

Date: January 2, 2008 for January 9th Agenda
From: Patrick M. McCormick, Executive Officer
To: Commissioners
Subject: Amending Procedures for Disclosure of Political Contributions
and Expenditures Regarding LAFCO Proceedings

Summary: In 2001, Santa Cruz LAFCO adopted rules requiring public disclosure from individuals and groups who raised or spent more than \$1000 on political activities regarding boundary change proposals before LAFCO. Assembly Bill 745 of 2007 requires that disclosures be made during the protest proceedings after LAFCO's public hearing and authorization. The Commission has set January 9, 2008 to conduct a public hearing and consider adopting amendments to the procedures.

Recommendation: Conduct public hearing and adopt draft Resolution No. 2008-4 revising the Commission's Policies and Procedures for the Disclosure of Contributions and Expenditures in Support of and Opposition to Proposals.

The Local Government Reorganization Act of 2000 required each LAFCO to consider adopting local rules concerning the disclosure of political contributions and expenditures regarding LAFCO proceedings. In 2001, Santa Cruz LAFCO held a public hearing and adopted a set of local rules by Resolution No. 2001-9. These rules generally matched the disclosures required by the Political Reform Act for local initiative measures. They cover amounts of \$1000 or more for political purposes such as lobbying LAFCO members or influencing public opinion by newspaper ads and direct mailings.

Assembly Bill 745 (Silva) passed the Legislature in 2007 and was signed by the Governor. It became effective on January 1, 2008. The bill resulted from an interpretation in Orange County, which considered the law to only apply before LAFCO acted upon a proposal, and not during the protest process after LAFCO's authorization. AB 745 requires that, at a minimum, disclosures be made throughout the LAFCO process--both before LAFCO acts on the proposal, and later during the protest hearing and election process.

CALAFCO advises each LAFCO to adopt local rules that clarify how the law is interpreted and administered locally. An example is where the disclosure gets filed--the LAFCO office or the County Elections Office. CALAFCO has provided background information and draft language for each LAFCO to consider adopting. The Santa Cruz LAFCO staff has reviewed these materials and drafted a set of amendments to its current rules. Section 8 of Santa Cruz LAFCO's local rules requires a noticed public hearing in order to amend the local rules. This hearing is noticed for January 9, 2008.

RECOMMENDATION: The draft amendments to the Commission's procedures implement AB 745 and clarify the disclosure rules. It is RECOMMENDED that the Commission adopt draft Resolution No. 2008-4 amending the disclosure procedures.

cc: County Elections Office, Attention: Crystal Bertheau

Attachments:

- Draft Resolution No. 2008-4 Amending Procedures
- Current Local Rules, Exhibit A, Resolution No. 2001-9
- Assembly Bill 745 (Silva)
- Local Government Committees' Summary of AB 745