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June 6, 2011 Agenda Item No. 8b (Discussion)

May 31, 2011

TO: **Local Agency Formation Commission**

FROM: Keene Simonds. Executive Officer

SUBJECT: **Legislative Report**

> The Commission will receive a report on the first year of the 2011-2012 session of the California Legislature as it relates to bills directly or indirectly effecting Local Agency Formation Commissions. Commission will also receive an update on efforts to amend California Government Code Section 56133 to provide more flexibility to LAFCOs in authorizing new or extended services outside spheres of influence.

The Executive Officer and Commissioner Inman are appointed members of the California Association of Local Agency Formation Commissions' (CALAFCO) Legislative Committee. The Committee meets on a regular basis to review, discuss, and offer recommendations to the CALAFCO Board of Directors relating to new legislation that have either a direct impact on LAFCO law or the laws LAFCO helps to administer. Committee actions are guided by the Board's adopted policies, which are annually reviewed and amended to reflect current year priorities.

A. Discussion and Analysis

Current Bills

The Committee is currently tracking 39 bills with direct or indirect impacts on LAFCOs as part of the first year of the 2011-2012 session. Several of the bills introduced are placeholders at this time and will be amended in the next several weeks to clarify their specific purpose. A complete list of the bills under review is attached. Three bills of particular interest of the Committee are discussed and analyzed below.

Senate Bill 244 (Lois Wolk): Disadvantaged Unincorporated Communities

This legislation is sponsored by the California Rural Legal Assistance and most recently amended on May 18, 2011. The bill would require LAFCOs to consider disadvantaged unincorporated communities as part of the municipal service review and sphere of influence update process. LAFCOs' consideration would begin in July 2012 and includes making determinative statements on the infrastructure needs as well as the feasibility of annexing disadvantaged communities that lie within or adjacent to the affected agency's sphere of influence. The bill defines disadvantaged

Councilmember, City of Napa

unincorporated communities as areas with an annual median household income that is less than 80 percent of the statewide annual median household income. (No definition has been provided with respect to "adjacent.") The intent of the bill is for LAFCOs to proactively address the service needs of predominately poor minority communities by facilitating annexations to nearby cities. Concurrent changes to planning law are also proposed to require cities and counties to identify and provide specific information regarding disadvantaged unincorporated communities inside or near their jurisdictions in their housing elements beginning in January 2014.

This bill, if approved, would further direct LAFCOs to focus on environmental justice issues; a focus that began in January 2008 with the requirement that LAFCOs consider the effect of boundary changes in promoting environmental justice. It is unclear at this time whether the bill would measurably impact municipal service reviews and sphere of influence updates in Napa County given the referenced definition of disadvantaged unincorporated communities. This comment appears applicable statewide as several LAFCOs have expressed concern regarding the unknown consequences tied to the bill; this includes the financial impact on LAFCOs in funding these new requirements. CALAFCO has adopted a "watch" position with the goal of working with the authority to make improvements.

Assembly Bill 54 (Jose Solorio): Mutual Water Companies

This legislation was most recently amended on May 19, 2011 and would require mutual water companies to file boundary maps with LAFCOs. The bill would also require mutual water companies to respond in writing to information requests made by LAFCOs as part of the municipal service review process with 45 days of notice.

The author's stated objective is to make mutual water companies more accountable to the public. (Additional requirements included in the bill involve mandatory board training and establishing fund reserve minimums.) Locally, there is little information presently available regarding the extent of mutual water companies operating in Napa County. With this in mind, requiring mutual water companies to file boundary maps with LAFCOs and having to respond to information requests would be extremely beneficial. CALAFCO has adopted a "support" position."

Assembly Bill 912 (Rich Gordon): Special District Dissolution

This legislation was most recently amended on May 2, 2011 and would establish an expedited process to dissolve special districts if the dissolution is consistent with an earlier recommendation made by LAFCO. The bill would authorize LAFCO to order the dissolution at a noticed hearing either (a) immediately if initiated by the affected district without protest or an election or (b) within 60 days of the application being deemed complete without an election if a majority protest does not exist.

The author's underlying aim of this bill is to help make it easier for dissolving special districts by creating a mechanism to avoid the uncertainty and costs tied to holding elections. CALAFCO has adopted a "support in concept" position with a request to the author that additional clarifications are made to the bill. This includes tying the expedited dissolution process for consistency with the recommendation of an earlier municipal service review.

Amending Government Code Section 56133

As directed by the Commission, the Executive Officer has worked with CALAFCO since 2008 in developing interest and consensus on amending Government Code (G.C.) Section 56133 to expand LAFCOs existing authority in approving new and extended outside services beyond agencies' spheres of influence. Markedly, LAFCOs are currently allowed to approve outside services beyond the affected agencies' spheres of influence *only* to respond to existing or impending public health or safety threats based on documentation provided by the agency (emphasis added). This existing threshold has proven problematic given LAFCOs and agencies may disagree on the constitution of a public health and safety threat. The existing threshold is also misplaced given it does not recognize there are instances when it is logical for local agencies to provide new or extended services beyond their spheres of influence simply based on local conditions, such as proximity to existing service lines coupled with appropriate land use restrictions.

