
SENATE COMMITTEE ON GOVERNANCE AND FINANCE

Senator Anna M. Caballero, Chair

2021 - 2022 Regular

Bill No:	AB 2957	Hearing Date:	6/1/22
Author:	Committee on Local Government	Tax Levy:	No
Version:	4/18/22	Fiscal:	No
Consultant:	Favorini-Csorba		

LOCAL GOVERNMENT: REORGANIZATION

Proposes several changes to laws affecting local government organization and reorganization.

Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act (the Act) delegates the Legislature’s power to control the boundaries of cities and special districts to local agency formation commissions (LAFCOs). The courts call LAFCOs the Legislature’s watchdog over local boundary changes.

As practitioners find problems with the Cortese-Knox-Hertzberg Act, they ask for statutory improvements. These minor problems do not warrant separate (and expensive) bills. According to the Legislative Analyst, in 2001-02 the cost of producing a bill was \$17,890. Legislators respond by combining several of these minor amendments into an annual “omnibus bill.” In 2021, for example, the LAFCO omnibus bill was AB 1581 (Assembly Local Government Committee) which contained eleven noncontroversial statutory changes to LAFCO law, avoiding significant legislative costs.

Proposed Law

Assembly Bill 2957 makes the following changes to state laws affecting LAFCOs:

Successor agency. Current law defines the terms used in the Act in the “Definitions” section of the Act. Current law also uses the term “successor agency” throughout the Act, principally related to the proceedings for the dissolution a special district. However, the term is not defined in the “Definitions” section of the Act. AB 2957 adds a definition of the term “successor agency” to the “Definitions” section of the Act. [See Section 1 of the bill.]

Take effect. Current law specifies that for the purpose of any action to determine or contest the validity of any change of organization or reorganization, the change of organization or reorganization shall be deemed to “be completed and in existence” upon the date of execution of the certificate of completion by the LAFCO. This language is unclear. AB 2957 replaces the words “be completed and in existence” with the words “take effect.” [See SEC. 2.]

Cross reference. Current law allows a city or special district to provide new or extended services outside of its jurisdiction with LAFCO approval under certain circumstances. However, the requirement to seek LAFCO approval does not apply to various services provided outside of a special district or city’s jurisdiction, including when a local publicly owned electric utility, as

defined in Public Utilities Code Section 9604, provides electric services that do not involve new distribution facilities outside of the utility’s boundary. However, this definition was moved to Public Utilities Code Section 224.3 by AB 3048 (Utilities and Commerce Committee, 2008), but LAFCO law was never updated. AB 2957 corrects the cross reference to the current location of the definition. [See SEC. 3.]

Application versus proposal. An “application” and a “proposal” are two distinctly different things in the Act. Section 56017.2(a) defines “Application” for a change of organization/reorganization to mean “A resolution of application or petition initiating a change of organization or reorganization with supporting documentation as required by the commission or executive officer.” Section 56069 defines a “Proposal” to mean “a desired change of organization or reorganization initiated by a petition or by resolution of application of a legislative body or school district for which a certificate of filing has been issued.” An “application” becomes a “proposal” only once a certificate of filing has been issued. However, several provisions of LAFCO law mistakenly refer to a proposal instead of an application. AB 2957 replaces “proposal” in these sections with the correct term, “application.” [See SEC. 4, 5, 6, and 7.]

Qualified annexations. Current law requires a property tax-sharing agreement among the county and an area to be annexed into a city and specifies procedures for negotiating this agreement. Until January 1, 2021, the law also authorized an alternative procedure for negotiating this agreement that includes review by a consultant, mediation, and arbitration. However, this provision recently sunset. AB 2957 reauthorizes this alternative procedure until January 1, 2028. [See SEC. 8.]

State Revenue Impact

No estimate.

Comments

Purpose of the bill. Even the best written statutes contain minor flaws. When statutory problems appear in the state law affecting LAFCOs, the Assembly Local Government Committee avoids legislative costs by combining several changes to state laws into a single, consensus bill. AB 2957 compiles, into a single bill, noncontroversial statutory changes to five parts of LAFCO law. Moving a bill through the legislative process costs the state around \$18,000. By avoiding four other bills, the Committee’s measure avoids about \$80,000 in legislative costs. By carefully reviewing each item with the affected parties, the Committee also avoids controversy. The changes made by AB 2957 don’t raise statewide policy questions. AB 2957 makes a complex statute easier for property owners, residents, and local officials to use.

Assembly Actions

Assembly Local Government Committee:	8-0
Assembly Floor:	65-0

Support and Opposition (5/26/22)

Support: CA Association of Local Agency Formation Commissions – SPONSOR

Butte Lafco

Contra Costa Lafco

El Dorado Lafco

Imperial Lafco

Los Angeles Lafco

Marin Lafco

Mendocino Lafco

Merced Lafco

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Napa Lafco

Orange County Lafco

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Santa Barbara Lafco

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Sonoma Lafco

Stanislaus Lafco

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Opposition: None submitted.

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