



San Diego County
Local Agency Formation Commission
 Regional Service Planning | Subdivision of the State of California

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AGENDA REPORT
 Consent | Information

November 3, 2025

TO: Chair Whitburn and Commissioners

FROM: Meghan Traynor, Analyst I
 Pat Bouteller, LAFCO Consultant

SUBJECT: Legislative Report

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a legislative update on bills affecting agency operations. Since October, the Governor signed three tracked bills (AB 339, SB 777, SB 489) plus one new bill of interest, SB 707. The report also updates LAFCO's workplan directive to pursue legislation addressing U.C. Berkeley study recommendations on empowering LAFCOs with new tools in extending water and wastewater services to underserved communities. Staff presents the item for information with opportunity for discussion as needed.

BACKGROUND

San Diego LAFCO staff monitors pending legislation affecting LAFCO operations per the workplan and coordinates with the Alliance of California LAFCOs (ACL) on legislative analysis and positions. The Legislature adjourned its 2025 session on September 13 following the September 12 bill passage deadline. The 2026 session convenes January 5.

<p>Administration Keene Simonds, Executive Officer 2550 Fifth Avenue, Suite 725 San Diego, California 92103 T 619.321.3380 E lafco@sdcounty.ca.gov www.sdlafco.org</p>	<p>Paloma Aguirre County of San Diego</p> <p>Joel Anderson County of San Diego</p> <p>Monica M. Steppe, Alt. County of San Diego</p>	<p>Kristi Becker City of Solana Beach</p> <p>Dane White City of Escondido</p> <p>John McCann, Alt. City of Chula Vista</p>	<p>Chair Stephen Whitburn City of San Diego</p> <p>Marni von Wilpert, Alt. City of San Diego</p>	<p>Vice Chair Barry Willis Alpine Fire Protection</p> <p>Jo MacKenzie Vista Irrigation</p> <p>David Drake, Alt. Rincon del Diablo</p>	<p>Brigitte Browning General Public</p> <p>Eileen Delaney, Alt. General Public</p>
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DISCUSSION

San Diego LAFCO will receive a legislative update on proposals of interest since the October meeting. The Governor signed three tracked bills (AB 339, SB 777, SB 489) plus newly identified SB 707, all with material interest to LAFCOs. The report also updates the Commission's participation in the U.C. Berkeley legislative effort to strengthen LAFCO authority for facilitating orderly water and wastewater services to underserved communities and/or to mitigate public health threats. Staff presents the item for information with opportunity for discussion as needed.

Introduced Bills

This report follows the conclusion of the first year of the two-year legislative session. Approximately 2,300 bills were introduced with ten identified as having elevated interest to San Diego LAFCO due to their potential direct or indirect impacts on the Commission and the local agencies under its oversight. Of these, four bills (AB 448, AB 351, AB 810, and SB 740) did not advance out of their first house and must pass their house by January 31 2026 in the second legislative year or else become inactive. Two bills (AB 259 and AB 356) passed the first house and merit close monitoring by San Diego LAFCO in the second legislative year. Since the October 2025 legislative report, three bills (AB 339, SB 777, and SB 489) have been signed into law, and staff has identified an additional measure of interest, SB 707, which was also enacted. The ten bills of interest and their status are summarized below.

Bills of Interest:

Failed to Pass 1st House

- **AB 448 (Patel, Darshana)**
Extend Loan Repayment for Palomar Healthcare District
This bill is of local interest and authorizes the State Treasurer's Office to extend and, if necessary, restructure a previously issued bridge loan to Palomar Healthcare District. The Commission took a support position on this bill in June given the extension provides administrative flexibility for Palomar to meet repayment obligations while continuing to provide essential healthcare services – including operating the only emergency room within the Escondido-Valley Center region. No substantive amendments were made to the bill to date after it was re-referred to the Assembly Appropriations Committee.
- **AB 351 (McKinnor, Tina)**
Campaign Contributions Involving Agency Officers
This bill is of statewide interest and proposes to raise the contribution limit for agency officers involved in permit or license proceedings under the Political Reform Act from \$500 to \$1,500. It also provides for future adjustments tied to inflation, based on changes in the Consumer Price Index. Although not the target of the bill, it is possible certain LAFCO actions – such as OAS approvals – may apply. The bill failed to pass out of committee on April 30, 2025, with a motion for reconsideration granted.

- **AB 810 (Irwin, Jacqui)**
Government Website and Email Address Domains
Existing law requires that a local agency that maintains an internet website for use by the public to ensure that the internet website uses a .gov top-level domain or a .ca.gov second-level domain no later than January 1, 2029. This bill is of statewide interest and would extend the due date for compliance with this law for special districts, joint powers authorities (including San Diego LAFCO) to January 1, 2031, while maintaining the January 1, 2029, deadline for cities and counties. A hearing of the bill by the Assembly Appropriations Committee was postponed on May 23, 2025.
- **SB 740 (Rubio, Susan)**
Municipal Wastewater Filings with LAFCOs
This bill is of statewide interest and proposes extending the deadline for municipal wastewater agencies to notify LAFCOs of new or amended agreements related to stormwater management services from 30 days to 40 days. The intent is to provide agencies with additional administrative flexibility in meeting reporting requirements. The bill did not pass out of the Senate by the June 6th deadline.