Staff is pleased to note significant progress has been made over the last two months in accomplishing the Commission's interest in making G.C. Section 56133 more flexible in addressing local conditions and circumstances. Most notably, both the Committee and Board unanimously approved a proposal from a working group chaired by the Executive Officer to establish a new division -2 – to G.C. Section 56133. This new division would authorize LAFCOs to approve new or extended services beyond agencies' spheres of influence without making a public health or safety threat finding so long as LAFCO determines at a noticed public hearing the extension was:

- (A) considered in a municipal service review;
- (B) will not result in adverse impacts on agricultural and open-space lands or growth inducement; and
- (C) a later change of organization is not expected based on local policies.

A copy of the approved proposal to amend G.C. Section 56133 – which includes other clarifying revisions – is attached. Considerable amount of work remains. This includes finding a senator and/or assemblymember to author the proposal along with working with key stakeholders to proactively address any concerns with the goal of introducing a bill by February 2012.

B. Commission Review

The Commission is invited to discuss any of the legislation outlined in this report or in the attached report prepared by CALAFCO. The Commission may also provide direction to staff with respect to returning with comment letters on any current or future legislation.

Attachments:

- 1) CALAFCO Legislative Policies
- 2) CALAFCO Status Report on Current Legislation
- 3) Board Approved Revisions to G.C. Section 56133

CALAFCO 2011 Legislative Policies

Adopted by Board of Directors on 18 February 2011

1. LAFCo Purpose and Authority

- 1.1. Support legislation which enhances LAFCo authority and powers to carry out the legislative findings and authority in Government Code §56000 et. seq.
- 1.2. Support authority for each LAFCo to establish local policies to apply Government Code §56000 et. seq. based on local needs and conditions, and oppose any limitations to that authority.
- 1.3. Oppose additional LAFCo responsibilities which require expansion of current local funding sources. Oppose unrelated responsibilities which dilute LAFCo ability to meet its primary mission.
- 1.4. Support alignment of responsibilities and authority of LAFCo and regional agencies which may have overlapping responsibilities in orderly growth, preservation, and service delivery, and oppose legislation or policies which create conflicts or hamper those responsibilities.
- 1.5. Oppose grants of special status to any individual agency or proposal to circumvent the LAFCo process.
- 1.6. Support individual commissioner responsibility that allows each commissioner to independently vote his or her conscience on issues affecting his or her own jurisdiction.

2. LAFCo Organization

- 2.1. Support the independence of LAFCo from local agencies.
- 2.2. Oppose the re-composition of any or all LAFCos without respect to the existing balance of powers that has evolved within each commission or the creation of special seats on a LAFCo.



- 2.3. Support representation of special districts on all LAFCos in counties with independent districts and oppose removal of special districts from any LAFCo.
- 2.4. Support communication and collaborative decision-making among neighboring LAFCos when growth pressures and multicounty agencies extend beyond a LAFCo's boundaries.

3. Agricultural and Open Space Protection

- 3.1. Support legislation which clarifies LAFCo authority to identify, encourage and insure the preservation of agricultural and open space lands.
- 3.2. Encourage a consistent definition of agricultural and open space lands.
- 3.3. Support policies which encourage cities, counties and special districts to direct development away from prime agricultural lands.
- 3.4. Support policies and tools which protect prime agricultural and open space lands.

4. Orderly Growth

- 4.1. Support the recognition and use of spheres of influence as the management tool to provide better planning of growth and development, and to preserve agricultural, and open space lands.
- 4.2. Support adoption of LAFCo spheres of influence by other agencies involved in determining and developing long-term growth and infrastructure plans.
- 4.3. Support orderly boundaries of local agencies and the elimination of islands within the boundaries of agencies.
- 4.4. Support communication between cities, counties, and special districts

through a collaborative process that resolves service, housing, land use, and fiscal issues prior to application to LAFCo.

4.5. Support cooperation between counties and cities on decisions related to development within the city's designated sphere of influence.

5. Service Delivery and Local Agency Effectiveness

- 5.1. Support the use of LAFCo resources to prepare and review Regional Transportation Plans and other growth plans to ensure reliable services, orderly growth, sustainable communities, and conformity with LAFCo's legislative mandates.
- 5.2. Support LAFCo authority and tools which provide communities with local governance and efficient service delivery options, including the authority to impose conditions that assure a proposal's conformity with LAFCo's legislative mandates.
- 5.3. Support the creation or reorganization of local governments in a deliberative, open process which will fairly evaluate the proposed agency's long-term financial viability, governance structure and ability to efficiently deliver proposed services.
- 5.4. Support the availability of tools for LAFCo to insure equitable distribution of revenues to local government agencies consistent with their service delivery responsibilities.

2011 Legislative Priorities

Primary Issues

Viability of Local Governments

Support legislation that maintains or enhances LAFCo's ability to review and act to assure the efficient and sustainable delivery of local services and the financial viability of agencies providing those services to meet current and future needs. Support legislation which LAFCo and provides communities with options for local governance and service delivery, including incorporation as a city or formation as a special district. Support efforts which provide tools to local agencies to address fiscal challenges and maintain services.

Authority of LAFCo

Support legislation that maintains or enhances LAFCo's authority to condition proposals to address any or all financial, growth, service delivery, and agricultural and open space preservation issues.

Agriculture and Open Space Protection

Preservation of prime agriculture and open space lands that maintain the quality of life in California. Support policies that recognize LAFCo's ability to protect and mitigate the loss of prime agricultural and open space lands, and that encourage other agencies to coordinate with local LAFCos on land preservation and orderly growth.

