


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

August 3, 2011

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 has considered and adopted positions on several bills. (Please see below.)

Staff will continue to track the bills, in collaboration with CALAFCO, and report back to the Commission.

**BACKGROUND**

**Definitions:**

Appropriations Committee- The committee that considers any bill that has a fiscal cost to implement.

Suspense File- Any bill considered by the Appropriations Committee that has a cost of over \$150,000 is sent to the suspense file where the full cost of all legislative proposals is considered and taken up in one hearing. Authors have the opportunity to work with the Committee on amendments to reduce the costs of their bill.

House of Origin- The deadline when bills must be passed to the next house. In other words, bills introduced in the Assembly (Assembly Bills) must be approved by the full Assembly and passed to the Senate by the house of origin deadline in order to be considered this year.

**LEGISLATION**

**AB 54 (Solorio D) Drinking water.**

Current Text: Amended: 7/11/2011

Introduced: 12/6/2010

Last Amended: 7/11/2011

Status: 7/11/2011-Read second time and amended. Re-referred to Com. on APPR.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

**Calendar:**

8/15/2011 10 a.m. - John L. Burton Hearing Room (4203)

SENATE APPROPRIATIONS, KEHOE, Chair

**Summary:**

Would specify that any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for irrigation purposes, and any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for domestic use that provides in its articles or bylaws that the water shall be sold, distributed, supplied, or delivered only to owners of its shares and that those shares are appurtenant to certain lands shall be known as a mutual water company. This bill contains other related provisions and other current laws.

**Position:** Support

**Subject:** Water

**CALAFCO Comments:** Requires mutual water companies to respond to LAFCo requests for information, requires Mutuals to provide a map of boundaries to LAFCo, adds authority for LAFCo to request MSR data from mutuals and include compliance with safe drinking water standards in MSRs.

**AB 912 (Gordon D) Local government: organization.**

Current Text: Chaptered: 7/25/2011

Introduced: 2/17/2011

Last Amended: 5/27/2011

Status: 7/25/2011-Chaptered by the Secretary of State, Chapter Number 109, Statutes of 2011

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

**Summary:**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires a local agency formation commission, where the commission is considering a change of organization that consists of a dissolution, disincorporation, incorporation, establishment of a subsidiary district, consolidation, or merger, to either order a change of organization subject to confirmation of the voters, as specified, or order the change of organization without an election if the change of organization meets certain requirements. This bill would authorize the commission, where the commission is considering a change of organization that consists of the dissolution of a district that is consistent with a prior action of the commission, to immediately order the dissolution if the dissolution was initiated by the district board, or if the dissolution was initiated by an affected local agency, by the commission, or by petition, hold at least one noticed public hearing on the proposal, and order the dissolution without an election, unless a majority protest exists, as specified.

**Position:** Support

**Subject:** Special District Consolidations, Special District Powers

**CALAFCO Comments:** Allows a commission to dissolve a special district - under specific circumstances - without a vote unless there is a majority protest.

**AB 1430 (Committee on Local Government) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 omnibus bill.**

**Current Text:** Amended: 6/22/2011

**Introduced:** 4/5/2011

**Last Amended:** 6/22/2011

**Status:** 7/1/2011-From consent calendar. Ordered to third reading. Ordered to inactive file at the request of Senator Simitian.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

**Summary:**

Current law defines various terms for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. This bill would revise various definitions within that act, and would make other conforming and technical changes. This bill contains other related provisions and other current laws.

**Position:** Sponsor

**Subject:** CKH General Procedures

**CALAFCO Comments:** CALAFCO Sponsored bill. Makes technical, non-substantive changes to Cortese-Knox-Hertzberg. Includes major definitions update.

**ABX1 36 (Solorio D) Vehicle license fees.**

**Current Text:** Introduced: 7/1/2011

**Introduced:** 7/1/2011

**Status:** 7/5/2011-From printer.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

**Summary:**

Current law, as proposed to be amended by SB 89 of the 2011-12 Regular Session, would require 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, according to a specified order, with moneys allocated on or after July 1, 2004, but before July 1, 2011, first to the County of Orange, next to each city and county meeting specified criteria, and on or after July 1, 2011, 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 for all of those times that a specified portion of those revenues be distributed first to the County of Orange. 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 would become operative only if SB 89 is chaptered, as provided. This bill contains other related provisions and other current laws.

