



**CITY OF SANTA CLARITA
AGENDA REPORT**

CONSENT CALENDAR

CITY MANAGER APPROVAL: Ken Stripling

DATE: May 22, 2018

SUBJECT: STATE LEGISLATION: ASSEMBLY BILL 2268

DEPARTMENT: City Manager's Office

PRESENTER: Masis Hagobian

RECOMMENDED ACTION

City Council adopt the Legislative Committee’s recommendation to support Assembly Bill 2268 and transmit position statements to Assembly Member Eloise Reyes, Santa Clarita’s state legislative delegation, appropriate legislative committees, Governor Brown, and the League of California Cities.

BACKGROUND

Authored by Assembly Member Eloise Reyes (D-47-San Bernardino), Assembly Bill 2268 revises the formula for allocating vehicle license fee adjustment amounts to restore revenues to cities that annexed developed areas since the implementation of Senate Bill 89 (2011). This bill is sponsored by the League of California Cities.

The Vehicle License Fee (VLF) is a tax on the ownership of a registered vehicle in place of taxing vehicles as personal property. The taxable value of a vehicle is established by the purchase price of the vehicle, depreciated annually according to a statutory schedule. The State collects and allocates VLF revenues, minus administrative costs, to cities and counties, allocated by each jurisdiction’s annual change in gross assessed valuation (property tax revenues).

In 2011, Senate Bill 89, Chapter 35, Statutes of 2011, redirected VLF revenues away from newly incorporated cities and annexations of inhabited areas and diverted funds to the Local Law Enforcement Account to help fund Assembly Bill 109 (2011), also known as the Public Safety Realignment Act.

Senate Bill 89 (2011) had the effect of diverting over \$4 million in VLF revenues in Fiscal Year (FY) 2011-12 from cities that annexed inhabited areas. The City of Santa Clarita lost an estimated \$390,000 in VLF revenues in FY 2011-12.

Assembly Bill 2268 was introduced on February 13, 2018, and unanimously passed the

Assembly Committee on Local Government (9-0-0) on April 11, 2018. Assembly Member Tom Lackey voted in support of this bill as a member of the Assembly Committee on Local Government. Assembly Bill 2268 was referred to the Assembly Committee on Appropriations and is currently placed on the suspense file.

The City Council Legislative Committee met on May 8, 2018, and recommends that the City Council adopt a “support” position for Assembly Bill 2268.

ALTERNATIVE ACTION

1. Adopt a “neutral” position on Assembly Bill 2268
2. Adopt an “oppose” position on Assembly Bill 2268
3. Take no action on Assembly Bill 2268
4. Refer Assembly Bill 2268 back to the Legislative Committee
5. Other action, as determined by the City Council

FISCAL IMPACT

The resources required to implement the recommended action are contained within the City of Santa Clarita's adopted FY 2017-18 budget.

ATTACHMENTS

AB 2268 - Bill Text