Water Availability

Promote adequate water supplies and infrastructure planning for current and planned growth. Support policies that assist LAFCo in obtaining accurate and reliable information water supply evaluate current and cumulative demands water for service expansions and boundary changes including impacts of expanding private and mutual water company service areas on orderly growth.

Issues of Interest

Housing

Provision of territory and services to support affordable housing and the consistency of regional land use plans with local LAFCo policies.

Transportation Effects of Regional Transportation Plans and expansion of transportation systems on future urban growth and service delivery needs, and the ability of local agencies to provide those services.

Flood Control

The ability and effectiveness of local agencies to maintain and improve levees and the public safety of uninhabited territory proposed for annexation to urban areas which is at risk for flooding. Support legislation that includes assessment of agency viability in decisions involving new funds for levee repair.

Adequate Municipal Services in Inhabited **Territory**

Expedited processes for inhabited annexations should be consistent with LAFCo law and be fiscally viable. Funding sources should be identified for extension of municipal services to underserved inhabited communities, including option for annexation of contiguous disadvantaged unincorporated communities.

CALAFCO Daily Legislative Report as of 6/1/2011

1

AB 54 (Solorio D) Drinking water.

Current Text: Amended: 5/31/2011 pdf html

Introduced: 12/6/2010 Last Amended: 5/31/2011

Status: 5/31/2011-From committee: Do pass as amended. (Ayes 17. Noes 0.) (May 27).

Read second time and amended. Ordered to second reading.

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Calendar:

6/1/2011 #1 ASSEMBLY ASSEMBLY SECOND READING FILE

Summary:

Would specify that any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for irrigation purposes, and any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for domestic use that provides in its articles or bylaws that the water shall be sold, distributed, supplied, or delivered only to owners of its shares and that those shares are appurtenant to certain lands shall be known as a mutual water company. This bill contains other related provisions and other current laws.

Attachments:

CALAFCO Support Letter

Position: None at this time

Subject: Water

CALAFCO Comments: Requires mutual water companies to respond to LAFCo requests for information, requires Mutuals to provide a map of boundaries to LAFCo, adds authority for LAFCo to request MSR data from mutuals and include compliance with safe drinking water standards in MSRs.

AB 912 (Gordon D) Local government: organization.

Current Text: Amended: 5/27/2011 pdf html

Introduced: 2/17/2011 Last Amended: 5/27/2011

Status: 5/31/2011-Read third time. Passed. Ordered to the Senate.

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Summary:

Would authorize the commission, where the commission is considering a change of organization that consists of the dissolution of a district that is consistent with a prior action of the commission, to immediately order the dissolution if the dissolution was initiated by the district board, or if the dissolution was initiated by an affected local agency, by the commission, or by petition, hold at least one noticed public hearing on the proposal, and order the dissolution without an election, unless a majority protest exists, as specified.

Position: None at this time

Subject: Special District Consolidations, Special District Powers

CALAFCO Comments: Allows a commission to dissolve a special district - under specific

circumstances - without a vote unless there is a majority protest.

AB 1430 (Committee on Local Government) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 omnibus bill.

Current Text: Introduced: 4/5/2011 pdf html

Introduced: 4/5/2011

Status: 5/19/2011-In Senate. Read first time. To Com. on RLS. for assignment.

	Desk Policy Fiscal Floor	Desk Policy Fiscal Floor	Conf.	Enrolled	Vetoed	Chaptered
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Summary:

Current law defines various terms for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. This bill would revise various definitions within that

act, and would make other conforming and technical changes.

Position: Support

Subject: CKH General Procedures

CALAFCO Comments: CALAFCO Sponsored bill. Makes technical, non-substantive

changes to Cortese-Knox-Hertzberg. Includes major definitions update.

SB 244 (Wolk D) Land use: general plan: disadvantaged unincorporated communities.

Current Text: Amended: 5/18/2011 pdf html

Introduced: 2/10/2011 Last Amended: 5/18/2011

Status: 5/31/2011-Read third time. Passed. (Ayes 24. Noes 14.) Ordered to the Assembly.

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Summary:

Would require the city or county planning agency, after the initial revision and update of the general plan, to review, and if necessary amend, the general plan to update the information, goals, and program of action relating to these communities therein. By adding to the duties of city and county officials, this bill would impose a state-mandated local program. This bill contains other related provisions and other current laws.

Attachments:

CALAFCO Letter of Concern - 29 March 2011

Position: None at this time

Subject: Disadvantaged Communities

CALAFCO Comments: Amended to require LAFCo review of disadvantaged unincorporated communities. It adds a definition for disadvantaged unincorporated communities, requires LAFCo to review water, sewer and fore services to the communities in the next SOI update, places more emphasis on LAFCo recommendations on reorganizations for efficient and effective services, requires LAFCo to identify service deficiencies to these communities in MSRs, and specifically requires LAFCo to assess alternatives for efficient and affordable infrastructure and services, including consolidations, in MSRs. Bill requires LAFCo to look at communities "in or adjacent to the sphere of influence."

2

AB 46 (John A. Pérez D) Local government: cities.

Current Text: Amended: 4/4/2011 pdf html

Introduced: 12/6/2010 Last Amended: 4/4/2011

Status: 5/19/2011-In Senate. Read first time. To Com. on RLS. for assignment.

