

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
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May 4, 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.

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

Current Text: Amended: 4/14/2011 [pdf](#) [html](#)

Introduced: 12/6/2010

Last Amended: 4/14/2011

Status: 4/25/2011-Re-referred to Com. on E.S. & T.M.

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

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 shall be known as a mutual water company. This bill contains other related provisions and other current laws.

Attachments:

[CALAFCO Support Letter](#)

Position: None at this time

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: Introduced: 2/17/2011 [pdf](#) [html](#)

Introduced: 2/17/2011

Status: 3/14/2011-Referred to Com. on L. GOV.

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

Calendar:

5/11/2011 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, SMYTH, Chair

Summary:

Would authorize the commission, where the commission is considering a change of organization that consists of the dissolution of a district with zero sphere of influence, to immediately order the dissolution if the dissolution was initiated by the district board, or to, within 30 days following the approval of the application by the commission, 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: None at this time

Subject: Special District Consolidations, Special District Powers

CALAFCO Comments: Allows a commission to immediately dissolve a special district with a zero SOI or to dissolve a districts after a public hearing and the lack of a majority protest.

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

Current Text: Introduced: 4/5/2011 [pdf](#) [html](#)

Introduced: 4/5/2011

Status: 4/11/2011-Referred to Com. on L. GOV.

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

Calendar:

5/11/2011 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, SMYTH, Chair

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.

Position: Support

Subject: CKH General Procedures

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

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

Current Text: Amended: 4/25/2011 [pdf](#) [html](#)

Introduced: 2/10/2011

Last Amended: 4/25/2011

Status: 4/25/2011-From committee with author's amendments. Read second time and amended. Re-referred to Com. on GOV. & F.

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

Calendar:

4/27/2011 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, WOLK, Chair

Summary:

Would require, upon the next revision of its housing element, and each revision thereafter, a city or county to review and update one or more elements of its general plan, as necessary to address the presence of island, fringe, or legacy unincorporated communities, as defined, inside or near its boundaries, 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. (2) The Cortese-Knox-Hertzberg Act of 2000 requires a local agency formation commission to develop and determine the sphere of influence of each local governmental agency within the county and to enact policies designed to promote the logical and orderly development of areas within the sphere, and requires the commission, in preparing and updating spheres of influence to conduct a service review of the municipal services provided in the county or other area designated by the commission, and to prepare a written statement of its determinations with respect to the growth and population projections for the affected area, the present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies, financial ability of agencies to provide services, status of, and opportunities for, shared facilities, accountability for community service needs, including governmental structure, and operational efficiencies, as specified. This bill contains other related provisions and other current laws.

Attachments:

[CALAFCO Letter of Concern - 29 March 2011](#)

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's, and specifically requires LAFCo to assess alternatives for efficient and affordable infrastructure and services, including consolidations, in MSR's. 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: 4/4/2011 [pdf](#) [html](#)

Introduced: 12/6/2010

Last Amended: 4/4/2011

Status: 4/25/2011-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							

Calendar:

4/28/2011 #74 ASSEMBLY ASSEMBLY THIRD READING FILE

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.

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

Current Text: Introduced: 1/25/2011 [pdf](#) [html](#)

Introduced: 1/25/2011

Status: 3/31/2011-Referred to Com. on A. & A.R.

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

Calendar:

4/27/2011 9 a.m. - State Capitol, Room 437
ASSEMBLY ACCOUNTABILITY AND ADMINISTRATIVE REVIEW SPECIAL ORDER, DICKINSON, Chair

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 State 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 555 (Norby R) Local agency formation.

Current Text: Introduced: 2/16/2011 [pdf](#) [html](#)

Introduced: 2/16/2011

Status: 2/17/2011-From printer. May be heard in committee March 19.

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

Summary:

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. This bill would make technical, nonsubstantive changes to the act.

Position: None at this time

Subject:

CALAFCO Comments: Placeholder bill, currently targeted to C-K-H.

AB 781 (John A. Pérez D) Preservation of lands: open-space subventions.

Current Text: Amended: 3/23/2011 [pdf](#) [html](#)

Introduced: 2/17/2011

Last Amended: 3/23/2011

Status: 4/6/2011-In committee: Set, first hearing. Hearing canceled at the request of author.

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

Calendar:

4/27/2011 1:30 p.m. - State Capitol, Room 126
ASSEMBLY AGRICULTURE, GALGIANI, Chair

Summary:

Would authorize a city, county, or city and county to accept contributions from public and private entities to offset a reduction in state subvention payments, as specified.

Position: None at this time

Subject: Ag Preservation - Williamson

CALAFCO Comments: Allows a city or county to accept private contributions to offset reductions in Williamson Act funding.

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

Current Text: Amended: 4/4/2011 [pdf](#) [html](#)

Introduced: 2/18/2011

Last Amended: 4/4/2011

Status: 4/5/2011-Re-referred to Com. on L. GOV.

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

Calendar:

5/4/2011 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL
GOVERNMENT, SMYTH, Chair

Summary:

Would beginning January 1, 2012, and until January 1, 2015, 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.

Attachments:

[CALAFCO Support Letter](#)

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 [pdf](#) [html](#)

Introduced: 2/15/2011

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

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

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 change an individual or applicant for the cost of providing the mandated service. Would likely exempt some mandates to LAFCo from state funding.

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

Current Text: Amended: 3/23/2011 [pdf](#) [html](#)

Introduced: 12/6/2010

Last Amended: 3/23/2011

Status: 3/31/2011-Re-referred to Com. on E. & C.A.