**Position:** Watch

**Subject:** Tax Allocation

**CALAFCO Comments:** This bill is under consideration as a fix to the SB 89 shift of VLF from cities to law enforcement programs. It would unwind the SB 89 transfer of VLF funds that dramatically affect incorporations and inhabited annexations. **Currently only affects Orange county.**

**SB 89 (Committee on Budget and Fiscal Review) Vehicles: vehicle license fee and registration fee.**

**Current Text:** Chaptered: 7/1/2011

**Introduced:** 1/10/2011

**Last Amended:** 6/27/2011

**Status:** 6/30/2011-Chaptered by Secretary of State - Chapter 35, Statutes of 2011.

2 Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

**Summary:**

Would require the Legislature to determine and appropriate annually an amount for the use of the DMV and the FTB for the enforcement of the Vehicle License Fee Law. The bill would deem, for the 2011-12 fiscal year, \$25,000,000 as the cost to the DMV for the collection of the motor vehicle license fee. This bill contains other related provisions and other current laws.

**Position:** Oppose

**Subject:** Annexation Proceedings, Incorporation Proceedings

**CALAFCO Comments:** This budget-related bill redirects VLF from cities to statewide public safety programs. Most impacted are cities formed after 2006 and inhabited annexations after 2006. Will likely result in disincorporations. Significantly this will also make most all future incorporations and inhabited annexations financially impossible. This language was added at the last minutes and voted on by the Members with little knowledge of the content of the bill. No one outside of the Capital was aware of the language until after the bill passed.

**SB 244 (Wolk D) Land use: general plan: disadvantaged unincorporated communities.**

**Current Text:** Amended: 7/1/2011

**Introduced:** 2/10/2011

**Last Amended:** 7/1/2011

**Status:** 7/1/2011-Read second time and amended. Re-referred to Com. on APPR.

2 Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

**Calendar:**

8/17/2011 9 a.m. - State Capitol, Room 4202  
ASSEMBLY APPROPRIATIONS, FUENTES, Chair

**Summary:**

Would require, on or before the next adoption of its housing element, a city or county to review and update the land use element of its general plan to include an analysis of the presence of island, fringe, or legacy unincorporated communities, as defined, and would require the updated general plan to include specified information. This bill would also require the city or county planning agency, after the initial revision and update of the general plan, to review, and if necessary amend, the general plan to update the information, goals, and program of action relating to these communities therein. By adding to the duties of city and county officials, this bill would

impose a state-mandated local program. This bill contains other related provisions and other current laws.

**Position:** None at this time

**Subject:** Disadvantaged Communities

**CALAFCO Comments:** Amended to require LAFCo review of disadvantaged unincorporated communities. It adds a definition for disadvantaged unincorporated communities, requires LAFCo to review water, sewer and fore services to the communities in the next SOI update, places more emphasis on LAFCo recommendations on reorganizations for efficient and effective services, requires LAFCo to identify service deficiencies to these communities in MSR, and specifically requires LAFCo to assess alternatives for efficient and affordable infrastructure and services, including consolidations, in MSR. Bill requires LAFCo to look at communities "in or adjacent to the sphere of influence."

**AB 46 (John A. Pérez D) Local government: cities.**

**Current Text:** Amended: 6/28/2011

**Introduced:** 12/6/2010

**Last Amended:** 6/28/2011

**Status:** 6/28/2011-Read second time and amended. Ordered to third reading.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

**Summary:**

Would provide that every city with a population of less than 150 people as of January 1, 2010, would be disincorporated into that city's respective county as of 91 days after the effective date of the bill, unless a county board of supervisors determines, by majority vote within the 90-day period following enactment of these provisions, that continuing such a city within that county's boundaries would serve a public purpose if the board of supervisors determines that the city is in an isolated rural location that makes it impractical for the residents of the community to organize in another form of local governance. The bill would also require the local agency formation commission within the county to oversee the terms and conditions of the disincorporation of the city, as specified. This bill contains other related provisions.

