

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

March 7, 2012

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.

BACKGROUND

This memo is part of the ongoing effort to keep your Commission informed regarding various legislative matters.

Friday, February 24, was the deadline for introducing new legislation for 2012, the second year of a two-year session. The exception is Committee bills which can be introduced through March. While bills can be amended or "gut and amended" throughout the session until August, currently there is a fairly clear understanding of proposed legislation.

An ad-hoc committee appointed by the CALAFCO Board of Directors will consider and adopt positions on several bills, which staff will report back on.

SUMMARY

There are several pieces of pending legislation that may be of particular interest to your Commission.

- **Assembly Local Government Omnibus Bill** - This is a Committee bill that will be introduced next month. CALAFCO sponsors the bill. It is expected to include phase 1 of the protest provisions rewrite along with several technical fixes.
- **LAFCo Eligibility for Strategic Growth Council Grants** – This are hoping this will be an Assembly Local Government Committee bill in March.
- [AB 2238 \(Perea\)](#) - This bill is sponsored by California Rural Legal Assistance. It currently proposes two things with respect to LAFCo: 1) removes discretion on whether to prepare organization efficiency studies when conducting an MSR (changes may to shall); and 2) removes discretion on evaluating a water agency's compliance with the Safe Drinking Water Act (changes may to shall). It also makes LAFCo eligible for certain water grants. I have been holding meetings with CRLA and discussed the enormous costs associated with organization efficiency studies in every MSR. The sponsors recognize the potential fiscal impacts and are working on revised language with CALAFCO.

- [SB 1498 \(Emmerson\)](#) - This bill is sponsored by the League of Cities. The League has been very concerned about the annexation language added by SB 244 which requires a separate annexation application to LAFCo for a DUC when it is adjacent to uninhabited territory the city would like to annex. The bill does two things: 1) it includes the CALAFCO language for out-of-agency service extensions (56133); and 2) it eliminates the annexation language. The League is hoping that by packaging these two concepts they can get the support of Senator Wolk and other stakeholders. CALAFCO is aware that members of the agricultural and environmental communities are concerned about the 56133 language. The CALAFCO Board voted to work with the stakeholders and introduce the language in 2013, unless someone else introduces it in 2012. Both the Board and the Legislative Committee have expressed support for the 56133 language, but are neutral on the annexation language removal.
- [SB 1566 \(Negrete McLeod and Emmerson\)](#) - This bill would fix the VLF shift for incorporations and inhabited annexations since 2004. The VLF funds were shifted away from these communities last year by the budget bill SB 89. The bill has bipartisan support with authors and coauthors from both parties in both houses.

PENDING LEGISLATION

AB 2238 (Perea D) Public water systems: drinking water.

Current Text: Introduced: 2/24/2012

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

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

Summary:

Would require the State Department of Public Health to promote the consolidation and merger of small community water systems that serve disadvantaged communities, as specified, and would require the studies performed prior to a construction project to include the feasibility of consolidating or merging community water systems. This bill would also require the department to give priority to funding projects involving managerial consolidation or merger when the consolidation or merger would further specified goals. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: Water, Municipal Services

CALAFCO Comments: This bill, sponsored by California Rural Legal Assistance, would require LAFCo to determine the feasibility of consolidations and other service efficiency options in every MSR. It would also require LAFCo to determine compliance with the Safe Drinking Water Act. Both are discretionary under current law. It would also make LAFCo eligible to apply for certain water grants and loans to pay for the feasibility studies.

AB 2291 (Gordon D) Local agency formation: extension of services.

Current Text: Introduced: 2/24/2012

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

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

Summary:

Current law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000,

authorizes a local agency formation commission, until January 1, 2013, to review and comment on the extension of services into previously unserved territory within unincorporated areas and the creation of new service providers to extend urban-type development into previously unserved areas to ensure that the proposed extension is consistent with the policies of the commission and certain policies under state law. This bill would eliminate the repeal date of January 1, 2013.

Position: None at this time

CALAFCO Comments: May be a placeholder bill. CALAFCO Legislative Committee supports letting this section sunset as no LAFCo uses these provisions.

SB 1498 (Emmerson R) Local agency formation commission: powers.

Current Text: Introduced: 2/24/2012

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

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

Summary:

Would authorize a local agency formation commission to authorize a city or district to provide new or current services outside its jurisdictional boundaries and outside its sphere of influence to support current or planned uses involving public or private properties, subject to approval at a noticed public hearing, in which certain determinations are made. The bill would also authorize the commission to delegate to its executive officer the approval of certain requests to authorize a city or district to provide new or extended services outside its jurisdictional boundaries or outside its sphere of influence, as described above, under specified circumstances. The bill would also make certain technical, nonsubstantive, and conforming changes. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: Municipal Services

CALAFCO Comments: Sponsored by the League of Cities, this bill does two things: 1) it includes the CALAFCO proposed language on expanding out-of-agency service authority (56133) and 2) removes the annexation requirements from SB 244. Those provisions require a city to apply to annex a disadvantaged unincorporated community if they apply to annex adjacent uninhabited territory.

AB 2115 (Alejo D) Recreation and park districts: powers and duties.

Current Text: Introduced: 2/23/2012

Introduced: 2/23/2012

Status: 2/24/2012-From printer. May be heard in committee March 25.

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

Summary:

Current law provides for the establishment of recreation and park districts prescribes procedures for, among other things, the formation of the district, and sets forth the powers and duties of the district board of directors. This bill would make various technical, nonsubstantive changes in the provisions governing the powers and duties of a recreation and park district.

Position: None at this time

Subject: Special District Principle Acts
CALAFCO Comments: Placeholder Bill on Park and Recreation Districts.

