

September 9, 2013

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

This is the monthly Legislative Report for September, 2013, designed to keep the Commission informed about legislation in the first year of the 2013-14 Legislative Session. The Legislature returned from their summer recess and returned to session August 12, 2013.

Several of the bills that staff identified for tracking have had action over the past month. As updated in June, staff recommended and the Commission has approved positions on seven (7) bills and changes since then are outlined below. Also keep in mind that in this final month of the session bills are often “gutted and amended” and change in subject matter. Current bills of priority:

AB 453 (*Mullin*) *Sustainable Communities Grants*: This bill would provide a Local Agency Formation Commission the ability to apply for Sustainable Community planning grant funds under the Strategic Growth Council oversight program. Position approved in June: **Support; Letter sent to Author**. Since that time, amendments have been proposed by the author and CALAFCO is discussing them. There are concerns and staff may be recommending a change of position to Oppose if concerns are not resolved.

SB 181, SB 182 and SB 183 (*Committee on Governance and Finance*): These are three annual validation bills that document the authority of public agencies and territories, etc. These bills are routine but essential for passage each year. Position approved: **Support**.

SB 772 (*Emmerson*) *Mutual and Private Water Companies*: This bill would require the State Department of Public Health or an applicable local health agency to provide information to the Public Utilities Commission and LAFCO for each public water system and private water

system. It would also require a commission to include a review of all such systems in sphere of influence studies and municipal service reviews each five years. The bill has been held by the author and is now a two-year bill. Position approved: **Oppose unless amended; letter to Author.**

AB 1427 (*The Assembly Omnibus Bill*): This bill as introduced makes non-controversial changes to the Cortese-Knox-Hertzberg Act and Government Code. Staff have reviewed the bill and provided input on it. Position approved: **Support; Letter sent to Author and Governor. Bill signed and now Chaptered into law.**

AB 743 (*Logue*) *Cortese–Knox–Hertzberg Act Island Annexation Sunset*: As discussed at the May meeting, current law provides for a process for cities to request a commission to annex qualified territory of up to 150 acre limit. Since stakeholders had differing views on the merits of the program, staff originally proposed a position of Watch be authorized in order to allow for continued dialogue and negotiations within CALAFCO and legislators, etc. Since that time, the California State Association of Counties and the League of California Cities have taken support positions on the bill. Amendments made on April 3, 2013 to AB 743 retain the limit of island territory of a maximum of 150 acres. CALAFCO is the sponsor of the bill. Position recommendation: **Support and send Letter to Author. Bill approved by the Legislature and pending consideration by the Governor. Letter of Support sent on August 13, 2013.**

LAFCO staff is providing an update on actions for each of the bills in the attached Tracking Report and any activity on bills affecting the commission at the September, 2013 meeting. Therefore, it is:

RECOMMENDED: That your Commission

Receive, discuss, and provide direction, as necessary, on the September 9, 2013 Legislative Status Report and authorize staff to inform authors of each bill of the approved position in the form of appropriate letters and testimony.

Respectfully Submitted,

MICHAEL D. OTT
Executive Officer

HARRY EHRLICH
Director, Legislative Research

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Attachment

Legislative Tracking Report
Letter to Governor Brown for AB743

SAN DIEGO LAFCO
LEGISLATIVE TRACKING REPORT
September 9, 2013

AB 115 (Perea): Safe Drinking Water State Revolving Fund; Grants to Small Water Systems

Introduced: 1/14/2013

Status: 7/01/2013-Passed Senate Committee on Environmental Quality; Placed on Senate Appropriations Suspense File.

Summary: Would authorize the State Department of Public Health to fund projects, by grant, loan, or a combination of the two, where multiple water systems apply for funding as a single applicant for the purpose of consolidating water systems or extending services to households relying on private wells, as specified. The bill would authorize funding of a project to benefit a disadvantaged community that is not the applying agency. By authorizing the use of a continuously appropriated fund for new purposes, this bill would make an appropriation. This bill contains other existing laws. Appears to address a problem of encouraging small agencies to develop water improvement projects together and consolidate agencies.