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Summary:

Would provide that every city with a population of less than 150 people as of January 1, 2010, would be disincorporated into that city's respective county as of 91 days after the effective date of the bill, unless a county board of supervisors determines, by majority vote within the 90-day period following enactment of these provisions, that continuing such a city within that county's boundaries would serve a public purpose if the board of supervisors determines that the city is in an isolated rural location that makes it impractical for the residents of the community to organize in another form of local governance. The bill would also require the local agency formation commission within the county to oversee the terms and conditions of the disincorporation of the city, as specified.

Position: None at this time

Subject: Disincorporation/dissolution

CALAFCO Comments: As written this bill applies only to Vernon, California. It bypasses much of the C-K-H disincorporation process, leaving LAFCo only the responsibility of assigning assets and liabilities following disincorporation.

AB 187 (Lara D) State Auditor: audits: high-risk local government agency audit program.

Current Text: Amended: 5/27/2011 pdf html

Introduced: 1/25/2011 Last Amended: 5/27/2011 **Status:** 5/31/2011-Read second time. Ordered to third reading.

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Calendar:

6/1/2011 #115 ASSEMBLY ASSEMBLY THIRD READING FILE

Summary:

Would authorize the State Auditor to establish a high-risk local government agency audit program to identify, audit, and issue reports on any local government agency, including any city, county, or special district, or any publicly created entity that the State Auditor identifies as being at high risk for the potential of waste, fraud, abuse, or mismanagement or that has major challenges associated with its economy, efficiency, or effectiveness. The bill would also authorize the State Auditor to consult with the State Controller, Attorney General, and other state agencies in identifying local government agencies that are at high risk.

Position: None at this time

Subject: Financial Viability of Agencies, Service Reviews/Spheres

CALAFCO Comments: Would allow the State Auditor to audit and issue reports on any local agency it identifies at being at high risk for waste, fraud, abuse or mismanagement.

AB 781 (John A. Pérez D) Preservation of lands: open-space subventions.

Current Text: Amended: 3/23/2011 pdf html

Introduced: 2/17/2011 Last Amended: 3/23/2011

Status: 5/19/2011-In Senate. Read first time. To Com. on RLS. for assignment.

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Summary:

Would authorize a city, county, or city and county to accept contributions from public and private entities to offset a reduction in state subvention payments, as specified.

Position: None at this time

Subject: Ag Preservation - Williamson

CALAFCO Comments: Allows a city or county to accept private contributions to offset

reductions in Williamson Act funding.

AB 1265 (Nielsen R) Local government: Williamson Act.

Current Text: Amended: 4/4/2011 pdf html

Introduced: 2/18/2011 Last Amended: 4/4/2011

Status: 5/19/2011-In Senate. Read first time. To Com. on RLS. for assignment.

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Summary:

Would, beginning January 1, 2012, and until January 1, 2015, authorize a county, in any fiscal year in which payments authorized for reimbursement to a county for lost revenue are less than 1/2of the participating county's actual foregone general fund property tax revenue, to revise the term for newly renewed and new contracts and require the assessor to value the property, as specified, based on the revised contract term. The bill would provide that a landowner may choose to nonrenew and begin the cancellation process. The bill would also provide that any increased revenues generated by properties under a new contract shall be paid to the county.

Attachments:

CALAFCO Support Letter

Position: Support

Subject: Ag Preservation - Williamson

CALAFCO Comments: Creates an interim solution to the loss of state subventions for Williamson Act lands by giving counties and alternative landowner-funding approach.

ACA 17 (Logue R) State-mandated local programs.

Current Text: Introduced: 2/15/2011 pdf html

Introduced: 2/15/2011

Status: 4/14/2011-Referred to Com. on L. GOV.

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Summary:

Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, the state is required to provide a subvention of funds to reimburse the local government. With regard to certain mandates imposed on a city, county, city and county, or special district that have been determine to be payable, the Legislature is required either to appropriate, in the annual Budget Act, the full payable amount of the mandate, determined as specified, or to suspend the operation of the mandate for the fiscal year. The California Constitution provides that the Legislature is not required to appropriate funds for specified mandates.

Position: None at this time **Subject:** LAFCo Administration

CALAFCO Comments: Changes state mandate law in a proposed constitutional amendment. Included is specific language that releases mandate responsibility if the local agency can change an individual or applicant for the cost of providing the mandated service. Would likely exempt some mandates to LAFCo from state funding.

SB 46 (Correa D) Public officials: compensation disclosure.

Current Text: Amended: 5/31/2011 pdf html

Introduced: 12/9/2010 Last Amended: 5/31/2011

Status: 5/31/2011-Read second time and amended. Ordered to third reading.

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Calendar:

6/1/2011 #132 SENATE SENATE BILLS-THIRD READING FILE

Summary:

Would, commencing on January 1, 2013, and continuing until January 1, 2019, require every designated employee and other person, except a candidate for public office, who is required to file a statement of economic interests to include, as a part of that filing, a compensation disclosure form that provides compensation information for the preceding calendar year, as specified. This bill contains other related provisions and other current laws.

Position: Oppose

Subject: LAFCo Administration

CALAFCO Comments: Similar to a 2010 bill, this would require all those who file a Form 700 to also file an extensive compensation and reimbursement disclosure report. Would require all local agencies, including LAFCo, to annually post the forms on their website.

SB 191 (Committee on Governance and Finance) Validations.

Current Text: Amended: 5/16/2011 pdf html

Introduced: 2/8/2011 Last Amended: 5/16/2011

Status: 5/31/2011-Senate refused to concur in Assembly amendments. (Ayes 25. Noes 3.) Motion to reconsider made by Senator Wolk. Reconsideration granted. (Ayes 38. Noes 0.)

