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MEMORANDUM

To: Fresno LAFCo Commissioners
Mr. Rick Ballantyne, LAFCo Executive Officer

From: Kenneth J. Price
Baker Manock & Jensen, PC

Re: CONSIDER APPROVAL – ITEM NO. 13(B): Report on New Laws Affecting
LAFCo Procedures and Decisions.

Date: January 30, 2008

Last year, the California Legislature passed, and the Governor signed, several new laws affecting Fresno LAFCo that take effect as of January 1, 2008. The following is a summary on these new laws and efforts by Fresno LAFCo staff to implement them:

- **AB 745** (Silva) clarifies and increases the requirements for financial disclosure of contributions and expenditures made for the purposes of affecting or influencing petitions for changes of organization, reorganization, and protest hearings.

LAFCo Action: During the December, 2007, and January, 2008, meetings, your Commission considered and approved a policy implementing the AB 745 requirements.

- **SB 162** (Negrete McLoud) makes changes to Government Code section 56668 by expanding the factors LAFCOs must consider when reviewing applications for changes of organization and reorganizations to include “the extent to which the proposal will promote *environmental justice*.” (Emphasis added.) The new law defines environmental justice as “the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.”

There are various statutory requirements in the California code pertaining to environmental justice. For example, Cal EPA is required to conduct strategic planning to address how its policies and procedures impact environmental justice and to develop strategies that promote it. The definition of environmental justice contained in the LAFCo law appears to be the same for each reference in all California codes.

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LAFCo Action: The CALAFCO Legislative Affairs Committee, in conjunction with LAFCO attorneys throughout the state, is developing suggested approaches that Fresno LAFCo may want to use in its application of this new factor. Staff hopes to provide the Commission with additional information regarding this new law and to prepare a draft policy regarding this requirement for the Commission's consideration.

- **SB 819** (Kehoe and Hollingsworth) removes the statutory sunset provision in the code section dealing with LAFCo's ability to consolidate two or more special districts not formed pursuant to the same principal act. For example, districts formed under the California Water District law and the California Irrigation District law contain two different mechanisms to form boards, elect directors, and even to dissolve the districts. If this provision in the law was allowed to sunset, it would have eliminated the Commission's authority to harmonize conflicting provisions in special districts' enabling legislation.

The new law also amends Government Code section 57451 by giving LAFCo the ability to initiate the formation of a successor district if the Commission dissolves one or more special districts.

LAFCo Action: Staff is aware of the change in the law and believes that there is no need at this time for Commission action or staff follow up regarding this item.

- **AB 1262** (Caballero) makes permanent and refines the meeting requirement between the county and a city, which seeks to update its sphere of influence. The purpose of the meeting is for the affected city and the county to explore methods to reach agreement regarding various anticipated impacts from the sphere update, including, but not limited to, development standards, and planning and zoning requirements.

LAFCo Action: Staff is aware of the change in the law and believes that there is no need at this time for Commission action regarding this item.

Recommendation: Your Commission receive, discuss, and provide direction regarding these items.