



Solano Local Agency Formation Commission

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Staff Report

DATE: May 19, 2014
TO: Local Agency Formation Commission
FROM: Elliot Mulberg, Interim Executive Officer
SUBJECT: **Legislative Report**

RECOMMENDATION: That the Commission receive and file the legislative report.

DISCUSSION:

This report includes a list of bills that CALAFCO is following that are relevant to Solano LAFCO. The discussion also includes CALAFCO's position. A few bills are of particular interest.

AB 1527 (Parea) was recently amended to so that the Department of Public Health must consult with LAFCO prior to issuing infrastructure grants to ensure alternative delivery options identified by a LAFCO were considered in the feasibility study. Added into the bill are provisions that would make LAFCO eligible for certain grants, including Strategic Growth Council grants. While these amendments are improvements there are some other issues that need to be resolved before CALAFCO can change its position from oppose unless amended.

AB 1739 (Dickinson) Owing to the drought the Governor has expressed interest in managing ground water for the larger groundwater basins. This bill requires a sustainable groundwater management plan to be adopted for each high or medium priority groundwater basin by any groundwater management agency.

AB 1961 (Eggman) requires counties with 4% or more of its land zoned as agricultural to create a sustainable farmland strategy effective January 1, 2018, in consultation with cities and LAFCO. It would also add the sustainable farmland strategy to Government Code Section 56668 as a factor that the Commission must consider when reviewing an application.

AB 2156 (Achadjian) allows LAFCO to request information to initiate studies of joint powers agencies and joint powers authorities. This is similar to LAFCO's authority to study mutual water agencies.

AB 2762 (Committee on Local Government) is the CALAFCO omnibus bill. The bill includes minor changes to Cortese-Knox-Hertzberg. The proposed changes were discussed in the February Legislative Report.

Legislative Report Current as of 5/12//14

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

Status: 5/1/2014-From committee: Do pass and re-refer to Com. on APPR. (Ayes 9. Noes 0.) (April 30). Re-referred to Com. on APPR.

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

CALAFCO Position: Support

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

Status: 4/30/2014-From committee: Do pass and re-refer to Com. on APPR. (Ayes 5. Noes 2.) (April 29). Re-referred to Com. on APPR.

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 Position: Oppose unless amended.

CALAFCO Comments: This bill has been significantly amended to address many of the concerns raised by CALAFCO. The bill now focuses on the consolidation of public water systems, and requires the Department of Public Health to consult with the LAFCo prior to issuing infrastructure grants to ensure alternative delivery options identified by a LAFCo were considered in the feasibility study. Added into the bill is the provisions that would make LAFCo eligible for certain grants, including Strategic Growth Council grants. There are still a number of minor technical changes as well as several content/language amendments that need to be done on the bill, all of which have been submitted to the author's staff.

AB 1729 (Logue R) Local government: agricultural land: subvention payments.

Status: 3/24/2014-Re-referred to Com. on APPR.

Summary:

Would appropriate \$40,000,000 to the Controller from the General Fund for the 2014-15 fiscal year to make subvention payments to counties to reimburse counties for property tax revenues not received as a result of these contracts. The bill would make legislative findings and declarations related to the preservation of agricultural land.

Subject: Ag Preservation - Williamson

CALAFCO Position: Support

CALAFCO Comments: As amended, the bill will appropriate \$40 million from the General Fund in fiscal year 2014/2015 for subvention payments to counties for Williamson Act contracts.

AB 1961 (Eggman D) Land use: planning: sustainable farmland strategy.

Last Amended: 4/22/2014

Status: 4/30/2014-In committee: Set, first hearing. Referred to APPR. suspense file.

Summary:

Would require each county to develop, on or before January 2, 2018, a sustainable farmland strategy. The bill would require the sustainable farmland strategy to include, among other things, a map and inventory of all agriculturally zoned land within the county, a description of the goals, strategies, and related policies and ordinances, to retain agriculturally zoned land where practical and mitigate the loss of agriculturally zoned land to nonagricultural uses or zones, and a page on the county's Internet Web site with the relevant documentation for the goals, strategies, and related policies and ordinances, as specified.

