

**BEFORE THE MONTEREY COUNTY
BOARD OF SUPERVISORS**

RESOLUTION 2017-14

**RESOLUTION TO APPROVE A PROPERTY TAX TRANSFER AGREEMENT
BETWEEN THE MONTEREY COUNTY REGIONAL FIRE DISTRICT AND
THE COUNTY OF MONTEREY FOR THE PROPOSED ANNEXATION OF
FOUR TAX RATE AREAS (“Pockets annexation”)**

WHEREAS, the Revenue and Taxation Code Section 99, et seq., 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
057-007	34.4806%	65.5194%	100%
060-021	44.0481%	55.9519%	100%
060-082	43.3470%	56.6530%	100%
096-023	30.6140%	69.3860%	100%

WHEREAS, Revenue and Taxation Code Section 99, et seq. requires that non-affected local agencies percentage share will remain constant; and

WHEREAS, the Monterey County Regional Fire District and County of Monterey wish to agree to a fair share distribution of the remaining property tax increment revenues; and

WHEREAS, the County of Monterey realized a 40% reduction in property tax revenue imposed by the State beginning in 1992; and

WHEREAS, each year thereafter the County continues to shift revenues to the Education Revenue Augmentation Fund;

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors DOES HEREBY AGREE that no base property tax will be transferred for said jurisdictional changes and to the following formulas for property tax increment distribution with Tax Rate Areas, 057-007, 060-021, 060-082, and 096-023 after change of organization/annexation.

DISTRIBUTION OF PROPERTY TAX INCREMENT:

Property tax increment is the property tax that is available after a change of organization/annexation, as set forth in the attached Maps, to each of the Tax Rate Areas.

For purposes of this Agreement only, the Monterey County Regional Fire District and the County of Monterey agree to use the average tax increment factor of all Tax Rate Areas affected by the annexation areas in particular, as set forth in the attached Maps.

1. TRA 057-007

Based on the existing Tax Rate Area(s) 057-007, Monterey County's share of property tax is 34.4806%, reduced by 40% is equal to 20.6884% (the adjustment for the reduction 13.7922%) The total property tax available for distribution in the proposed area, as set forth in the attached Map, is equal to 20.6884%.

After Change of Organization/Annexation As Set Forth in the Attached Map

20.6884%- Property Tax Available for Distribution

1. Monterey County Regional Fire Protection District's Share of Total Property Taxes Collected:

	20.6884%	-	Property Tax Available for Distribution
X	30.8593%	-	Monterey County Regional Fire Protection District's Current Ratio
=	6.3843%		

plus

2. Monterey County's Share of Total Property Taxes Collected

	20.6884%	-	Property Tax Available for Distribution
X	69.1407%	-	Monterey County's Current Ratio
=	14.3041%		

plus

=	13.7922%	-	the adjustment for State Tax Shift
=	28.0963%		

Formula for property tax increment allocation to the Monterey County Regional Fire District from Tax Rate Area 057-007 after change of organization/ annexation, as set forth in the attached Map.

Monterey County Regional Fire District's Property Tax Revenue=
 Total Property Taxes Collected X 6.3843% X
 Full Months Remaining in Tax Year divided by 12.

2. TRA 060-021

Based on the existing Tax Rate Area(s) 060-021, Monterey County's share of property tax is 44.0481%, reduced by 40% is equal to 26.4289% (the adjustment

for the reduction is 17.6192%) The total property tax available for distribution in the proposed area, as set forth in the attached Map, is equal to 26.4289%.

After Change of Organization/Annexation As Set Forth in the Attached Map

26.4289%- Property Tax Available for Distribution

1. Monterey County Regional Fire District's Share of Total Property Taxes Collected:

	26.4289%	-	Property Tax Available for Distribution
X	21.2881%	-	Monterey County Regional Fire District's Current Ratio
=	5.6262%		

plus

2. Monterey County's Share of Total Property Taxes Collected

	26.4289%	-	Property Tax Available for Distribution
X	78.7119%	-	Monterey County's Current Ratio
=	20.8027%		

plus

	17.6192%	-	the adjustment for State Tax Shift
=	38.4219%		

Formula for property tax increment allocation to the Monterey County Regional Fire District from Tax Rate Area(s) 060-021 after change of organization/ annexation, as set forth in the attached Map.

Monterey County Regional Fire Protection District's Property Tax Revenue=
Total Property Taxes Collected X 5.6262% X
Full Months Remaining in Tax Year divided by 12.

3. TRA 060-082

Based on the existing Tax Rate Area 060-082, Monterey County's share of property tax is 43.3470%, reduced by 40% is equal to 26.0082% (the adjustment for the reduction is 17.3388%) The total property tax available for distribution in the proposed area, as set forth in the attached Map, is equal to 26.0082%.

After Change of Organization/Annexation As Set Forth in the Attached Map

26.0082%- Property Tax Available for Distribution

1. Monterey County Regional Fire Protection District's Share of Total Property Taxes Collected:

	26.0082%	-	Property Tax Available for Distribution
X	35.4800%	-	Monterey County Regional Fire District's Current Ratio
=	9.2277%		

plus

2. Monterey County's Share of Total Property Taxes Collected

	26.0082%	-	Property Tax Available for Distribution
X	64.5200%	-	Monterey County's Current Ratio
=	16.7805%		

plus

	17.3388%	-	the adjustment for State Tax Shift
=	34.1193%		

Formula for property tax increment allocation to the Monterey County Regional Fire District from Tax Rate Area 060-082 after change of organization/ annexation, as set forth in the attached Map.

Monterey County Regional Fire District's Property Tax Revenue=
 Total Property Taxes Collected X 9.2277% X
 Full Months Remaining in Tax Year divided by 12.

4. TRA 096-023

Based on the existing Tax Rate Area 096-023, Monterey County's share of property tax is 30.6140%, reduced by 40% is equal to 18.3684% (the adjustment for the reduction is 12.2456%) The total property tax available for distribution in the proposed area, as set forth in the attached Map, is equal to 18.3684%.

After Change of Organization/Annexation As Set Forth in the Attached Map

18.3684%- Property Tax Available for Distribution

1. Monterey County Regional Fire District's Share of Total Property Taxes Collected:

	18.3684%	-	Property Tax Available for Distribution
X	30.8593%	-	Monterey County Regional Fire District's Current Ratio
=	5.6684%		

plus

2. Monterey County's Share of Total Property Taxes Collected

	18.3684%	-	Property Tax Available for Distribution
X	69.1407%	-	Monterey County's Current Ratio
=	12.7000%		
plus			
	12.2456%	-	the adjustment for State Tax Shift
=	24.9456%		

Formula for property tax increment allocation to the Monterey County Regional Fire District from Tax Rate Area 096-023 after change of organization/ annexation, as set forth in the attached Map.

Monterey County Regional Fire District's Property Tax Revenue=
 Total Property Taxes Collected X 5.6684% X
 Full Months Remaining in Tax Year divided by 12.

PASSED AND ADOPTED upon motion of Supervisor _____, seconded by Supervisor _____ and carried this 13th day of June, 2017 by the following vote, to wit:

AYES:
 NOES:
 ABSENT:

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 Minute Book.____ for the meeting on _____.

Dated: Gail T. Borkowski, Clerk of the Board of Supervisors
 File Number: County of Monterey, State of California

By: _____
 Deputy