

**CALAFCO Daily Legislative Report  
 as of Wednesday, February 27, 2019**

**[AB 1253](#) ([Rivas, Robert](#), D) Local agency formation commissions: grant program.**

**Current Text:** Introduced: 2/21/2019 [html](#) [pdf](#)

**Introduced:** 2/21/2019

**Status:** 2/22/2019-From printer. May be heard in committee March 24.

<b>Desk</b>	<b>Policy</b>	<b>Fiscal</b>	<b>Floor</b>	<b>Desk</b>	<b>Policy</b>	<b>Fiscal</b>	<b>Floor</b>	<b>Conf. Conc.</b>	<b>Enrolled</b>	<b>Vetoed</b>	<b>Chapters</b>
1st House				2nd House							

**Summary:**

This bill would require the Strategic Growth Council, until July 31, 2025, to establish and administer a local agency formation commissions grant program for the payment of costs associated with initiating and completing the dissolution of districts listed as inactive, the payment of costs associated with a study of the services provided within a county by a public agency to a disadvantaged community, as defined, and for other specified purposes, including the initiation of an action, as defined, that is limited to service providers serving a disadvantaged community and is based on determinations found in the study, as approved by the commission. The bill would specify application submission, reimbursement, and reporting requirements for a local agency formation commission to receive grants pursuant to the bill. The bill would require the council, after consulting with the California Association of Local Agency Formation Commissions, to develop and adopt guidelines, timelines, and application and reporting criteria for development and implementation of the program, as specified, and would exempt these guidelines, timelines, and criteria from the rulemaking provisions of the Administrative Procedure Act. The bill would make the grant program subject to an appropriation for the program in the annual Budget Act, and would repeal these provisions on January 1, 2026. This bill contains other existing laws.

**Position:** Sponsor

**Subject:** Disadvantaged Communities, LAFCo Administration, Municipal Services, Special District Consolidations

**CALAFCO Comments:** This is a CALAFCO sponsored bill following up on the recommendation of the Little Hoover Commission report of 2017 for the Legislature to provide LAFCos one-time grant funding for in-depth studies of potential reorganization of local service providers. Last year, the Governor vetoed AB 2258 - this is the same bill. The Strategic Growth Council (SGC) will administer the grant program. Grant funds will be used specifically for conducting special studies to identify and support opportunities to create greater efficiencies in the provision of municipal services; to potentially initiate actions based on those studies that remove or reduce local costs thus incentivizing local agencies to work with the LAFCo in developing and implementing reorganization plans; and the dissolution of inactive districts (pursuant to SB 448, Wieckowski, 2017). The grant program would sunset on July 31, 2024.

The bill also changes the protest threshold for LAFCo initiated actions, solely for the purposes of actions funded pursuant to this new section. It allows LAFCo to

order the dissolution of a district (outside of the ones identified by the SCO) pursuant to Section 11221 of the Elections code, which is a tiered approach based on registered voters in the affected territory (from 30% down to 10% depending).

The focus is on service providers serving disadvantaged communities. The bill also requires LAFCo pay back grant funds in their entirety if the study is not completed within two years and requires the SGC to give preference to LAFCos whose decisions have been aligned with the goals of sustainable communities strategies.

The fiscal request is \$1.5 million over 5 years. CALAFCO is attempting to get this in the May revise budget so there is no General Fund appropriation (the reason Gov. Brown vetoed the bill).

**SB 414 (Caballero D) Small System Water Authority Act of 2019.**

**Current Text:** Introduced: 2/20/2019 [html](#) [pdf](#)

**Introduced:** 2/20/2019

**Status:** 2/21/2019-From printer. May be acted upon on or after March 23.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapters
1st House				2nd House							

**Summary:**

Would create the Small System Water Authority Act of 2019 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2020, would require the state board to provide written notice to cure to all public agencies, private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance, for the period from July 1, 2018, through December 31, 2019, with one or more state or federal primary drinking water standard maximum contaminant levels, as specified.

**Position:** Watch

**Subject:** Water

**CALAFCO Comments:** This bill is very similar to AB 2050 (Caballero) from 2018. Several changes have been made. This bill is sponsored by Eastern Municipal Water District and the CA Municipal Utilities Assoc. The intent is to give the State Water Resources Control Board (SWRCB) authority to mandate the dissolution of existing drinking water systems (public, mutual and private) and authorize the formation of a new public water authority. The focus is on non contiguous systems. The SWRCB already has the authority to mandate consolidation of these systems, this will add the authority to mandate dissolution and formation of a new public agency.

LAFCo will be responsible for dissolving any state mandated public agency dissolution, and the formation of the new water authority. The SWRCB's appointed Administrator will act as the applicant on behalf of the state. LAFCo will have ability to approve with modifications the application, and the new agency will have to report to the LAFCo annually for the first 3 years.