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6/1/2011 #10 SENATE UNFINISHED BUSINESS

Summary:

This bill would enact the First Validating Act of 2011, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

Attachments:

CALAFCO Support Letter

Position: Support

Subject: LAFCo Administration

CALAFCO Comments: One of three annual acts which validate the boundaries of all local

agencies.

SB 192 (Committee on Governance and Finance) Validations.

Current Text: Amended: 5/16/2011 pdf html

Introduced: 2/8/2011 Last Amended: 5/16/2011

Status: 5/19/2011-Ordered to inactive file on request of Assembly Member Charles

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Summary:

This bill would enact the Second Validating Act of 2011, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

Attachments:

CALAFCO Support Letter

Position: Support

Subject: LAFCo Administration

CALAFCO Comments: One of three annual acts which validate the boundaries of all local

agencies.

SB 193 (Committee on Governance and Finance) Validations.

Current Text: Amended: 5/16/2011 pdf html

Introduced: 2/8/2011 Last Amended: 5/16/2011

Status: 5/19/2011-Ordered to inactive file on request of Assembly Member Charles

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Summary:

This bill would enact the Third Validating Act of 2011, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Attachments:

CALAFCO Support Letter

Position: Support

Subject: LAFCo Administration

CALAFCO Comments: One of three annual acts which validate the boundaries of all local

agencies.

SB 436 (Kehoe D) Land use: mitigation lands: nonprofit organizations.

Current Text: Amended: 5/31/2011 pdf html

Introduced: 2/16/2011

Last Amended: 5/31/2011

Status: 5/31/2011-Read second time and amended. Ordered to third reading. Ordered to

special consent calendar.

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Calendar:

6/1/2011 #216 SENATE SPECIAL CONSENT CALENDAR #4

Summary:

Would, until January 1, 2022, authorize a state or local public agency to provide funds to a nonprofit organization to acquire land or easements that satisfy the agency's mitigation obligations, including funds that have been set aside for the long-term management of any lands or easements conveyed to a nonprofit organization if the nonprofit organization meets certain requirements. This bill would require a nonprofit organization that holds funds on behalf of the Department of Fish and Game for the long- term management of land to comply with certain requirements, including certification by the department, and oversight by the Controller. The bill would also state the findings and declarations of the Legislature with respect to the preservation of natural resources through such mitigation, and would state that it is in the best interest of the public to allow state and local public agencies and nonprofit organizations to utilize the tools and strategies they need for improving the effectiveness, cost efficiency, and durability of mitigation for California's natural resources.

Position: Support

Subject: Ag/Open Space Protection

CALAFCO Comments: Would allow a local agency to provide funds to a non profit to acquire land or easements to satisfy an agency s mitigation requirements. May be an

important tool for LAFCo in agricultural and open space preservation.

(Evans D) Local government: Williamson Act. **SB 668**

Current Text: Amended: 5/10/2011 pdf html

Introduced: 2/18/2011 Last Amended: 5/10/2011

Status: 5/23/2011-In Assembly. Read first time. Held at Desk.

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Summary:

Would, until January 1, 2016, authorize a nonprofit land-trust organization, a nonprofit entity, or a public agency to enter into a contract with a landowner who has also entered into a Williamson Act contract, upon approval of the city or county that holds the Williamson Act contract, to keep that landowner's land in contract under the Williamson Act, for a period of up to 10 years in exchange for the open-space district's, land-trust organization's, or nonprofit entity's payment of all or a portion of the foregone property tax revenue to the county, where the state has failed to reimburse, or reduced the subvention to, the city or county for property tax revenues not received as a result of Williamson Act contracts.

Position: None at this time

Subject: Ag Preservation - Williamson

CALAFCO Comments: Would allow an open space district, land trust or non profit to contract with a Williamson Act landowner to keep land in Williamson Act in exchange for paying all or a portion of the foregone property tax to the county if the state has failed to provide subventions.

(Smyth R) Local government: ethics training: disclosure. AB 148

Current Text: Amended: 4/14/2011 pdf html

Introduced: 1/14/2011 Last Amended: 4/14/2011

Status: 5/27/2011-In committee: Set, second hearing. Held under submission.

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Summary:

Current law, for purposes of ethics training for officers and employees of a local government, defines the term ethics laws to include, among others, laws relating to government transparency. This bill would additionally define the term ethics laws to include compensation setting guidelines as established by specified organizations or the local agency. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: Financial Disclosure Requirements, LAFCo Administration

CALAFCO Comments: Would add compensation setting guidelines to the ethics training

requirements for officials.

AB 229 (Lara D) Controller: audits.

Current Text: Amended: 4/14/2011 pdf html

Introduced: 2/2/2011 Last Amended: 4/14/2011

Status: 5/31/2011-Read third time. Passed. Ordered to the Senate.

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Dead	1st House	2nd House	Conc.

Would require the audit reports prepared in this regard to be submitted to the Controller within 9 months of the end of the period audited or in accordance with applicable federal law. This bill would authorize the Controller to appoint a qualified certified public accountant to complete an audit report if it is not submitted by the local agency within the required

timeframe, with associated costs to be borne by the local agency, as specified. This bill would require the audit to comply with the Government Auditing Standards issued by the Comptroller General of the United States. This bill would require the audits to be made by a certified public accountant that is licensed by the California Board of Accountancy and selected by a local agency from a directory of accountants to be published by the Controller by December 31 of each year. The Controller would be required to use specified criteria to determine those certified public accountants that are to be included in the directory. This bill contains other related provisions.

