



Monterey County Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Order

Upon motion of Supervisor Parker, seconded by Supervisor Armenta and carried by those members present, the Board of Supervisors hereby:

Approved Resolution No. 15-072 for a Property Tax Transfer for the proposed South Monterey County Fire Protection District Annexation.

PASSED AND ADOPTED on this 24th day of March 2015, by the following vote, to wit:

AYES: Supervisors Armenta, Phillips, Salinas, Parker and Potter
NOES: None
ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 77 for the meeting on March 24, 2015.

Dated: March 25, 2015
File ID: 15-0286

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By Denise Hancock
Deputy

Before the Board of Supervisors in and for the
County of Monterey, State of California

Resolution No. 15-072

Approve Property Tax Transfer)
 Agreement between the County)
 of Monterey and the South)
 Monterey County Fire Protection)
 District for the proposed "South)
 Monterey County Annexations".....)

WHEREAS, the County of Monterey and the South Monterey County Fire Protection District have been engaged in discussions regarding the appropriate tax transfer between the entities; and

WHEREAS, Revenue and Taxation Code Section 99, provides for the Monterey County Board of Supervisors to determine an appropriate tax transfer for all jurisdictional Changes of organization occurring within Monterey County and for the Fire District Board of Directors of any affected Fire District to concur on the transfer prior to the proposal being considered by the Local Agency Formation Commission (LAFCO); and

WHEREAS, the current distribution of property taxes with the affected tax rate areas (TRA) are as follows:

TRA	Monterey County's Share	Non-affected District's Share	Total
58-000	43.1182%	56.8818%	100%
106-000	38.4087%	61.5913%	100%
109-000	27.9400%	72.0600%	100%
109-001	34.5590%	65.4410%	100%
112-000	40.3341%	59.6659%	100%
119-010	35.2824%	64.7176%	100%
120-001	45.7955%	54.2045%	100%
120-002	45.9541%	54.0459%	100%
120-003	45.2493%	54.7507%	100%
120-004	45.7955%	54.2045%	100%
120-005	45.2493%	54.7507%	100%
120-007	45.4042%	54.5958%	100%
120-008	45.2493%	54.7507%	100%
120-009	45.6773%	54.3227%	100%
120-011	45.8350%	54.16500%	100%
121-002	39.5383%	60.46170%	100%
121-003	39.5383%	60.46170%	100%
121-005	39.8649%	60.13510%	100%

121-006	39.8649%	60.13510%	100%
121-010	39.9548%	60.04520%	100%
58-008	42.5931%	57.4069%	100%
119-003	35.2824%	64.7176%	100%
119-005	34.8528%	65.1472%	100%
119-007	34.8528%	65.1472%	100%
119-008	34.8528%	65.1472%	100%
119-003	35.2824%	64.7176%	100%

WHEREAS, Revenue and Taxation section 99 requires that non-affected local agencies percentage share will remain constant; and;

WHEREAS, the County of Monterey and the South Monterey County Fire Protection District (SoMoCoFPD) wish to agree to a fair share distribution of the remaining property tax increment revenues, excluding tax revenue generated from energy production sources; and

WHEREAS, due to the implementation of various state level budget actions, including but not limited to the 'triple flip' and the requirements of the Education Revenue Augmentation Fund, the County of Monterey has been subject to at least a 40% reduction in property tax since 1992;

NOW, THEREFORE, BE IT RESOLVED that the Monterey County Board of Supervisors DOES HEREBY AGREE as follows:

1. That no base property tax will be transferred for said jurisdictional changes and to the following formula for property tax increment distribution with Tax Rate Areas, 58-000, 106-000, 109-000, 109-001, 112-000, 119-010, 120-001, 120-002, 120-003, 120-004, 120-005, 120-007, 120-008, 120-009, 120-011, 121-002, 121-003, 121-005, 121-006, 121-010, 58-008, 119-003, 119-005, 119-007, 119-008 after change of organization / annexation.
2. That this property tax transfer does not include any portion of the property tax revenue generated from energy production sources. In the event that property tax revenue generated from energy production source tax revenue increase over *150% from the level in effect at the time of approval of this resolution*, the distribution of property tax increment that is the subject of this resolution shall be subject to further negotiations by the parties.
3. **DISTRIBUTION OF PROPERTY TAX INCREMENT:**
 - a. The property tax increment is the portion of the property tax that is available after a change of organization/annexation, and it specifically does not include tax revenue from energy production sources.
 - b. For purposes of this Agreement only, the County of Monterey and the South Monterey County Fire Protection District agree to use the average tax increment factor of all Tax Rate Areas affected by the annexation areas in particular.

- c. For Annexation Areas 1, 2, & 3, based on the existing Tax Rate Area 121-005, the reduction of the County of Monterey share of property tax by 40% equals 23.92%, which represents the tax available for distribution in the proposed area.
- d. The proposed 'After Change of Organization/Annexation' new tax rate for the area to be assigned shall be 23.92%.
- i. SoMoCoFPD's share of Total Property Taxes Collected shall be calculated as follows:

$$\begin{aligned} &23.92\% - \text{Property Tax Available for distribution} \\ &x 37.50\% - \text{SoMoCoFPD's Proposed Ratio} \\ &= 9.0\% \text{ total SoMoCoFPD share} \end{aligned}$$
 - ii. The County of Monterey share of Total Property Taxes Collected shall be calculated as follows:

$$\begin{aligned} &23.92\% - \text{Property Tax Available for distribution} \\ &x 62.50\% - \text{Monterey County's Proposed Ratio} \\ &= 14.95\% \\ &+ 15.95\% (\text{The adjustment for State Tax Shift}) \\ &= 30.9\% \text{ total County share} \end{aligned}$$
 - iii. The Formula for property tax increment allocation to the South Monterey County Fire Protection District from the above listed tax rate areas after change of organization / annexation results in the District's Property Tax Revenue being equal to the Total Property Taxes Collected (excluding energy generating sources) x 9.0% x Full Months Remaining in the Tax Year divided by 12.

PASSED AND ADOPTED upon motion of Supervisor Parker, seconded by Supervisor Armenta and carried this 24th day of March 2015, by the following vote, to wit:

AYES: Supervisors Armenta, Phillips, Salinas, Parker and Potter

NOES: None

ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 77 for the meeting on March 24, 2015.

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By 
Deputy