhaps LAFCo) in addressing infrastructure deficits through annexation, consolidation and regionalization where appropriate.

**SB 215(Wiggins) Local government: organization.**

**Last Amend:** 03/26/2009

**Status:** 04/21/2009-Read second time. To third reading.

**Location:** 04/21/2009-S THIRD READING

[REDACTED]												
Dead/2YR	1st Desk	1st Policy	1st Fiscal	1st Floor	2nd Desk	2nd Policy	2nd Fiscal	2nd Floor	Conf./Conc.	Enrolled	Vetoed	Chaptered

**Calendar:** 04/23/09 34 SEN SENATE BILLS-THIRD READING FILE

**Summary:** Existing law, the Cortese-Knox-Hertzberg Act, requires a local agency formation commission, when reviewing a proposal for a change of organization or reorganization, to consider specified factors, including the proposal's consistency with city or county general and specific plans. This bill would modify that factor so that a commission would be required to consider the proposal's consistency with city or county general and specific plans, and any applicable transportation plan, when reviewing a proposal for a change of organization or reorganization, thus imposing a state-mandate. This bill contains other related provisions and other existing laws.

**Position:** Support

**Priority:** 1

**Notes:** Adds the SB 375 required "Sustainable Communities Strategy" and "Alternative Planning Strategy" to the factors a LAFCo must consider in reviewing applications in GC 56668 (g) and eliminates the now obsolete GC 56668.5 which allowed LAFCo to consider regional growth goals and policies.

**AB 155(Mendoza) Local government: bankruptcy proceedings.**

**Last Amend:** 03/27/2009

**Status:** 04/22/2009-From L. GOV.: Do pass.To APPR..

**Location:** 04/22/2009-A APPR.

[REDACTED]												
Dead/2YR	1st Desk	1st Policy	1st Fiscal	1st Floor	2nd Desk	2nd Policy	2nd Fiscal	2nd Floor	Conf./Conc.	Enrolled	Vetoed	Chaptered

**Summary:** Under existing law, any taxing agency or instrumentality of the state may file a petition and prosecute to completion bankruptcy proceedings permitted under the laws of the United States. This bill would provide that a local public entity may only file under federal bankruptcy law with the approval of the California Debt and Investment Advisory Commission, as specified.

**Position:** None at this time

**Priority:** 2

**AB 432(Nestande) Renewable energy resources: solar feed-in tariff pilot program for City of Palm Desert.**

**Last Amend:** 04/02/2009

**Status:** 04/20/2009-In committee: Set, first hearing. Hearing canceled at the request of author.

**Location:** 04/13/2009-A U. & C.

[REDACTED]												
Dead/2YR	1st Desk	1st Policy	1st Fiscal	1st Floor	2nd Desk	2nd Policy	2nd Fiscal	2nd Floor	Conf./Conc.	Enrolled	Vetoed	Chapters

**Summary:** Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. The Public Utilities Act imposes various duties and responsibilities on the commission with respect to the purchase of electricity by electrical corporations and requires the commission to review and adopt a procurement plan and a renewable energy procurement plan for each electrical corporation pursuant to the California Renewables Portfolio Standard Program. The program requires that a retail seller of electricity, including electrical corporations, purchase a specified minimum percentage of electricity generated by eligible renewable energy resources, as defined, in any given year as a specified percentage of total kilowatthours sold to retail end-use customers each calendar year (renewables portfolio standard). This bill would establish a solar feed-in tariff, as defined, pilot program that is applicable to the City of Palm Desert, which is within the service territory of Southern California Edison Company. This bill contains other related provisions and other existing laws.

**Position:** None at this time

**Priority:** 2

**Notes:** Placeholder bill which states the intent of the Legislature to change the manner in which MUD are organized.

**AB 853(Arambula) Local government: organization.**

**Last Amend:** 04/14/2009

**Status:** 04/15/2009-Re-referred to Com. on L. GOV.

**Location:** 04/15/2009-A L. GOV.

[REDACTED]												
Dead/2YR	1st Desk	1st Policy	1st Fiscal	1st Floor	2nd Desk	2nd Policy	2nd Fiscal	2nd Floor	Conf./Conc.	Enrolled	Vetoed	Chapters

**Calendar:** 05/13/09 1:30 p.m. - Room 447 ASM LOCAL GOVERNMENT

**Summary:** The Cortese-Knox-Hertzberg Act of 2000 governs the organization and reorganization of local governmental entities, including, among other things, the annexation of island territories to a city or county. This bill would provide procedures for annexing unincorporated fringe communities and unincorporated island communities, as defined, to a city under specified circumstances.

