

**LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN BERNARDINO**

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FROM: MICHAEL TUERPE, LAFCO Analyst

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item 7: Consideration of Request to County Auditor/Controller-Recorder to Collect Outstanding City or District Apportionment Amounts from First Proceeds of Property Tax Revenues for Fiscal Year 2009-10

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. Request the County Auditor/Controller-Recorder to collect outstanding city or district apportionment amounts due to LAFCO, as determined through consideration of Agenda Item 7B.
2. Determine the method for collection of the outstanding apportionments pursuant to Government Code Section 56381 are:
 - a. For those agencies that receive property tax revenue, collection of the apportionment amount from the property tax owed to the agency,
 - b. For those agencies that do not receive property tax revenue but receive special assessments or special taxes, collection of the apportionment amount from any fee or eligible revenue owed to the agency, and
 - c. Include recovery of expenses incurred by the Commission and the Auditor in collection of the outstanding payments.
3. Direct the Executive Officer to submit the collection request to the County Auditor/Controller-Recorder.

BACKGROUND:

At the May hearing, the Commission adopted the FY 2009-10 budget and directed the Executive Officer to request the County Auditor/Controller-Recorder to apportion the Commission's net operating costs to the county, cities, and independent special districts pursuant to Government Code Section 56381(b). The Auditor invoiced the agencies on July 1 with payment due by September 1. To date, the Auditor has not received payment from the agencies listed in the chart below for their share of the LAFCO apportionment for FY 2009-10.

Section 56381(c) states that if an agency does not remit its payment by the September 1 due date, the Commission may determine an appropriate method of collecting the required payment, including a request to the Auditor to collect an equivalent amount from the property tax, or any fee or eligible revenue owed to the county, city, or district. Additionally, the section reads that any expenses incurred by the Commission or Auditor in collection of the outstanding payments shall be added to the payment owed.

Staff recommends that the Commission determine that the method to collect the apportionment due to LAFCO pursuant to Government Code Section 56381 be:

- a. For those agencies that receive property tax revenue, collection of the apportionment amount from the property tax owed to the agency,
- b. For those agencies that do not receive property tax revenue but receive special assessments or special taxes, collection of the apportionment amount from any fee or eligible revenue owed to the agency, and
- c. Include recovery of expenses incurred by the Commission and the Auditor in collection of the outstanding payments.

However, should the Commission approve the recommendation for Item 7B on the agenda (refunding of excess carryover to those agencies that are apportioned LAFCO's net operating costs), then the Commission will need to reduce the respective amount from the FY 2009-10 apportionment. The chart below lists those agencies from whom the Auditor has not received payment, the proposed refund for each agency as described in Item 7B from this month's agenda, and the balance to be recovered in the collection process.

Should the Commission not approve the recommendation for Item 7B, then the request to the Auditor will be to collect the full outstanding apportionment amount.

District	Apportionment	Proposed Refund	Remaining Balance
Apple Valley Fire Protection	\$ 10,000.00	\$ 75.18	\$ 9,924.82
Baker Community Services	\$ 2,425.13	\$ 310.01	\$ 2,115.12
Barstow Heights Community Services	\$ 259.46	\$ 259.46	\$ -
Rim of the World Recreation and Park	\$ 3,674.58	\$ 204.60	\$ 3,469.98
City	Apportionment	Proposed Refund	Remaining Balance
Chino	\$ 17,879.94	\$ 561.97	\$ 17,317.97
Grand Terrace	\$ 1,581.15	\$ 49.70	\$ 1,531.45
TOTAL	\$ 35,820.26	\$ 1,460.92	\$ 34,359.34

Staff recommends that the Commission subtract the proposed refund as described in Item 7B from this month's agenda from the agency's apportionment share to be collected. Staff also recommends that the Commission direct the Executive Officer to submit the collection request to the Auditor. For those agencies that will have no apportionment obligation after the refund, LAFCO staff will notify the agency and the Auditor that the refund equals their apportionment share and that this removes their obligation for the year.

MT/

Attachment: Government Code Section 56381(b) and (c)