

SB 1266's New Filing Requirements Apply Only to JPAs Providing Municipal Services

Legal Alerts

Failure to File may Preclude JPAs from Issuing Bonds or Incurring Indebtedness

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Gov. Jerry Brown recently signed into law Senate Bill 1266, which will require joint powers agencies and joint powers authorities that provide municipal services to file copies of specific documents with local agency formation commissions. Effective January 1, 2017, SB 1266 will require JPAs to file a copy of the full text of its joint powers agreement, and any amendments to the agreement, with the LAFCO in the county within which any part of a local agency member's territory is located, whenever it is required to file its agreement (or amendment) with the State Controller. JPAs that fail to make the required filings will be precluded from issuing bonds or incurring indebtedness of any kind.

These new requirements apply only to a JPA that: 1.) meets the statutory definition of a JPA formed for the purpose of providing municipal services, as set forth in the Cortese-Knox-Hertzberg Local Government Reorganization Act; and 2.) includes any agency member that is a city, county or district. The Act defines a JPA as "an agency or entity formed pursuant to the Joint Exercise of Powers Act (Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1) that is formed for the local performance of governmental functions that includes the provision of municipal services." (Gov. Code § 56047.7.)

SB 1266 only applies to JPAs formed to provide municipal services—"boots on the ground" services such as water, wastewater, fire protection, police protection, healthcare, etc.—and therefore excludes administrative pooling functions, such as risk management, group financing, insurance and debt-financing.

Although LAFCOs already possessed the authority to request joint powers agreements from JPAs that provide municipal services, some LAFCO officials still

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found it difficult to obtain sufficient information about the activities of JPAs because there was no means of direct notice between the JPAs and LAFCOs. In some cases, LAFCOs were unaware of the formation of new of JPAs or amendments to existing agreements, and therefore were unable to request the necessary information. This bill creates a formal communication connection between municipal serving JPAs and LAFCOs.

As set forth in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, LAFCOs are responsible for coordinating changes in governmental boundaries and overseeing the establishment, expansion and organization of cities and special districts, and their municipal services. (Gov. Code § 56000 et seq.) The Joint Exercise of Powers Act allows two or more public agencies to use their powers in common by entering into a joint powers agreement, thereby forming an entity that may be a joint powers agency or a joint powers authority. Existing law requires a JPA to file a notice of its joint powers agreement, or any amendment to the agreement, with the Secretary of State's Office within 30 days after the agreement or amendment takes effect. (Gov. Code § 6503.5.) Under current law, the JPA must also file a copy of the full text of the original joint powers agreement, and any amendments to the agreement, with the State Controller. (Gov. Code § 6503.6.)

If you have any questions about this new law or how it may impact your organization, please contact the attorney authors of this Legal Alert listed to the right in the firm's [Special Districts](#) and [Municipal](#) practice groups, or your [BB&K attorney](#).

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