



LOCAL AGENCY FORMATION COMMISSION
OF SANTA CRUZ COUNTY

PROCESSING FEES AND DEPOSITS POLICY

1. OVERVIEW

All deposits are initial payments toward the total cost of processing (“project cost”). Project cost is defined as staff time plus materials. Staff billing rates include personnel costs. Other application-related costs include, but are not limited to, charges for the advertisement of hearings, as well as any fees charged for project reviews by affected agencies. A cost breakdown will be completed at the end of each LAFCO application. If any funds are remaining at the end of the LAFCO process, then a refund will be provided to the applicant.

2. PETITION CHECKING

There is no charge for verification of the first 20 signatures on a petition. Beginning with the 21st signature, a fee of \$0.55 per signature shall be charged to the applicant.

3. PROCESSING

The following identifies the initial deposits for each boundary change request.

a) District annexations, detachments, and reorganizations not changing city boundaries:

Total Acreage	Fee Deposit
Less than 1	\$1,600
1 – 24.9	\$2,500
25 – 149.9	\$7,000
More than 150	\$8,000

b) Municipal annexations, detachments, and reorganizations involving at least one change in a city boundary:

Total Acreage	Fee Deposit
Less than 1	\$3,150
1 – 24.9	\$4,900
25 – 149.9	\$7,350
More than 150	\$14,600

c) Consolidations, mergers, and establishments of a subsidiary district:

Total Acreage	Fee Deposit
N/A	\$1,800

d) Dissolutions of an independent special district and county service areas:

Total Acreage	Fee Deposit
N/A	\$1,250

e) Formation of a county service area:

Total Acreage	Fee Deposit
N/A	\$5,000

Footnote: includes petition filing fee and sphere adoption

f) Addition of a service to the list of services that a county service area may perform:

Total Acreage	Fee Deposit
N/A	\$1,250

g) Formation of a special district:

Total Acreage	Fee Deposit
N/A	\$15,000

Footnote: includes sphere adoption

h) City incorporations:

Total Acreage	Fee Deposit
N/A	\$30,000

Footnote: includes sphere adoption

i) Request for the State Controller's Review of a Comprehensive Fiscal Analysis on an incorporation proposal:

Actual cost billed by the Controller. If the Controller has not set a cost at the time the deposit is due, the deposit shall be \$ 38,200.

If the costs will exceed the deposit in the opinion of the Executive Officer, the Executive Officer shall bill the party who requested the Controller's review for the estimated costs to complete Controller's review. Failure to pay an additional deposit may result in cessation of the Controller's report and other remedies as determined by the Controller's office and the Commission.

j) Sphere of Influence revision or amendment:

Total Acreage	Fee Deposit
N/A	\$5,150

k) Provision of a new function or service by a district:

Total Acreage	Fee Deposit
N/A	\$1,500

l) Requests for extraterritorial service:

Total Acreage	Fee Deposit
N/A	\$950

m) Request for a service review outside the Commission's schedule in accordance with the adopted multi-year work program:

Actual cost. Note: Initiation of a service review outside of LAFCO's work program is subject to LAFCO's discretion whether the service review can be conducted in a manner that doesn't prejudice the work program, and to LAFCO's discretion as to the appropriate geographic areas, agencies, and scope of the service review.

n) Copies or other reproduction efforts:

Requests	Fee Deposit
Copies	First 30 pages free; thereafter \$0.18 per page
Digital Audio Files	\$14.42 per 80-minute CD
Other Electronic Media	The fees as charged by the County of Santa Cruz on its Unified Fee Schedule

4. BILLING RATES

The Commission will review billing rates and the fee schedule on an annual basis and may adjust rates as necessary to assure the cost recovery with processing each type of application. Documentation regarding actual costs (salaries, benefits, etc.) is available in the LAFCO office.

As of August 5, 2020, staff's hourly rates are the following:

LAFCO Staff	Hourly Rate
Executive Officer	\$138.27
Commission Clerk	\$102.71
Legal Counsel	Same rate charged to LAFCO

5. FINANCIAL ASSISTANCE

LAFCO has established a fee schedule policy in accordance with the allowances provided by the State of California under California Government Code Sections 56383 and 66014. In some cases, a fee waiver or some type of financial assistance may be considered and approved by the Commission, if warranted. The following policies direct the setting and criteria when considering financial assistance.

7.1 Fee Waivers

The LAFCO filing fee for the following types of proposals may be waived provided, however, that a deposit is provided for the anticipated direct costs for environmental review and state board of equalization recordation fees. Compliance with these conditions is to be determined by the LAFCO Executive Officer:

- a) City annexations of island areas that comply with Government Code Section 56375.3; and
- b) The proposal corrects a boundary alignment problem (i.e. a divided assessor's parcel or inadvertent exclusion).

7.2 Proposals Based on Service & Sphere Review Findings/Recommendations

An applicant may request a waiver/reduction of the LAFCO filing fee if the proposal stems from an adopted service and sphere review. A request must be submitted in writing, be initiated by the affected agency(ies), accompanied by the submission of an application, and within one (1) year from the most recently adopted service and sphere review for consideration. The Executive Officer shall present the waiver request at the next regular hearing for Commission consideration.

Example of fee waiver request under this policy:

- a) LAFCO recommends that a city/district annex areas within its existing sphere boundaries.

Example of fee reduction request under this policy:

- a) LAFCO recommends that two or more districts consolidate to maximize existing resources, optimize economies of scale, and/or improve the provision of services.

A city or special district may also request financial assistance in hiring an outside consultant to explore possible changes of organization based on recommendations found in LAFCO's adopted service and sphere reviews. Examples include but are not limited to the completion of an annexation plan. If the Commission chooses to provide financial assistance, the total amount towards this type of request shall not exceed \$15,000 during the current fiscal year.

*Adopted on December 4, 2002 (Resolution No. 2002-9)
Revision on August 3, 2011 (Resolution No. 2011-8)
Revision on February 4, 2014 (Resolution No. 2014-2)
Previous Revision on December 6, 2017 (Resolution No. 2017-12)
Revision on August 5, 2020 (Resolution No. 2020-19)
Last Revision on March 6, 2024 (Resolution No. 2024-07)*