**Position:** None at this time

**Subject:** Disincorporation/dissolution

**CALAFCO Comments:** As written this bill applies only to Vernon, California. It bypasses much of the C-K-H disincorporation process, leaving LAFCo only the responsibility of assigning assets and liabilities following disincorporation.

**AB 119 (Committee on Budget) State government.**

**Current Text:** Chaptered: 6/29/2011

**Introduced:** 1/10/2011

**Last Amended:** 6/8/2011

**Status:** 6/29/2011-Chaptered by the Secretary of State, Chapter Number 31, Statutes of 2011

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
2A	1st House				2nd House				Conc.			

**Summary:**

Would delete the requirement that the California Victim Compensation and Government Claims Board provide notice to the chairpersons of the

committees in each house of the Legislature that consider appropriations and the annual budget act, and the chairperson of the Joint Legislative Budget Committee, prior to allowing either the use of a current year appropriation to pay claims for prior year costs of \$500,000 or more, or claims from a single provider of goods or services with respect to a single department that exceed \$500,000 within one year. This bill contains other related provisions and other current laws.

**Position:** None at this time

**Subject:** Service Reviews/Spheres, Special District Principle Acts

**CALAFCO Comments:** Language has been added to this budget bill which changes the requirement for special districts to respond to SOI requests for information from a state mandate to a local requirement. This change would eliminate the state requirement to reimburse special districts for the costs of responding to a LAFCo request. It is not anticipated to have any actual change in process.

**AB 187 (Lara D) State Auditor: audits: high-risk local government agency audit program.**

**Current Text:** Amended: 6/22/2011

**Introduced:** 1/25/2011

**Last Amended:** 6/22/2011

**Status:** 7/11/2011-In committee: Placed on APPR. suspense file.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

**Summary:**

Would authorize the State Auditor to establish a high-risk local government agency audit program to identify, audit, and issue reports on any local government agency, including any city, county, or special district, or any publicly created entity that the State Auditor identifies as being at high risk for the potential of waste, fraud, abuse, or mismanagement or that has major challenges associated with its economy, efficiency, or effectiveness. The bill would also authorize the State Auditor to consult with the Controller, Attorney General, and other state agencies in identifying local government agencies that are at high risk.

**Position:** None at this time

**Subject:** Financial Viability of Agencies, Service Reviews/Spheres

**CALAFCO Comments:** Would allow the State Auditor to audit and issue reports on any local agency it identifies at being at high risk for waste, fraud, abuse or mismanagement.

**AB 307 (Nestande R) Joint powers agreements: public agency: federally recognized Indian tribe.**

**Current Text:** Amended: 6/22/2011

**Introduced:** 2/9/2011

**Last Amended:** 6/22/2011

**Status:** 7/14/2011-In Assembly. Concurrence in Senate amendments pending. May be considered on or after August 12 pursuant to Assembly Rule 77.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

**Summary:**

Current law authorizes 2 or more public agencies, as defined, to enter into an agreement to exercise common powers. Current law also permits certain federally recognized Indian tribes to enter into joint powers agreements with particular parties and for limited purposes. This bill would include a federally recognized Indian tribe as a public agency that may enter into a joint powers agreement. This bill would also make conforming changes by conforming related code sections. This bill contains other related provisions.

**Position:** Watch

**Subject:** Municipal Services

**CALAFCO Comments:** Would allow any federally recognized Indian tribe to act as a public agency to participate in any Joint Powers Authority. Significantly expands current law on Indian tribe participation in a JPA. NOTE: There is a LAFCo question on whether this would allow a tribe to enter into a JPA with a city and district and circumvent the LAFCo process for delivery of municipal services. Counsel is currently evaluating this potential and the options for LAFCo.

**AB 781 (John A. Pérez D) Local government: counties: unincorporated areas.**

**Current Text:** Amended: 7/12/2011

**Introduced:** 2/17/2011

**Last Amended:** 7/12/2011

**Status:** 7/15/2011-Measure version as amended on July 12 corrected.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House			2nd House			Conc.					

