

Assembly Local Government Committee

LEGISLATIVE UPDATE FROM SACRAMENTO

2015 CALAFCO ANNUAL CONFERENCE

September 4, 2015

LAFCO-Related Bills

- AB 3 (Williams) – Establishes a formation process, boundaries, governing body, tax authority, and permissible services for the Isla Vista Community Services District. **SENATE FLOOR.**
- AB 402 (Dodd) – Establishes a pilot program, until January 1, 2021, for Napa and San Bernardino local agency formation commissions (LAFCOs) to authorize a city or district to extend services outside of boundaries for additional purposes beyond responding to a threat to public health or safety. **GOVERNOR'S DESK.**
- AB 448 (Brown) – Would have modified the amount of property tax in lieu of vehicle license fees (VLF adjustment amount) allocated to counties and cities to include the growth of assessed property values which benefit cities that have annexed inhabited territory since 2004. **HELD IN SENATE APPROPRIATIONS COMMITTEE.**
- AB 851 (Mayes) – Makes changes to the city disincorporation process in the Cortese-Knox Hertzberg Act. **GOVERNOR'S DESK.**
- AB 1532 (Assembly Local Government Committee) – Annual Assembly Local Government Committee Omnibus bill that makes several minor noncontroversial changes to the Cortese-Knox-Hertzberg Act. **SIGNED - Chapter 114, Statutes of 2015.**
- SB 25 (Roth) – Provides a city incorporating after January 1, 2004, and on or before January 1, 2012, with property tax in lieu of vehicle license fees. **GOVERNOR'S DESK.**
- SB 239 (Hertzberg) – Requires a public agency to receive approval from a LAFCO to provide new or extended fire protections services outside its jurisdictional boundaries, pursuant to a fire protection contract. **ASSEMBLY FLOOR.**

### **Issues on Deck for Next Session**

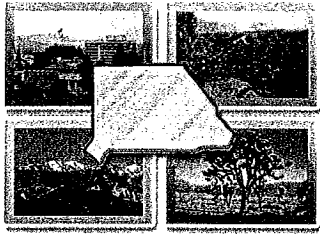
- "Drought" Related Issues
- Mutual Water Companies
- Proposition 218
- Open Data/Transparency/Privacy
- Infrastructure Needs (Post-Redevelopment)

---

### **CONTACT INFORMATION:**

**Assembly Local Government Committee – (916) 319-3958**

Misa Lennox, Senior Consultant, [Misa.Lennox@asm.ca.gov](mailto:Misa.Lennox@asm.ca.gov)



# LAFCO

September 9, 2015  
Sent Via Email and Regular Mail

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

**Local Agency  
Formation Commission**  
*for San Bernardino County*

215 North D Street, Suite 204  
San Bernardino, CA 92415-0490  
909.388.0480 | Fax 909.885.8170  
E-mail: lafco@lafco.sbcounty.gov  
www.sblafco.org

Established by the State of California  
to serve the Citizens, Cities, Special Districts  
and the County of San Bernardino

**COMMISSIONERS**

JIM BAGLEY  
Public Member

KIMBERLY COX, Vice Chair  
Special District

JAMES V. CURATALO, Chair  
Special District

ROBERT A. LOVINGOOD  
Board of Supervisors

LARRY McCALLON  
City Member

JAMES RAMOS  
Board of Supervisors

DIANE WILLIAMS  
City Member

**ALTERNATES**

STEVEN FARRELL  
Special District

JANICE RUTHERFORD  
Board of Supervisors

SUNIL SETHI  
Public Member

ACQUANETTA WARREN  
City Member

**STAFF**

KATHLEEN ROLLINGS-McDONALD  
Executive Officer

SAMUEL MARTINEZ  
Assistant Executive Officer

MICHAEL TUERPE  
Project Manager

REBECCA LOWERY  
Clerk to the Commission

**LEGAL COUNSEL**

CLARK H. ALSOP

**RE: Request to Sign AB 402 (Dodd)**

Dear Governor Brown:

The Local Agency Formation Commission for San Bernardino County respectfully requests that you sign **Assembly Bill 402** (Dodd) which is now before you for action. **AB 402** proposes a pilot program in Napa and San Bernardino Counties to provide for a mechanism to address extension of service outside an agency's boundary and sphere of influence by contract when a service review and/or unique circumstance so warrants. San Bernardino LAFCO has a history of dealing with such issues which are an outgrowth of the condemnation process for private utilities acquired by a public agency. An example is the City of Big Bear Lake which condemned a private water company and the courts required that it be for the system in its entirety, extending service provision far beyond a realistic sphere of influence determination for that City. The process outlined in AB 402 will allow the San Bernardino LAFCO to address these ongoing service delivery issues.

