

RE: ASSEMBLY BILL 737-OPPOSE

Dear Assembly Member:

On behalf of <<NAME OF DISTRICT>>, I am writing to register our strong opposition to Assembly Bill 737 by Assembly Member J. Horton, relating to the allocation of property tax revenues from new utility facilities.

Under the current unitary method applicable to specified utility facilities, all entities of local government receive an allocation of property tax revenues in accordance with a statutory formula. As proposed to be amended, Assembly Bill 737 would modify the current allocation formula by allocating the majority of property tax revenues from new facilities to the city or county that sites the new facility. While the proposed amendments allocate 10% of the property tax revenues resulting from new facilities to the fire protection and water districts that would provide service to the new facility, it does so at the expense of all other special districts.

Our district does not disagree with the need for additional electrical generating capacity, but we strongly disagree with the manner in which Assembly Bill 737 proposes to meet that goal. If cities and counties choose not to site new generation facilities, rather than modifying a fair property tax allocation system, perhaps the Legislature should evaluate all of the reasons why cities and counties choose not to site new facilities. Is it because they get too little property tax, or for other reasons? Following such an analysis, the Legislature would be in a much better position to determine if incentives, such as more property tax revenues, are necessary to assist cities and counties in their decision-making process relating to siting new generation facilities.

We appreciate the opportunity to advise you of our opposition to Assembly Bill 737 and we respectfully urge you to vote NO.

Sincerely,

CC: Honorable Jerome E. Horton, Room 2163 (Fax: 916/319-2151)  
California Special Districts Association (Fax: 916/442-7889)