Subject: Ag/Open Space Protection, CKH General Procedures, LAFCO Administration

CALAFCO Position: Watch

CALAFCO Comments: As amended, the bill requires counties with 4% or more of its land zoned as agricultural to create a sustainable farmland strategy (sfs) effective January 1, 2018, in consultation with cities and LAFCO, and to update the sfs as necessary. The bill also requires OPR to create best practices that support ag land retention and mitigation. The bill creates an unfunded mandate for counties.

AB 2156 (Achadjian R) Local agency formation commissions: studies.

Status: Hearing Scheduled 5/14/2014 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, WOLK, Chair

Summary:

Would include joint powers agencies and joint powers authorities among the entities from which a local agency formation commission is authorized to request land use information, studies, and plans, for purposes of conducting the studies described above, and also would include joint powers agreements in the list of items the commission may request in conducting those studies . The bill would specifically define "joint powers agency" and "joint powers authority" for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Subject: CKH General Procedures, LAFCO Administration, Municipal Services, Service Reviews/Spheres

CALAFCO Position: Support

CALAFCO Comments: As amended, the bill will specifically define "joint powers agency" and "joint powers authority" for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (C-K-H), and include joint powers agencies and joint powers authorities (JPAs) among the entities from which a local agency formation commission (LAFCo) is authorized to request information in order to conduct required studies.

AB 2762 (Committee on Local Government) Local government.

Status: Hearing Scheduled 5/14/2014 9 a.m. - State Capitol, Room 4202
ASSEMBLY APPROPRIATIONS, GATTO, Chair

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 does not apply to pending proceedings for a change or organization or reorganization for which the application was accepted for filing prior to January 1, 2001, as specified. The act authorizes these pending proceedings to be continued and completed under, and in accordance with, the law under which the proceedings were commenced. This bill would repeal those provisions relating to pending proceedings for a change or organization or reorganization for which an application was accepted for filing prior to January 1, 2001, and make other conforming changes.

Subject: CKH General Procedures

CALAFCO Position: Sponsor

SB 69 (Roth D) Local government finance: property tax revenue allocation: vehicle license fee adjustments.

Status: 5/6/2014-From committee with author's amendments. Read second time and amended. Referred to Com. on RLS.

Summary:

Current property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally provides that each jurisdiction shall be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined. This bill would modify these reduction and transfer provisions for a city

incorporating after January 1, 2004 , 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: Tax Allocation

CALAFCO Position: Support

AB 1739 (Dickinson D) Groundwater basin management: sustainability.

Status: Hearing Scheduled: 5/14/2014 9 a.m. - State Capitol, Room 4202
ASSEMBLY APPROPRIATIONS, GATTO, Chair

Summary:

Would require a sustainable groundwater management plan to be adopted, except as provided, for each high or medium priority groundwater basin by any groundwater management agency, defined as a special district authorized to provide water for beneficial uses or with specific authority to conduct groundwater management, a city, a county, a city and county, or certain joint powers authorities. This bill would require a sustainable groundwater management plan to meet certain requirements. This bill contains other related provisions and other existing laws.

Subject: Water

CALAFCO Position: Watch

SB 1122 (Pavley D) Sustainable communities: Strategic Growth Council.

Status: 5/9/2014-Set for hearing 5/19/2014 10 a.m. - John L. Burton Hearing Room (4203)
SENATE APPROPRIATIONS, DE LEÓN, Chair

Summary:

Current law authorizes moneys from the Greenhouse Gas Reduction Fund to be allocated for the purpose of reducing greenhouse gas emissions in this state through specified investments, including funding to reduce greenhouse gas emissions through strategic planning and development of sustainable infrastructure projects. This bill would additionally authorize the council to manage and award financial assistance for the purpose of supporting the implementation of sustainable communities strategies or alternative planning strategies, to be funded from moneys from the Greenhouse Gas Reduction Fund, upon appropriation by the Legislature. The bill would require the council to adopt guidelines for the use of the funds by recipients.

CALAFCO Subject: Sustainable Community Plans

Position: Watch

AB 2480 (Yamada D) Local government finance: cities: annexations.

Status: 4/23/2014-In committee: Set, first hearing. Hearing canceled at the request of author.

Summary:

Would, beginning on January 10, 2015, and on the 10th of each month thereafter, require the Controller to pay to each city that incorporated before August 5, 2004, an amount equal to an amount determined by a specified formula. This bill would continuously appropriate to the Controller an amount sufficient to make those payments from the General Fund.

Subject: Financial Viability of Agencies, Tax Allocation

CALAFCO Position: Watch