



Chairman

Andrew Vanderlaan
Public Member

September 8, 2014

Vice Chairman

John Ingalls
Santa Fe
Irrigation District

10

TO: Local Agency Formation Commission

FROM: Executive Officer
Director, Legislative Research

Members

Bill Horn
County Board of
Supervisors

SUBJECT: Legislative Status Report

Dianne Jacob
County Board of
Supervisors

This is the regular Legislative Update Report for September 2014, intended to keep the Commission informed with proposed state legislation in the second year of the 2013-14 Legislative Session. As reported at the August commission meeting, seven bills had been identified for tracking. The Commission had approved a Support position on two bills, AB 2156 and AB 2762, and both been signed by the Governor and Chaptered by the Secretary of State. The legislature is in the last month of the 2013-14 Legislative Session and is scheduled to adjourn on August 29, 2014.

Bud Pocklington
South Bay
Irrigation District

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 September 2014 meeting, or as may be requested by the Commission. One additional bill was added to the tracking report as referenced at the August meeting, SB 614 (Wolk) dealing with jurisdictional changes and infrastructure financing of disadvantaged unincorporated communities. The commission approved a Watch position on the bill pending probable amendments being made in the next few weeks.

Lorie Zapf
Councilmember
City of San Diego

Another issue of statewide interest is groundwater management and two bills are being debated currently and are in a state of flux pending possible amendments: AB 1739 (Dickinson) and SB 1168 (Pavley). Both bills are being processed identically to coordinate probable passage in the last days of the Legislative Session. The intent is to set into structure a process that by 2019, all groundwater basins would be categorized and a management agency identified to monitor and oversee activities within them. Exact language and authority to be included in the bills are still being discussed, including the Governor's Office staff.

Jim Janney
Mayor
City of Imperial Beach

Sam Abed
Mayor
City of Escondido

Alternate Members

Greg Cox
County Board of
Supervisors

Sherrri Lightner
Councilmember
City of San Diego

Jo MacKenzie
Vista Irrigation District

Lorraine Wood
Councilmember
City of Carlsbad

Harry Mathis
Public Member

Executive Officer

Michael D. Ott

Counsel

Thomas Bosworth

The final major policy issue unresolved as of writing of this report is whether a

Water Bond and at what amount, may be placed on the November 2014 ballot. Previous legislation had set it at \$11.1 billion but that legislation has been delayed.

Commission staff is proposing no change in position on any bills as staff will continue to review the impacts of various bills before recommending commission positions on them. Staff will continue to monitor activities on these bills and report to the Commission on the status of these bills and other legislation. Since the September meeting comes after the adjournment of the Legislature, staff will update the commission on any major changes and whether letters of support or opposition may be required. Therefore, it is

RECOMMENDED: That your Commission,

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

Respectfully Submitted,

MICHAEL D. OTT
Executive Officer

HARRY EHRLICH
Director, Legislative Research

MDO:HE:trl

Attachment

Legislative Tracking Report

**SAN DIEGO LAFCO
LEGISLATIVE TRACKING REPORT
SEPTEMBER 8, 2014**

10

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

Last Amended: 6/17/2014

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

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: 6/16/2014

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

Amended: 4/09/2014

Status: Referred to Committee on Local Government

Comments: This bill provides policy direction for providing funding for small water systems and disadvantaged communities and as amended gives preference for considering financial assistance to small system consolidations or for promoting water conservation programs. CALAFCO is Oppose Unless Amended on this bill and is working to amend it to correct technical issues.

San Diego LAFCO Proposed Position: Support

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: Signed by Governor

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: Support and Letter Sent

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

AB 2762: Assembly Omnibus Bill

Summary: This is the annual Omnibus Bill that makes non-controversial changes to the Cortese-Knox-Hertzberg Act or Government Code. Several sections are proposed for amendments dealing with authorizing a change of organization or reorganization to provide for, or to be made subject to, one or more terms and conditions specified in the commission's resolution making determinations, in which case, the terms and conditions imposed constitute the exclusive terms and conditions for the change of organization or reorganization.

This bill instead would provide that if a change or reorganization is made subject to terms and conditions, those terms and conditions shall prevail in the event of a conflict with other specified general provisions of law. The act defines a landowner-voter district and prescribes certain voting thresholds for landowner-voter districts for elections associated with proposals initiated by a local agency formation commission.

This bill would make non-substantive, technical changes to these and other provisions.

Introduced: 3/24/2014

Status: Signed by Governor on 7/09/2014

Comments: This is the annual omnibus bill and contains proposals prepare by LAFCO's around the state. It is intended to be noncontroversial.

San Diego LAFCO Proposed Position: Support and Letter Sent

SB 614 (Wolk): *Local government: jurisdictional changes: infrastructure financing*

Summary: This bill would require, if a proposal for a change of organization or reorganization including a disadvantaged unincorporated community (DUC) is submitted by a city to a commission, that the applicant submit a plan for providing services within the affected territory and would allow the applicant agency to enter into agreements with a local special district to provide financing of needed infrastructure. This is proposed to provide a method of financing needed infrastructure to serve disadvantaged unincorporated communities (DUC's), if needed.

Last Amended: 6/16/2014

Status: 6/30/2014: On Assembly Floor, Read second time, ordered to third reading.

Comments: The bill is sponsored by the League of California Cities to address the situations where annexations of areas greater than ten acres must include consideration of any DUC areas within the city sphere of influence area. LAFCO staff has looked at the potential implementation of the bill and believe that as currently drafted it will not change how an area may be annexed other than adding an opportunity for more analysis of the plan for services submitted by the applicant city.

CALAFCO has taken a Watch position on the bill and is coordinating discussions with stakeholders on possible amendments to address applicable procedural issues identified in the review of the bill. Additional amendments are expected to be introduced for consideration after the legislature returns from summer recess on August 4, 2014.

San Diego LAFCO Proposed Position: Watch