



Solano Local Agency Formation Commission

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

Staff Report

DATE: June 9, 2014
TO: Local Agency Formation Commission
FROM: Elliot Mulberg, Interim Executive Officer
SUBJECT: **Legislative Report**

RECOMMENDATION: That the Commission receive and direct staff to send a letter of support for AB 2156.

DISCUSSION:

AB 2156 (Achadjian) which allows LAFCO to request information to initiate studies of joint powers agencies and joint powers authorities is on the Governor's desk awaiting his signature. CALAFCO has supported this bill and has requested member LAFCO's to send a letter urging the Governor to sign the bill into law. At the direction of the Commission I will send a letter.

The deadline for a bill to pass to the next house was May 28. Of the bills we have been following Of particular interest in the group that passed the first house are AB 1527, AB 1739, and AB 2762. One of the bills AB 1961(Eggman) did not pass out of the Assembly and is dead. It would have have added sustainable farmland strategy to Government Code Section 56668 as a factor that the Commission must consider when reviewing an application.

AB 1527 (Parea) promotes the consolidation of public water systems when appropriate. The bill would require the Department of Public Health (DPH) to promote service delivery alternatives that improve efficiency, affordability of infrastructure, and service delivery in the administration of their programs funding improvement and expansion of public water systems. It also requires the DPH to consider LAFCO studies as part of their funding and alternative services considerations. Finally, the bill adds LAFCO to the list of eligible entities to receive sustainable community grant funding. CALAFCO has changed its position to Support if Amended because CALAFCO has requested additional minor amendments.

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 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 6/2//14

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

Status: 5/27/2014-In Senate. Read first time. To Com. on RLS. for assignment.

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: 5/28/2014-In Senate. Read first time. To Com. on RLS. for assignment.

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: Support if amended.

CALAFCO Comments: As amended, this bill promotes the consolidation of public water systems when appropriate. The bill would require the DPH to promote service delivery alternatives that improve efficiency, affordability of infrastructure, and service delivery in the administration of their programs funding improvement and expansion of public water systems. It also requires the DPH to consider LAFCO studies as part of their funding and alternative services considerations. Finally, the bill adds LAFCO to the list of eligible entities to receive sustainable community grant funding.

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

Status: Enrolled (on Governor's Desk)

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: Requesting letters of Support be sent to the Governor.

AB 2762 (Committee on Local Government) Local government.

Status: 5/23/2014-In Senate. Read first time. To Com. on RLS. for assignment.

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 Omnibus Bill

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. Re-referred to Assembly 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: 5/28/2014-In Senate. Read first time. To Com. on RLS. for assignment.

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

Legislation That Failed to Pass Out of the House of Origin

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

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

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

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

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

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.

Subject: Sustainable Community Plans

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

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