**Calendar:**

8/15/2011 10 a.m. - John L. Burton Hearing Room (4203)  
SENATE APPROPRIATIONS, KEHOE, Chair

**Summary:**

Would create a community services district in the unincorporated area of a county if that unincorporated area of the county was previously a city that was disincorporated by statute and had, immediately prior to disincorporation, provided fire protection, water, telecommunications, gas, or electric utility services, or maintained streets or roads. The district would continue to provide those services within the territory in which the disincorporated city provided those services, and would be a successor in interest as to any contract entered into by the disincorporated city with respect to the provision of those services. The bill would, for a one-year period, limit the authority of the community services district to increase gas or electric utility rates within that territory. This bill contains other related provisions and other current laws.

**Position:** Watch

**Subject:** Disincorporation/dissolution, Special District Principle Acts

**CALAFCO Comments:** This bill was gutted and amended on 20 June to create a CSD in any unincorporated area that was previously a city and was disincorporated by the legislature. It is specifically targeted at Vernon. It also contains language directing LAFCo on the terms and conditions of the disincorporation.

**AB 1265 (Nielsen R) Local government: Williamson Act.**

**Current Text:** Chaptered: 7/15/2011

**Introduced:** 2/18/2011

**Last Amended:** 6/30/2011

**Status:** 7/15/2011-Chaptered by the Secretary of State, Chapter Number 90, Statutes of 2011

Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
	1st House				2nd House				Conc.			

**Summary:**

Current law, the Williamson Act, authorizes a city or county to enter into 10-year contracts with owners of land devoted to agricultural use, whereby the owners agree to continue using the property for that purpose, and the city or county agrees to value the land accordingly for purposes of property taxation. Current law sets forth procedures for reimbursing cities and counties for property tax revenues not received as a result of these contracts. This bill would, beginning January 1, 2011, and until January 1, 2016, authorize a county, in any fiscal year in which payments authorized for reimbursement to a county for lost revenue are less than 1/2 of the participating county's actual foregone general fund property tax revenue, to revise the term for newly renewed and new contracts and require the assessor to value the property, as specified, based on the revised contract term. The bill would provide that a landowner may choose to nonrenew and begin the cancellation process. The bill would also provide that any increased revenues generated by properties under a new contract shall be paid to the county. This bill contains other related provisions.

**Position:** Support

**Subject:** Ag Preservation - Williamson

**CALAFCO Comments:** Creates an interim solution to the loss of state subventions for Williamson Act lands by giving counties and alternative landowner-funding approach.

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

**Current Text:** Introduced: 2/15/2011

**Introduced:** 2/15/2011

**Status:** 4/14/2011-Referred to Com. on L. GOV.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

**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

Status: 6/6/2011-Read second time. Ordered to third reading.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

**Summary:**

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.

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.

**SB 436 (Kehoe D) Land use: mitigation lands: nonprofit organizations.**

Current Text: Amended: 7/13/2011

Introduced: 2/16/2011

Last Amended: 7/13/2011

Status: 7/13/2011-Read second time and amended. Re-referred to Com. on APPR.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

**Calendar:**

8/17/2011 9 a.m. - State Capitol, Room 4202  
ASSEMBLY APPROPRIATIONS, FUENTES, Chair

**Summary:**

The Planning and Zoning Law authorizes a state or local public agency, if the agency requires a property owner to transfer to the agency an interest in real property to mitigate an adverse impact upon natural resources caused by permitting the development of a project or facility, to authorize a nonprofit organization to hold title to and manage that interest in real property, provided that the nonprofit organization meets specified requirements. This bill would revise these provisions and would, until January 1, 2022, authorize a state or local public agency to provide funds to a nonprofit organization to acquire land or easements that satisfy the agency's mitigation obligations, including funds that have been set aside for the long-term management of any lands or easements conveyed to a nonprofit organization, as specified. This bill would require a nonprofit organization that holds funds on behalf of the Department of Fish and Game for the long-term management of land to comply with certain requirements, including certification by the department, and oversight by the Controller under specified circumstances. The bill would also state the findings and declarations of the Legislature with respect to the preservation of natural resources through mitigation, and would state that it is in the best interest of the public to allow state and local public agencies and nonprofit organizations to utilize the tools and strategies they need for

improving the effectiveness, cost efficiency, and durability of mitigation for California's natural resources.

