

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
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September 3, 2014

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: Legislative Update

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RECOMMENDATION

Information only, no action is recommended.

BACKGROUND

The two year legislative session ended on Sunday, August 31, 2014. This report is current as of Friday, August 29. Staff will provide any updates verbally as needed.

This memo is part of the ongoing effort to keep your Commission informed regarding various LAFCo related legislative matters.

An ad-hoc legislative committee appointed by the CALAFCO Board of Directors has identified several bills of interest. CALAFCO has taken a formal position on these bills, as noted.

DISCUSSION

Below are listed the proposed legislation that may be of interest to your Commission.

AB 1521(Fox D) Local government finance: property tax revenue allocations: vehicle license fee (VLF) adjustments.

Introduced: 1/16/2014

Status: 2/6/2014-Referred to Com. on L. GOV.

08/22/14 Senate amendments concurred in. To Engrossing and Enrolling.

[Enrolling occurs when bills are filed with the Governor and resolutions are filed with the Secretary of State, after they have been accepted by both Houses.]

Summary: One-time, permanent shift of approximately \$5 million in property tax revenues in 2014-15 from the Educational Revenue Augmentation Fund (ERAF) in certain counties to cities that have annexed inhabited areas since 2004. The General Fund would generally backfill the reductions from ERAF to replace funding that would otherwise go to schools pursuant to Proposition 98 minimum funding guarantees. The initial \$5 million General Fund backfill payments would increase each year thereafter at the property tax growth rate. To the extent that revisions to the formulas for allocating VLF adjustment amounts removes a disincentive for other cities to annex inhabited territory, the General Fund impacts could increase in the future. This same reallocation has been twice vetoed.

CALAFCO: SUPPORT

AB 1527(Perea D) Public water systems: drinking water.

Introduced: 1/17/2014

Status: 2/6/2014-Referred to Com. on E.S. & T.M.

Location: 2/6/2014-A. E.S. & T.M.

03/17/14 From committee chair, with author's amendments: Amend, and re-refer to Com. on E.S. & T.M. Read second time and amended.

03/18/14 Re-referred to Com. on E.S. & T.M.

08/26/14 Senate amendments concurred in. To Engrossing and Enrolling.

Summary: Requires the State Water Resources Control Board (SWRCB) to provide incentives for the consolidation of public water systems for funding under the Safe Drinking Water State Revolving Fund (SDWSRF) based on a LAFCo MSR.

CALAFCO Comments: **WATCH:** This bill requires funding for construction project feasibility studies to include studies of service delivery alternatives if at least 1 service agency services a disadvantaged community; also requires the DPH to make a determination to include the viability of these service delivery alternatives and to consider LAFCo studies and determinations from the previous 5 years, to consult with LAFCo Executive Officer and consider other applicable local/regional studies related to the delivery of drinking water.

Summary: Would require each county with significant agricultural land resources, as defined, to develop, on or before January 2, 2018, a sustainable farmland strategy. The bill would require the Sustainable Farmland Strategy to include, among other things, a map and inventory of all agriculturally zoned land within the county, a description of the goals, strategies, and related policies and ordinances, to retain agriculturally zoned land where practical and mitigate the loss of agriculturally zoned land to nonagricultural uses or zones, and a page on the county's Internet Web site with the relevant documentation for the goals, strategies, and related policies and ordinances, as specified.

AB 1739 (Dickinson) Groundwater basin management: sustainability.

Current Text: Amended: 4/22/2014 pdf html

Introduced: 2/14/2014

Location: 08/28/14 In Assembly. Concurrence in Senate amendments pending. May be considered on or after August 30 pursuant to Assembly Rule 77.

Summary: Requires, together with SB 1168 (Pavley) of the current legislative session, that in all basins and subbasins designated high and medium priority by the Department of Water Resources (DWR) that a locally-formed groundwater sustainability agency (GSA) adopt a groundwater sustainability plan (GSP) unless the basin or subbasin is adjudicated or otherwise being sustainably managed. Requires adoption of a GSP by January 31, 2020, if the basin or subbasin is in a critical condition of overdraft, or by January 31, 2022, for all other high and medium priority basins or subbasins.

[**SB 1168** requires sustainable groundwater management plans in all groundwater basins the Department of Water Resources (DWR) determines to be of medium or high priority and are experiencing critical conditions of overdraft by January 31, 2020. This bill requires sustainable groundwater management plans for all other medium or high priority basins by January 31, 2022 unless the basin is legally adjudicated or the local agency establishes it is otherwise sustainably managed.]