



Local Agency Formation Commission
2222 M Street
Merced, CA 95340
Phone (209) 385-7671 / Fax (209) 726-1710
www.lafcomerced.org

DATE: April 15, 2021 (Agenda)
TO: LAFCO Commissioners
FROM: ^{BK} Bill Nicholson, Executive Officer
RE: Letter of Support for AB 1581 - Local Government Committee Omnibus Bill (Agenda Item VII.A)

The California Association of Local Agency Formation Commissions (CALAFCO) has sent out a request to all LAFCOs requesting letters of support for the annual "omnibus bill" which provides minor technical or procedural changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act) which governs LAFCO activities. Our professional association, CALAFCO, works closely with the Assembly Local Government Committee to author these omnibus bills, and the proposed technical changes to the Act come from professionals from local LAFCOs – with a requirement they be non-substantive changes and non-controversial.

This year's list involves the following proposed amendments to the Act (and the Bill is attached for the Commission's review):

- 1) Clarify that LAFCo is responsible to periodically adopt, amend or "update" spheres of influence of local agencies, and removes the word "revise" as the law specifically calls for a periodic "update" rather than a revision.
- 2) Clarify that the LAFCo in the county where a service is going to be extended outside the agency's boundary (city or special district) is responsible to process the service extension request rather than the LAFCo in the county where the service comes from – pertains to Government Code section 56133; and
- 3) Would exempt dissolved inactive special districts from tax sharing negotiations, (which has not been an issue in Merced County).

Items 1 and 2 are relevant to Merced LAFCo, but item 3 has not been an issue in our county.

Action Requested

Approve a letter of support for Assembly Bill AB 1581 (Local Government Committee) regarding the annual omnibus bill.

Attachments:

Draft Letter to the Honorable Cecilia Aguiar-Curry, Chair and AB 1581



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Honorable Cecilia Aguiar-Curry, Chair
Assembly Local Government Committee
California State Assembly
State Capitol, Room 5144
Sacramento, CA 95814

RE: SUPPORT of AB 1581: Local Government Committee Omnibus Bill (as amended April 8, 2019)

Dear Chair Aguiar-Curry:

The Local Agency Formation Commission of Merced County (LAFCo) is pleased to support the Assembly Local Government Committee Bill AB 1581 which makes technical, non-substantive changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act).

This annual bill includes technical changes to the Act which governs the work of LAFCos. These changes are necessary as Commissions implement the Act and small inconsistencies are found or clarifications are needed to make the law as unambiguous as possible. AB 1581 currently makes minor technical corrections to language used in the Act. The LAFCo of Merced County is grateful to your Committee, staff and CALAFCO, all of whom worked diligently on this language to ensure there are no substantive changes while creating a significant increase in the clarity of the Act for all stakeholders.

This legislation helps insure the Cortese-Knox-Hertzberg Act remains a vital and practical law that is consistently applied around the state. We appreciate your Committee's authorship and support of this bill, and your support of the mission of LAFCos.

Yours sincerely,

Scott Silviera
LAFCO Chair

cc: Members, Assembly Local Government Committee
Jimmy MacDonald, Consultant, Assembly Local Government Committee
Pamela Miller, Executive Director, CALAFCO

ASSEMBLY BILL

No. 1581

Introduced by Committee on Local Government

March 9, 2021

An act to amend Sections 56133, 56427, and 56879 of, and to amend and renumber Section 56325.1 of, the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 1581, as introduced, Committee on Local Government. Local government: omnibus.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the authority and procedure for the initiation, conduct, and completion of changes of organization, reorganization, and sphere of influence changes for cities and districts, as specified. Existing law requires a local agency formation commission to develop and determine the sphere of influence of each city and each special district within the county and enact policies designed to promote the logical and orderly development of areas within each sphere. Existing law requires the commission, in order to prepare and update spheres of influence in accordance with this requirement, to conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission, as specified.

Existing law requires the commission to adopt, amend, or revise spheres of influence after a public hearing called and held for that purpose.

This bill would revise and recast that provision to provide that the commission is required to adopt, amend, or update spheres of influence after a public hearing called and held for that purpose.

Existing law authorizes a commission in the county which an extension of service is proposed to approve (1) a city or district to provide new or extended services by contract or agreement outside its jurisdictional boundary in writing, (2) a city or district to provide new or extended services outside its jurisdictional boundary but within its sphere of influence in anticipation of a later change of organization, and (3) a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to the health or safety of the public or the residents of the affected territory if specified conditions are met.

This bill would revise and recast those provisions to remove the general requirement the commission must be in the county which an extension of service is proposed and provide that a city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the commission of the county in which the affected territory is located.

Existing law requires the commission to dissolve inactive districts and provides that dissolved districts are not subject to specified provisions.

This bill would add that dissolved districts are not subject to specified taxation provisions related to jurisdictional changes.

This bill would make other nonsubstantive changes.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

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

1 SECTION 1. Section 56133 of the Government Code is
2 amended to read:
3 56133. (a) A city or district may provide new or extended
4 services by contract or agreement outside its jurisdictional
5 boundary only if it first requests and receives written approval
6 from the ~~commission~~. *commission of the county in which the*
7 *affected territory is located.*
8 (b) The commission may authorize a city or district to provide
9 new or extended services outside its jurisdictional boundary but
10 within its sphere of influence in anticipation of a later change of
11 organization.

1 (c) The commission may authorize a city or district to provide
2 new or extended services outside its jurisdictional boundary and
3 outside its sphere of influence to respond to an existing or
4 impending threat to the health or safety of the public or the
5 residents of the affected territory, if both of the following
6 requirements are met:

7 (1) The entity applying for approval has provided the
8 commission with documentation of a threat to the health and safety
9 of the public or the affected residents.