**Position:** Support

**Subject:** Ag/Open Space Protection

**CALAFCO Comments:** Would allow a local agency to provide funds to a non profit to acquire land or easements to satisfy an agency's mitigation requirements. May be an important tool for LAFCo in agricultural and open space preservation.

**SB 668 (Evans D) Local government: Williamson Act.**

**Current Text:** Amended: 6/22/2011

**Introduced:** 2/18/2011

**Last Amended:** 6/22/2011

**Status:** 7/7/2011-In Senate. Concurrence in Assembly amendments pending.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

**Summary:**

Would, until January 1, 2016, authorize a nonprofit land-trust organization, a nonprofit entity, or a public agency to enter into a contract with a landowner who has also entered into a Williamson Act contract, upon approval of the city or county that holds the Williamson Act contract, to keep that landowner's land in contract under the Williamson Act, for a period of up to 10 years in exchange for the open-space district's, land-trust organization's, or nonprofit entity's payment of all or a portion of the foregone property tax revenue to the county, where the state has failed to reimburse, or reduced the subvention to, the city or county for property tax revenues not received as a result of Williamson Act contracts.

**Position:** None at this time

**Subject:** Ag Preservation - Williamson

**CALAFCO Comments:** Would allow an open space district, land trust or non profit to contract with a Williamson Act landowner to keep land in Williamson Act in exchange for paying all or a portion of the foregone property tax to the county if the state has failed to provide subventions.

**AB 506 (Wieckowski D) Local government: bankruptcy: neutral evaluation.**

**Current Text:** Amended: 7/12/2011

**Introduced:** 2/15/2011

**Last Amended:** 7/12/2011

**Status:** 7/12/2011-Read second time and amended. Re-referred to Com. on RLS.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

**Summary:**

Under current 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 express the intent of the Legislature to enact legislation that would provide an alternative dispute resolution procedures that cities, counties, and special districts may use before they seek financial relief through the provisions of Chapter 9 of the federal Bankruptcy Code.

**Position:** Watch

**Subject:** Financial Viability of Agencies

**CALAFCO Comments:** This bill creates a complex "neutral evaluator" process which a local agency must follow prior to being able to file Chapter 9 bankruptcy.

**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.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

**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.

**SB 27 (Simitian D) Public retirement: final compensation: computation: retirees.**

**Current Text:** Amended: 7/7/2011

**Introduced:** 12/6/2010

**Last Amended:** 7/7/2011

**Status:** 7/7/2011-Read second time and amended. Re-referred to Com. on APPR.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

**Calendar:**

8/17/2011 9 a.m. - State Capitol, Room 4202

ASSEMBLY APPROPRIATIONS, FUENTES, Chair

**Summary:**

The State Teachers' Retirement Law (STRL) establishes the Defined Benefit Program of the State Teachers' Retirement System, which provides a defined benefit to members of the system based on final compensation, credited service, and age at retirement, subject to certain variations. STRL also establishes the Defined Benefit Supplement Program, which provides supplemental retirement, disability, and other benefits, payable either in a lump-sum payment, an annuity, or both to members of the State Teachers' Retirement Plan. STRL defines creditable compensation for these purposes as remuneration that is payable in cash to all persons in the same class of employees, as specified, for performing creditable service. This bill would revise the definition of creditable compensation for these purposes and would identify certain payments, reimbursements, and compensation that are creditable compensation to be applied to the Defined Benefit Supplement Program. The bill would prohibit one employee from being considered a class. The bill would revise the definition of compensation with respect to the

Defined Benefit Supplemental Program to include remuneration earnable within a 5-year period, which includes the last year in which the member's final compensation is determined, when it is in excess of 125% of that member's compensation earnable in the year prior to that 5-year period, as specified. The bill would prohibit a member who retires on or after January 1, 2013, who elects to receive his or her retirement benefit under the Defined Benefit Supplemental Program as a lump-sum payment from receiving that sum until 180 days have elapsed following the effective date of the member's retirement. This bill contains other related provisions and other current laws.