**Position:** None at this time

**Priority:** 2

**Notes:** This bill would require LAFCo to conduct a feasibility review for the consolidation of a small community water system with one or more of the water systems in the county, if the board of supervisors of the county receives a written complaint from a resident or group of residents of a small community water system, and a majority of the board votes to require the report by the commission.

**SB 162(Cox) Local government: fire suppression.**

**Last Amend:**

**Status:** 03/09/2009-To Com. on RLS.

**Location:** 03/09/2009-S RLS.

[REDACTED]												
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**Summary:** Existing law, for the purposes of assessments for fire suppression, defines fire suppression to mean firefighting and fire prevention, including, but not limited to, vegetation removal or management undertaken, in whole or in part, for the reduction of a fire hazard. This bill would make a technical, nonsubstantive change to this provision.

**Position:** Watch  
**Priority:** 2

**Notes:** This is likely a placeholder for a more substantial change to fire agency law.

**AB 9(John A. Perez) Political Reform Act of 1974: expenditures.**

**Last Amend:**

**Status:** 02/05/2009-Referred to Com. on E. & R.

**Location:** 02/05/2009-A E. & R.

Dead/2YR	1st Desk	1st Policy	1st Fiscal	1st Floor	2nd Desk	2nd Policy	2nd Fiscal	2nd Floor	Conf./Conc.	Enrolled	Vetoed	Chaptered
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**Calendar:** 05/05/09 1:30 p.m. - Room 444 ASM ELECTIONS AND REDISTRICTING

**Summary:** Under the Political Reform Act of 1974, an "expenditure" means a payment, a forgiveness of a loan, a payment of a loan by a 3rd party, or an enforceable promise to make a payment, unless it is clear from the surrounding circumstances that it is not made for political purposes. Under the act, a candidate or committee that makes an independent expenditure totaling \$1,000 or more in a calendar year to support or oppose a measure or qualification of a measure shall file a report of that disclosure with the Fair Political Practices Commission. This bill clarifies existing law that an expenditure includes the payment of public moneys by a state agency or local government agency, or by an agent of that agency, for a communication to the electorate within the jurisdiction of that agency regarding a clearly identified measure, except if the communication constitutes a fair and impartial presentation of the facts relating to the measure or the communication is otherwise required by law.

**Position:** None at this time  
**Priority:** 3

**Notes:** Adds that monies expended by a public agency to communicate information on a measure to the public must be reported to the FPPC.

**AB 300(Caballero) Subdivisions: water supply.**

**Last Amend:** 04/20/2009

**Status:** 04/21/2009-Re-referred to Com. on W.,P. & W.

**Location:** 04/21/2009-A W.,P. & W.

Dead/2YR	1st Desk	1st Policy	1st Fiscal	1st Floor	2nd Desk	2nd Policy	2nd Fiscal	2nd Floor	Conf./Conc.	Enrolled	Vetoed	Chaptered
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**Calendar:** 04/28/09 9 a.m. - Room 437 ASM WATER, PARKS AND WILDLIFE

