



## Solano Local Agency Formation Commission

3700 Hilborn Rd. Ste. 600 • Fairfield, California 94534  
(707) 439-3897 • FAX: (707) 438-1788

### Staff Report

DATE: February 10, 2014  
TO: Local Agency Formation Commission  
FROM: Elliot Mulberg, Interim Executive Officer  
SUBJECT: **Legislative Report**

---

**RECOMMENDATION:** That the Commission receive and file the legislation report.

**DISCUSSION:**

The new session began on January 6. New bills may be introduced through February 21. This report focusses on legislation of current interest to the CALAFCO Legislative Committee.

The CALAFCO Legislative Committee met on January 25 to review the proposed Omnibus bill and identify bills of interest. The Omnibus Bill contains minor non-controversial proposed changes to Cortese-Knox-Hertzberg. It is currently in Draft form and being circulated to interested parties. The changes are summarized in the table below.

Table 1: Proposed 2014 CALAFCO Omnibus Bill

Item No.	Section Changes	Subject	Change
1	GC 56332(b)(1)	Special District Selection Process	Change "committee" to "commission"
2	GC 57113(b)	Proposals initiated by the Commission	Change "voters" to "landowners"
3	GC 56106	Time for action	Change reference from (i) to (h)
4	GC 56101	Pending Proceedings Exemption	Remove since it references proceedings prior to January 2001
5	GC 56668(g)	Factors to consider- consistency with general and specific plans	Remove "its"
6	GC 56886	Change of organization / reorganization terms and conditions	Clarifying language
7	GC 57075	Voter protest	Amend (a) inhabited territory and delete (a)(3) referring to protests of less than 25%
8	GC 57075.5	Voter protest	Amend first paragraph and (b) and delete (c) ordering annexation without election if protests less than 15%
9	GC 56653	Plan for Services with proposal	Clarifying language
10	GC 56332	Independent Special District Selection Comm.	Clarifying language

CALAFCO identified three bills of interest. Two, AB 677 (Fox) and AB 1521 (Fox), deal with vehicle license fee (VLF) adjustments. The VLF revenue stream was lost in 2004 to cities as part of the effort to balance the State budget. Given cities need of the revenue CALAFCO supports any effort by the legislature to reinstate this revenue stream. Although AB 677 was of interest it failed to get out of the Local Government Committee by the January 17 deadline and is no longer viable.

AB 1521 (Fox) was introduced on January 16, 2014. AB 1521 is intended to address the future year calculations of VLF adjustments beginning with the 2013/14 fiscal year.

The third bill, AB 1527 (Perea) deals with public drinking water systems. It is the same as AB 2238 (Perea, 2012) in its amended form of June 20, 2012. AB 1527 requires funding for construction project feasibility studies that include the viability of service delivery alternatives if at least one agency serves a disadvantaged community. The bill also requires the Department of Public Health to make a determination to include the viability of these service delivery alternatives and to consider LAFCO studies and determinations from the previous 5 years, to consult with the LAFCO executive Officer, and consider other applicable local/regional studies related to the delivery of drinking water.

### **Legislative Report Current as of 1/25/14**

**AB 1521 (Fox D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.**

**Current Text:** Introduced: 1/16/2014

**Status:** 1/17/2014-From printer. May be heard in committee February 16.

**Summary:**

Beginning with the 2004-05 fiscal year, current law requires that each city, county, and city and county receive additional property tax revenues in the form of a vehicle license fee adjustment amount, as defined, from a vehicle license fee property tax compensation fund that exists in each county treasury. Current law requires that these additional allocations be funded from ad valorem property tax revenues otherwise required to be allocated to educational entities. This bill would modify these reduction and transfer provisions, for the 2014-15 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation.

**Subject:** Financial Viability of Agencies, Tax Allocation

**AB 1527 (Perea D) Public water systems: drinking water.**

**Current Text:** Introduced: 1/17/2014

**Status:** 1/21/2014-From printer. May be heard in committee February 20.

**Summary:**

Would require the State Department of Public Health, in administering programs to fund improvements and expansions of small community water systems, and other water systems, as specified, to promote service delivery alternatives that improve efficiency and affordability of infrastructure and service delivery, as specified. This bill contains other related provisions and other existing laws.

**Subject:** Disadvantaged Communities, Municipal Services, Service Reviews/Spheres, Sustainable Community Plans

**CALAFCO Comments:** This bill requires funding for construction project feasibility studies to include studies of service delivery alternatives if at least 1 service agency services a disadvantaged community; also requires the DPH to make a determination to include the viability of these service delivery alternatives and to consider LAFCo studies and determinations from the previous 5 years, to consult with LAFCo Executive Officer and consider other applicable local/regional studies related to the delivery of drinking water.

**[AB 677](#) (Fox D) Local government finance: property tax revenue allocation: vehicle license fee adjustments.**

**Introduced:** 2/21/2013

**Last Amended:** 1/6/2014

**Status:** 1/17/2014-Failed Deadline pursuant to Rule 61(b)(1). (Last location was L. GOV. on 1/7/2014)  
Dead

**Summary:**

Would modify specified reduction and transfer provisions, for the 2013-14 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation. This bill would also modify these reduction and transfer provisions, for the 2013-14 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount for certain cities incorporating after a specified date, as provided. This bill contains other related provisions and other existing laws.

**Subject:** Financial Viability of Agencies, Tax Allocation