**Position:** None at this time

**Subject:** LAFCo Administration

**CALAFCO Comments:**

**SB 235 (Negrete McLeod D) Water conservation districts: reduction in number of directors.**

**Current Text:** Chaptered: 7/25/2011

**Introduced:** 2/9/2011

**Last Amended:** 6/9/2011

**Status:** 7/25/2011-Chaptered by the Secretary of State, Chapter Number 122, Statutes of 2011

Year	Desk	Policy	Legal	Finance	Deer	Public	Flora	Floor	Cont	Enrolled	Vote	Chaptered
									Cont			

**Summary:**

The Water Conservation District Law of 1931 generally governs the formation of water conservation districts and specifies the powers and purposes of those districts. This bill would authorize a water conservation district with a board of directors consisting of 7 directors, to reduce the number of directors to 5, consistent with specified requirements. The bill would not apply to districts within the County of Ventura.

**Position:** None at this time

**Subject:** Special District Principle Acts

**CALAFCO Comments:** Allows specified water districts to reorganize their board of directors to reduce the number of directors, by action of the Board.

**SB 288 (Negrete McLeod D) Local government: independent special districts.**

**Current Text:** Chaptered: 7/8/2011

**Introduced:** 2/14/2011

**Last Amended:** 3/29/2011

**Status:** 7/8/2011-Chaptered by Secretary of State - Chapter 66, Statutes of 2011.

Year	Desk	Policy	Legal	Finance	Deer	Public	Flora	Floor	Cont	Enrolled	Vote	Chaptered
									Cont			

**Summary:**

Current law authorizes the governing board of a special district, by resolution, to provide for the establishment of a revolving fund, in an amount not to exceed \$1,000, to be used to make change and pay small bills directly, and requires the resolution establishing the fund to make specified designations relating to the purposes for which the fund may be expended, the district officer with authority and responsibility over the fund, the necessity for the fund, and the maximum amount of the fund. This bill would additionally authorize the governing board of an independent special district, as defined, to provide, by resolution, for the establishment of a revolving fund in an amount not to exceed 110% of 1/12 of the independent special district's

adopted budget for that fiscal year, and would require the resolution establishing the fund to make specified designations relating to the purposes for which the fund may be expended, the district officer with authority and responsibility over the fund, the necessity for the fund, and the maximum amount of the fund. This bill contains other current laws.

**Position:** None at this time

**Subject:** Special District Powers, Special District Principle Acts

**CALAFCO Comments:** Allows special districts as defined by C-K-H to set up special revolving funds.

**SB 618 (Wolk D) Local government: solar-use easement.**

**Current Text:** Amended: 7/6/2011

**Introduced:** 2/18/2011

**Last Amended:** 7/6/2011

**Status:** 7/6/2011-Read second time and amended. Re-referred to Com. on APPR.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

**Calendar:**

8/17/2011 9 a.m. - State Capitol, Room 4202  
ASSEMBLY APPROPRIATIONS, FUENTES, Chair

**Summary:**

Would authorize the parties to a Williamson Act contract to mutually agree to rescind the contract in order to simultaneously enter into a solar-use easement that would require that the land be used for solar photovoltaic facilities for a term no less than 10 years. This bill would require a county or city to include certain, and authorizes a county or city to include other, restrictions, conditions, or covenants in the deed or instrument granting a solar-use easement. This bill would provide that a solar-use easement would be automatically renewed annually, unless either party filed a notice of nonrenewal. This bill would provide that a solar-use easement may only be extinguished on all or a portion of the parcel by nonrenewal, termination, or by returning the land to its previous contract under the Williamson Act. This bill would require that if the landowner extinguishes the contract either by filing a notice of nonrenewal or by terminating the solar-use easement, the landowner shall restore the property to the conditions that existed before the easement by the time the easement terminates. This bill would authorize a landowner to terminate a solar-use easement by complying with certain procedures, and paying a termination fee based upon the termination value of the property, as determined by the county assessor. This bill would provide that specified parties may bring an action to enforce the easement if it is violated. This bill contains other related provisions and other current laws.

**Position:** None at this time

**Subject:** Ag Preservation - Williamson

**CALAFCO Comments:** Allows renewable energy generation (wind, solar farms) as an acceptable use for Williamson Act lands.

**SB 878 (DeSaulnier D) Regional planning: Bay Area.**

**Current Text:** Amended: 6/9/2011

**Introduced:** 2/18/2011

**Last Amended:** 6/9/2011

**Status:** 6/9/2011-From committee with author's amendments. Read second time and amended. Re-referred to Com. on T. & H.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				Conc.			