This bill provides for safeguards to protect the strengths of the annexation process within the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) by requiring that:

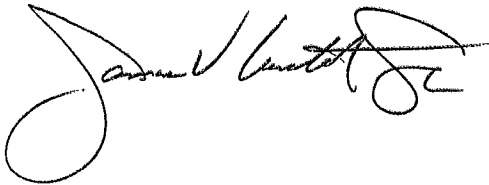
- The service or services deficiency was identified and evaluated in a review of municipal services prepared pursuant to Section 56430;
- The extension of service would not result in either adverse impacts on open space or agricultural lands or have growth inducing impacts;
- In order to be utilized the Commission must have policies in place to allow for its use and that a noticed public hearing for consideration of the extension be provided; and,

- A determination made that a sphere of influence change involving the subject territory and its affected agency is not feasible under CKH or desirable based on the adopted policies of the commission.

We believe that this bill provides for a clear and transparent procedure for either the Napa or San Bernardino LAFCO to process the consideration of such a contract. Based upon these provisions, the LAFCO for San Bernardino County respectfully requests that you sign AB 402 allowing for this pilot program and await the report due in January 2021, which we believe will show that this program allowed a means to address the unique local circumstances in the respective counties as espoused by Government Code Section 56001.

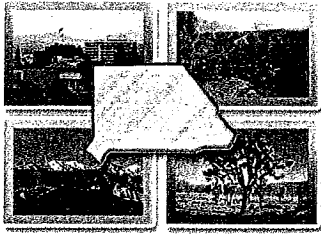
Therefore, we respectfully urge you to sign **AB 402**.

Sincerely,

A handwritten signature in black ink, appearing to read "James Curatalo". The signature is fluid and cursive, with a large initial "J" and a stylized "C".

JAMES CURATALO, Chairman

cc: Assemblymember Bill Dodd  
Misa Lennox, Associate Consultant, Assembly Local Government Committee  
Camille Wagner, Deputy Legislative Affairs Secretary to the Governor  
Pamela Miller, Executive Director, CALAFCO



# LAFCO

September 9, 2015  
Sent Via Email and Regular Mail

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

**Local Agency  
Formation Commission**  
*for San Bernardino County*

215 North "D" Street, Suite 204  
San Bernardino, CA 92415-0490  
909.388.0480 | Fax: 909.896.8170  
E-mail: lafco@lafco.sbcounty.gov  
www.sbciafco.org

Established by the State of California  
to serve the Citizens, Cities, Special Districts  
and the County of San Bernardino

**COMMISSIONERS**

JIM BAGLEY  
Public Member

KIMBERLY COX, Vice Chair  
Special District

JAMES V. CURATALO, Chair  
Special District

ROBERT A. LOVINGOOD  
Board of Supervisors

LARRY McALLON  
City Member

JAMES RAMOS  
Board of Supervisors

DIANE WILLIAMS  
City Member

**ALTERNATES**

STEVEN FARRELL  
Special District

JANICE RUTHERFORD  
Board of Supervisors

SUNIL SETHI  
Public Member

ACQUANETTA WARREN  
City Member

**STAFF**

KATHLEEN ROLLINGS-McDONALD  
Executive Officer

SAMUEL MARTINEZ  
Assistant Executive Officer

MICHAEL TUERPE  
Project Manager

REBECCA LOWERY  
Clerk to the Commission

**LEGAL COUNSEL**

CLARK H. ALSOP

**RE: Request to Sign AB 851 (Mayes)**

Dear Governor Brown:

The Local Agency Formation Commission for San Bernardino County respectfully requests that you sign **Assembly Bill 851** (Mayes) which is now before you for action. **AB 851** makes long overdue updates to the statutes relating to disincorporations of cities within the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

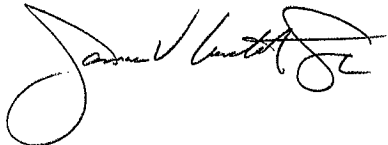
This bill brings the statutes into compliance with the mandates of Propositions 13 and 218, and serves to strengthen the disincorporation process by examining all of the factors prior to presenting the question of disincorporation to the electors. Further, the bill:

- Clarifies the expectation for assignment of responsibility for debt that will continue in existence after disincorporation;
- Establishes the parameters and requirements for the submission of the Plan for Service for a disincorporation proposal which outlines existing services, the proponent's plan for the future of those services, and whether or not a bankruptcy proceeding has been undertaken;
- Establishes the responsibilities of LAFCOs in preparing a Comprehensive Fiscal Analysis for disincorporations prior to a Commission's decision to authorize disincorporation; the determination of the transfer of property tax revenues previously received by the proposed disincorporating City; and the determination of the transfer of debt to a successor agency or agencies;
- Addresses the transition of land use planning and zoning of the disincorporating city; and,
- Retains the final decision of disincorporation with the registered voters of the city proposed to be disincorporated.