Position: None at this time

Subject: Financial Viability of Agencies

CALAFCO Comments: Requires audits of local agencies to be sent to controller within 9

months and sets requirements for the CPA or firm which conducts the audits.

AB 253 (Smyth R) Local agencies: accounting.

Current Text: Amended: 4/14/2011 pdf html

Introduced: 2/3/2011 Last Amended: 4/14/2011

Status: 5/31/2011-Read third time. Passed. Ordered to the Senate.

	Desk Policy Fiscal Floor		1 -	Vetoed	Chaptered
Dead	1st House	2nd House	Conc.		

Summary:

Current law requires the Controller to prescribe uniform accounting and reporting procedures that are applicable to specified types of local agencies, including special districts. This bill would instead require the Controller to prescribe uniform accounting procedures that are applicable only to specified types of special districts, subject to these provisions. The bill would require the Controller to prescribe uniform accounting procedures for cities, subject to specified criteria, in collaboration with the Committee on City Accounting Procedures, which would be created by the bill.

Position: None at this time

Subject: Financial Viability of Agencies

CALAFCO Comments: Establishes uniform accounting practices for special districts and

cities.

(Nestande R) Joint powers agreements: public agency: federally recognized Indian tribe. **AB 307**

Current Text: Amended: 5/31/2011 pdf html

Introduced: 2/9/2011 Last Amended: 5/31/2011

Status: 5/31/2011-Author's amendments.

	Desk Policy Fiscal Floor	Desk Policy	Fiscal Flo	oor Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House	2nd H	ouse	Conc.			

Calendar:

6/8/2011 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, WOLK, Chair

Current law authorizes 2 or more public agencies, as defined, to enter into an agreement to exercise common powers. Current law also permits certain federally recognized Indian tribes to enter into joint powers agreements with particular parties and for limited purposes. This bill would include a federally recognized Indian tribe as a public agency that may enter into a joint powers agreement. This bill would also make conforming changes by conforming related code sections. This bill contains other related provisions.

Position: None at this time **Subject:** Municipal Services

CALAFCO Comments: Would allow any federally recognized Indian tribe to act as a public agency to participate in any Joint Powers Authority. Significantly expands current law on Indian tribe participation in a JPA.

(Alejo D) Ralph M. Brown Act: posting agendas. AB 392

Current Text: Amended: 4/14/2011 pdf html

Introduced: 2/14/2011 Last Amended: 4/14/2011

Status: 5/27/2011-In committee: Set, second hearing. Held under submission.

	Desk Policy Fiscal Floor	Desk Policy	Fiscal		Vetoed	Chaptered
Dead	1st House	2nd F	louse	Conc.		

Summary:

Would require the legislative body of a local agency to post the agenda and specified staff generated reports that relate to items on the agenda on its Internet Web site, if any, as specified. The bill would require the legislative body of the local agency, if it does not have an Internet Web site, to disclose on the posted agenda a public location where the agency would make an applicable staff generated report available for copying and inspection by a member of the public for at least 72 hours prior to the meeting. The bill would prohibit the legislative body from acting on or discussing an item on the agenda for which a related staff generated report was not properly disclosed at least 72 hours prior to the meeting, except as provided. By expanding the duties of local agencies, this bill would impose a state-mandated local program. This bill contains other related provisions and other current laws.

Position: None at this time **Subject:** LAFCo Administration

CALAFCO Comments: Adds additional posting requirements to Brown Act.

AB 582 (Pan D) Open meetings: local agencies.

Current Text: Amended: 4/14/2011 pdf html

Introduced: 2/16/2011 Last Amended: 4/14/2011

Status: 5/27/2011-In committee: Set, second hearing. Held under submission.

	Desk Policy	Fiscal Floor	Desk	Policy	Fiscal	_	Vetoed	Chaptered
Dead	1st H	ouse		2nd F	louse	Conc.		

Summary:

The Ralph M. Brown Act authorizes a legislative body of a local agency to hold closed sessions with the agency's designated representatives regarding the salary and compensation of represented and unrepresented employees. This bill would require that proposed compensation increases of more than 5% for specified employees be publicly noticed, as prescribed. By adding to the duties of local officials, this bill would impose a statemandated local program. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: Financial Disclosure Requirements

CALAFCO Comments: Requires public disclosure of compensation increases for

unrepresented employees.

AB 779 (Fletcher R) Municipal water districts: oversight.

Current Text: Amended: 3/30/2011 pdf html

Introduced: 2/17/2011 Last Amended: 3/30/2011

Status: 5/11/2011-In committee: Set, first hearing. Hearing canceled at the request of author.

	Desk Policy Fiscal	Floor Des	k Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House		2nd F	louse		Conc.			

Summary:

Current law, the Municipal Water District Law of 1911, authorizes the formation of a municipal water district to acquire and sell water, and specifies the powers and purposes of a municipal water district. This bill would authorize a municipal water district to establish an independent oversight committee to assist in tracking and reviewing revenues of the district to advance capital improvements, operations and maintenance of district facilities, and allocation methodologies. The bill would authorize an independent oversight committee to perform specified functions for those purposes.

Position: None at this time

Subject: Water, Special District Principle Acts

CALAFCO Comments: Allows a municipal water districts to establish an oversight committee on the financial operations of the district.

