

# Santa Barbara LAFCO

## Revisions to Schedule of Processing Fees

June 1, 2017

# Reasons for Revising Processing Fee Schedule

- The Commission last revised the Schedule of Processing Fees on June 4, 2015, effective July 1, 2016
- Processing fees were increased significantly in 2015-16, but have remained unchanged for the last two fiscal years.
- Exhibit C in the staff report is a strikeout and redline version of the changes in the current Schedule of Process Fees and the Proposed Schedule of Processing Fees. The deletions have a line through them and the proposed new or replacement fees are underlined or have no lines.

# Average Processing Fees Statewide

- Santa Barbara LAFCO averages fee revenues in the 7-10% range of its operating budget.
- The most recent CALAFCO survey determined that the average LAFCO in the State collects 12.88%, with some larger LAFCO's collecting in the 20-30% range.

# Legal Limitations on Fee Collection

- In preparing the recommended revisions to the Schedule of Processing Fees, staff considered the Cortese-Knox- Herzberg Act, Government Code Section 56383(b) that states that: ***The fees shall not exceed the estimated reasonable cost of providing the service for which the fee is charged and shall be imposed pursuant to Section 66016. ..***

# Current Fee Schedule Does Not Cover All LAFCO Activities

- The current fee schedule allows the Commission to collect fees from applicants to process boundary changes, sphere modifications and out-of-agency service approvals.
- However, there are a number of areas that are not included in the current fee schedule that relate to various types of governmental changes of organization, sphere of influence revisions, municipal service reviews, environmental fees, and other fees such as activation of latent powers, study session requests, requests for fiscal analysis, and others.

# Fee Waiver Requests

- Staff has included a fee for Fee Waiver Requests because Government Code Section 56383 establishes that:
- ***The commission may reduce or waive a fee, service charge, or deposit if it finds that payment would be detrimental to the public interest. The reduction or waiver of any fee, service charge, or deposit is limited to the costs incurred by the commission in the proceedings of an application.***
- If a fee waiver is requested, the Commission can act on the request pursuant to Government Code Section 56383 on a case-by-case basis, rather than establish criteria that is different from this section.

# Recommendation

It is recommended that the Commission approve the proposed revisions to the Schedule of Processing Fees, with a July 1, 2017 effective date