

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE : FEBRUARY 14, 2018 
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM 10: LEGISLATIVE REPORT

RECOMMENDATION:

Staff recommends that the Commission:

1. Accept the Legislative Report;
2. Indicate its support for the Omnibus Bill; and,
3. Provide direction to staff on legislation of interest or future actions, if any.

BACKGROUND:

The 2018 Legislative Session has begun and the CALAFCO Legislative Committee has met to review positions on pending legislation and the sponsorship of legislation for the upcoming year. Attachment #1 is the current CALAFCO Daily Legislative Report which indicates a "Watch" position for the eight bills shown as a Priority 1 and Priority 3 (there are no Priority 2 bills at this time).

The legislative cycle requires that bills must be introduced by no later than February 16, 2018 in order to be heard. So, the Annual Assembly Local Government Committee Omnibus bill, which provides for non-substantive, technical changes/corrections to the Cortese-Knox Hertzberg Local Government Reorganization Act, needs to be published by this date. The CALAFCO Board of Directors and Legislative Committee have supported the inclusion of seven items in the Omnibus Bill for 2018. Four of these proposals have generated no feedback in their preliminary review at the State level:

1. Change to Govt. Code Section 56046 and the addition of Govt. Code Section 56079.5– Clarification of the definition of "inhabited territory" and to eliminate confusion by adding a definition for "uninhabited territory";

56046. "Inhabited territory" means territory within which there reside 12 or more registered voters. The number of registered voters, as determined by the

elections officer, shall be established as ~~of~~ the date a certificate of filing is issued by the executive officer.

56079.5. "Uninhabited territory" means territory within which there reside fewer than 12 registered voters. The number of registered voters, as determined by the elections officer, shall be established as the date a certificate of filing is issued by the executive officer.

2. Change to Govt. Code Section 56157 – Clarification of the notice requirements for protest proceedings clearly identifying that they apply to only those within the boundary to eliminate potential for confusion. Language of proposed change included as Attachment #2.
3. Change to 56375(o) – Clarification as to the requirement for property tax determination for disincorporation. The proposed language is:

56375 (o) If the proposal includes the incorporation of a city, as defined in Section 56043, or the formation of a district, as defined in Section 2215 of the Revenue and Taxation Code, the commission shall determine the property tax revenue to be exchanged by the affected local agencies pursuant to Section 56810. *If the proposal includes the disincorporation of a city, as defined in Section 56034, the commission shall determine the property tax revenue to be exchanged by the affected local agencies pursuant to Section 56813.*

4. Change to Govt. Code Section 56668(a) –Removal of “per capita” from the statute.

56668. Factors to be considered in the review of a proposal shall include, but not be limited to, all of the following:

(a) Population and population density; land area and land use; ~~per capita~~ assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.

Three proposed elements of the Omnibus Bill have required additional discussion by the Legislative Committee and members of the Assembly Local Government Staff. They are:

1. Change to Govt. Code Section 56015 – Clarification of the definition of “affected territory” to clearly include the various types of applications the Commission receives. The revised language is shown in italics below:

56015. “Affected Territory” means any territory for which a change of organization, reorganization, or sphere of influence change, is proposed or ordered, *or any territory to which services are proposed to be provided pursuant to sections 56133, 56133.5 and 56134.*

2. Change to Govt. Section 56325 through 56335 – Clarification of the provisions related to seating of Commissioners to eliminate confusion for special seats on the Los Angeles, Sacramento, Santa Clara, San Diego, and Kern LAFCOs and an internal reorganization to make for easier reading. A copy of the proposed language is included as Attachment #3 but it has no impact on San Bernardino LAFCO.
3. Change to Govt. Code Section 56332 – These are changes proposed to the Special Districts Selection Committee process to fill in voids that have occurred in the real world processing of the elections for Special District seats on the Commission. Attachment #4 to this report includes the proposed language.

At the CALAFCO Legislative Committee meeting on January 13, 2018, the CALAFCO Executive Director identified several potential bills that could impact LAFCOs as well as several potential items that may become bills by the February 16 deadline. The ones with the potential for processing this year are:

1. The Eastern Municipal Water District (EMWD) is contemplating legislation which will give to the State Water Resources Control Board the ability to form new public water districts by reorganizing existing public, private and mutual water providers (which can be non-contiguous). A subcommittee from the CALAFCO Legislative Committee has been convened to work with EMWD on this developing legislation.
2. Senator Hertzberg is contemplating amendments to his SB 778 related to consolidations and extension of services for both water and wastewater services to be handled in an expedited process by the State Water Resources Board. A subcommittee has been approved by the CALAFCO Legislative Committee to work with the Executive Director on responses to any proposed amendments.

In addition, the efforts of the Legislature looking at Special Districts, their numbers and their governance and financial structures continues. The League of California Cities is contemplating an effort this Legislative Year to address the potential return of the per capita revenues for inhabited annexations and/or incorporations. A subcommittee of the CALAFCO Legislative Committee has been formed to work with the League when and if they chose to move forward.

If there are other pieces of legislation that Commissioners are aware of that should be brought to the attention of CALAFCO or you wish staff to review in more detail, please provide the bill number reference and we will be happy to comply. Staff will be happy to answer any questions prior to or at the hearing.

KRM

Attachments:

1. CALAFCO Daily Legislative Report – Dated February 12, 2018
2. Omnibus Bill Proposed Changes to Government Code Section 56157
3. Omnibus Bill Proposed Changes to Government Code Section 56325 to 56335
4. Omnibus Bill Proposed Changes to Government Code Section 56332