AB 1266 (Nielsen R) Local government: Williamson Act: agricultural preserves: advisory board.

Current Text: Introduced: 2/18/2011 pdf html

Introduced: 2/18/2011

Status: 5/19/2011-In Senate. Read first time. To Com. on RLS. for assignment.

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

Summary:

Current law, the Williamson Act, authorizes a city or county to enter into contracts to establish agricultural preserves. Current law also authorizes the legislative body of a city or county to appoint an advisory board to advise the legislative body on agricultural preserve matters. This bill would specify matters on which the advisory board may advise the legislative body of a county or city. This bill would also state that the advisory board is not the exclusive mechanism through which the legislative body can receive advice on or address matters regarding agricultural preserves.

Position: None at this time

Subject: Ag Preservation - Williamson

CALAFCO Comments: Specifies additional responsibilities for the county or city Williamson Act advisory board. May also be a placeholder for more significant modifications to the Williamson Act.

(Simitian D) Public retirement: final compensation: computation: retirees.

Current Text: Amended: 3/3/2011 pdf html

Introduced: 12/6/2010 Last Amended: 3/3/2011

Status: 5/27/2011-Read second time. Ordered to third reading.

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

Calendar:

SB 27

6/1/2011 #41 SENATE SENATE BILLS-THIRD READING FILE

Summary:

Would revise the definition of creditable compensation for these purposes and would identify certain payments, reimbursements, and compensation that are creditable compensation to be applied to the Defined Benefit Supplement Program. The bill would prohibit one employee from being considered a class. The bill would revise the definition of compensation with respect to the Defined Benefit Supplemental Program to include remuneration earnable within a 5-year period, which includes the last year in which the member's final compensation is determined, when it is in excess of 125% of that member's compensation earnable in the year prior to that 5-year period, as specified. The bill would prohibit a member who retires on or after January 1, 2013, who elects to receive his or her retirement benefit under the Defined Benefit Supplemental Program as a lump-sum payment from receiving that sum until 180 days have elapsed following the effective date of the member's retirement. This bill contains other related provisions and other current laws.

Position: None at this time **Subject:** LAFCo Administration

CALAFCO Comments:

SB 186 (Kehoe D) The Controller.

Current Text: Amended: 5/31/2011 pdf html

Introduced: 2/7/2011 Last Amended: 5/31/2011

Status: 5/31/2011-Read second time and amended. Ordered to third reading.

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

Calendar:

6/1/2011 #133 SENATE SENATE BILLS-THIRD READING FILE

Summary:

Would, until January 1, 2017, authorize the Controller to exercise discretionary authority to perform an audit or investigation of any county, city, special district, joint powers authority, or redevelopment agency, if the Controller has reason to believe, supported by documentation, that the local agency is not complying with the financial requirements in state law, grant agreements, local charters, or local ordinances. This bill would require, until January 1, 2017, the Controller to prepare a report of the results of the audit or investigation and to file a copy with the local legislative body.

Position: None at this time

Subject: Financial Viability of Agencies

CALAFCO Comments: Allows Controller to audit local agencies and determine fiscal

viability.

SB 194 (Committee on Governance and Finance) Local government: omnibus bill.

Current Text: Amended: 5/31/2011 pdf html

Introduced: 2/8/2011 Last Amended: 5/31/2011

Status: 5/31/2011-From committee with author's amendments. Read second time and

amended. Re-referred to Com. on L. GOV.

	Desk Policy Fiscal Flo	or Desk Policy F	iscal Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House	2nd Ho	use	Conc.			

Calendar:

6/29/2011 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL

GOVERNMENT, SMYTH, Chair

Summary:

Would authorize, subject to the approval of the county board of supervisors, a county to accept a payment of a donation, gift, bequest, or devise made to or in favor of a county, or to or in favor of the board of supervisors of a county, by credit card, debit card, or electronic funds transfer. This bill contains other related provisions and other current laws.

Position: None at this time

Subject:

CALAFCO Comments: This is the Senate local government Omnibus Bill. At this point CALAFCO does not have any items in the bill nor has any objections to any of the items currently in the bill.

SB 235 (Negrete McLeod D) Water conservation districts: reduction in number of directors.

Current Text: Amended: 3/14/2011 pdf html

Introduced: 2/9/2011 Last Amended: 3/14/2011

Status: 4/28/2011-Referred to Com. on L. GOV.

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

6/15/2011 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, SMYTH, Chair

Summary:

The Water Conservation District Law of 1931 generally governs the formation of water conservation districts and specifies the powers and purposes of those districts. This bill would authorize a water conservation district, except districts within the County of Ventura, whose board of directors consists of 7 directors, to reduce the number of directors to 5, consistent with specified requirements.

Position: None at this time

Subject: Special District Principle Acts

CALAFCO Comments: Allows specified water districts to reorganize their board of directors

to reduce the number of directors, by action of the Board.

SB 288 (Negrete McLeod D) Local government: independent special districts.

Current Text: Amended: 3/29/2011 pdf html

Introduced: 2/14/2011 Last Amended: 3/29/2011

Status: 4/28/2011-Referred to Com. on L. GOV.

	Desk Policy	Fiscal	Floor Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st H	ouse		2nd H	ouse		Conc.			

