

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF MARCH 25, 2015

REGULAR MEETING

TO: Ken Humphreys, Chairman, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer

PREPARED BY: Erica Sanchez, Policy Analyst

AGENDA ITEM #10A: OTHER BUSINESS – LEGISLATION

RECOMMENDATION

Staff recommends that the Commission receive the following summary of LAFCO-related legislation for the 2015-2016 Legislative Session. No Commission action is requested.

REASON FOR RECOMMENDED ACTION AND BACKGROUND

The State Legislature is in the first year of the current two-year legislative cycle. February 27 was the last day for bills to be introduced. The following is a summary of newly introduced bills which may affect LAFCO:

AB 402 (Dodd) – Local Agency Services: Contracts

AB 402 would allow LAFCO to authorize a city or district to provide new or extended services outside its jurisdictional boundaries to support existing or planned uses involving public or private properties, subject to approval at a publicly noticed hearing where the commission makes specified determinations. AB 402 expands LAFCO's existing authority to approve new and extended services beyond agencies' spheres of influence inclusive of public health and safety threats, only if LAFCO can make three findings at noticed public hearings. These findings involve determining the extension: (1) was evaluated in a municipal service review; (2) will not result in adverse impacts on open-space and agricultural lands or growth; and (3) a later change of organization is not expected or desired based on local policies. AB 402 clarifies LAFCO's sole authority in determining the application of the statute, and de-emphasizes the approval of contracts and emphasizes the approval of service extensions.

AB 448 (Brown) – Local Government finance: Property Tax Revenue Allocations: Vehicle License Fee Adjustments

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. AB 448 would modify these reduction and transfer provisions, for the 2015-16 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.

As introduced, this bill is identical to AB 1521 (Fox) from last year. AB 448 reinstates the VLF payment (through ERAF) and changes the way that the growth in the VLF adjustment amount (property tax in lieu of VLF) is calculated starting in FY 2015-16 to include the growth of assessed valuation, including in an annexed area, from FY 2004-05 to FY 2015-16. Beginning in FY 2016-17, the VLF adjustment amount would be the jurisdiction's annual change in the assessed valuation

AB 656 (Garcia, Cristina) – Joint Powers Agreements: Mutual Water Companies

Current law authorizes local public entities, as defined, to enter into a joint powers agreement for the purposes of providing risk-pooling, as specified. This bill would specifically authorize two or more mutual water companies, or two or more mutual water companies and one or more public agencies that operate a public water system, to participate in joint powers agreement for risk-pooling, technical support, and other similar services.

AB 707 (Wood) – Agricultural Land: Williamson Act Contracts: Cancellation

Current law provides for the procedure to cancel a Williamson Act contract entered into under the provisions of the California Land Conservation Act of 1965 and provides that the landowner and the Department of Conservation may agree on the cancellation value of the land. AB 707 would repeal the authorization for the landowner and the Department to agree on the cancellation value of the land.

AB 851 (Mayes) – Local Government: Organization: Disincorporations

AB 851 would, in the case of a disincorporation or reorganization that includes a disincorporation, require the plan for services to include specific provisions, including, among others, an enumeration and description of the services currently provided by the city proposed for disincorporation and an outline of current retirement obligations, as specified.

AB 851 does the following: (1) Clarifies the expectation for assignment of responsibility for debt that will continue in existence after disincorporation; (2) Establishes the parameters and requirements for the submission of the Plan for Service for a disincorporation proposal which outlines existing services, the proponent's plan for the future of those services, and whether or not a bankruptcy proceeding has been undertaken; (3) Establishes the responsibilities of LAFCOs in preparing a Comprehensive Fiscal Analysis for disincorporations, the determination of the transfer of property tax revenues previously received by the proposed disincorporating City, and the determination of the transfer of debt to a successor agency or agencies. AB 851 retains LAFCOs existing authority to impose terms and conditions on a proposed disincorporation as well as the election requirements necessary for approval of disincorporation. The proposed disincorporation statutory changes use the incorporation provisions as a template to propose changes in the disincorporation process.

SB 13 (Pavley) – Groundwater

SB 13 would specify that the State Water Resources Control Board is authorized to designate a high- or medium-priority basin as a probationary basin. This bill would provide a local agency or groundwater sustainability agency 90 or 180 days, as prescribed, to remedy certain deficiencies that caused the board to designate the basin as a probationary basin. SB 13 would authorize the board to develop an interim plan for certain probationary basins one year after the designation of the basin as a probationary basin.