**Summary:** The Subdivision Map Act prohibits approval of a tentative map, or a parcel map for which a tentative map was not required, or a development agreement for a subdivision of property of more than 500 dwelling units, except as specified, including the design of the subdivision or the type of improvement, unless the legislative body of a city or county or the designated advisory agency provides written verification from the applicable public water system that a sufficient water supply is available or, in addition, a specified finding is made by the local agency that sufficient water supplies are, or will be, available prior to completion of the project. This bill would require, until January 1, 2020, the public water system, or the local agency if there is no public water system, to review , verify for accuracy, and approve, as specified, the subdivider's water savings projections attributable to voluntary demand management measures, as defined. The public water agency would be authorized to collect fees necessary to provide the additional analysis of the voluntary demand management measures. Water savings projections would be authorized to be calculated using the water savings projections adopted by the California Urban Water Conservation Council. Water savings projections for measures for which the California Urban Water Conservation Council does not have adopted findings would be required to be based on substantial evidence in the record and included in the water supply assessment adopted by the water supplier. If a project applicant proposes to use a new voluntary water reduction demand management measure that is not based on water savings projections adopted by the California Urban Water Conservation Council, the legislative body of a city or county or the advisory agency would be required to have the project applicant enter into an agreement with the water utility to implement and monitor the actual water savings over time, as specified. The public water system would be required to prepare a written report of the projected water demand versus the actual water use 5 years after the project has been fully developed, and to provide copies of the report to the project applicant, the city or county that approved the subdivision map, the California Urban Water Conservation Council, and the Department of Water Resources. The bill would also require, at the time of final inspection, that a manual providing directions to the owner or occupant on the proper use of water conservation devices and systems be placed in the dwelling. By adding to the duties of the public water system, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

**Position:** None at this time

**Priority:** 3

**Notes:** Requires the preparation of a water assessment report for projects which reduce water consumption, which requires consultation with affected agencies, including LAFCo.

**[AB 408\(Saldana\)](#) Local planning: water supplies.**

**Last Amend:**

**Status:** 04/15/2009-In committee: Set, first hearing. Hearing canceled at the request of author.

**Location:** 03/09/2009-A L. GOV.

[Redacted]												
Dead/2YR	1st Desk	1st Policy	1st Fiscal	1st Floor	2nd Desk	2nd Policy	2nd Fiscal	2nd Floor	Conf./Conc.	Enrolled	Vetoed	Chaptered

**Summary:** The Planning and Zoning Law requires a city or county general plan to include specified mandatory elements, including a conservation element that considers, among other things, the identification of rivers, creeks, streams, flood corridors, riparian habitat, and land that may accommodate floodwater for purposes of groundwater recharge and stormwater management and a discussion and evaluation of water supply and demand. Before adopting or amending the general plan, the planning agency is required to refer the proposed action to specified entities. This bill would require the planning agency to additionally notify the California regional water quality control board servicing the area before adopting or amending the general plan. The bill would require the regional board, upon receiving this notice, to provide the planning agency with certain information regarding implementation of low-impact development water management to increase local water supplies by increasing stormwater recharge and reuse. By imposing new duties on local public officials, the bill would create a state-mandated local program. This bill contains other related provisions and other existing laws.

**Position:** None at this time

**Priority:** 3

**AB 588(Cook) Local government finance.**

**Last Amend:**

**Status:** 02/26/2009-From printer. May be heard in committee March 28.

**Location:** 02/25/2009-A PRINT

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Dead/2YR	1st Desk	1st Policy	1st Fiscal	1st Floor	2nd Desk	2nd Policy	2nd Fiscal	2nd Floor	Conf./Conc.	Enrolled	Vetoed	Chaptered

**Summary:** The Vehicle License Fee 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 vehicle license fee revenues in the Motor Vehicle License Fee Account in a specified order, as provided. This bill would make a technical, nonsubstantive change to that provision.

**Position:** None at this time

**Priority:** 3

**Notes:** This is a placeholder bill that is focused on the local VLF allocation. May affect formulas for future annexations and incorporations.

**AB 782(Jeffries) Regional transportation plans: sustainable communities strategies.**

**Last Amend:**

**Status:** 04/22/2009-In committee: Hearing postponed by committee. (Refers to 4/20/2009 hearing)

**Location:** 03/26/2009-A NAT. RES.

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Dead/2YR	1st Desk	1st Policy	1st Fiscal	1st Floor	2nd Desk	2nd Policy	2nd Fiscal	2nd Floor	Conf./Conc.	Enrolled	Vetoed	Chaptered

**Calendar:** 04/27/09 1:30 p.m. - Room 447 ASM NATURAL RESOURCES

**Summary:** Existing law, the California Global Warming Solutions Act of 2006, requires the State Air Resources Board to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions levels of 1990, to be achieved by 2020, as specified. This bill would provide that upon the state board's acceptance that the sustainable communities strategy or an alternative planning strategy, if implemented, will achieve the greenhouse gas emissions reduction targets established by the state board, that acceptance shall be final, and no person or entity may initiate or maintain any judicial proceeding to review the propriety of the state board's acceptance. This bill contains other related provisions and other existing laws.

