



**LAFCO - San Luis Obispo - Local Agency Formation Commission**  
*SLO LAFCO - Serving the Area of San Luis Obispo County*

**TO: MEMBERS, FORMATION COMMISSION**

**FROM: DAVID CHURCH, AICP, EXECUTIVE OFFICER**

**DATE: FEBRUARY 16, 2017**

**SUBJECT: IMPLEMENTATION OF SB 1266 - FILING OF JOINT POWERS AGREEMENTS WITH LAFCO**

**Recommendation**

It is respectfully recommended that the Commission receive and file this report.

**Summary**

**SB 1266 (McGuire) - Joint Power Authorities-Filing Agreements**

This new law was signed by the Governor on August 22, 2016. It requires that all stand-alone Joint Powers Authorities (JPA) that provide municipal services to file copies of the agreement and any amendments with the Local Agency Formation Commission. JPAs that are subject to this new law include a member that is a public agency as defined in GC Section 56054, and are formed for the purposes of delivering municipal services.

The JPA or agency can file this information with the LAFCO in any format (electronic, hard copy) as it is not specified in the bill. LAFCO may then use this information to inform its service reviews and other studies. This new law opens up a direct line of communication between the LAFCO and the municipal service providing JPA. This bill does not give LAFCO any authority over JPAs, but does require filing of the agreements and any amendments with LAFCO.

A letter notifying all agencies (Cities, Special Districts, County) about this new law will be sent to advise the agencies about this new requirement. Attached are the code sections of the new law and a draft letter to be sent to the agencies. If an agency does not submit the agreement with any amendments by July 1, 2017 to LAFCO the agency is prohibited from issuing bonds or incurring indebtedness.

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## Draft Letter

TO: Local Agencies, County of San Luis Obispo, Cities within San Luis Obispo County, Special Districts within San Luis Obispo County

SUBJECT: Implementing Senate Bill 1266 (McGuire) New Reporting Requirements for Certain Joint Power Authorities

This letter is to remind you that SB 1266 was passed by the legislature and signed by the Governor on August 22, 2016. This legislation became effective on January 1, 2017 and amends the Joint Exercise of Powers Act to require that certain joint power agencies (JPAs) to file their agreements and any amendments with LAFCOs no later than July 1, 2017. Specifically the Bill:

- 1) Requires a JPA to file with LAFCO, the full text of the joint powers agreement, and any amendments to agreement, in the same manner as filed with the State Controller under existing law.
  - a. Meets the definition of a JPA provided in the existing law and includes the provision of municipal services.
  - b. Includes a local agency member that is a city, county, or district
- 2) Requires the filing to be with the LAFCO in each county within which all of any part of a local agency's member's territory is located.
- 3) Requires a JPA formed prior to January 1, 2017 to file the agreement and any amendments by July 1, 2017.
- 4) Prohibits any agency or entity from issuing any bonds or incurring any indebtedness until filings are completed.

The legislation is limited to those JPAs with a county, city, town, or special district member in which the entity provides a local municipal service consistent with Government Code Section 56047.7. To expedite the reporting process, all respondents are encouraged to provide copies of their agreements and amendments in electronic form to Executive Officer David Church at [Dchurch@slolafco.com](mailto:Dchurch@slolafco.com). One agency can submit the agreement for all agencies

The new law does not give SLO LAFCO any review or regulatory authority over JPAs. The new law is to provide LAFCO with a full picture in regard to municipal services provided by various agencies. Please call me at 788-2096 if you have any questions.

Sincerely,

David Church  
LAFCO Executive Officer

Attachment SB 1266

**ATTACHMENT ONE**

**Senate Bill No. 1266**

CHAPTER 173

An act to amend Section 6503.6 of, and to add Section 6503.8 to, the Government Code, relating to local government.

[Approved by Governor August 22, 2016. Filed with  
Secretary of State August 22, 2016.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1266, McGuire. Joint Exercise of Powers Act: agreements: filings.

The Joint Exercise of Powers Act generally authorizes 2 or more public agencies, by agreement, to jointly exercise any common power, which is generally termed a joint powers agreement. When a joint powers agreement provides for the creation of an agency or entity, separate from the parties to the agreement and responsible for its administration, existing law requires that agency or entity to cause a notice of the agreement or amendment to be prepared and filed, as specified, with the Secretary of State. Existing law requires an agency or entity that files a notice of agreement or amendment with the Secretary of State to also file a copy of the original joint powers agreement, and any amendment to the agreement, with the Controller.

This bill would require an agency or entity required to file documents with the Controller, as described above, that meets the definition of a joint powers authority or joint powers agency, as specified, that was formed for the purpose of providing municipal services and that includes a local agency member, as specified, to also file a copy of the agreement or amendment to the agreement with the local agency formation commission in each county within which all or any part of a local agency member's territory is located within 30 days after the effective date of the agreement or amendment to the agreement. The bill would also require an agency or entity that meets the definition of a joint powers authority or joint powers agency, as specified, that was formed for the purpose of providing municipal services prior to the effective date of this act and that includes a local agency member, as specified, to file a copy of the agreement and any amendments to the agreement with the local agency formation commission in each county within which all or any part of a local agency member's territory is located no later than July 1, 2017. This bill would prohibit an agency or entity administering an agreement or amendment that has failed to make the required filings within the specified timeframes from issuing bonds or incurring any indebtedness until those filings have been made.

By requiring specified joint powers agencies to file certain documents with a local agency formation commission, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

*The people of the State of California do enact as follows:*

SECTION 1. Section 6503.6 of the Government Code is amended to read:

6503.6. (a) When an agency or entity files a notice of agreement or amendment to the agreement with the office of the Secretary of State pursuant to Section 6503.5, the agency or entity shall file a copy of the full text of the original joint powers agreement, and any amendment to the agreement, with the Controller. An agency or entity that meets the definition of a joint powers authority or joint powers agency under Section 56047.7 that was formed for the purpose of providing municipal services and that includes a local agency member that is a city, district, or county shall, within 30 days after the effective date of the agreement or amendment to the agreement, file a copy of the agreement or amendment to the agreement with the local agency formation commission in each county within which all or any part of a local agency member's territory is located.

(b) Notwithstanding any other provision of this chapter, any agency or entity administering a joint powers agreement or amendment to such an agreement, which agreement or amendment becomes effective on or after the effective date of this section, which fails to file the notice with a local agency formation commission required by this section within 30 days after the effective date of the agreement or amendment shall not thereafter, and until those filings are completed, issue any bonds or incur indebtedness of any kind.

SEC. 2. Section 6503.8 is added to the Government Code, to read:

6503.8. (a) No later than July 1, 2017, an agency or entity that meets the definition of a joint powers authority or joint powers agency under Section 56047.7 that was formed for the purpose of providing municipal services prior to the effective date of this section, and that includes a local agency member that is a city, district, or county, shall cause a copy of the agreement and any amendments to the agreement to be filed with the local agency formation commission in each county within which all or any part of a local agency member's territory is located.

(b) Notwithstanding any other provision of this chapter, any agency or entity administering a joint powers agreement or amendment to such an agreement, which fails to file the notice with a local agency formation commission required by this section on or before July 1, 2017, shall not thereafter, and until those filings are completed, issue any bonds or incur indebtedness of any kind.

SEC. 3. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

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