**SB 646 (Morrell R) Local agency utility services: extension of utility services.**

**Current Text:** Introduced: 2/22/2019 [html](#) [pdf](#)

**Introduced:** 2/22/2019

**Status:** 2/25/2019-From printer. May be acted upon on or after March 27. Read first time.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would prohibit a city or district providing the extended service from denying the extension of a utility service to a property owner located within the extended service area based upon a property owner's election not to participate in an annexation or preannexation proceeding.

**Position:** Watch

**Subject:** CKH General Procedures

---

**2**

---

**[AB 213](#) ([Reyes D](#)) Local government finance: property tax revenue allocations: vehicle license fee adjustments.**

**Current Text:** Introduced: 1/15/2019 [html](#) [pdf](#)

**Introduced:** 1/15/2019

**Status:** 2/4/2019-Referred to Com. on L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would, for the 2019–20 fiscal year, require the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount in the 2018–19 fiscal year, the product of that sum and the percentage change in gross taxable assessed valuation within the jurisdiction of that entity between the 2018–19 fiscal year to the 2018–19 fiscal year, and the product of the amount of specified motor vehicle license fee revenues that the Controller allocated to the applicable city in July 2010 and 1.17.

**Position:** Watch

**Subject:** Tax Allocation

**CALAFCO Comments:** Sponsored by the League, this bill will reinstate ERAF funding for inhabited annexations. This bill is the same as AB 2268 (Reyes) from last year.

**[AB 818](#) ([Cooley D](#)) Local government finance: vehicle license fee adjustment amounts.**

**Current Text:** Introduced: 2/20/2019 [html](#) [pdf](#)

**Introduced:** 2/20/2019

**Status:** 2/21/2019-From printer. May be heard in committee March 23.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Current property tax law, for the 2006–07 fiscal year, and for each fiscal year thereafter, requires the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount for the prior fiscal year, if specified provisions did not apply, and the product of the amount as so described and the percentage change from the prior fiscal year in the gross taxable valuation within

the jurisdiction of the entity. Current law establishes a separate vehicle license fee adjustment amount for a city that was incorporated after January 1, 2004, and on or before January 1, 2012. This bill would establish a separate vehicle license fee adjustment amount for a city incorporating after January 1, 2012, including an additional separate vehicle license fee adjustment amount for the first fiscal year of incorporation and for the next 4 fiscal years thereafter.

**Position:** Watch

**Subject:** Financial Viability of Agencies

**CALAFCO Comments:** Sponsored by the League, this bill will reinstate ERAF funding for cities incorporating after 2018. This is the same bill as AB 2491 from 2018.

**AB 1304 (Waldron R) Water supply contract: Native American tribes.**

**Current Text:** Introduced: 2/22/2019 [html](#) [pdf](#)

**Introduced:** 2/22/2019

**Status:** 2/25/2019-Read first time.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Current law provides for the establishment and operations of various water districts. This bill would specifically authorize a water district, as defined, that supplies potable water to enter into a contract with a Native American tribe to receive water deliveries from an infrastructure project on tribal lands.

**Position:** Watch

**Subject:** Municipal Services, Water

**SB 99 (Nielsen R) Agricultural land.**

**Current Text:** Introduced: 1/10/2019 [html](#) [pdf](#)

**Introduced:** 1/10/2019

**Status:** 1/24/2019-Referred to Com. on RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

The California Land Conservation Act of 1965, also known as the Williamson Act, authorizes a city or county to contract with a landowner to limit the use of agricultural land located in an agricultural preserve designated by the city or county. Current law requires the Department of Conservation to submit a report to the Legislature on or before May 1 of every other year regarding the implementation of the Williamson Act. This bill would make nonsubstantive changes to that provision.

**Position:** Watch

**Subject:** Ag Preservation - Williamson

**CALAFCO Comments:** This is a spot bill.

**SB 379 (Committee on Governance and Finance) Validations.**

**Current Text:** Introduced: 2/20/2019 [html](#) [pdf](#)

**Introduced:** 2/20/2019

**Status:** 2/21/2019-From printer. May be acted upon on or after March 23.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

This bill would enact the First Validating Act of 2019, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

**Position:** Watch

**Subject:** LAFCo Administration

**CALAFCO Comments:** This is one of three annual validating acts.

**SB 380 (Committee on Governance and Finance) Validations.**

**Current Text:** Introduced: 2/20/2019 [html](#) [pdf](#)

**Introduced:** 2/20/2019

**Status:** 2/21/2019-From printer. May be acted upon on or after March 23.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

This bill would enact the Second Validating Act of 2019, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

**Position:** Watch

**Subject:** LAFCo Administration

**CALAFCO Comments:** This is one of three annual validating acts.

**SB 381 (Committee on Governance and Finance) Validations.**

**Current Text:** Introduced: 2/20/2019 [html](#) [pdf](#)

**Introduced:** 2/20/2019

**Status:** 2/21/2019-From printer. May be acted upon on or after March 23.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

This bill would enact the Third Validating Act of 2019, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

**Position:** Watch

**Subject:** LAFCo Administration

**CALAFCO Comments:** This is one of three annual validating acts.

**AB 530 (Aguiar-Curry D) The Fairfield-Suisun Sewer District.**

**Current Text:** Introduced: 2/13/2019 [html](#) [pdf](#)

**Introduced:** 2/13/2019

**Status:** 2/21/2019-Referrred to Com. on L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

The Fairfield-Suisun Sewer District Act creates the Fairfield-Suisun Sewer District and grants to the district various powers relating to the treatment and disposal of sewage. The act provides for the election of a board of directors for the district and administrative procedures for the operation of the district. This bill would make various administrative changes to the act, including removing the requirement that the district appoint a clerk and changing the posting requirements for regulations.

