

March 3, 2014

TO: Local Agency Formation Commission

FROM: Executive Officer
Director, Legislative Research

SUBJECT: 2014 Legislative Status Report

This is the first regular Legislative Update Report for March 2014, designed to keep the Commission informed with proposed state legislation in the second year of the 2013-14 Legislative Session. As of this early date, LAFCO staff has identified only a few bills dealing with policy issues potentially affecting San Diego LAFCO and commissions around the state. Since the final date for introducing new bills for this year was February 21, 2014, after preparation of this report, it is anticipated that additional bills will be identified for tracking.

A new bill summary matrix on bills being tracked is provided for commission review, discussion, and possible action. LAFCO staff will be prepared to give an update on each of the bills and any amendments to bills if introduced by the March 2014 meeting, or as may be requested by the Commission.

Staff is recommending a Watch position on all identified bills as staff is consulting with CALAFCO and other agencies to understand the impacts of the various bills before recommending commission positions on them.

Also of note is that there are several bills introduced to address the proposed 2014 Water Bond measure adopted by the Legislature in 2012 until November 2014. As currently proposed, the Water Bond measure is for \$11.1 billion and includes funding for supply storage, conservation programs, integrated resource management projects and storage in San Diego County of \$100 million. Another recently introduced bill, SB 927 (Cannella and Vidak) would reduce the bond measure to \$9.2 billion and remove the \$100 million funding for the San Diego County project. A third bill, SB 42 by Senator Wolk, would reduce the bond measure to \$6.475 billion. With the current drought situation, a great deal of attention has been placed on these and other water supply and reliability policy issues throughout the state. Staff will continue to monitor these activities and report to the Commission on related legislation in the coming months. Therefore, it is

RECOMMENDED: That your Commission

Receive, discuss, and provide direction, as necessary, on the March 2014 Legislative Report.

MICHAEL D. OTT
Executive Officer

HARRY EHRLICH
Director, Legislative Research

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Attachment – Legislative Tracking Report

San Diego LAFCO Legislation Tracking Report

Attachment

February 13, 2014

AB 1521 (Fox) - Local government finance: property tax revenue allocations: vehicle license fee adjustments. Beginning with the 2004-05 fiscal year, current law requires that each city, county, and city and county receive additional property tax revenues in the form of a vehicle license fee adjustment amount, as defined, from a vehicle license fee property tax compensation fund that exists in each county treasury. Current law requires that these additional allocations be funded from ad valorem property tax revenues otherwise required to be allocated to educational entities. This bill would modify these reduction and transfer provisions, for the 2014-15 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation.

Introduced: 1/16/2014

San Diego LAFCO Proposed Position: Watch

Comments: This bill would provide for VLF funds for cities that annexed inhabited areas since 2011. CALAFCO is Support on this bill.

SB 69 (Roth) - Local government finance: property tax revenue allocation: vehicle license fee adjustments. Would modify specified reduction and transfer provisions, for the 2013-14 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation. This bill would also modify these reduction and transfer provisions, for the 2013-14 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount for certain cities incorporating after a specified date, as provided. This bill contains other related provisions and other existing laws.

Last Amended: 9/12/2013

San Diego LAFCO Proposed Position: Watch

Comments: This bill would provide VLF funds for newly incorporated cities since 2006 that lost funding in prior years. CALAFCO is Support on this bill. It is reported that the two above bills may be combined into a final bill later in the Legislative Session.

AB 1527 (Perea) - Public Water Systems - Drinking Water. Would require the State Department of Public Health, in administering programs to fund improvements and expansions of small community water systems, and other water systems, as specified, to promote service delivery alternatives that improve efficiency and affordability of infrastructure and service delivery, as specified. This bill is a placeholder to address identified needs for small water systems and disadvantaged communities and is expected to be amended to focus on those issues.

Introduced: 1/17/2014

San Diego LAFCO Proposed Position: Watch

Comments: This bill is a placeholder for future consideration of policy direction for providing funding for small water systems and disadvantaged communities and is expected to be amended as the legislative session proceeds. This could impact funding for small special districts and mutual water companies. CALAFCO is Watch on this bill.