



Local Agency Formation Commission
LAFCO of Napa County

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Agenda Item No. 8a (Discussion)

January 26, 2010

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Legislative Report

The Commission will receive a report on the second year of the 2009-2010 session of the California Legislature as it relates to bills directly or indirectly effecting Local Agency Formation Commissions.

The Executive Officer is a member of the California Association of Local Agency Formation Commissions' (CALAFCO) Legislative Committee. The Legislative Committee meets on a regular basis to review, discuss, and offer recommendations to the CALAFCO Board of Directors as it relates to new legislation that have either a direct impact on LAFCO law or the laws LAFCO helps to administer.

A. Discussion and Analysis

The Legislative Committee is currently tracking 14 bills with direct or indirect impacts on LAFCOs as part of the second year of the 2009-2010 session. A complete listing of all tracked bills is attached. Specific bills of interest to the Commission are discussed below.

Assembly Bill 853 (Juan Arambula)

This legislation would establish new procedures for county boards of supervisors to initiate proposals seeking LAFCO approval to annex unincorporated islands or "fringe communities" that lack adequate public infrastructure. The legislation defines a fringe community as any inhabited (12 or more registered voters) land located within a city's sphere of influence. The legislation would require LAFCOs to approve an annexation unless it finds the proposal will not result in a net benefit to the community's public health. The legislation would waive protest proceedings and the traditional requirement that land be rezoned by cities as a precondition to annexation. The legislation would also establish a process for LAFCO to determine a property tax agreement for the annexation. The bill has been on a two-year track and is awaiting passage through the Assembly. CALAFCO has adopted an oppose-unless-amended position on the bill.

Juliana Inman, Chair
Councilmember, City of Napa

Lewis Chilton, Commissioner
Councilmember, Town of Yountville

Joan Bennett, Alternate Commissioner
Councilmember, City of American Canyon

Bill Dodd, Vice Chair
County of Napa Supervisor, 4th District

Brad Wagenknecht, Commissioner
County of Napa Supervisor, 1st District

Mark Luce, Alternate Commissioner
County of Napa Supervisor, 2nd District

Brian J. Kelly, Commissioner
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

Assembly Bill 1109 (Sam Blakeslee)

This legislation would authorize LAFCOs to appoint administrators to assume control of non-performing special districts. The need for the potential legislation is drawn from the recent actions of a large special district in San Luis Obispo County in which ineffective decision-making by the board directly led to the agency becoming inoperable and insolvent. This legislation has been on a two-year track and remains in the Assembly. CALAFCO has adopted a watch position.

The Legislative Committee is also considering introducing new legislation for the second session or at a later date. This includes working with the Senate Committee on Local Government (SCLG) in establishing a streamlined process to convert resort improvement districts and municipal improvement districts into community service districts. The Commission has already adopted a support position for this legislative concept. Staff is also working on a sub-committee group tasked with reviewing and making amendment recommendations to Revenue and Tax Code as it relates to clarifying and improving the property tax negotiation process associated with proposed jurisdictional changes.

Finally, staff recently presented amendments to the Legislative Committee to make two substantive changes to the procedures regulating LAFCO approval of outside service extensions under California Government Code Section 56133. This statute was enacted in 1994 and requires cities and special districts to request and receive written approval from LAFCO before providing new or extended services outside their jurisdictional boundaries. Approval, however, must comply with one of two geographic requirements. First, LAFCO may only approve outside service extensions within the affected agency's sphere of influence in anticipation of a future change of organization. Second, LAFCO may only approve outside service extensions beyond an agency's sphere of influence to respond to an existing or impending public health or safety threat. Staff has proposed the statute be amended to give LAFCO's the ability to allow new or extended services beyond an agency's sphere of influence if consistent with local conditions and circumstances. Staff has also proposed eliminating the existing exemption involving recycled water given it is becoming an increasingly important component in supporting urban development. The Legislative Committee approved the proposed amendments on a 10 to 8 vote. The CALAFCO Board, however, has decided to take no action on the proposed amendments due to a lack of perceived consensus within the Association.

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 preparing comment letters on any current or future legislation.

Attachments:

- 1) CALAFCO Legislative Policies
- 2) Status Report on Current Legislation