



Lou Ann Teixeira
Executive Officer

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- Candace Andersen**
County Member
- Charles R. Lewis, IV**
Public Member
- Gabriel Quinto**
City Member
- Patricia Bristow**
Special District Member
- Federal Glover**
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- Michael R. McGill**
Special District Member
- Scott Perkins**
City Member

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- Diane Burgis**
County Member
- Scott Pastor**
Special District Member
- Rob Schroder**
Public Member
- Edi Birsan**
City Member

July 12, 2024

**July 10, 2024
Agenda Item 9**

Contra Costa Local Agency Formation Commission
40 Muir Road, 1st Floor
Martinez, CA 94553

Legislative Report – CALAFCO Update and Position Letter

Dear Members of the Commission:

CALAFCO is sponsoring two bills this year - **AB 3277** (ad valorem taxes) and **SB 1209** (indemnification proposal). **AB 3277** pertains to formation of a special district when a share of the ad valorem property tax is sought. **SB 1209** authorizes LAFCO to require an applicant to defend, indemnify, and hold harmless LAFCO, its agents, officers, and employees from and against any claim, action, or proceeding, as specified, arising from or relating to the action or determination by the LAFCO.

On March 20, 2024, **SB 1209** passed through the Senate Local Government Committee, and on June 19, 2024, the bill was approved by the Assembly Local Government Committee by unanimous vote. The CALAFCO Executive Director notes that next steps include the Assembly Floor, then back to the Senate for concurrence. Due to Summer Recess, the next action on this bill will likely occur in August.

On May 23rd, CALAFCO called for letters of support for **AB 3277** and **SB 1209**. In accordance with our local policies, LAFCO staff worked with LAFCO Chair Lewis and submitted letters of support for **AB 3277** and **SB 1209**. September 30, 2024 is the last day for the Governor to sign or veto bills passed by the legislature.

The CALAFCO Legislative Committee last met on May 10th. The next CALAFCO Legislative Committee meeting is on July 12, 2024. Commissioner McGill is a member of the CALAFCO Legislative Committee.

Currently, CALAFCO is tracking no “Priority 2” bills and continues to track “Priority 3 Bills” as listed below.

1. AB 805 (Arambula) Sewer service: disadvantaged communities
2. AB 817 (Pacheco) Open meetings: teleconferencing: subsidiary body – BROWN ACT
3. AB 2302 (Addis) Open meetings: local agencies: teleconferences
4. AB 2715 (Boerner) Ralph M Brown Act: closed sessions
5. SB 537 (Becker) Open Meetings: multijurisdictional, cross-country: teleconferences – BROWN ACT

RECOMMENDATION – Informational item – no action needed

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachments

Letter of Support to Governor Newsom - AB 3277

Letter of Support to Governor Newsom - SB 1209



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June 17, 2024

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

Re: **SIGNATURE REQUEST - AB 3277**, Local agency formation commission: districts:
property tax (Assembly Local Government Committee)

Dear Governor Newsom,

Contra Costa Local Agency Formation Commission (LAFCO) respectfully requests that you sign **AB 3277** (Local agency formation commission: districts: property tax), which was sent for Enrollment on June 13, 2024. This bill makes a minor change to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“the Act”) that streamlines the process in certain instances.

Currently, existing statute requires a commission to perform a financial analysis of ad valorem property taxes when a proposal is received that includes incorporation of a city or formation of a district. The only purpose of the analysis is to determine how best to apportion the property taxes between the agencies. However, occasionally, an application is received in which a district waives any portion of the ad valorem taxes. In those situations, no analysis is needed for the process, yet it remains required by statute.

AB 3277 will add language that clarifies that the financial analysis only needs to be performed in those instances where a portion of the ad valorem property taxes is being sought. By making this minor change, **AB 3277** will limit this time-consuming process to only those applications requiring it.

For these reasons, Contra Costa LAFCO supports **AB 3277**, and respectfully requests that you sign **AB 3277**.

Please do not hesitate to contact us if you have any questions or concerns regarding our position.

Sincerely,


Charles R. Lewis, IV, Chair
Contra Costa LAFCO

cc: Honorable Juan Carrillo, Chair, Assembly Local Government Committee
Jimmy MacDonald, Consultant, Assembly Local Government Committee
Brady Borcharding, Deputy Legislative Secretary to the Governor

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CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

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Executive Officer

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June 12, 2024

Honorable Juan Carrillo, Chair
Assembly Local Government Committee
1020 N St., Rm. 157
Sacramento, CA 95814

RE: **SUPPORT, AS AMENDED - SB 1209 (Cortese): Local agency formation commission: indemnification**

Dear Chair Carrillo and Committee Members:

The Contra Costa Local Agency Formation Commission (LAFCO) is pleased to support Senate Bill (SB) 1209, sponsored by the California Association of Local Agency Formation Commissions (CALAFCO). **SB 1209** would add a new section to Government Code authorizing LAFCOs to enter into an indemnification agreement with an applicant, which would hold harmless the LAFCO or its agents from any action relating to LAFCO's approval. Counties and cities are empowered to enter into, and require indemnification, and routinely do so with respect to discretionary land-use and other approvals. **SB 1209** would provide LAFCOs with similar authority in this situation.

This bill is in response to a 2022 decision of the Second District Court of Appeals, which found that existing State law does not provide explicit authority to LAFCOs to require indemnification in any situation. Absent indemnification authority - and because LAFCO funding is statutorily required in a specified ratio from the county, cities, and special districts within the county - the costs to defend litigation must be absorbed by all of LAFCO's funding agencies.

Consequently, **SB 1209** will provide LAFCOs with the ability to use a tool already in use by counties and cities; and will prevent costs to defend litigation from being shifted to LAFCO's funding agencies.

Thus, for the above reasons, Contra Costa LAFCO strongly supports **SB 1209** and respectfully requests your AYE vote.

Sincerely,

Charles R. Lewis, IV, Chair

cc: Members and all Consultants, Assembly Local Government Committee
The Honorable Dave Cortese, California State Senate
René LaRoche, Executive Director, CALAFCO

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