While this bill has no direct affect on LAFCOs or water providers in El Dorado County, the formation of groundwater management agencies and groundwater management is of interest, therefore CALAFCO will continue to watch the bill.

SB 25 (Roth) – Local Government Finance: Property Tax Revenue Allocation: Vehicle License Fee Adjustments

Reintroduced in December 2014, SB 25 is identical to SB 69 (Roth) from the 203-2014 legislative session. The bill calls for reinstatement of the Vehicle License Fee (VLF) through the Educational Revenue Augmentation Fund (ERAF) for cities that incorporated between January 1, 2004 and January 1, 2012, by providing for a VLF adjustment amount calculated on the basis of changes in assessed valuation. There are no provisions for back payments for lost revenue, but the bill does reinstate future payments beginning in the 2014-15 year for cities that incorporated between January 1, 2004 and January 1, 2012.

SB 272 (Hertzberg) – The California Public Records Act: Local Agencies: Inventory

SB 272 would require all local agencies (including LAFCO), in implementing the California Public Records Act, to conduct an inventory of data gathered by the agency that discloses what data is maintained by the agency, by whom, and with what frequency it is collected. The bill would require the inventory to be available to the public. Because the bill would require local agencies to perform additional duties, it is an unfunded mandate on public agencies.

Placeholder Bills

The following bills may affect LAFCO as currently written; however they are self-described by the authors as spot (placeholder) bills which were introduced prior to the February 26, 2015 deadline for new bills but are expected to undergo considerable revision or a complete gut and amend before the end of the two-year Legislative Session. Because it is very likely the final bill will not look anything like the placeholder, staff will continue to monitor these bills for the extent of the Legislative Session, but they will not appear in the staff memo until they have been amended. They will however continue to be included in the full CALAFCO Daily Legislative Report, included as Attachment A.

AB 168 (Maienshein) – Local Government Finance

Current law requires the county auditor, in the case in which a qualifying city becomes the successor agency to a special district as a result of a merger with that district as described in a specified statute, to additionally allocate to that successor qualifying city

that amount of property tax revenue that otherwise would have been allocated to that special district pursuant to general allocation requirements. This bill would make non-substantive changes to the provision pertaining to property tax revenue allocations to a qualifying city that merges with a special district. AB 168 is a placeholder bill.

AB 369 (Steinorth) – Local Government

The Planning and Zoning Law establishes in each city and county a planning agency with the powers necessary to carry out the purposes of that law. Current law sets forth the Legislature's findings and declarations regarding the availability of affordable housing throughout the state. AB 369 would make non-substantive changes to those findings and declarations. AB 369 is a placeholder bill.

SB 226 (Pavley) – Sustainable Groundwater Management Act: Groundwater Rights

SB 226 would provide, under the Sustainable Groundwater Management Act, that a groundwater sustainability plan or coordinated groundwater sustainability plans establishes a timely method for determining rights to groundwater in furtherance of the objectives of the act. This bill would require the process to be available to any court of competent jurisdiction. This bill would require the boundaries of a basin to be as identified in Bulletin 118, unless other basin boundaries are established, as specified.

This is a placeholder bill to address groundwater rights relating to the new Sustainable Groundwater Management Agencies.

SB 239 (Hertzberg) – Cities and Districts: Extended Services

Current law requires the executive officer of a local agency formation commission, within 30 days of receipt of a request for approval by a city or district of a contract to extend services outside its jurisdictional boundary, to determine whether the request is complete and acceptable for filing, as specified. This bill would extend the period within which the executive officer is required to make that determination to 45 days.

According to the author's office, this is a spot (placeholder) bill relating to service extensions. It is unknown at this time what those changes will be. The sponsor of the bill is the California Professional Firefighters Association.

SB 393 (Nguyen) – Local Agencies

Currently, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH), establishes the sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts. SB 393 would make technical, non-substantive changes to the above-described law.

This is a spot (placeholder) bill. According to the author's office, it has been introduced by Senator Nguyen on behalf of the Republican Caucus as a local government spot bill.

Attachment

Attachment A: Legislation Report