**Position:** None at this time  
**Priority:** 3

**Notes:** Prevents entities from challenging a sustainable community strategy project once the strategy is approved by local and state agencies.

**ABX3 8(Evans) State and local government.**

**Last Amend:** 02/15/2009

**Status:** 02/15/2009-Read third time. Urgency clause refused adoption. (Ayes 19. Noes 13. Page 52.) Motion to reconsider made by Senator Florez. Reconsideration granted. (Ayes 3

**Location:** 02/15/2009-S THIRD READING

[Redacted]												
Dead/2YR	1st Desk	1st Policy	1st Fiscal	1st Floor	2nd Desk	2nd Policy	2nd Fiscal	2nd Floor	Conf./Conc.	Enrolled	Vetoed	Chaptered

**Calendar:** 04/23/09 12 SEN ASSEMBLY BILLS-THIRD READING FILE

**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, including school districts, the state is required to provide a subvention of funds to reimburse the local government, with specified exceptions. Existing law establishes a procedure for local governmental agencies to file claims for reimbursement of these costs with the Commission on State Mandates. These procedures require the Controller to pay any eligible claim by August 15 or 45 days after the date the appropriation for the claim is effective, whichever is later. This bill would change the date the Controller is required to pay any eligible claim to October 15 or 60 days after the date the appropriation for the claim is effective, whichever date is later. This bill contains other related provisions and other existing laws.

**Position:** None at this time  
**Priority:** 3

**Notes:** Makes changes to the dates and formulas for tax allocations. Will be of interest to those LAFCos conducting fiscal studies for incorporations and annexations.

**SB 406(DeSaulnier) Land use: environmental quality.**

**Last Amend:** 04/13/2009

**Status:** 04/15/2009-From committee: Do pass, but first be re-referred to Com. on RLS. (Ayes 3. Noes 2. Page 498.) Re-referred to Com. on RLS.

**Location:** 04/15/2009-S RLS.

[Redacted]												
Dead/2YR	1st Desk	1st Policy	1st Fiscal	1st Floor	2nd Desk	2nd Policy	2nd Fiscal	2nd Floor	Conf./Conc.	Enrolled	Vetoed	Chaptered

**Summary:** The Planning and Zoning Law establishes the Planning Advisory and Assistance Council in the Office of Planning and Research, and prescribes the membership and duties of the

council. Existing law authorizes the Department of Motor Vehicles to collect a surcharge imposed on vehicle registration fees by ordinance or resolution of a local entity. This bill would change the designated membership, as specified, of the Planning Advisory and Assistance Council and would require that the council work with the Strategic Growth Council , regional agencies, and cities and counties to facilitate the implementation of regional blueprint projects , as specified. The bill would also require the council to report to the Legislature on specified regional performance measures and on the manner in which state agencies are implementing the 5-year infrastructure plan , as specified . The bill would authorize a municipal planning organization , as defined, a council of governments , as defined, or a county transportation commission and a subregional council of governments jointly preparing a subregional sustainable communities strategy to adopt a resolution to impose a surcharge of up to \$2 on motor vehicles registered to an owner with an address in the entity's or entities' jurisdiction that would be collected by the Department of Motor Vehicles and, after deducting its administrative costs, would be transmitted to the entity or entities imposing the surcharge. The bill would require that the surcharge revenue be expended to develop and implement a regional blueprint plan and would specify that 5% of the surcharge revenue be transmitted to the council for performance of its functions. The bill would provide that the council is to perform specified new functions only when the council has received sufficient revenue from this source.

**Position:** None at this time

**Priority:** 3

**Notes:** This bill is sponsored by CALCOG and among other things begins to identify funding sources for SB 375 implementation.