



Reply to: Alice Fredericks
Chair, Legislative Committee
MCCMC Tiburon Town Hall
1505 Tiburon Blvd
Tiburon, CA 94920

February 27, 2019

The Honorable Eloise Gómez Reyes
California State Assembly
State Capitol Building, Room 2175
Sacramento, CA 95814
VIA FAX: 916-319-2147

RE: AB 213, Annexation Finance: restoration of lost revenue.
Notice of Support

Dear Assembly Member Reyes:

The Marin County Council of Mayors and Councilmembers (MCCMC) supports AB 213 (Reyes). The bill would restore funding to cities that annexed inhabited territory because of previous financial incentives provided by 2006's AB 1602 (Laird). Those cities suffered significant fiscal loss when those funds were swept away -- approximately \$200 million annually from cities due to the passage SB 89 (2011). This was in response to the state's then dire budget conditions. The Committee also supports restoring these incentives to improving service delivery via annexation to county residents -- many who may be currently served by inadequate infrastructure and services.

The solution in the bill is consistent with the solution the Legislature approved in SB 130 of 2017 which restored funding to four recently incorporated cities harmed by SB 89. Moreover, addressing the losses of 140 annexing cities in this bill will cost less than \$5 million--one-quarter of the cost of SB 130.

MCCMC supports the restoration of fiscal incentives that support the policy of city annexation of adjacent inhabited territory. In many cases an annexation may be desired by affected residents and consistent with LAFCO policies, yet the financing does not work for the city to extend services to the new territory. This measure would help make some annexations fiscally viable and thereby consolidate and improve service delivery to affected residents.

MCCMC supports AB 213.

Respectfully,

Alice Fredericks, Chair
Legislative Committee
Marin County Council of Mayors and Councilmembers

cc: Senator McGuire
Assembly member Levine
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