AB 2210 (Smyth R) Local agencies: jurisdictional changes: allocation of property tax revenues.

Current Text: Introduced: 2/23/2012

Introduced: 2/23/2012

Status: 2/24/2012-From printer. May be heard in committee March 25.

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

Summary:

Current law requires an auditor to estimate the amount of property tax revenue generated within the territory and to notify the governing body of each local agency whose service area or service responsibility will be altered by the amount of, and allocation factors with respect to, property tax revenue that is subject to a negotiated exchange. This bill would make a clarifying change to the auditor's notification requirement described above. This bill would also make other technical, nonsubstantive changes to the provisions described above.

Position: None at this time

Subject: Annexation Proceedings

CALAFCO Comments: Placeholder bill on property tax exchange agreements.

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 change 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: 8/22/2011-In Assembly. Read first time. Held at Desk.

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

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.

Attachments:

CALAFCO Opposition Letter

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 1084 (La Malfa R) Local government: reorganization.

Current Text: Introduced: 2/14/2012

Introduced: 2/14/2012

Status: 2/15/2012-From printer. May be acted upon on or after March 16.

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

Summary:

Current 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: None at this time

CALAFCO Comments: This is a placeholder bill.

SB 1090 (Committee on Governance and Finance) Local government: omnibus bill.

Current Text: Introduced: 2/15/2012

Introduced: 2/15/2012

Status: 2/16/2012-From printer. May be acted upon on or after March 17.

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

Summary:

Would require the legislative body of a general law city to submit a sidewalk installation charge to the voters and receive a 2/3 vote to approve the charge prior to imposing the charge, thereby conforming these provisions to current law. This bill contains other related provisions and other current laws.

Position: None at this time

CALAFCO Comments: Senate Omnibus bill. At this time it does not contain any LAFCo-related legislation.

SB 1566 (Negrete McLeod D) Vehicle license fees: allocation.

Current Text: Introduced: 2/24/2012

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

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

Summary:

Current law requires 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, 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, on and after July 1, 2012, that those revenues be distributed first to each city that was incorporated from an unincorporated territory after August 5, 2004, in an amount determined pursuant to a specified formula and second to each city that was incorporated before August 5, 2004, in an amount determined pursuant to a specified formula. 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 contains other related provisions and other current laws.

Position: None at this time

Subject: Annexation Proceedings, Tax Allocation

CALAFCO Comments: This problem would correct the VLF problem created by last year's budget bill SB 89, and restore VLF to recent incorporations and inhabited annexations. 3

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.

AB 1902 (Jones R) Publication: newspaper of general circulation: Internet Web site.

Current Text: Introduced: 2/22/2012

Introduced: 2/22/2012

Status: 2/23/2012-From printer. May be heard in committee March 24.

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

Summary:

Current law requires that various types of notices are provided in a newspaper of general circulation. Current law requires a newspaper of general circulation to meet certain criteria, including, among others, that it be published and have a substantial distribution to paid subscribers in the city, district, or judicial district in which it is seeking adjudication. This bill would provide that a newspaper that is available on an Internet Web site may also qualify as a newspaper of general circulation, provided that newspaper meets certain criteria.

Position: None at this time

Subject: LAFCo Administration

CALAFCO Comments: Allows posting of notices in a web-based newspaper.

AB 1979 (Hernández, Roger D) District-based local elections.

Current Text: Introduced: 2/23/2012

Introduced: 2/23/2012

Status: 2/24/2012-From printer. May be heard in committee March 25.

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

Summary:

Current law provides for political subdivisions that encompass areas of representation within the state. With respect to these areas, public officials are generally elected by all of the voters of the political subdivision (at-large) or from districts formed within the political subdivision (district-based). This bill would state the intent of the Legislature to enact legislation relating to district-based local elections.

Position: None at this time

Subject: CKH General Procedures

CALAFCO Comments: Changes to law regarding district-based local elections.

AB 2452 (Ammiano D) Political Reform Act of 1974: online disclosure.

Current Text: Introduced: 2/24/2012

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

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

Summary:

Would authorize a local government agency to require an elected officer, candidate, committee, or other person required to file specified statements, reports, or other documents to file those statements, reports, or other documents online or electronically with a local filing officer. The bill would prescribe criteria that must be satisfied by a local government agency that requires online or electronic filing of statements, reports, or other documents, as specified, including, among others, that the system be available free of charge to filers and to the public for viewing filings, and that the system include a procedure for filers to comply

with the requirement that they sign statements and reports under penalty of perjury. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: LAFCo Administration

CALAFCO Comments: Allows on-line filing of Political Reform Act documents with local agencies.

SB 1395 (Rubio D) State Auditor: local government agency audit program.

Current Text: Introduced: 2/24/2012

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

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

Summary:

Current law authorizes the State Auditor to establish a high-risk local government agency audit program for the purpose of identifying, auditing, and issuing reports on any local government agency that the State Auditor identifies as being at high risk for the potential of waste, fraud, abuse, and mismanagement or that has major challenges associated with its economy, efficiency, or effectiveness. This bill would make technical, nonsubstantive changes to this provision.

Position: None at this time

Subject: Financial Viability of Agencies

SB 1459 (De León D) Regional and local park districts: cities and counties.

Current Text: Introduced: 2/24/2012

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

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

Summary:

Current law prescribes procedures for the formation of regional park districts, regional park and open-space districts, or regional open-space districts. Current law authorizes 3 or more cities, together with any parcel or parcels of city or county territory, whether in the same or different counties, to organize and incorporate, but requires that all the territory in the proposed district be contiguous. This bill would revise the above authorization to instead only allow district formation for 4 or more cities.

Position: None at this time

Subject: Special District Principle Acts