**Summary:**

Would require the joint policy committee to submit a report to the Legislature by January 31, 2013, on, among other things, methods and strategies for developing and implementing a multiagency set of policies and guidelines relative to the Bay Area region's sustainable communities strategy, including recommendations on organizational reforms for the regional agencies. The bill would require preparation of a work plan for a regional economic development strategy to be submitted to the Legislature on that date. The bill would also require the member agencies to report on public outreach efforts that they individually or jointly perform. The bill would require public meetings in each of the region's 9 counties and creation of advisory committees, as specified. By imposing new duties on local agencies, the bill would impose a state-mandated local program. This bill contains other related provisions and other current laws.

**Position:** None at this time

**Subject:** Sustainable Community Plans

**CALAFCO Comments:** Provides legislative direction to the Bay Area counties on development of their sustainable communities strategy and requires the "joint committee" to report back to the Legislature by 1 January 2013.

2011

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Deputy Executive Officer

29 March 2011

Senator Lois Wolk  
California State Senate  
State Capitol Room 4032  
Sacramento, CA 95814

RE: SB 244 - Letter of Concern

Dear Senator Wolk:

The California Association of Local Agency Formation Commissions (CALAFCO) has been following the amendments to your bill, SB 244. Local Agency Formation Commissions are aware of and concerned about disparity of local public services, especially for residents and properties located within disadvantaged unincorporated communities. All Californians deserve adequate and safe water, modern sewage disposal and other essential public services. CALAFCO supports your efforts to address these problems which persist in many counties.

The LAFCo-related provisions of SB 244 attempt to begin addressing this problem by requiring LAFCos to include disadvantaged unincorporated communities in their sphere of influence updates and reviews of municipal services. Our review of the amended legislation raises several concerns we hope we can work with you to address.

Of primary concern is that the outcome of this legislation, while producing studies in each county over time, does not result in any changes to community services or facilities. Further, a LAFCo on its own has little authority or ability to implement any of the recommendations that may come from the studies required by this legislation. Specific concerns include:

1. **Creates a Significant Unfunded Mandate to LAFCo and Local Agencies.** The studies, analysis and preparation of recommendations that would be required imposes an unfunded mandate on all LAFCos. By law LAFCo is forced to pass those costs on to cities, counties - and in 29 counties - special districts which fund the commissions. In these severe economic times for local agencies this is a difficult proposition. LAFCos have no other revenue source to fund the required studies. With limited staff, many of these studies will require outside consultants at an added cost.
2. **Studies Outside of a Sphere.** The legislation would require LAFCos for the first time to study territory outside of an agency sphere. This is a significant new requirement and costly study process. The term "adjacent" is undefined and since these communities have no boundary it is impossible to know what constitutes "adjacent."

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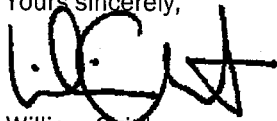
3. **Removes LAFCo Discretion.** The amendments remove current LAFCo discretion to determine the existence of social or economic communities of interest.
4. **Changes Governmental Reorganization Recommendations from May to Shall.** The amended language requires LAFCo to assess governmental reorganizations in all sphere of influence determinations, rather than allowing commission discretion. This will add costly, time consuming and often wasted studies to every sphere review. Current law allows LAFCo to determine those cases where a reorganization study may be appropriate to further the goals of orderly development as well as efficient and affordable service delivery. To require it in all cases creates costly, unnecessary studies.

CALAFCO remains committed to help find solutions to the disparities in service delivery to disadvantaged communities. We recognize, however, that simply changing the boundaries or spheres of local agencies does little to ensure adequate services are actually delivered. A major obstacle remains the infrastructure and operational funding for these services. While some stakeholders are considering funding alternatives, CALAFCO has been looking at alternatives to changing boundaries and spheres where annexations may not be practical or appropriate.

