

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF JANUARY 24, 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 #5: **CONSIDERATION AND ADOPTION OF AMENDMENT TO
THE NEW EL DORADO LAFCO FEE SCHEDULE**

RECOMMENDATION

Staff recommends that the Commission amend its new fee schedule to include a de minimis fee for technical and uncontroversial boundary changes.

REASON FOR RECOMMENDED ACTION

During the December meeting, the Commission directed staff to meet with Commissioner Sweeney to discuss the feasibility of LAFCO adopting a de minimis fee for technical boundary corrections and return the item for the Commission's consideration.

BACKGROUND

At the December 6, 2006 meeting, during the Commission's discussions on the new LAFCO fee schedule, Commissioner Sweeney raised the issue of establishing a de minimis fee for situations that do not warrant extensive LAFCO work. The Commission directed staff to meet with Commissioner Sweeney to discuss such a fee.

While State Law requires that certain steps be taken on all LAFCO applications, some boundary changes can be technical in nature, justifying a de minimis fee. Examples of such scenarios include:

- Two neighbors may want to adjust their property lines to conform to some geographic feature (such as a creek traversing the properties) and, therefore, altering service boundary lines between two districts that provide similar services; or
- Boundary corrections that are necessary because of factors not foreseen during the initial LAFCO processing.

In these scenarios, the goal is to correct service boundaries without significantly impacting either the finances of the affected agencies or the levels of service provided to the affected territory(ies). However, a de minimis fee should be established with narrow parameters in order to prevent abuse by other applicants and be limited to almost ministerial changes in boundaries. For purposes of determining the eligibility of the de minimis fee, the application must meet both of the following criteria:

- a) As determined by the County Assessor, the total net amount of property taxes for the subject territory affected by the change of organization/reorganization must not exceed the limits specified in Revenue and Taxation §155.20(b); and
- b) As determined by the LAFCO Executive Officer, there will be no significant changes in the types of services or levels of service(s) provided to the subject territory as part of the change of organization/reorganization

The County Assessor recommended that the “net amount of property taxes” should be anchored on the \$5,000 assessed property value limit specified in Revenue and Taxation Code §155.20(b) (Attachment A) because those are the parameters the County uses to determine whether it is cost effective to issue a property tax bill. The Executive Officer would use the results of the municipal service reviews to determine whether the services provided by the agency are the same and whether the levels of service are comparable between the agencies.

Based on prior staff time, assuming that a small, technical and uncontroversial application would take no more than six hours of staff time (three hours for the Clerk to coordinate the AB-8 process; two hours for the Analyst to review and coordinate the application and its materials and write a staff report; and one hour for the Executive Officer to coordinate staff and review their materials), a de minimis fee should be set at approximately \$300.

Attachments:

- Attachment A: Revenue and Taxation Code §155.20
Attachment B: New LAFCO Fee Schedule (with recommended changes)