This bill is not intended to promote the use of the disincorporation process. However, for those financially distressed cities unable to continue to provide service to their constituents, it insures that all aspects of a disincorporation are in compliance with current statutes and that the process is as thorough and complete as possible.

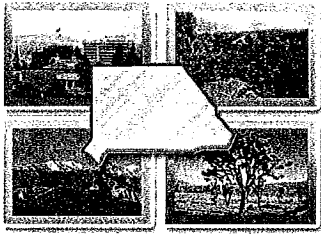
Because this legislation does that, we respectfully urge you to sign **AB 851**.

Sincerely,

A handwritten signature in black ink, appearing to read "James Curatalo". The signature is stylized with a large initial "J" and a prominent flourish at the end.

JAMES CURATALO, Chairman

cc: Assemblymember Chad Mayes  
Misa Lennox, Associate Consultant, Assembly Local Government Committee  
Camille Wagner, Deputy Legislative Affairs Secretary to the Governor  
Pamela Miller, Executive Director, CALAFCO



**LAFCO**

September 14, 2015  
Sent Via Email and Regular Mail

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

**Local Agency  
Formation Commission**  
*for San Bernardino County*

215 North "D" Street, Suite 204  
San Bernardino, CA 92415-0490  
909.388.0480 | Fax 909.885.8170  
E-mail: lafco@lafco.sbcounty.gov  
www.sblafco.org

Established by the State of California  
to serve the Citizens, Cities, Special Districts  
and the County of San Bernardino

**COMMISSIONERS**

JIM BAGLEY  
Public Member

KIMBERLY COX, Vice Chair  
Special District

JAMES V. CURATALO, Chair  
Special District

ROBERT A. LOVINGOOD  
Board of Supervisors

LARRY McCALLON  
City Member

JAMES RAMOS  
Board of Supervisors

DIANE WILLIAMS  
City Member

**ALTERNATES**

STEVEN FARRELL  
Special District

JANICE RUTHERFORD  
Board of Supervisors

SUNIL SETHI  
Public Member

ACQUANETTA WARREN  
City Member

**STAFF**

KATHLEEN ROLLINGS-McDONALD  
Executive Officer

SAMUEL MARTINEZ  
Assistant Executive Officer

MICHAEL TUERPE  
Project Manager

REBECCA LOWERY  
Clerk to the Commission

**LEGAL COUNSEL**

CLARK H. ALSOP

**RE: Request to Sign SB 25 (Roth)**

Dear Governor Brown:

The Local Agency Formation Commission for San Bernardino County (SBLAFCO) respectfully requests that you sign **Senate Bill 25** (Roth) which is now before you for action. **SB 25** goes a long way in restoring funding stability to the four cities that incorporated between January 1, 2004 and January 1, 2012 (Jurupa Valley, Wildomar, Menifee and Eastvale), and avoids the likely disincorporation or bankruptcy of one or more of these cities.

The VLF gap created by Senate Bill 89, one of the 2011 budget bills, created a financial disincentive for future city incorporations and annexations of inhabited territory. Further, it created severe fiscal penalties for those communities which chose to annex inhabited territories, particularly unincorporated islands and three cities in our County have been affected by this change. As an outgrowth of this passage, SBLAFCO rescinded a longstanding policy to require a city to annex its islands when proposing large scale, new development related annexations since they were no longer financially viable. SB 89 also created severe penalties for those communities which had recently voted to incorporate themselves. The equitable distribution of VLF funds to these newer cities is vital to assure their financial feasibility.

Because this legislation provides a critical funding component to these recently incorporated cities and provides these communities with desperately needed effective local governance and efficient service delivery options, we respectfully urge you to sign **SB 25**. It is also our hope that future legislation will address the financial disincentive for future incorporations and annexation of inhabited territory that was created by SB 89.

Sincerely,

JAMES CURATALO, Chairman

cc: Honorable Richard Roth, State Senator  
Camille Wagner, Deputy Legislative Affairs Secretary to the Governor  
Pamela Miller, Executive Director, CALAFCO