

**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**  
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February 2, 2011

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer *PB*

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.

Of note to your Commission, the Legislature has reconfigured some key LAFCo related committees.

There is a newly established Senate Governance and Finance Committee, to be chaired by Sen. Lois Wolk (Davis.) The G&F Comm. was formed by combining the Senate Revenue and Taxation Committee with the Senate Local Government Committee. In addition to the traditional work of the two committees, it will hear the Governor's proposal to restructure state and local responsibilities as well as other restructuring and budget reform measures.

Historically, the majority of LAFCo related legislation has come out of the former Senate Local Government Committee.

**CALAFCO Bills By Priority**

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

**Introduced:** 12/6/2010

**Status:** 12/7/2010-From printer. May be heard in committee January 6.

**Location:** 12/6/2010-A. PRINT

**Summary:** Would allow the department to issue a letter of no prejudice, as defined, to a public water

system that is a lead applicant for a project that may be funded by the Safe Drinking Water Revolving Fund and would make expenditures related to the project reimbursable in specified circumstances. This bill contains other related provisions and other existing laws.

**Subject**

Water

**CALAFCO Comments:** Adds authority to LAFCo for reorganization of mutual water companies, and include in MSRs whether drinking water sources comply with safe drinking water standards.

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

**Introduced:** 12/6/2010

**Status:** 12/7/2010-From printer. May be heard in committee January 6.

**Location:** 12/6/2010-A. PRINT

**Summary:** Would provide that every city with a population of less than 150 people as of January 1, 2010, would be disincorporated into those cities' respective counties as of 90 days after the effective date of the bill, unless a county board of supervisors determines, by majority vote within that 90-day period, that continuing such a city within that county's boundaries would serve a public purpose because the location of the city, in a rural or isolated location, makes it impractical for the residents of the community to organize in another forum of local governance.

**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.

**SB 46 (Correa D) Local government: compensation disclosure.**

**Introduced:** 12/9/2010

**Status:** 1/3/2011-Read first time.

**Location:** 12/9/2010-S. PRINT

**Summary:** Would require filers, as defined, to annually file a compensation disclosure form, as specified. This bill would require the Secretary of State to develop the form, which would provide for the disclosure of, among other things, salaries and stipends, automobile and equipment allowances, and incentive and bonus payments. This bill would also require a county, city, city and county, school district, special district, or joint powers agency that maintains an Internet Web site to post the information contained on the filed form on that Internet Web site, as specified. The bill would authorize a district attorney or any interested person to commence an action by mandamus to enforce the provisions of the bill, as specified. The duties imposed on local departmental agencies by the bill would create a state-mandated local program. This bill contains other related provisions and other existing laws.

**Subject**

LAFCo

Administration

**CALAFCO Comments:** Similar to a 2010 bill, this would require all those who file a Form 700 to also file a compensation disclosure report.

**AB 83 (Jeffries R) Environment: CEQA exemption: recycled water pipeline.**

**Introduced:** 1/5/2011

**Status:** 1/6/2011-From printer. May be heard in committee February 5.

**Location:** 1/5/2011-A. PRINT

**Summary:** Would additionally exempt a project for the installation of a new pipeline, not exceeding a specified length, for the distribution of recycled water within an improved public street, highway, or right-of-way. Because a lead agency, which may include a local agency, is required to determine whether a project qualifies for those exemptions, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

**Subject**

CEQA

**CALAFCO Comments:** Exempts recycled water pipelines from CEQA in certain circumstances.

**AB 148 (Smyth R) Local government: ethics training: disclosure.**

**Introduced:** 1/14/2011

**Status:** 1/18/2011-From printer. May be heard in committee February 17.

**Location:** 1/14/2011-A. PRINT

**Summary:** Would additionally define the term ethics laws to include compensation setting guidelines as established by specified organizations. This bill contains other related provisions and other existing laws.

**Subject**

Financial

Disclosure

Requirements,

LAFCo

Administration

**CALAFCO Comments:** Would add compensation setting guidelines to the ethics training requirements for officials.

**AB 162 (Smyth R) Local government: financial reports.**

**Introduced:** 1/19/2011

**Status:** 1/19/2011-Read first time. To print.

**Location:** 1/19/2011-A. PRINT

**Summary:** Would additionally require that, if an audit of a local agency reveals certain financial irregularities, the findings be sent separately to the Controller immediately after the audit has been concluded. By increasing the duties of local officials, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

**Subject**

Financial

Viability of

Agencies

**CALAFCO Comments:** Requires disclosure to the State Controller of a variety of irregularities discovered in a local agency annual audit. May have some implications for MSR updates.

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

**Introduced:** 12/6/2010

**Status:** 12/7/2010-From printer. May be acted upon on or after January 6.

**Location:** 12/6/2010-S. PRINT

**Summary:** Would provide that any change in salary, compensation, or remuneration principally for the purpose of enhancing a member's benefits would not be included in the calculation of a

member's final compensation for purposes of determining that member's defined benefit. The bill would generally require the board of each state and local public retirement system to establish, by regulation, accountability provisions that would include an ongoing audit process to ensure that a change in a member's salary, compensation, or remuneration is not made principally for the purpose of enhancing a member's retirement benefits. This bill would revise the definition of "creditable compensation" and would limit the calculation of a member's final compensation to an amount not to exceed the average increase in compensation received within the final compensation period and the 2 preceding years by employees in the same or a related group as that member. This bill would also provide that a person who retires on or after January 1, 2013, may not perform services for any employer covered by a state or local retirement system until that person has been separated from service for a period of at least 180 days. This bill would provide for the implementation of these required changes under the laws that govern PERS and STRL. This bill contains other related provisions and other existing laws.

**Subject**

LAFCo

Administration

**CALAFCO Comments:**

**SB 31 (Correa D) Local government: lobbyist registration.**

**Introduced:** 12/6/2010

**Status:** 12/7/2010-From printer. May be acted upon on or after January 6.

**Location:** 12/6/2010-S. PRINT

**Summary:** Would state the intent of the Legislature to enact legislation that will require each local government to create a lobbyist registration program as a condition of the local government being eligible to apply for any discretionary grant from any state agency or department.

**Subject**

LAFCo

Administration

**CALAFCO Comments:** Likely not to affect LAFCos as they rarely apply for state grants, but watching anyway.

**SB 63 (Price D) Environmental Sustainability of Local Communities.**

**Introduced:** 1/5/2011

**Status:** 1/6/2011-From printer. May be acted upon on or after February 5.

**Location:** 1/5/2011-S. PRINT