



Monterey County

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Board Report

Legistar File Number: 15-0286

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Current Status: Consent Agenda

Matter Type: General Agenda Item

Approve a Property Tax Transfer Resolution for the proposed South Monterey County Fire Protection District Annexation.(ADDED VIA ADDENDUM)

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RECOMMENDATION:

It is recommended that the Board of Supervisors, approve a Property Tax Transfer Resolution for the proposed South Monterey County Fire Protection District Annexation

SUMMARY:

The Local Agency Formation Commission (LAFCO) of Monterey County is in receipt of an annexation proposal involving annexation of property to the South County Fire Protection District. The proposal cannot be considered by LAFCO until a property tax transfer resolution has been approved by the Board of Supervisors.

DISCUSSION:

The Board of Supervisors has adopted a property tax transfer formula which allows for fire protection districts to be allocated a portion of the County's property tax increment. The Board approved formula reflects the County's loss of property tax revenue that was imposed by the State during fiscal year 1993-94. Non-affected jurisdictions retain their percentage share of property taxes collected within an affected tax rate area.

The proposed annexation to the South County Fire Protection District includes 556,800 acres within the District's existing Sphere of Influence.

OTHER AGENCY INVOLVEMENT:

The South Monterey County Fire Protection District concurs with the recommended action. The attached resolution has been approved as to form by County Counsel. The Assessor's Office and Auditor-Controller's Office have been consulted and concur with the recommendation. The Treasurer-Tax Collector's Office was contacted and has indicated that they have no involvement in the Board approved formula. Due to late submission of this Board Report, the CAO Budget and Analysis Division was not provided adequate time to fully review for potential fiscal, organizational, policy, or other implications to the County of Monterey.

FINANCING:

In discussion with the District, staff determined that the typical tax rate area for the annexation is 121-005 which has the following property tax increment distribution: 39.87% - Monterey County; 60.13% - non-affected districts; 100% - total. Due to reductions imposed by the State on the County of Monterey (ERAF), the percentage share of existing County property tax available for distribution has been reduced by 40 percent from 39.87% to 23.92%. As

recommended, the County would receive 14.95% and the Fire District would receive 9.0% of the amount available for distribution. After adding back in the 40% reduction, the County would receive 30.90% of the total property tax collected within the affected area if the annexation is approved. It should be noted that the tax transfer resolution does not include any portion of the tax revenue generated from energy production sources. The resolution does provide for a re-opener should energy production tax revenue increases over 150% from present levels.

Approved by:

Nicholas E. Chiulos
Assistant County Administrative Officer

Attachments: Resolution