



LAFCO - San Luis Obispo - Local Agency Formation Commission

SLO LAFCO - Serving the Area of San Luis Obispo County since 1963

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TO: MEMBERS, FORMATION COMMISSION

FROM: DAVID CHURCH, AICP, EXECUTIVE OFFICER

DATE: JANUARY 15, 2015

SUBJECT: LEGISLATIVE AND CALAFCO UPDATE

Recommendation. It is respectfully recommended that the Commission consider this CALAFCO and Legislative Update and receive and file this report.

CALAFCO Quarterly Report (Exhibit A)

Exhibit A contains the CALAFCO Quarterly report. This report provides a summary of the various CALAFCO activities over the last quarterly. It lists the CALAFCO Board of Directors and subcommittees, recaps the Annual Conference, Staff Workshop and CALAFCO University courses, and summarizes the actions taken by the Board of Directors.

Exhibit A: CALAFCO
Quarterly Report

Exhibit B: CALAFCO 2014
Legislative Report

Exhibit C: Monterey
LAFCO Letter-JPAs

Legislative Update (Exhibit B)

The 2014 legislative year saw 2,260 bills introduced, of which 1,178 were chaptered and 143 were vetoed. CALAFCO sponsored one bill this year which was AB 2762, the annual Omnibus bill. Despite only sponsoring one bill, there was a great deal of other legislative activity in which CALAFCO found itself involved. CALAFCO supported a number of bills including AB 1521–Fox, AB 1729–Logue, AB 2156 – Achadjian (JPAs), and SB 69–Roth. A brief description of these bills is found in the CALAFCO legislative Report found in Exhibit B,

In addition, CALAFCO worked extensively with various legislative committees and legislators' staff on a number of bills that impacted LAFCO, including AB 1527 (Perea), SB 614 (Wolk), and the groundwater management legislation from Pavley-Dickinson. The full report on the 2014 legislative year is found in Exhibit B.

The legislature reconvened on January 5, 2015 and CALAFCO's Legislative Committee met once already in November, and the first in-person meeting was conducted on December 12 in San Diego. The SLOLAFCO EO participated via phone conference call.

Work is already underway for the annual CALAFCO Omnibus bill, as well as consideration of other proposed legislative items. Earlier this year, the CALAFCO Board of Directors directed the Committee to focus on three legislative priorities (as presented at the annual conference legislative update session), all of which the Board reconfirmed during their November 14 meeting. Those priorities included:

- Protest Provisions continued clean-up
- Strengthening the relationship between LAFCOs and JPAs
- Dis-incorporations: clarifying the process

Working groups focusing on each of these major issues were created and they have been receiving feedback on their initial proposals from LAFCOs and Associate Members. The Committee discussed these topics during the December 12th meeting. The following is a summary of key legislative issues:

- **In 2013 Protest Provisions for the CKH Act** were re-organized in and made easier to decipher. Code sections were moved and clarity as to how to apply the sections was provided. The next phase is to try and streamline the Protest Process. Currently the protest process can be unwieldy and arcane.
- **LAFCO and Joint Power Authorities.** The JPA Working Group approved the following draft proposal for discussion by the Legislative Committee. The Committee decided that following three changes be split up. The draft proposal involves making three changes as summarized below.
 - Expand and add a new requirement for JPAs to file copies of their agreements and amendments with LAFCOs in step with existing reporting to the Secretary of State (Government Code Sections 6503.6 and 6503.8). This part will be considered by the CALAFCO Board of Directors for direction.
 - Clarify existing law to allow LAFCOs to include JPAs in municipal service reviews for purposes of assessing the availability and adequacy of governmental services within a defined region if deemed appropriate by local commissions (Government Code Section 56430). This change may be included in the annual omnibus Bill.
 - Clarify existing law to define JPAs as public agencies for purposes of eligible entities to contract for new/extended outside services and confirm applicability of exemptions are determined by LAFCOs. (Government Code Section 56133). This part was dropped out as part the current effort and is to be researched further.

Part of the Legislative Committee is concerned regarding potential legislation for the proposal. There is a concern raised that LACOs would be expanding its jurisdiction into a new area that included JPAs that were not based on the provision of municipal services. LAFCOs currently can request information from JPAs, but the JPAs are not required to comply. LAFCO's also may have the discretion to determine if a JPA is being used to serve an area thus making it subject to GC 56133 as an outside user agreement and subject to LAFCO review. Monterey LAFCO wrote a letter of concern this and it is attached for your information. Staff will keep you informed regarding this proposal.

- **Disincorporation's** have become more of a concern with the recent economic downturn and the financial struggles of some cities in California. The current law for disincorporation is old and very difficult to follow. The idea is to clarify the disincorporation process and recommend changes to the law.

The next legislative committee meeting is January 23rd in Sacramento.