



**Chairman**

Andrew Vanderlaan  
Public Member

April 7, 2014

**Vice Chairman**

John Ingalls  
Santa Fe  
Irrigation District

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TO: Local Agency Formation Commission  
FROM: Executive Officer  
Director, Legislative Research  
SUBJECT: April 2014 Legislative Status Report

**Members**

Bill Horn  
County Board of  
Supervisors

Dianne Jacob  
County Board of  
Supervisors

Bud Pocklington  
South Bay  
Irrigation District

Lorie Zapf  
Councilmember  
City of San Diego

Jim Janney  
Mayor  
City of Imperial Beach

Sam Abed  
Mayor  
City of Escondido

This is the regular Legislative Update Report for April 2014, designed to keep the Commission informed with proposed state legislation in the second year of the 2013-14 Legislative Session. LAFCO staff has identified only a few bills dealing with policy issues potentially affecting San Diego LAFCO and commissions around the state (CALFCO). The final date for introducing new bills for this year was February 21, 2014, and for prior existing bills to move from their house of origin was February 28, 2014, only two more bills have been identified for tracking at this time.

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 are introduced by the April 2014 meeting, or as may be requested by the Commission. Two additional bills have been added to the tracking report:

**Alternate Members**

Greg Cox  
County Board of  
Supervisors

Sherri Lightner  
Councilmember  
City of San Diego

Jo MacKenzie  
Vista Irrigation District

Lorraine Wood  
Councilmember  
City of Carlsbad

Harry Mathis  
Public Member

**AB 2156 (Achadjian): Local Agency Formation Commission Studies**

Would include joint powers agencies and joint powers authorities among the entities from which a local agency formation commission is authorized to request land use information, studies, and plans, for purposes of conducting specified studies (MSR's). The bill would specifically define "joint powers agency" and "joint powers authority" for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

**San Diego LAFCO Proposed Position: Watch**

**SB 1001 (Knight): Cortese-Knox-Hertzberg Act**

The Cortese-Knox-Hertzberg Local Governmental Reorganization Act of 2000, makes certain findings and declarations relating to local government reorganizations, including, among other things, the encouragement or orderly growth and development, and logical formation and modification of the boundaries of local agencies, as specified. This bill would make

**Executive Officer**

Michael D. Ott

**Counsel**

Thomas Bosworth

nonsubstantive changes to these findings and declarations. This is a Spot Bill, expected to be amended for an unspecified purpose.

**San Diego LAFCO Proposed Position: Watch**

Staff is recommending a Watch position on all identified bills as staff will be reviewing the impacts of the various bills before recommending commission positions on them.

As reported in March 2014 Update Report, there are several bills introduced to address the proposed 2014 Water Bond measure adopted by the Legislature in 2012 and delayed from the election until November 2014. As currently, proposed the Water Bond measure would be for \$11.1 billion and includes funding for supply storage, conservation programs, and integrated resource management projects. With the current drought situation, a great deal of attention has been focusing 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 processing forward with legislation in the coming months. Therefore, it is

**RECOMMENDED:** That your Commission,

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

Respectfully Submitted,

MICHAEL D. OTT  
Executive Officer

HARRY EHRLICH  
Director, Legislative Research

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**Attachments**

Legislative Tracking Report  
AB 2156 (Achadjian) Bill  
SB 1001 (Knight) Bill

**SAN DIEGO LAFCO**  
**LEGISLATIVE TRACKING REPORT**  
**MARCH 14, 2014**

**AB 1521 (Fox): Local government finance property tax revenue allocations and vehicle license fee adjustments**

**Summary:** 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

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

**San Diego LAFCO Proposed Position: Watch**

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**SB 69 (Roth): Local government finance: property tax revenue allocation: vehicle license fee adjustments**

**Summary:** 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

**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.

**San Diego LAFCO Proposed Position: Watch**

**AB 1527 (Perea): Public Water Systems - Drinking Water**

**Summary:** 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

**Status:** 3/25/2014 Hearing Assembly Environmental Safety & Toxic Materials Committee

**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.

**San Diego LAFCO Proposed Position: Watch**

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**AB 2156 (Achadjian R): Local Agency Formation Commissions: studies**

**Summary:** Would include joint powers agencies and joint powers authorities among the entities from which a local agency formation commission is authorized to request land use information, studies, and plans, for purposes of conducting specified studies. The bill would specifically define “joint powers agency” and “joint powers authority” for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

**Introduced:** 2/20/2014

**Status:** 4/2/2014: 1:30 p.m. State Capitol, Room 127 Assembly Local Government, Achadjian, Chair.

**Comments:** As proposed, this bill would authorize LAFCO’s to request information for MSR’s from Joint Power Agencies (JPA’s) not currently addressed in the Cortese-Knox-Hertzberg Local Government Reorganization Act 2000. The author’s office indicates that this is to address situations where JPA’s are increasingly providing direct services to areas and customers rather than just to member agencies. No authority over organization or operations of JPA’s is included in the proposed bill.

**San Diego LAFCO Proposed Position: Watch**

**SB 1001 (Knight R): Local government**

**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 logical formation and modification of the boundaries of local agencies, as specified. This bill would make non substantive changes to these findings and declarations.

