

# EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

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## *AGENDA OF JUNE 27, 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 #2d:** APPROVAL OF A PROCESS CHANGE TO DETERMINE THE  
QUALIFICATIONS FOR A DE MINIMIS FEE

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#### **RECOMMENDATION**

Staff recommends that the Commission approve a process change to determine the qualifications for a de minimis fee.

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

At the January 2007 Regular Meeting, the Commission approved a de minimis fee for the processing of technical and uncontroversial boundary changes, setting this low fee to create an incentive for applicants 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). The recommended language below allows for a more feasible means to determine who qualifies for these fees.

#### **BACKGROUND**

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 area(s). In order to prevent abuse of the de minimis fee, the Commission adopted the following criteria define applications that qualify for the de minimis fee:

- 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 indicated that implementing the language in criterion (a) would be problematic. Consequently, new feasible parameters had to be defined to achieve the goal of protecting property tax revenues for the impacted agencies. In discussions with the Assessor's and Auditor's offices, the best way to achieve this protection would be to establish some type of variance between the assessed values of the lands being exchanged. The variance should be small enough for a reasonable person to say there was not much of a difference in the value of the lands being exchanged. Ideally, the difference between the old assessed value (pre-Commission action) and the new assessed value (post-Commission action) for the parcels in question would be less than 10%. However, that criterion cannot be used because, while LAFCO receives the current assessed values from an objective source, this agency does not receive new assessed values at any time during the LAFCO process. Consequently, the variance could be established in two ways to ensure that the value of the exchanged lands is roughly equal:

- The assessed value of remnant portion of land within a parcel involved in the petition is less than 10% of the assessed value of the original parcel, and
- The total assessed value of the exchanged lands is less than 10% of the total assessed value of all the parcels involved in the proposal.

The recommended language to replace criterion (a) above should read,

- a) The assessed value of the land(s) being exchanged in the proposal is less than 10% of the assessed value of their respective original parcel and the total assessed value of the lands exchanged is less than 10% of the total assessed value of the subject area.

The Assessor's office indicates it is feasible for LAFCO to receive the assessed values of the originating parcel, remnants (the lands being exchanged), and total parcels with minimal impact to the processes of that office.

As a further assurance that the value of the land is roughly equal in an *indirect* way, staff recommends the addition of the following language to the fee schedule:

- That the proposal be consistent with Section 2.2.2 of the Commission's Policies and Guidelines
- The proposed land use, current or future, for the subject territory affected by the change of organization/reorganization is consistent or comparable with the current general land use plans of the annexing agency

Staff recommends retaining the amount of the de minimis fee, currently set at \$300.

Attachments:

- Attachment A: New LAFCO Fee Schedule (with recommended changes)  
Attachment B: Section 2.2.2 of the Commission's Policies and Guidelines