

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF MARCH 22, 2017

REGULAR MEETING

TO: Shiva Frentzen, Chair, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer

PREPARED BY: Erica Sanchez, Policy Analyst

AGENDA ITEM #9A: OTHER BUSINESS – LEGISLATION

RECOMMENDATION

Staff recommends that the Commission receive the following summary of LAFCO-related legislation for the 2017-2018 Legislative Session. No Commission action is requested.

REASON FOR RECOMMENDED ACTION AND BACKGROUND

The State Legislature is in the first year of the 2017-2018 legislative cycle; February 17 was the last day for bills to be introduced. CALAFCO is currently tracking 16 bills, many of which have been identified as spot bills (Attachment B). This means that the language on these bills are relatively benign and likely have little to do with what the final language will actually say. The following is a summary of bills which may affect this LAFCO:

AB 464 (Gallagher R) Local government reorganization.

Annexation Proceedings: Amend service plan requirement to include services currently provided

Sponsored by CALAFCO, AB 464 addresses ongoing legal concerns of Government Code §56653 by clarifying that the service plan requirement for a proposed change of organization applies both to the extension of any new services as well as any services currently provided by an agency outside its boundaries through an out-of-agency service agreement. In the 2014 case of City of Patterson v. Turlock Irrigation District, the Fourth District Court of Appeal ruled that Government Code §56653 only permits applications for annexations (or other reorganizations) which include a plan to extend services to an area; if no extension of services is proposed, then an application for a change of organization cannot be made. However, current law allows LAFCOs to approve the extension of services outside an agency's boundaries prior to an annexation if it is anticipated that the annexation will occur at a later date (aka an out-of-agency service agreement). Without this clarification in the law, an application for the annexation of territory already provided with services would be invalid.

AB 979 (Lackey R) Local government.***CKH General Procedures: Special district seating on LAFCOs***

Co-sponsored by CALAFCO and CSDA, AB 979 is currently in spot bill form. The bill is intended to simplify the process of seating special district representatives on LAFCO by amending Government Code §56332.5 to mirror current statute §56332, the process for the election of special district members to their LAFCO seats. Keeping the process voluntary, it allows for voting by mail whether or not the district wants to have special districts represented on LAFCO. Further, it will allow for the consolidation of that question with the independent special district selection committee appointment to a countywide redevelopment agency oversight board pursuant to Health and Safety Code 34179 (j)(3).

SB 448 (Wieckowski D) Local government: organization: districts.***CKH General Procedures: Inactive districts***

Although SB 448 was introduced as a spot bill, the author's office indicated the intent of this bill is to clean up inactive dependent and independent special districts. According to the author's office, the Senator has been working with the State Controller's Office (SCO) on the clean-up of inactive districts (both dependent and independent), as a project as directed by the Executive Office of the SCO.

The SCO is defining "inactive" as, in a fiscal year the district: (1) has had no financial transactions; AND (2) the district has no assets; AND (3) the district has no fund equity; AND (4) the district has no outstanding debt. In total, the SCO has notified 14 LAFCOs of 22 independent special districts they have identified meeting the criteria above (Contra Costa, Fresno, Kern, Madera, Merced, Plumas, San Joaquin, Shasta, Sierra, Solano, Sonoma, Stanislaus, Tehama and Tulare).

This bill would define the term "inactive district" for purposes of CKH, which provides the exclusive authority and procedure for changes of organization and reorganization for cities and districts. CALAFCO was not contacted in advance by the author's office but has had a conversation with their staff since the bill was introduced. They seem willing, at this point, to work with CALAFCO on the proper definition of inactive (although it is likely they will ultimately will go with the SCO's definition), as well as to understand the dissolution process and potential roadblocks for LAFCO to take swift action on these inactive districts.

Little Hoover Commission Report Update

The Little Hoover Commission was supposed to release a report on special districts in March, but based on reports from CSDA (Attachment A), things went sideways at their February 23rd meeting. Some LHC members discussed having all special districts subject to a "renewal vote" every 10 years and/or having some regulatory board overseeing their service delivery. Ultimately, based on the discussion, the LHC postponing the issuance of the report until later in the year.

Pamela Miller, CALAFCO's Executive Director, meet with LHC staff shortly after the February 23rd meeting and is scheduled to provide a full briefing to the CALAFCO Legislative Committee on March 24 and likely the CALAFCO Board. Unfortunately, that is all of the information LAFCO staff has at this point and will provide more information at the May meeting.

Attachments

Attachment A: CSDA status report on Little Hoover Commission

Attachment B: Legislation Report