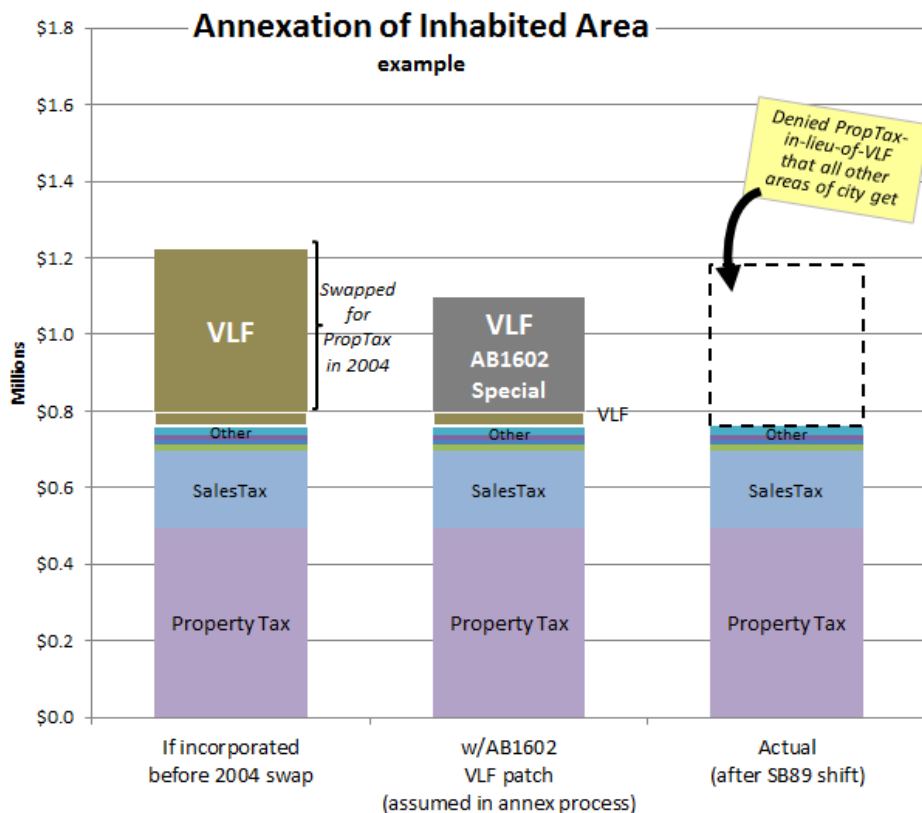


If the City of Jurupa Valley had incorporated under the VLF rules as they were before 2004 the city would be receiving \$6.5 million in annual VLF revenues PLUS a declining temporary bump for five years. Under the 2004 swap, the \$6.5 million would now come to them as additional property tax. But there are no provisions to give Property Tax in lieu of VLF to a new city after 2004.

AB1602 patched this problem with a special VLF allocation, but that was wiped out by the SB89 shift of VLF to fund law enforcement grants previously paid by the state general fund.



Under the pre-2004 rules, an inhabited annexation brought additional per capita VLF to the annexing city. But the VLF swap of 2004 denied any additional property tax for existing residents/development. This generally made annexation of developed areas fiscally unviable – contrary to state and local policy objectives.

AB1602 patched this problem with a special VLF allocation, but that was wiped out by the SB89 shift of VLF to fund law enforcement grants previously paid by the state general fund.

mjgc