AB 168 (Wilk): Local government finance: vehicle license fee revenues: allocations

Introduced: 1/24/2013

Status: 1/25/2013-Failed to be heard by Committee; dead for this year.

Summary: Under existing law, the Controller is required to allocate vehicle license fee revenues in the Motor Vehicle License Fee Account according to a specified order, with moneys allocated on or after July 1, 2004, but before July 1, 2011, first to the County of Orange, next to each city and county meeting specified criteria, and on or after July 1, 2011, to the Local Law Enforcement Services Account in the Local Revenue Fund, for allocation to cities, counties, and cities and counties. This bill would make technical, nonsubstantive changes to these provisions. This bill appears to be a spot bill to be amended at a later time.

AB 194 (Campos): Open Meetings: protections for public criticism

Introduced: 1/28/2013

Status: 4/24/2013: Failed to be considered; dead for the year.

Summary: Would make it a misdemeanor for a member of a legislative body, while acting as the chairperson of a legislative body of a local agency, to prohibit public criticism protected under the Ralph M. Brown Act. This bill would authorize a district attorney or any interested person to commence an action for the purpose of obtaining a judicial determination that an action taken by a legislative body of a local agency in violation of the protection for public criticism is null and void, as specified.

AB 262 (Waldron): Local government: organization

Introduced: 2/7/2013

Status: 2/8/2013- Failed to be heard by Committee; bill dead for this year.

Summary: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 makes certain findings and declarations relating to local government organization, including, among other things, that it is the policy of the state to encourage orderly growth and development, and recognition that the logical formation and determination of the boundaries of local agencies, as specified. This bill would make technical, nonsubstantive changes to these provisions.

AB 453 (Mullin): Sustainable Communities Grants

Introduced: 2/19/2013

Amended: 7/3/2013

Status: Passed Senate Local governance, on Appropriations Committee File pending discussions on possible amendments.

Summary: The Strategic Growth Council is required to manager and award grants and loans to a council of governments and other planning organizations for the purpose of developing regional plans to support the development of sustainable communities. This bill would make a local agency formation commission eligible for the award of financial assistance for those planning purposes. Senate staff pressing amendments to add emphasis to Regional Transportation Plan consistency with county and city General Plans.

San Diego LAFCO Position: Support and Letter Sent-Possible Need to Change Position to Oppose Unless Amended

AB 678: (Gordon): Health Care Districts: community health needs assessment

Introduced: 2/21/2013

Amended: 4/15/2013

Status: 7/3/2013-Passed Senate Committee on Health; placed on Senate Appropriations Suspense File on 8/12/2013

Summary: Would require that each health care district that leases its facilities for operations conduct an assessment, every 5 years, of the community's health needs and provide opportunities for public input. Also would require that a copy of the annual report on progress toward meeting the service needs in the district be provided to a local agency formation commission.

AB 743 (Logue): Cortese-Knox-Hertzberg Act Island Annexation Sunset

Introduced: 2/21/2013

Amended: 6/11/2013

Status: Passed Assembly and Senate, passed Assembly for concurrence, to Governor for Consideration to Sign

Summary: The Cortese-Knox-Hertzberg Act in Section 56434 authorizes a local agency formation commission, until January 1, 2014, to approve, after notice and hearing, a request of a city to annex territory constituting an island as defined in the Act of up to 150 acres and to waive protest proceedings if certain requirements are met. This bill would repeal the January 1, 2013 sunset date. The bill contains other related provisions to implement this change. Amendments made on 4/3/2013 retain the limit of territory at a maximum of 150 acres.

San Diego LAFCO Recommended Position: Support and Sent Letter to Governor to Sign

SB 56 (Roth): Local government finance, cities

Introduced: 1/7/2013;

Amended: 6/11/2013

Status: 6/19/2013 Passed Senate Governance & Finance Committee, referred to Appropriations Committee

Summary: Would restore funding to cities that either were incorporated or annexed territory after 2004 utilizing a sliding scale of funding over the next four years.

