

# EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

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## *AGENDA OF OCTOBER 22, 2014*

### *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 #8A: OTHER BUSINESS – LEGISLATION**

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#### **RECOMMENDATION**

Staff recommends that the Commission receive the following summary of LAFCO-related legislation for the end of the 2013-2014 Legislative Session. No Commission action is requested.

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

The State Legislature has just completed year two of the current two-year cycle; September 30 was the last day for Governor Brown to sign or veto bills passed by the Legislature. The following is a status on the final actions for some bills that staff has been monitoring in the past year:

#### **Chaptered Bills**

##### **AB 1739 (Dickinson) – Groundwater Management *Chaptered September 16***

Would provide specific authority to a groundwater sustainability agency, as defined in SB 1168 of the 2013-14 Regular Session, to impose certain fees. The bill would authorize the Department of Water Resources or a groundwater sustainability agency to provide technical assistance to entities that extract or use groundwater to promote water conservation and protect groundwater resources. This bill would require the department, by January 1, 2017, to publish on its Internet Web site best management practices for the sustainable management of groundwater.

As amended, all references to LAFCO being involved in the formation and governance processes for groundwater management agencies have been removed. Agencies will be formed by public agencies as dependent special districts or through JPA, MOU or some other legal agreement. Coordination for overlapping basins and sub-basins will be done at the local level.

**SB 1168 (Pavley) – Groundwater Management**  
**Chaptered September 16**

Would state the policy of the State that groundwater resources be managed sustainably for long-term reliability and multiple economic, social, and environmental benefits for current and future beneficial uses. This bill would state that sustainable groundwater management is best achieved locally through the development, implementation, and updating of plans and programs based on the best available science. This bill contains other related provisions and other existing laws.

**SB 614 (Wolk) – Local Government: Jurisdictional Changes: Infrastructure Financing****Chaptered September 29**

As amended, the bill is intended to provide an incentive to cities to annex disadvantaged unincorporated communities by creating an option for a funding mechanism using a property tax sharing agreement by affected entities (to share the 1% tax dollars) and ensuing tax increment. A special district would be created to act as the vehicle for that funding. The bill allows LAFCO to consider, as part of the application, the formation of a new district or the reorganization of an existing district, but only if all of the affected agencies are in agreement. Further, the bill allows a consenting local agency to advance funds to the special district for the sole purposes outlined in the annexation development plan (for specific infrastructure upgrades). There is a ten year sunset on the provisions created by this bill to January 1, 2025.

CALAFCO worked closely with Senator Wolk's staff and the staff of the Senate Governance and Finance committee on amendments to the bill. All of the originally stated concerns have been eliminated with the amendments made on August 18.

**Vetoed Bills / Failed Deadline****AB 1527 (Perea) – Public Water Systems: Drinking Water****Vetoed September 28**

Gut and amended on June 26 and substantially amended again on August 20. As amended, this bill required the State Water Resources Control Board to provide incentives for the consolidation of public water systems based on LAFCO studies. It further required the Board to adopt a policy handbook. Once done, this newly added provision will be repealed. The bill had undergone a number of substantial amendments, consequently eliminating the provision that LAFCOs be added to the list of eligible entities for receiving grant funding from the Strategic Growth Council. However it still acknowledged the importance and usefulness of Municipal Service Reviews at the state level by requiring the Board to use that data in their processes of consolidation incentives.

**AB 1729 (Logue) – Local government: Agricultural Land: Subvention Payments**  
**Failed Deadline August 31**

Would appropriate \$40 million to the Controller from the General Fund for the 2014-15 fiscal year to make Williamson Act 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.

**SB 69 (Roth) – Local Government Finance: Property Tax Revenue Allocations: Vehicle License Fee Adjustments*****Vetoed September 28***

SB 69 called for reinstatement of the VLF through ERAF for cities that incorporated between January 1, 2004 and January 1, 2012. There are no provisions for back payments for lost revenue, but the bill did reinstate future payments beginning in the 2014/15 year for cities that incorporated between January 1, 2004 and January 1, 2012.

**AB 1521 (Fox) – Local Government Finance: Property Tax Revenue Allocations: Vehicle License Fee Adjustments*****Vetoed September 28***

AB 1521 would have reinstated the VLF payment (through ERAF) and change the way that the growth in the VLF adjustment amount (property tax in lieu of VLF) is calculated starting in FY 2014-15 to include the growth of assessed valuation, including in an annexed area, from FY 2004-05 to FY 2014-15. Beginning in FY 2015-16, the VLF adjustment amount would have be the jurisdiction's annual change in the assessed valuation. This bill had been marked as an urgency bill to take effect immediately.

**Upcoming Legislative Dates**

January 1, 2015: Statutes take effect

January 5, 2015: Legislature reconvenes for 2015-2016 Legislative Session  
(First business day)

**Attachment**

Attachment A: Legislation Report