

# EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

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## *AGENDA OF SEPTEMBER 23, 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**

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#### **RECOMMENDATION**

Staff recommends that the Commission receive the following summary of LAFCO-related legislation for the 2015-2016 Legislative Session, including the following letter authorized by the Commission at the August 26 meeting:

- Request for Veto: Senate Bill 239 (Hertzberg) – Local Services: Contracts: Fire Protection Services (Attachment A)

#### **REASON FOR RECOMMENDED ACTION AND BACKGROUND**

The State Legislature has just completed year one of the current two-year cycle; September 11 was the last day for each house to pass bills, October 11 is the last day for Governor Brown to sign or veto bills passed by the Legislature. The following is a summary of current bills which may affect LAFCO:

#### **Governor's Desk for Signature/Veto:**

##### **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 provision that allows cancellation of the valuation of the land.

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

Current law authorizes a local agency which is conducting proceedings for the incorporation of a city, formation of a district, change of organization, a reorganization, a change of organization of a city, or a municipal reorganization to propose the adoption of a special tax on behalf of the affected city or district in accordance with this procedure. AB 851 would additionally authorize a local agency conducting proceedings for the disincorporation of a city to propose the adoption of a special tax on behalf of an affected city in accordance with the above-described procedure.

**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 239 (Hertzberg) – Local Services: Contracts: Fire Protection Services**

Current law permits a city or district to provide extended services, as defined, outside its jurisdictional boundaries only if it first requests and receives written approval from the local agency formation commission in the affected county. Under current law, the commission may authorize a city or district to provide new or extended services outside both its jurisdictional boundaries and its sphere of influence under specified circumstances. This bill would, with certain exceptions, permit a public agency to exercise new or extended services outside the public agency's current service area pursuant to a fire protection contract, as defined, only if the public agency receives written approval from the local agency formation commission in the affected county.

On September 11, 2015, El Dorado LAFCO sent a letter to Governor Brown requesting he veto Senate Bill 239 (Attachment A).

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

As amended, SB 272 requires all local agencies (including LAFCOs) to create a catalogue of enterprise systems used by that agency and make that catalogue publicly available upon request in the local agency office, and to post the catalog on the local agency's Internet Web site. The bill would require the catalog to disclose a list of the enterprise systems utilized by the agency, and, among other things, the current system vendor and product.

**Chaptered Bills:****AB 656 (Garcia, Cristina) – Joint Powers Agreements: Mutual Water Companies  
*Signed – Chapter 250, Statutes of 2015***

As amended, AB 656 would authorize a mutual water company to enter into a joint powers agreement with a public water agency for the purposes of either risk-pooling or the provision of technical support, continuing education, safety engineering, operational and managerial advisory assistance to be provided to the members of that joint powers agency.

**AB 1532 (Committee on Local Government) – Local Government: Omnibus  
*Signed – Chapter 114, Statutes of 2015***

AB 1532 was signed by Governor Brown and chaptered into State Law on July 15, 2015. AB 1532 is the annual Omnibus bill for the Cortese-Knox-Hertzberg Reorganization Act of 2000, which makes technical, non-substantive clean-up corrections to the Act. This annual bill includes technical changes to the Act which are necessary to help clarify and streamline the LAFCO process, ultimately resulting in less

ambiguity in the law. As LAFCO commissions across the State implement the Act, small inconsistencies are found or clarifications are needed to make the law as unambiguous as possible. AB 1532 makes several minor technical changes, corrects obsolete and incorrect code references, and makes minor updates to several outdated sections. Without making any policy changes, the revised language greatly clarifies the laws and eliminates outdated and confusing language thereby creating a significant increase in the clarity of the Act for all stakeholders.

### **SB 88 (Committee on Budget and Fiscal Review) – Water**

#### ***Signed – Chapter 27, Statutes of 2015***

SB 88 was signed by Governor Brown and chaptered into State Law on June 24, 2015. SB 88 authorizes the State Water Resources Control Board to order consolidation with a receiving water system where a public water system, or a state small water system within a disadvantaged community, consistently fails to provide an adequate supply of safe drinking water. This bill authorizes the State Board to order the extension of service to an area that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation for consolidation. SB 88 is the same as AB 115.

### **SB 13 (Pavley) – Groundwater**

#### ***Signed – Chapter 255, Statutes of 2015***

SB 13 specifies that the State Water Resources Control Board is authorized to designate a high- or medium-priority basin as a probationary basin. This bill provides 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. This bill authorizes 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 to LAFCO.

### **Two Year Bills (did not pass deadline)**

#### **SB 552 (Wolk) – Water**

SB 552 is currently being amended as a vehicle to clean up the water consolidation legislation passed through budget trailer bill SB 88. Specifically, SB 552 defines the process for the State Water Resources Control Board to order the consolidation of public and/or state small water systems. At this time, the language in the bill is preliminary and further amendments are proposed. As currently amended, the bill contains language requiring the State to pay any LAFCO fees caused by a State Water Resources Control Board-ordered consolidation or extension of service. However, there are many aspects to the process that have still yet to be defined. SB 552 in its current form is included as Attachment C; staff will provide the most up-to-date version of SB 552 at the Commission meeting.

**AB 448 (Brown) – Local Government finance: Property Tax Revenue Allocations: Vehicle License Fee Adjustments*****Held in Senate Appropriations Committee***

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.

**Upcoming Legislative Dates**

January 1, 2016: Chaptered statutes take effect

January 4, 2016: Legislature reconvenes for 2015-2016 Legislative Session  
(First business day)

**Attachments**

Attachment A: Letter to the Governor Requesting Veto for Senate Bill 239 – Fire Service Extensions

Attachment B: Legislation Report