Bills of Interest:

Transition to Two-Year Bills

- **AB 259 (Rubio, Blanca)**
Open Meetings and Continued Access to Teleconferences
This bill is of statewide interest and would extend the authorization for legislative bodies of local agencies – including LAFCOs – to use modified teleconferencing procedures during declared emergencies through January 1, 2030. It preserves existing requirements related to public notice and agenda posting while allowing remote participation under defined emergency conditions. San Diego LAFCO adopted a support position on March 2nd. The bill passed the Assembly and a hearing of the bill by Senate Committees on Local Government and Judiciary have been postponed with it now reverting into a two-year bill.
- **AB 356 (Patel, Darshana)**
Healthcare Districts in Northern San Diego County
This bill is of local interest and was initially introduced to establish a state-directed working group to assess healthcare access in northern San Diego County and focusing on the Palomar Healthcare District's service area. In response to the Commission taking a support-if-amended position, the bill has been updated to include LAFCO as one of the listed stakeholders and in doing so providing connectivity to the Commission's oversight of Palomar and current municipal service review activities. LAFCO Consultant Adam Wilson provided supportive testimony for the author in conjunction with her accepting the Commission's amendments. While the bill passed through the Assembly, amendments requested by other stakeholders are currently under review, with the author agreeing to transition to a two-year bill.

Bills of Interest:

Passed Legislature + Signed into Law

- **AB 339 (Ortega, Liz)**

- **Local Public Employee Organizations: Notice Requirements**

- This bill is of statewide interest and affects public agencies regulated by the Meyers-Milias-Brown Act. These agencies must provide recognized employee organizations with at least 60 days' written notice before issuing RFPs or quotes, or before renewing or extending contracts covering services within represented job classifications. San Diego LAFCO employees are not presently represented by a recognized employee organization though most agencies under its oversight have labor organizations.

- **SB 489 (Arreguín, Jesse)**

- **Permit Streamlining Act**

- This bill is of statewide interest and would improve the Permit Streamlining Act (PSA) by requiring all public agencies post online the information necessary for a housing development application to be deemed complete. The intent is to reduce costly delays in the permitting process and facilitate approval and construction of housing. LAFCO will be required to comply with these PSA requirements to post application information online for applications in connection with housing development projects. SB 489 would not apply any other provisions of the PSA to LAFCO approvals.

- **SB 707 (Durazo, María Elena)**

- **Open Meetings: Meeting and Teleconference Requirements**

- This bill is of statewide interest and makes various changes to the Ralph M. Brown Act (Brown Act), governing public meetings of local agencies. Beginning July 1, 2026, and through January 1, 2030, eligible legislative bodies will be required to allow remote public participation in their meetings. Additionally, before July 1, 2026, these bodies must, at a noticed public meeting, adopt a policy – in open session – addressing procedures for disruptions in telephonic or internet service during such meetings subject to these provisions. San Diego LAFCO currently offers remote public participation for its Commission and Advisory Committee meetings and will work with legal counsel to ensure full compliance prior to the July 1, 2026 effective date.

- **SB 777 (Richardson, Laura)**

- **Expanding LAFCOs Role to Include Endowment-Funded Cemeteries**

- This bill is of statewide interest and was initially introduced to require LAFCOs to identify local agencies to assume ownership and long-term maintenance responsibilities for abandoned (private) endowment-funded cemeteries, including title and fund transfers coordinated with the Cemetery and Funeral Bureau's procedures. In response to stakeholder feedback, the bill has been amended to remove direct mandates on LAFCOs and instead establish a state-convened working group with LAFCO participation – set to convene by March 1, 2026 – to evaluate the issue and develop policy recommendations.

U.C. Berkeley Proposal

A January 2024 UC Berkeley report by Professor Kristin Dobbin and PhD Candidate Justin McBride examined opportunities to strengthen LAFCOs' role in improving public water systems, particularly for disadvantaged communities. Building on these recommendations, San Diego LAFCO — along with Alameda, Butte, Napa, Orange County, and Sacramento LAFCOs — is refining proposed statutory amendments to authorize LAFCOs to initiate annexations or out-of-agency service extensions in prescribed circumstances to address critical community needs. A working group consisting of LAFCO staff and community stakeholders, including the Community Water Center, meets monthly to advance this effort and explore potential bill authors. Staff will provide updates as this effort progresses.

ANALYSIS

The 2025 legislative session produced substantive results of interest to San Diego LAFCO with four bills signed into law addressing employee relations procedures, housing application streamlining, remote public participation requirements, and cemetery oversight responsibilities. Two bills of particular interest to San Diego — AB 259 on emergency teleconferencing and AB 356 on healthcare access in northern San Diego County — remain active as two-year bills and will be monitored closely. SB AB 448, AB 351, AB 810, and SB 740 will be monitored to see if they pass out of their first house by the January 31 2026 legislative deadline, after which they will become inactive. Staff will continue tracking these legislative developments and implement compliance measures as needed, including adopting required policies for SB 707 before the July 1, 2026 effective date.

RECOMMENDATION

This item is presented to the Commission for information only.

ALTERNATIVES FOR ACTION

None.

PROCEDURES

This item has been placed on the Commission's agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

On behalf of the Executive Officer,



Meghan Traynor
Analyst I

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