

# EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

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## *AGENDA OF DECEMBER 5, 2007*

### *REGULAR MEETING*

**TO:** Ted Long, Chairman, and  
Members of the El Dorado County Local Agency Formation  
Commission

**FROM:** José C. Henríquez, Executive Officer

#### **AGENDA ITEM #12A: OTHER BUSINESS – LEGISLATION**

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#### **RECOMMENDATION**

Staff recommends that the Commission receive the following information regarding pending legislation possibly impacting LAFCOs.

#### **REASON FOR RECOMMENDED ACTION**

This staff report is intended to highlight some of the more prominent bills in the attached legislation report.

#### **BACKGROUND**

No formal bills to review at this time; however, there are a few items that CALAFCO is reviewing heading into the second year of the current session:

- The 2008 Omnibus Bill – This includes six items carried over from last year that could not be incorporated into the 2007 bill. The proposed changes are minor in nature and involve cleaning up the definitions for landowners, processing fees and island annexations.
- Revision of the CSA Law – CALAFCO is working with the Senate Local Government Committee to revise the County Service Area Law, similar to the CSD Law rewrite from two years ago. A team has been assembled and is currently working on a first draft.
- Property Tax Negotiations Agreements – Currently, for any LAFCO action items (except for an incorporation), the petition must go through the “AB-8 Process” where a new property tax increment formula must be determined for all affected agencies. In cases of city annexations, the city and the county must agree to a property tax sharing formula within 60 days or the petition fails. In some parts of the state, the county has stopped various annexations by withholding approval of a new formula. The law and case law have established that the obligation is only that the parties

meet to negotiate in “good faith,” not to reach an agreement. Some parties are interested in making LAFCOs take a more active role during the property tax negotiation process, similar to the brokerage role LAFCO has during the incorporation process. There is wide disagreement on this issue, however, and no formal proposal has been introduced.

- 2008 VLF Sunset Date – SB 1602 (Laird) in 2006 provided a mechanism for vehicle in-lieu fees to be allocated to newly incorporated cities and annexations of inhabited territories to cities. The mechanism was needed to accommodate the gap created by Proposition 1A which eliminated VLF funding for new cities and annexations. This funding has a July 2009 sunset, however, and the League of California Cities is interested in removing or extending the date so that this pot of money is available for new incorporations. Unfortunately, the League’s efforts are stalled because of objections raised among some of its membership. CALAFCO is currently discussing with the League on what the latter wants to do; however, CALAFCO is reluctant to take a lead role in this matter, reasoning that it should not take advocate for a particular solution for local governance.

#### Attachment

Attachment A: Summary of Current LAFCO Legislation