

Major Provisions of AB 2838: "The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000"

On February 28, 2000, Assemblyman Robert Hertzberg introduced AB 2838, which incorporated all of the recommendations relating to reform of the Local Government Reorganization Act from ***Growth Within Bounds***, the report of the Commission on Local Governance for the 21st Century. On August 31, 2000, an amended version of the bill passed the Legislature and was signed by Governor Davis on September 26, 2000. Following is a summary of the major provisions of AB 2838 (Chapter 761/2000). For each issue, a reference chapter in the Commission report is noted in parentheses.

ISSUE: REFORM OF LOCAL GOVERNMENT REORGANIZATION LAW

Problem: Current procedures in the Local Government Reorganization Act were enacted prior to Proposition 13 and the extensive growth of the past 35 years. The law is a composite of three previous procedural statutes that were not substantially modified when combined, nor have they been since. Consequently, policies are often unclear and procedures are cumbersome and uncertain. Moreover, LAFCOs are viewed by many local officials as biased and non-responsive to local development needs.

(1) AB 2838 streamlines and clarifies LAFCO policies and procedures.

- Comprehensively reorganizes and revises the Cortese-Knox Act to make procedures more consistent and easier to understand. (Chapter 3)
- Requires all LAFCOs to adopt written policies and procedures. (Chapter 3)
- Establishes consistent procedures for voter/land owner petitions to initiate a change of organization or reorganization. (Chapter 3)
- Requires preparation of State guidelines for the comprehensive fiscal analysis, to improve its value and consistency. (Chapter 4)
- Makes LAFCO the conducting authority for all local government reorganization proceedings. (Chapter 3)

(2) AB 2838 makes LAFCOs neutral, independent, and balanced in representation for counties, cities, and special districts.

- Except for special statutory exceptions (Los Angeles, San Diego, Santa Clara, and Sacramento counties), applies a uniform membership selection scheme to all LAFCOs as follows: 2 from counties, 2 from cities (except counties with no cities), 2 from special districts (if requested), and 1 public member, whose selection requires an affirmative vote from at least one of the members from each selection authority. (Chapter 3)
- Requires all LAFCOs to select their own executive officers and counsel, although LAFCOs may select county or other public employees for these roles. (Chapter 3)
- Applies conflict of interest laws to LAFCO members and staffs; requires disclosure of contributions to a reorganization campaign; requires LAFCOs to

hold a hearing on the need for lobbying disclosure regulations, but does not require their adoption. *(Chapter 3)*

- Establishes a LAFCO funding scheme whereby operational costs are borne jointly and equally by each appointing category. *(Chapter 3)*

ISSUE: ORDERLY GROWTH AND RESOURCE PROTECTION

Problem: Urban growth sometimes proceeds into areas where extension of services is inefficient, expensive, or ill-timed. Despite the policies and procedures of the Cortese-Knox Act, the loss of prime agricultural and open-space lands continues to occur where it might be averted through more effective advance planning.

(3) AB 2838 strengthens LAFCO powers to prevent sprawl and ensure the orderly extension of government services.

- Requires pre-zoning for territory proposed to be annexed to a city to ensure clear knowledge of plans and potential impacts. *(Chapter 4)*
- Requires LAFCO to update spheres of influence at least once every five years. *(Chapter 6)*
- Requires LAFCO to initiate periodic regional or sub-regional service reviews at least every five years, to determine local government service needs and adequacy. *(Chapter 6)*
- Requires counties to consult with affected cities prior to approving any development or land use change within a sphere of influence. Requires LAFCOs to give "great weight" to any agreements reached between cities and counties on development within spheres of influence.
- Requires LAFCOs to ensure that a proposal to extend services to previously unserved territory within an unincorporated area is consistent with the policies of the Act, including promoting orderly development, discouraging urban sprawl, preserving open space and prime agricultural lands, providing housing for persons and families of all incomes, and the efficient extension of governmental services *(Chapter 6)*.
- Defines "prime agricultural lands" more precisely. *(Chapter 6)*
- Requires LAFCO to consider existing data on timely availability of water supplies, regional housing needs, information from land owners, and land-use designations in boundary change decisions. *(Chapter 3)*
- Allows LAFCO, when making a decision, to consider regional growth goals and policies adopted by a formally established collaboration of local elected officials. *(Chapter 6)*

ISSUE: LOCAL GOVERNMENT COORDINATION AND EFFICIENCY

Problem: *State and local agencies often proceed with planning for their own needs without recognizing the potential effects on other agencies and the broader public. The result can be confusion and dissatisfaction with services.*

(4) AB 2838 enhances communication, coordination, and procedures of LAFCOs and local governments.

- Strengthens notification, coordination, and boundary-setting procedures between local governments and school districts. *(Chapter 3)*
- Subjects to LAFCO approval any extension of services outside a city's or a special district's existing jurisdiction, if an expansion in service capacity is planned, even if the service recipient is another public agency. *(Chapter 6)*

ISSUE: PUBLIC INTEREST AND INVOLVEMENT IN GOVERNMENT

Problem: *Voter turn-outs and public opinion surveys indicate an alarming level of apathy by the public regarding government processes and actions and a degree of distrust of government in general.*

(5) AB 2838 enhances opportunities for public involvement, active participation, and information regarding government decision-making.

- Requires LAFCOs to post information on a web site. *(Chapter 8)*
- Expands LAFCO public and governmental notification requirements. *(Chapters 3 and 8)*
- Requires proponents of reorganization actions to report campaign contributions and expenditures. *(Chapter 3)*
- Permits proponents of a new incorporation or special reorganization to petition LAFCO for full or partial waiver of fees if State funds are available for a loan covering the costs. The loan, if granted, would be repayable by the new city. *(Chapter 4)*
- Declares the cost of verifying citizen petitions for any change of organization to be a governmental cost. *(Chapter 4)*
- Permits a proposed new city under a special reorganization to include in its incorporation proposal the election of 5, 7, or 9 council members by district, to expand representativeness. *(Chapter 4)*