



March 18, 2022

Honorable Robert Hertzberg  
California State Senate  
1021 O Street, Room 8610  
Sacramento, CA 95814

**Subject: SUPPORT of SB 938: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000: protest proceedings: procedural consolidation.**

Dear Senator Hertzberg:

The El Dorado Local Agency Formation Commission (LAFCO) is pleased to join the California Association of Local Agency Formation Commissions (CALAFCO) in support of your bill, SB 938, which makes changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (The Act). SB 938 represents a collaborative three-year effort led by CALAFCO to clean up, consolidate, and clarify existing statutory provisions associated with consolidations and dissolutions, as well as codify the conditions under which LAFCO may initiate dissolution of a district at the 25% protest threshold (the latter of which are proposed and pending amendments).

The statutes related to protest provisions and the disparate protest thresholds established for LAFCO-initiated actions (10%) and all other initiated actions (25%) make addressing necessary and appropriate special district consolidations and dissolutions considerably more difficult when initiated by a LAFCO. Further, they serve as a deterrent for LAFCO to initiate action, even if meaningful efficiencies in the provision of public services could be achieved or if a district is failing to meet its statutory requirements.

As introduced, the bill represents the redraft of existing protest statutes with some minor technical clarifications added. The pending proposed amendments from CALAFCO allow LAFCOs to initiate dissolution of a district at the 25% protest threshold under specific circumstances. All of this work is in response to a recommendation made in the 2017 Little Hoover Commission report after a year-long study (*Special Districts: Improving Oversight and Transparency*) and the formation of a working group by CALAFCO of stakeholders in early 2019. The intent was to examine the protest process for consolidations and dissolutions of special districts, and after three years of work (delayed due to the pandemic), the working group came to consensus on the redraft of existing protest statutes (representative of SB 938 as introduced) and a new process that allows LAFCOs to initiate dissolution of a district at the 25% protest threshold under specific circumstances (pending amendment into SB 938).

S:\Legislation\2021-2022\2022 Position Letters\SB 938 (Hertzberg) Support\_Protest Proceedings.docx

**COMMISSIONERS**

Public Member: Michael Powell • Alternate Public Member: Bill Wilde

City Members: Cody Bass, Jackie Neau • Alternate City Member: Patricia "Patty" Borelli

County Members: John Hidahl, George Turnbo • Alternate County Member: Wendy Thomas

Special District Members: Brian Veerkamp, Timothy J. White • Alternate Special District Member: Michael Saunders

**STAFF**

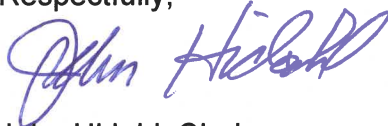
Erica Sanchez, Interim Executive Officer • Shiva Frentzen, Assistant Policy Analyst • Kelly Witt, Administrative Assistant  
Malathy Subramanian, Commission Counsel

The overarching goal of these changes is to ensure that LAFCOs have the tools we need to carry out our statutory obligations to ensure orderly and functioning local government services and to create greater consistency in the statute. The specific circumstances under which a dissolution may be initiated are more than reasonable and the subsequent process includes three noticed public hearings, a minimum 12-month remediation period, and a 60-day protest period, all of which are extremely practical. Additionally, the proposed process for LAFCO-initiated actions at the 25% protest threshold applies only to dissolutions, making the scope of use exceptionally narrow.

SB 938 makes much needed and long-awaited improvements to The Act through the restructure and clarification of existing protest provisions, and addition of a fair and appropriate process that offers LAFCOs additional tools necessary to effectively fulfill their statutory obligations.

We thank you for your authorship of this critical legislation and for continuing your long support of the work of LAFCOs. For all these reasons, we are pleased to support your bill SB 938.

Respectfully,



John Hidahl, Chair  
EI Dorado LAFCO

cc: Members, Senate Government and Finance Committee  
Anton Favorini-Csorba, Consultant, Senate Governance and Finance Committee  
Ryan Eisberg, Consultant, Senate Republican Caucus  
Rene LaRoche, Executive Director, California Association of Local Agency Formation  
Commissions