

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF APRIL 28, 2010

REGULAR MEETING

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

FROM: José C. Henríquez, Executive Officer

AGENDA ITEM #7A: OTHER BUSINESS – LEGISLATION

RECOMMENDATION

Staff recommends that the Commission review the attached information related to Senate Bill 1023 (Wiggins) and authorize the Chair to sign a letter of support.

REASON FOR RECOMMENDED ACTION

The attached amendments proposed by Senator Wiggins address the Commission's request to amend SB 1023. The bill now allows for the expedited process to convert the Tahoe Paradise Resort Improvement District into a recreation district if Tahoe Paradise RID chooses to switch to a more recent form of government.

BACKGROUND

Under current law, if an entity wants to reorganize itself into a new type of government, the applicant agency must formally ask LAFCO to approve a reorganization that proposes the dissolution of the existing district and the formation of a new agency. The five-step LAFCO procedures take about a year to complete. Further, these reorganizations require the payment of LAFCO processing fees (Government Code §56383) and they need majority-voter approval [Government Code §57077 (b)(1)].

At the December 2, 2009 meeting, the Commission was alerted to proposed legislation that would authorize LAFCOs to use an expedited process for converting certain types of "dead end" districts, such as resort improvement districts (RIDs), into community services districts. If the Commission recalls, resort improvement districts are dead branches of the governmental tree. The Legislature stopped the creation of new RIDs in the 1960s and, because of that, their principal act has never been revisited or updated. Consequently, RIDs operate with outdated procedures that do not comply with the governmental reforms of the past 30 years, such as the Brown Act, Proposition 218, the Fair Political Practices Act or current accounting standards. This makes it

difficult for RIDs to govern themselves and deliver public services with transparency and accountability. The proposed legislation would create an expedited process to convert RIDs into community services districts (CSDs) by streamlining the five step LAFCO process. Most notably, it eliminates the protest hearing or election provisions and declares the process to be exempt from environmental review.

At the February 24, 2010 meeting, the Commission was notified that Senator Wiggins had agreed to carry the bill and introduced it as SB 1023. The Commission authorized the Chair to sign a letter expressing its support for the legislation in concept, but requested that the Senator consider amending the bill to allow RIDs the option to convert into other modern types of governmental entities besides a CSD. Specifically, in its discussion this Commission believed that converting Tahoe Paradise RID to a recreation district suited its powers, service capacities and current practices better than having it operate as a CSD.

On April 20, 2010, staff was alerted that Senator Wiggins plans to amend the bill specifically allowing Tahoe Paradise RID to convert to a recreation district if it chooses (please refer to Attachment A of this addendum). As stated in previous memos on the subject, the intent of the legislation is to encourage RIDs to move away from having to operate under archaic statutes into another, more modern form of government without any substantive change to their powers, duties, finances, or service area. Assuming this bill will be ultimately successful and signed into law, under this bill Tahoe Paradise RID does not have to convert. However, if Tahoe Paradise RID chooses to convert, it can apply to LAFCO and utilize an expedited process to do so. The bill sunsets on January 1, 2018, so Tahoe Paradise RID has approximately seven years to consider whether it is in its best interest to switch to a recreation district. With these changes, staff recommends that the Commission send another letter of unconditional support for this bill.

Attachments

Attachment A: Proposed Amendments to SB 1023 (Wiggins)

Attachment B: Draft Letter of Support