**Position:** Watch

**Subject:** Special District Powers, Special Districts Governance

**CALAFCO Comments:** This bill makes administrative changes to this special act district. It also allows for an extension of service pursuant to 56133 (keeping that LAFCo process intact).

**AB 648** **(Nazarian D) Healthcare.**

**Current Text:** Introduced: 2/15/2019 [html](#) [pdf](#)

**Introduced:** 2/15/2019

**Status:** 2/19/2019-From printer. May be heard in committee March 21.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Current law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. Current law also provides for the regulation of health insurers by the Department of Insurance. This bill would express the Legislature's intent to enact legislation to improve access to healthcare services for the residents of this state.

**Position:** Watch

**CALAFCO Comments:** This is a spot bill.

**AB 798** **(Cervantes D) Mosquito abatement: vector control districts.**

**Current Text:** Introduced: 2/20/2019 [html](#) [pdf](#)

**Introduced:** 2/20/2019

**Status:** 2/21/2019-From printer. May be heard in committee March 23.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

The Mosquito Abatement and Vector Control District Law specifies the procedures for district formation, procedures for the selection of the district board of trustees and officers, and the powers and duties of the board. Under existing law, the term of office for a member of the board of trustees is a term of 2 or 4 years, at the discretion of the appointing authority. Existing law specifies the procedure to fill a vacancy in the office of a member appointed to a board of trustees and requires that the person appointed to fill the vacancy fill the balance of the unexpired term. This bill would make technical, nonsubstantive changes to those provisions governing the term of office.

**Position:** Watch

**CALAFCO Comments:** This is a spot bill pertaining to vector control districts.

**AB 881 (Bloom D) Accessory dwelling units.**

**Current Text:** Introduced: 2/20/2019 [html](#) [pdf](#)

**Introduced:** 2/20/2019

**Status:** 2/21/2019-From printer. May be heard in committee March 23.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

The Planning and Zoning Law provides for the creation of accessory dwelling units by local ordinance, or, if a local agency has not adopted an ordinance, by ministerial approval, in accordance with specified standards and conditions. Current law requires the ordinance to designate areas where accessory dwelling units may be permitted and authorizes the designated areas to be based on criteria that includes, but is not limited to, the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety. This bill would instead require a local agency to designate these areas based on the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety.

**Position:** Watch

**Subject:** Housing

**AB 1053 (Dahle R) Fallen Leaf Lake Community Service District.**

**Current Text:** Introduced: 2/21/2019 [html](#) [pdf](#)

**Introduced:** 2/21/2019

**Status:** 2/22/2019-From printer. May be heard in committee March 24.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

The Community Services District Law generally provides for the formation of community service districts that have specified general powers, including, among others, the power to adopt ordinances or enter into and perform contracts, in order to provide specified services authorized under that law. This bill would state the intent of the Legislature to enact legislation addressing any recommendations in the California State Auditor's audit of the Fallen Leaf Lake Community Services District, as requested by the Joint Legislative Audit Committee in August 2018.

**Position:** Watch

**CALAFCO Comments:** CALAFCO will watch this bill to determine if the outcome of the State Audit on this district will have an impact on all CSDs.

**AB 1389 (Eggman D) Special districts: change of organization: mitigation of revenue loss.**

**Current Text:** Introduced: 2/22/2019 [html](#) [pdf](#)

**Introduced:** 2/22/2019

**Status:** 2/25/2019-Read first time.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would authorize the commission to propose, as part of the review and approval of a proposal for the establishment of new or different functions or class of services, or the divestiture of the power to provide particular functions or class of services, within all or part of the jurisdictional boundaries of a special district, that the

special district, to mitigate any loss of property taxes, franchise fees, and other revenues to any other affected local agency, provide payments to the affected local agency from the revenue derived from the proposed exercise of new or different functions or classes of service.

**Position:** Watch  
**Subject:** CKH General Procedures

**SB 654 (Moorlach R) Local government: planning.**

**Current Text:** Introduced: 2/22/2019 [html](#) [pdf](#)

**Introduced:** 2/22/2019

**Status:** 2/25/2019-From printer. May be acted upon on or after March 27. Read first time.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Current law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, makes certain findings and declarations relating to local government organizations, including, among other things, the encouragement of orderly growth and development, and the logical formation and modification of the boundaries of local agencies, as specified. This bill would make nonsubstantive changes to these findings and declarations.

**Position:** Watch  
**CALAFCO Comments:** This is a spot bill. The author indicates he has no plans to use this for LAFCo law.