Most recently CALAFCO has made progress on drafting potential legislation that would give LAFCo more authority to authorize service extensions to underserved communities outside an existing agency boundary or sphere. Current law requires local agencies to obtain LAFCo approval to extend services, yet severely limits the circumstances under which LAFCo can approve an extension. In many cases we believe service extensions may have a far greater likelihood to result in services to disadvantaged communities rather than city or district boundary or sphere changes. After several years of work amongst our members, we are very close to having agreement on language to consider for legislation and would welcome the opportunity to discuss this concept with you.

Again, we appreciate your willingness to engage CALAFCO in the process and work to address our concerns. We look forward to continue working with you on addressing the service deficiencies to disadvantaged communities.

Yours sincerely,



William Crut  
Executive Director



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30 June 2011

Governor Edmund G. Brown, Jr.  
State of California  
State Capitol Building  
Sacramento, CA 95814

Via Fax: (916) 558-3177

**RE: Request For Veto: SB 89 – Diversion of City VLF Revenue**

Dear Governor Brown:

On behalf of the California Association of Local Agency Formation Commissions I respectfully request a VETO of SB 89, one of the budget-related bills.

SB 89 came into print late in the day on 28 June 2011 and was rushed through the process with little discussion. It contains a provision that would sweep approximately \$130 million of city general fund revenues from the current vehicle license fee formula to a special law enforcement account beginning July 1, 2011.

This is of particular concern to Local Agency Formation Commissions with respect to inhabited annexations to cities, incorporation of new cities, and new cities that were incorporated in the last few years. The financial viability of new cities and city annexations relies on these VLF funds. This bill removes this critical funding source and reverses a crucial bill signed into law in 2006 (AB 1602-Laird) that restored VLF funding for incorporations and annexations of inhabited areas that was removed as part of the VLF-property tax swap enacted in the 2004-05 budget agreement. The loss of the funding in SB 89 will surely halt annexations of inhabited territory to cities and most all future city incorporations. Of even greater concern is that any city incorporation since 2007 (there are four – all in Riverside County) will suffer a major financial blow along with any city which annexed inhabited territory since 2007.

By virtually eliminating the option of a fiscally viable cityhood or annexation to local communities SB 89 takes an important tool away from LAFCo, and – more importantly – a governance structure away from residents of unincorporated territory in California.

The lack of legislative transparency to rush this measure through with no opportunity for public input is an embarrassment to the state.

For these reasons the California Association of Local Agency Formation Commission respectfully requests your veto of SB 89

Yours Sincerely,



William Chiat  
Executive Director

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Sacramento, CA 95814

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Fax 916-442-6535

[www.calafco.org](http://www.calafco.org)

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21 June 2011

The Honorable Christine Kehoe  
California State Senate  
State Capitol, Rm 5050  
Sacramento, CA 95814

RE: SB 436 (Kehoe) - Mitigation Lands: SUPPORT

Dear Senator Kehoe:

On behalf of the California Association of Local Agency Formation Commissions, I write to express our support for your bill, SB 436. This bill would allow a local agency to provide funds to a non-profit to acquire and manage lands that satisfy an agency's mitigation obligations.

Since 1963 Local Agency Formation Commissions (LAFCo) have worked within each county to meet its legislative mandate of balancing growth and development with discouraging sprawl and protecting California's important agricultural and open space lands. A number of LAFCos have adopted policies which require mitigation for open space or agricultural lands that are to be annexed to a city or special district. This legislation would provide LAFCos and local agencies with an effective tool to reduce sprawl and protect agricultural and open space lands. The amendments to the legislation requiring the nonprofit to meet certain qualification and local reporting requirements, as well as the "fail to perform" provision, address our concerns regarding the viability of this approach and past problems we have observed.

Because SB 436 provides an important tool for LAFCos and local agencies, and enhances LAFCo ability to meet our legislative mandate to preserve open space and agricultural lands, we are in support of this legislation and urge the Assembly policy committees for an "Aye" vote.

Yours sincerely,



William Chiat,  
Executive Director

c: Chair Smyth and Members, Assembly Local Government Committee  
Chair Chesbro and Members, Assembly Natural Resources Committee  
Debbie Michael, Consultant, Assembly Local Government Committee  
Mario Debernardo, Consultant, Assembly Natural Resources Committee  
William Weber, Consultant, Assembly Republican Caucus  
John Kennedy, Consultant, Assembly Republican Caucus

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