6/15/2011 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, SMYTH, Chair

Summary:

Would authorize the governing board of an independent special district, as defined, to provide, by resolution, for the establishment of a revolving fund in an amount not to exceed 110% of 1/12 of the independent special district's adopted budget for that fiscal year, and

would require the resolution establishing the fund to make specified designations relating to the purposes for which the fund may be expended, the district officer with authority and responsibility over the fund, the necessity for the fund, and the maximum amount of the fund. This bill contains other current laws.

Position: None at this time

Subject: Special District Powers, Special District Principle Acts

CALAFCO Comments: Allows special districts as defined by C-K-H to set up special

revolving funds.

SB 449 (Pavley D) Controller: local agency financial review.

Current Text: Amended: 5/19/2011 pdf html

Introduced: 2/16/2011 Last Amended: 5/19/2011

Status: 5/27/2011-Read second time. Ordered to third reading.

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

Calendar:

6/1/2011 #70 SENATE SENATE BILLS-THIRD READING FILE

Summary:

Would authorize the Controller, if the Controller determines that sufficient funds are made available, to conduct a preliminary review to determine the existence of a local agency financial problem, and perform an audit upon completion of that review, subject to specified criteria. This bill contains other related provisions.

Position: None at this time

Subject: Financial Viability of Agencies

CALAFCO Comments: Allows state controller to audit local agencies.

SB 618 (Wolk D) Local government: solar-use easement.

Current Text: Amended: 5/11/2011 pdf html

Introduced: 2/18/2011 Last Amended: 5/11/2011

Status: 5/31/2011-Ordered to special consent calendar.

	Desk Policy	Fiscal	Floor	Desk	Policy	Fiscal		Vetoed	Chaptered
Dead	1st H	ouse			2nd F	louse	Conc.		

Calendar:

6/1/2011 #203 SENATE SPECIAL CONSENT CALENDAR #4

Summarv:

Would authorize the parties to a Williamson Act contract to mutually agree to rescind the contract in order to simultaneously enter into a solar-use easement that would require that the land be used for solar photovoltaic facilities for a term no less than 10 years. This bill would require a county or city to include certain restrictions, conditions, or covenants in the deed or instrument granting a solar-use easement. This bill would provide that a solar-use easement would be automatically renewed annually, unless either party filed a notice of nonrenewal. This bill would provide that a solar-use easement may only be terminated by either party filing a notice of nonrenewal. This bill would require that if the landowner terminates the solar-use easement, the landowner shall restore the property to the conditions that existed before the easement by the time the easement terminates. This bill would provide that specified parties may bring an action to enforce the easement if it is violated. This bill would provide that construction of solar photovoltaic facilities on land subject to a solar-use easement that qualifies as a active solar energy system, as defined, would be excluded from classification as newly constructed. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: Ag Preservation - Williamson

CALAFCO Comments: Allows renewable energy generation (wind, solar farms) as an acceptable use for Williamson Act lands.

Total Measures: 30 Total Tracking Forms: 30 6/1/2011 6:39:20 AM

Proposed Amendments to G.C. Section 56133 (Approved by the CALAFCO Board on April 29, 2011)

- (a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundaries boundary only if it first requests and receives written approval from the commission in the affected county. The commission may delegate approval of requests made pursuant to subdivisions (b) and (c)(1) below to the Executive Officer.
- (b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries boundary but within its sphere of influence in anticipation of a later change of organization.
- (c) <u>If consistent with adopted policy, t</u>The commission may authorize a city or district to provide new or extended services outside its jurisdictional <u>boundaries boundary</u> and outside its sphere of influence <u>under any of the following circumstances:</u>
- (1) to To respond to an existing or impending threat to the public health or safety of the residents of the affected territory if both of the following requirements are met:
- (1Δ) The entity applying for the contract approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.
- (2B) The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, or sewer system corporation as defined in Section 230.6 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.
- (2) To support existing or planned uses involving public or private properties subject to approval at a noticed public hearing that includes all of the following determinations:
- (A) The extension of service or service deficiency was identified and evaluated in a municipal service review prepared by the commission pursuant to section 56430.
- (B) The effect of the extension of service would not result in adverse impacts on open space or agricultural lands or result in adverse growth inducing impacts.
- (C) A later change of organization involving the subject property and the affected agency is not feasible or desirable based on the adopted policies of the commission.
- (d) The executive officer, within 30 days of receipt of a request for approval by a city or district of a contract to extend services outside its jurisdictional boundary, shall determine whether the request is complete and acceptable for filing or whether the request is incomplete. If a request is determined not to be complete, the executive officer shall immediately transmit that determination to the requester, specifying those parts of the request that are incomplete and the manner in which they can be made complete. When the request is deemed complete, the executive officer shall place the request on the agenda of the next commission meeting for which adequate notice can be given but not more than 90 days from the date that the request is deemed complete, unless the commission has delegated approval of those requests made under this section to the executive officer. The commission or executive officer shall approve, disapprove, or approve with conditions the contract for extended services. If the extended services are contract is disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration.
- (e) This section does not apply to contracts or agreements solely involving two or more public agencies where the commission determines the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.
- (f) This section does not apply to contracts for the transfer of nonpotable or nontreated water.
- (g) This section does not apply to contracts or agreements solely involving the provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county.
- (h) This section does not apply to an extended service that a city or district was providing on or before January 1, 2001.
- (i) This section does not apply to a local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundaries.
- (j) The application of this section rests solely within the jurisdiction of the commission in the county in which the extension of service is proposed.