

October 10, 2002 (Agenda)

Local Agency Formation Commission
105 East Anapamu Street
Santa Barbara CA 93101

Status Report on Legislation

Dear Members of the Commission

RECOMMENDATION

It is recommended the Commission receive and file this report.

DISCUSSION

The 2001-02 two-year legislative session has come to an end. Following are legislative items of interest or relevance to the Commission and its operations.

- **SB 1586 (Haynes):** Requires that a resolution of a special district adopted and transmitted to LAFCO requesting termination of an annexation to the district to be “based upon written findings supported by substantial evidence that the request is justified by financial or service related concern” as defined.

Signed by Governor and Chaptered (Chapter 547, Statutes of 2002).

- **SB 1588 (Torlakson):** Comprehensive re-write of the Mosquito Abatement District and Vector Control District Law, in which CALAFCO participated.

Signed by Governor and Chaptered (Chapter 385, Statutes of 2002).

- **AB 1948 (Kelley)**

This bill amends Government Code §56381(b)(1)(C) regarding the apportionment formula for the special districts’ one-third share of LAFCO’s budget.

The bill, sponsored by health care districts, originally sought exemption from supporting the LAFCO budget. Other districts opposed the exemption because of the consequential shift of funding obligations to the remaining districts, and the possibility of other agencies seeking an exemption from the funding obligation.

Special district organizations agreed on language amended into the bill that:

- (a) Requires the districts' funding share to be apportioned in proportion to each district's "total revenues for general purpose transactions for non-enterprise activities and total operating and non-operating revenues for enterprise activities," as published in the most recent edition of the State Controller's *Special Districts Annual Report*.
- (b) Caps any district's share at 50% of the special districts' total one-third share.
- (c) Calculates health care districts' share on net operating revenues and exempt health care districts that are shown to have negative net operating revenues or who have filed for bankruptcy.
- (d) Continues to allow special districts to locally develop their own apportionment formula.

Signed by Governor and Chaptered (Chapter 493, Statutes of 2002).

▪ **AB 2227 (Harman)**

This CALAFCO sponsored bill clarifies the Cortese-Knox-Hertzberg Act in response to issues and concerns raised by LAFCOs following the passage of AB 2838. CALAFCO worked with other organizations to build consensus on AB 2227.

The CALAFCO Legislative Committee and individual LAFCOs are working on proposals for further changes to the CKH Act for future legislative proposals.

Signed by Governor and Chaptered (Chapter 548, Statutes of 2002).

- **AB 2370 (Thomson):** Restricts LAFCOs from approving city and special district annexations of Williamson Act lands, unless certain conditions apply, and expands restrictions on approval of city annexations of land in farmland security zones unless certain conditions apply.

Signed by Governor and Chaptered (Chapter 614, Statutes of 2002).

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If you have any questions please contact the LAFCO office.

Sincerely,

BOB BRAITMAN
Executive Officer