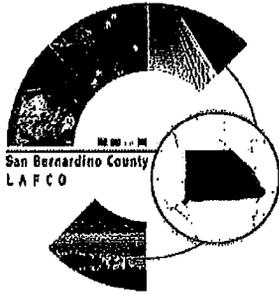


**September 5, 2012 Letter of Support
for Signing of AB 1098, Copy of
Governor's Veto Message**

Attachment 1



LOCAL AGENCY FORMATION COMMISSION

215 North "D" Street, Suite 204 • San Bernardino, CA 92415-0490

(909) 383-9900 • Fax (909) 383-9901

E-mail: lafoo@lafoo.sbcounty.gov • www.sbclafoo.org

Established by the State of California to serve the Citizens, Cities, Special Districts and the County of San Bernardino

September 5, 2012

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Public Member

Vacant
City Member

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ANGELA M. SCHELL
Deputy Clerk to the Commission

LEGAL COUNSEL

CLARK H. ALSOP

Governor Edmund G. Brown Jr.
State of California
State Capitol Building
Sacramento, CA 95814

SUBJECT: Request to Sign AB 1098

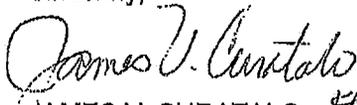
Dear Governor Brown:

On behalf of the Local Agency Formation Commission for San Bernardino County, I am writing to request that you sign Assembly Bill 1098 (Carter). The bill would reinstate allocations of motor vehicle license fees (VLF) to recently incorporated cities and cities which annexed inhabited areas, consistent with the allocation formula those communities relied upon when making the decision to incorporate or annex the affected territory.

The Commission believes the VLF gap created by SB 89, which became law on July 1, 2011, created a financial disincentive for future city incorporations and City annexations of inhabited territory. Further, it created severe fiscal penalties for those communities which chose to annex inhabited territories, particularly unincorporated islands, such as the City of Fontana. The Legislature has previously directed LAFCOs to work with cities to annex unincorporated inhabited islands and disadvantaged unincorporated communities. AB 1098 eliminates these disincentives and penalties, and avoids the likely disincorporation or bankruptcies of some or all of the cities incorporated since 2005.

Because AB 1098 reinstates a critical funding component for incorporations and inhabited annexations it provides communities with local governance options to improve the efficient delivery of municipal-type services. On that basis, the Commission requests that you sign AB 1098 into law.

Sincerely,


JAMES V. CURATALO *JVC*
Chairman

cc: William Chiat, Executive Director, CALAFCO
Josh Candelaria, Director, Legislative Affairs, San Bernardino County
Assemblywoman Wilmer A. Carter



OFFICE OF THE GOVERNOR

SEP 19 2012

To the Members of the California State Assembly:

I am returning Assembly Bill 1098 without my signature.

AB 1098 would reallocate vehicle license fee revenues to recently incorporated cities that annexed inhabited territory.

As drafted, this bill would undermine the 2011 Realignment formulas in a manner that would jeopardize dollars for local public safety programs, provides cities new funding beyond what existed under previous law, and would create a hole in the General Fund to the tune of \$18 million. Given the current fiscal uncertainties, this is not acceptable.

Sincerely,

A handwritten signature in black ink that reads "Edmund G. Brown Jr." with a long, vertical flourish extending downwards from the end of the signature.

Edmund G. Brown Jr.