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

Summary:

Would enact a comprehensive scheme to regulate lobbying entities, as defined, that lobby local government agencies, including requirements to register and make periodic reports regarding certain lobbying activities. The bill would require each local government agency to create a commission to implement and enforce the provisions of the bill. By requiring local

government agencies to implement a new program, the bill would impose a state-mandated local program. This bill contains other related provisions and other current laws.

Position: Watch

Subject: LAFCo Administration

CALAFCO Comments: Would require any "local government agency" to establish a commission to regulate lobbyists and lobbying activities of that agency and prepare periodic reports. Would appear to include LAFCo, although "local government agency" is not defined. In some ways similar to the recent laws requiring disclosure to LAFCo of financial contributions regarding a LAFCo decision.

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

Current Text: Amended: 4/6/2011 [pdf](#) [html](#)

Introduced: 12/9/2010

Last Amended: 4/6/2011

Status: 4/6/2011-From committee with author's amendments. Read second time and amended. Re-referred to Com. on GOV. & F.

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

Calendar:

4/27/2011 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, WOLK, Chair

Summary:

Would until January 1, 2019, require every 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 would, until January 1, 2019, require each designated employee who is required to file statements under a conflict of interest code to include, as a part of that filing, a compensation disclosure form that provides compensation information for the preceding calendar year. This bill contains other related provisions and other current laws.

Position: None at this time

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.

SB 160 (Huff R) Local government: reorganization.

Current Text: Introduced: 2/2/2011 [pdf](#) [html](#)

Introduced: 2/2/2011

Status: 2/10/2011-Referred to Com. on RLS.

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

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts, except as specified. This bill would make a technical, nonsubstantive change to that act.

Position: None at this time

Subject:

CALAFCO Comments: Appears to be a placeholder bill. Typically the senior republican on the Senate Finance & Committee introduces this bill as a placeholder. Usually used for some other purpose than LAFCo.

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

Current Text: Amended: 3/24/2011 [pdf](#) [html](#)

Introduced: 2/16/2011

Last Amended: 3/24/2011

Status: 4/26/2011-Do pass as amended, and re-refer to the Committee on Governance and Finance.

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

Calendar:

5/4/2011 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, WOLK, Chair

Summary:

Would 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 if the nonprofit organization meets certain requirements. The bill would also state the findings and declarations of the Legislature with respect to the preservation of natural resources through such 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: None at this time

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: 4/25/2011 [pdf](#) [html](#)

Introduced: 2/18/2011

Last Amended: 4/25/2011

Status: 4/25/2011-From committee with author's amendments. Read second time and amended. Re-referred to Com. on GOV. & F.

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

Calendar:

5/4/2011 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, WOLK, Chair

Summary:

Would until January 1, 2016, authorize an open-space district, a 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 83 (Jeffries R) Environment: CEQA exemption: recycled water pipeline.

Current Text: Introduced: 1/5/2011 [pdf](#) [html](#)

Introduced: 1/5/2011

Status: 4/11/2011-In committee: Set second hearing. Failed passage. Reconsideration granted.

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

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 current laws.

Position: None at this time

Subject: CEQA

CALAFCO Comments: Exempts recycled water pipelines from CEQA in certain circumstances.
ethics training requirements for officials.

AB 779 (Fletcher R) Municipal water districts: oversight.

Current Text: Amended: 3/30/2011 [pdf](#) [html](#)

Introduced: 2/17/2011

Last Amended: 3/30/2011

Status: 3/31/2011-Re-referred to Com. on W., P. & W. Re-referred to Com. on L. GOV. pursuant to Assembly Rule 96.

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

Calendar:

5/11/2011 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, SMYTH, Chair

Summary:

Current law, the Municipal Water District Law of 1911, authorizes the formation of a municipal water district to acquire and sell water, and specifies the powers and purposes of a municipal water district. This bill would authorize a municipal water district to establish an independent oversight committee to assist in tracking and reviewing revenues of the district to advance capital improvements, operations and maintenance of district facilities, and allocation methodologies. The bill would authorize an independent oversight committee to perform specified functions for those purposes.

Position: None at this time

Subject: Water, Special District Principle Acts

CALAFCO Comments: Allows a municipal water districts to establish an oversight committee on the financial operations of the district.

AB 1198 (Norby R) Land use: housing element: regional housing need assessment.

Current Text: Introduced: 2/18/2011 [pdf](#) [html](#)

Introduced: 2/18/2011

Status: 4/11/2011-In committee: Set, first hearing. Hearing canceled at the request of author.

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

Summary:

Would repeal the requirement that the department determine the current and projected need for housing for each region, as specified, and other specified provisions relating to the assessment or allocation of regional housing need.

Position: None at this time

Subject: Housing

CALAFCO Comments: Would repeal the entire RHNA process and Housing and Community Development authority over housing.

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

Current Text: Introduced: 2/18/2011 [pdf](#) [html](#)

Introduced: 2/18/2011

Status: 3/21/2011-Referred to Coms. on L. GOV. and AGRI.

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

Calendar:

5/4/2011 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, SMYTH, Chair

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 648 (Berryhill R) Local government: Williamson Act.

Current Text: Introduced: 2/18/2011 [pdf](#) [html](#)

Introduced: 2/18/2011

Status: 3/3/2011-Referred to Coms. on GOV. & F. and APPR.

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

Summary:

Would provide an alternative method of cancellation of a contract by a landowner for contracts that are 10 or more years old, and where the landowner has not received a lowered assessment value on the land during the previous 10 consecutive years based on the existence of a residence, including agricultural laborer housing, on the land being valued. The bill would require the board or council, upon petition by the landowner and a showing that these conditions exist, and would prohibit the board or council from charging a cancellation fee.

Position: None at this time

Subject: Ag Preservation - Williamson

CALAFCO Comments: Provides an alternative method for immediate cancellation of a Williamson Act contract under certain circumstances.