

Date of Hearing: May 10, 2017

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Cecilia Aguiar-Curry, Chair

AB 1725 (Committee on Local Government) – As Amended May 2, 2017

SUBJECT: Local agency formation.

SUMMARY: Makes several non-controversial changes to the local agency formation commission (LAFCO) statutes which govern local government organization and reorganization.

EXISTING LAW establishes the procedures for the organization and reorganization of cities, counties, and special districts under the Cortese-Knox-Hertzberg Local Reorganization Act of 2000 (Act).

FISCAL EFFECT: None

COMMENTS:

- 1) **LAFCOs.** LAFCOs are responsible for coordinating logical and timely changes in local governmental boundaries, conducting special studies that review ways to reorganize, simplify, and streamline governmental structures, and preparing a sphere of influence for each city and special district within each county. The courts refer to LAFCOs as the Legislature's "watchdog" over local boundary changes. The Act establishes procedures for local government changes of organization, including city incorporations, disincorporations, city and special district consolidations, and annexations to a city or special district. LAFCOs regulate boundary changes through the approval or denial of proposals by other public agencies or individuals for these procedures.
- 2) **Background and Prior Legislation.** As statutes go into effect, local officials and others often discover problems or inconsistencies in the language of the law and approach the Legislature to correct them. These minor problems do not warrant separate bills, so this Committee has found that it is expeditious and relatively inexpensive to respond to multiple minor, non-controversial requests on related issues by combining them into an annual "omnibus bill." Since the major rewrite of the Act governing local agency organization and reorganization [AB 2838 (Hertzberg), Chapter 761, Statutes of 2000], the Committee has focused its omnibus bill efforts on LAFCO-related issues.

Prior bills authored by the Committee include: AB 2795, Chapter 47, Statutes of 2010; AB 1430, Chapter 300, Statutes of 2011; AB 2698, Chapter 62, Statutes of 2012; AB 1427, Chapter 87, Statutes of 2013; AB 2762, Chapter 112, Statutes of 2014; AB 1532, Chapter 114, Statutes of 2015; and, AB 2910, Chapter 165, Statutes of 2016.

This bill reflects the concerns of LAFCOs and other stakeholders who have brought proposals and issues to the Committee. All proposals are vetted by a large number of stakeholders. Any proposal that provokes any controversy or opposition is rejected for inclusion.

3) **Bill Summary.** This bill makes several non-controversial changes to the Act.

Current law authorizes LAFCOs to establish a schedule of fees and a schedule of service charges for "proceedings" which by definition are changes of organization. This bill removes the word "proceedings" to more accurately reflect the actions listed in existing law. For example, amending or updating a sphere of influence, as listed in existing law, are not changes of organization. This bill does not expand a LAFCO's ability to charge fees, but more accurately reflects the actions by which a LAFCO may charge a fee, pursuant to existing law.

Existing law requires a LAFCO executive officer (EO) to provide notice of the receipt of applications for a change of organization to each "affected agency." However, the Act does not define "affected agency." The Act defines "affected local agency," to mean [A]ny local agency that contains, or would contain, or whose sphere of influence contains or would contain, any territory for which a change of organization is proposed or ordered, either singularly or as part of a reorganization or for which a study is to be reviewed by LAFCO. Therefore, existing law may require notice to not only affected local agencies, but also to state or federal agencies that contain territory for which a change of organization is proposed, even if the jurisdiction of those state and federal agencies is limited and unrelated to the application submitted to LAFCO. Requiring EOs to notify not only local, but also state and federal agencies would be unduly burdensome and lead to increased costs for notice. This bill resolves this problem by changing "affected agency" to "affected local agency" to ensure consistency in the Act and clarify the scope of notice required to inform stakeholders of LAFCO's receipt of an application for a change or organization or reorganization.

4) **Arguments in Support.** The California Association of Local Agency Formation Commissions states, "This annual bill includes technical changes to the Act which governs the work of local agency formation commissions. 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. This legislation helps insure the Cortese-Knox-Hertzberg Act remains a vital and practical law that is consistently applied around the state."

5) **Arguments in Opposition.** None on file.

REGISTERED SUPPORT / OPPOSITION:

Support

California Association of Local Agency Formation Commissions (CALAFCO)
Local Agency Formation Commissions: Contra Costa, Fresno, Imperial, Los Angeles, Merced, Nevada, Riverside, San Bernardino, Santa Clara, Solano, Sonoma, Stanislaus, Yolo

Opposition

None on file

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