**Introduced:** 2/13/2014

**Status:** 2/27/2014: Referred to Com. on RLS.

**Comments:** This is a Spot Bill expected to be amended in the future. Staff will track the bill.

**San Diego LAFCO Proposed Position: Watch**

## CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

## ASSEMBLY BILL

No. 2156

## Introduced by Assembly Member Achadjian

February 20, 2014

An act to amend Section 56378 of, and to add Section 56047.7 to, the Government Code, relating to local government.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2156, as introduced, Achadjian. Local agency formation commissions: studies.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, sets forth the powers and duties of a local agency formation commission, including, among others, the requirement to conduct studies of existing governmental agencies that include, but are not limited to, inventorying those agencies and determining their maximum service area and service capacities. The commission is authorized to request land use information, studies, and plans of cities, counties, districts, including school districts, community college districts, and regional agencies and state agencies and departments, in connection with conducting the required studies, and the governmental agencies are required to comply with the commission's request.

This bill would include joint powers agencies and joint powers authorities among the entities from which the commission is authorized to request land use information, studies, and plans, for purposes of conducting the studies described above. The bill would specifically define "joint powers agency" and "joint powers authority" for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- P2 1 SECTION 1.  
 Section 56047.7 is added to the *Government*  
 2 *Code*, to read:  
 3 56047.7.  
 "Joint powers agency" or "joint powers authority"  
 4 means an agency or entity formed pursuant to the Joint Exercise  
 5 of Powers Act (Article 1 (commencing with Section 6500) of  
 6 Chapter 5 of Division 7 of Title 1) that is formed for the local  
 7 performance of governmental functions that includes the provision  
 8 of municipal services.  
 9 SEC. 2.  
 Section 56378 of the *Government Code* is amended  
 10 to read:  
 11 56378.  
 (a) In addition to its other powers, the commission  
 12 shall initiate and make studies of existing governmental agencies.  
 13 Those studies shall include, but shall not be limited to, inventorying  
 14 those agencies and determining their maximum service area and

15 service capacities. In conducting those studies, the commission  
16 may ~~ask for~~ *request* land use information, studies, and plans of  
17 cities, counties, districts, including school districts, community  
18 college districts, ~~and joint powers agencies and joint powers~~  
19 *authorities*, regional agencies and state agencies and departments.  
20 Cities, counties, districts, including school districts, community  
21 college districts, *joint powers agencies and joint powers*  
22 *authorities*, regional agencies, and state agencies and departments,  
23 shall comply with the request of the commission for that  
24 information and the commission shall make its studies available  
25 to public agencies and any interested person. In making these  
26 studies, the commission may cooperate with the county planning  
27 commissions.

28 ~~The~~  
29 (b) *The* commission, or the board of supervisors on behalf of  
30 the commission, may apply for or accept, or both, any financial  
31 assistance and grants-in-aid from public or private agencies or  
32 from the state or federal government or from a local government.

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## SENATE BILL

No. 1001

## Introduced by Senator Knight

February 13, 2014

An act to amend Section 56001 of the Government Code, relating to local government.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1001, as introduced, Knight. Local government.

Existing 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 logical formation and modification of the boundaries of local agencies, as specified.

This bill would make nonsubstantive changes to these findings and declarations.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- P1 1 SECTION 1.  
 2 Section 56001 of the *Government Code* is  
 3 amended to read:  
 4 56001.  
 5 The Legislature finds and declares ~~that~~ it is the policy  
 6 of the state to encourage orderly growth and development ~~which~~  
 7 *that* are essential to the social, fiscal, and economic well-being of  
 8 the state. The Legislature recognizes that the logical formation and  
 9 determination of local agency boundaries is an important factor  
 10 in promoting orderly development and in balancing that  
 11 development with sometimes competing state interests of  
 12 discouraging urban sprawl, preserving open-space and prime  
 13 agricultural lands, and efficiently extending government services.  
 14 The Legislature also recognizes that providing housing for persons  
 15 and families of all incomes is an important factor in promoting  
 16 orderly development. Therefore, the Legislature further finds and  
 17 declares that this policy should be effected by the logical formation  
 and modification of the boundaries of local agencies, with a  
 preference granted to accommodating additional growth within,  
 or through the expansion of, the boundaries of those local agencies  
~~which~~ *that* can best accommodate and provide necessary  
 governmental services and housing for persons and families of all  
 incomes in the most efficient manner feasible.  
 The Legislature recognizes that urban population densities and  
 intensive residential, commercial, and industrial development  
 necessitate a broad spectrum and high level of community services  
 and controls. The Legislature also recognizes that when areas  
 become urbanized to the extent that they need the full range of



18 community services, priorities are required to be established  
19 regarding the type and levels of services that the residents of an  
20 urban community need and desire; that community service  
21 priorities be established by weighing the total community service  
22 needs against the total financial resources available for securing  
23 community services; and that those community service priorities  
24 are required to reflect local circumstances, conditions, and limited  
25 financial resources. The Legislature finds and declares that a single  
26 multipurpose governmental agency is accountable for community  
27 service needs and financial resources and, therefore, *that agency*  
28 may be the best mechanism for establishing community service  
29 priorities especially in urban areas. Nonetheless, the Legislature  
30 recognizes the critical role of many limited purpose agencies,  
31 especially in rural communities. The Legislature also finds ~~that~~,  
32 whether governmental services are proposed to be provided by a  
33 single-purpose agency, several agencies, or a multipurpose agency,  
34 responsibility should be given to the agency or agencies that can  
35 best provide government services.

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