

Santa Barbara LAFCO

Status Report Assembly Bill 3

June 4, 2015

BUSINESS ITEM NO. 1

Status Report on Assembly Bill 3 (Williams)

- On May 7, 2015, the Commission approved an Oppose, Unless Amended position on Assembly Bill 3 (AB 3)(Williams)
- AB 3 was last amended on May 5, 2015 to require the Board of Supervisors to place the formation process on the ballot and at the same election vote on the initial board of directors. If the formation is approved, the bill would require the new board of directors to place a utility user tax on the ballot.
- If a utility user tax is not approved by January 1, 2027, the district would automatically be dissolved. On May 19, the Board of Supervisors asked for a 6-year sunset on approval of the tax

Current Status of Assembly Bill 3

- The bill was approved by the Assembly Local Government Committee on May 12 on a 6-1-2 abstention
- The Bill was approved by the Assembly Appropriations Committee on May 27, 2015
- The Bill passes the Assembly Floor on June 3 on a 41-23 vote with no debate.
- The Bill will next be heard in the Senate Governance and Finance Committee
- There are still outstanding areas of concern with the bill, most notably circumvention of the special district formation process that involves LAFCO.
- The Cortese-Knox-Hertzberg Act (CKH), among the requirements, would provide for a comprehensive fiscal analysis before the commission acts on a proposal.

Recommendation

- Review the Staff Report and Provide Direction to Staff