10 (2) The commission has notified any alternate service provider,
11 including any water corporation as defined in Section 241 of the
12 Public Utilities Code, that has filed a map and a statement of its
13 service capabilities with the commission.

14 (d) The executive officer, within 30 days of receipt of a request
15 for approval by a city or district to extend services outside its
16 jurisdictional boundary, shall determine whether the request is
17 complete and acceptable for filing or whether the request is
18 incomplete. If a request is determined not to be complete, the
19 executive officer shall immediately transmit that determination to
20 the requester, specifying those parts of the request that are
21 incomplete and the manner in which they can be made complete.
22 When the request is deemed complete, the executive officer shall
23 place the request on the agenda of the next commission meeting
24 for which adequate notice can be given but not more than 90 days
25 from the date that the request is deemed complete, unless the
26 commission has delegated approval of requests made pursuant to
27 this section to the executive officer. The commission or executive
28 officer shall approve, disapprove, or approve with conditions the
29 extended services. If the new or extended services are disapproved
30 or approved with conditions, the applicant may request
31 reconsideration, citing the reasons for reconsideration.

32 (e) This section does not apply to any of the following:

33 (1) Two or more public agencies where the public service to be
34 provided is an alternative to, or substitute for, public services
35 already being provided by an existing public service provider and
36 where the level of service to be provided is consistent with the
37 level of service contemplated by the existing service provider.

38 (2) The transfer of nonpotable or nontreated water.

39 (3) The provision of surplus water to agricultural lands and
40 facilities, including, but not limited to, incidental residential

1 structures, for projects that serve conservation purposes or that
2 directly support agricultural industries. However, prior to extending
3 surplus water service to any project that will support or induce
4 development, the city or district shall first request and receive
5 written approval from the commission in the affected county.

6 (4) An extended service that a city or district was providing on
7 or before January 1, 2001.

8 (5) A local publicly owned electric utility, as defined by Section
9 9604 of the Public Utilities Code, providing electric services that
10 do not involve the acquisition, construction, or installation of
11 electric distribution facilities by the local publicly owned electric
12 utility, outside of the utility's jurisdictional boundary.

13 (6) A fire protection contract, as defined in subdivision (a) of
14 Section 56134.

15 ~~(f) This section applies only to the commission of the county~~
16 ~~in which the extension of service is proposed.~~

17 SEC. 2. Section 56325.1 of the Government Code is amended
18 and renumbered to read:

19 ~~56325.1:~~

20 ~~56331.4~~ While serving on the commission, all commission
21 members shall exercise their independent judgment on behalf of
22 the interests of residents, property owners, and the public as a
23 whole in furthering the purposes of this division. Any member
24 appointed on behalf of local governments shall represent the
25 interests of the public as a whole and not solely the interests of the
26 appointing authority. This section does not require the abstention
27 of any member on any matter, nor does it create a right of action
28 in any person.

29 SEC. 3. Section 56427 of the Government Code is amended
30 to read:

31 56427. The commission shall adopt, amend, or ~~revise~~ *update*
32 spheres of influence after a public hearing called and held for that
33 purpose. At least 21 days prior to the date of that hearing, the
34 executive officer shall give mailed notice of the hearing to each
35 affected local agency or affected county, and to any interested
36 party who has filed a written request for notice with the executive
37 officer. In addition, at least 21 days prior to the date of that hearing,
38 the executive officer shall cause notice of the hearing to be
39 published in accordance with Section 56153 in a newspaper of
40 general circulation which is circulated within the territory affected

1 by the sphere of influence proposed to be adopted. The commission
2 may continue from time to time any hearing called pursuant to this
3 section.

4 At any hearing called and held pursuant to this section, the
5 commission shall hear and consider oral or written testimony
6 presented by any affected local agency or affected county or any
7 interested person who wishes to appear.

8 This section shall only apply to spheres of influence adopted by
9 the commission after January 1, 1975.

10 SEC. 4. Section 56879 of the Government Code is amended
11 to read:

12 56879. (a) On or before November 1, 2018, and every year
13 thereafter, the Controller shall create a list of special districts that
14 are inactive, as defined in Section 56042, based upon the financial
15 reports received by the Controller pursuant to Section 53891. The
16 Controller shall publish the list of inactive districts on the
17 Controller's ~~Internet Web site.~~ *internet website*. The Controller
18 shall also notify the commission in the county or counties in which
19 the district is located if the Controller has included the district in
20 this list.

21 (b) The commission shall initiate dissolution of inactive districts
22 by resolution within 90 days of receiving notification from the
23 Controller pursuant to subdivision (a), unless the commission
24 determines that the district does not meet the criteria set forth in
25 Section 56042. The commission shall notify the Controller if the
26 commission determines that a district does not meet the criteria
27 set forth in Section 56042.

28 (c) The commission shall dissolve inactive districts. The
29 commission shall hold one public hearing on the dissolution of an
30 inactive district pursuant to this section no more than 90 days
31 following the adoption of the resolution initiating dissolution. The
32 dissolution of an inactive district shall not be subject to any of the
33 following:

34 (1) Chapter 1 (commencing with Section 57000) to Chapter 7
35 (commencing with Section 57176), inclusive, of Part 4.

36 (2) Determinations pursuant to subdivision (b) of Section 56881.

37 (3) Requirements for commission-initiated changes of
38 organization described in paragraph (3) of subdivision (a) of
39 Section 56375.

- 1 (4) *Sections 99 and 99.01 of the Revenue and Taxation Code.*

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