SB 181, SB 182 and SB 183: (Committee on Governance and Finance) Validations

Introduced: 2/6/2013

Status: All Passed Senate; SB 182 Signed by Governor; SB 182 and SB 183 now in Assembly Suspense File

Summary: These three Validating Act bills would validate the boundaries, organization, acts and proceedings of the state, counties, cities and specified districts for 2013. These are routine but required acts to continue authority and operations of various agencies of government.

San Diego LAFCO Position: Support

SB 772 (Emmerson): Mutual and Private Water Companies

Introduced: 2/22/2013

Status: Hearing in Senate Governance and Finance Committee on 4/10/2013 Cancelled at request of Author. Bill now a two-year bill to consider input from stakeholders.

Summary: Would require the State Department of Public Health or the local health agency to annually provide the address and telephone number for each public and state small water system to the Public Utilities Commission and as prescribed to a local agency formation commission; adds requirements for a commission to study all mutual and private water providers when undertaking a municipal service review of retail water services and to document service areas and spheres of influence of all providers, etc. The bill provides no additional authority to implement or funding for these required activities.

San Diego LAFCO Position: Oppose unless Amended – Letter Sent

AB 1427 (Committee on Local Government): Omnibus Bill on Cortese-Knox-Hertzberg Act

Introduced: 4/1/2013

Status: 8/12/2013 Signed by Governor

Summary: This is the annual Assembly Omnibus Bill that updates the Cortese-Knox-Hertzberg Act to make non-controversial changes to clarify the Act and revise definitions, etc. Proposed changes include clarifying definition of independent special district and designation of special district elected officials for nomination of special district representatives on a commission or advisory committee. The proposed bill has been reviewed by local government stakeholders prior to being introduced.

San Diego LAFCO Proposed Position: Support and Sent Letter to Governor to Sign



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San Diego Local Agency Formation Commission

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Chairman

Andrew Vanderlaan
Public Member

August 12, 2013

Vice Chairman

John Ingalls
Santa Fe
Irrigation District

The Honorable Edmund G. Brown, Jr.
Office of Governor
State Capitol Building
Sacramento, CA 95814

Members

Bill Horn
County Board of
Supervisors

RE: Request to Sign – AB 743 – Island Annexations

Dianne Jacob
County Board of
Supervisors

Dear Governor Brown:

Bud Pocklington
South Bay
Irrigation District

On behalf of the San Diego Local Agency Formation Commission, I write to urge you to sign Assembly Bill 743 (Logue) as passed unanimously by the Legislature. The bill as presented removes the sunset provision of this section of the Cortese-Knox-Hertzberg Act. As part of the efforts of the California Association of Local Agency Commissions, in discussing the implementation of the island annexation programs around the state, we find that many commissions have been able to utilize this process to encourage realigning of service boundaries of many cities to serve island areas. With the economic downturn of the past five or more years, there has been little incentive for cities to consider annexing these type areas. Recent emphasis of the Legislature on addressing the need for improving services to Disadvantaged Unincorporated Communities (DUC's) has also brought this policy issue to our attention.

Lori Zapf
Councilmember
City of San Diego

Jim Janney
Mayor
City of Imperial Beach

Sam Abed
Mayor
City of Escondido

Alternate Members

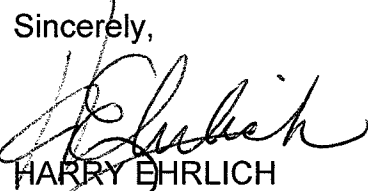
Greg Cox
County Board of
Supervisors

As presented, the retention of this process provides a tool for the planning of future services where cities may be developing and providing municipal services. We support this legislation and appreciate the author making amendments to ensure the passage of the bill. Therefore, the San Diego LAFCO has voted to support AB 743 and urges you to sign it into law.

Sherri Lightner
Councilmember
City of San Diego

Jo MacKenzie
Vista Irrigation District

Lorraine Wood
Councilmember
City of Carlsbad

Sincerely,

HARRY EHRLICH
Director, Legislative Research

Harry Mathis
Public Member

Executive Officer

Michael D. Ott

HE:ra

Counsel

Thomas Bosworth

cc: Assembly Member Dan Logue
Pamela Miller, Executive Director, CALAFCO