



# Monterey County

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## Board Report

Legistar File Number: 15-1301

December 08, 2015

**Introduced:** 11/24/2015

**Current Status:** Consent Agenda

**Version:** 1

**Matter Type:** General Agenda Item

- a. Rescind Board of Supervisors Resolution No. 15-072 regarding a Property Tax Transfer for South County Fire Protection District Annexation; and
- b. Approve Revised Property Tax Transfer pursuant to an amended South County Fire Protection District annexation.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Rescind Board of Supervisors Resolution No. 15-072 regarding a Property Tax Transfer for South County Fire Protection District Annexation; and
- b. Approve Revised Property Tax Transfer pursuant to an amended South County Fire Protection District annexation.

### SUMMARY/DISCUSSION:

On March 24, 2015, the Board of Supervisors approved Resolution No. 15-072 for a property tax transfer related to the South County Fire Protection District Annexation. A property tax transfer between the County and the annexing agency is a requirement of the Local Agency Formation Commission of Monterey County (LAFCO) process. During the LACFO hearing process, the annexation area was significantly reduced. On September 21, 2015 LAFCO approved the annexation proposal, subject to several conditions of approval. Condition 22 of the approval states that, "Due to a significant reduction of the original proposal's boundaries, the County Administrative Office is determining whether an amended property tax transfer agreement is necessary. Approval of a property tax transfer agreement amendment, if determined necessary, is a condition of approval of the proposed annexation." The County Administrative Office, in consultation with the Auditor-Controller's Office has determined that the revised property tax agreement is required.

### OTHER AGENCY INVOLVEMENT:

The Auditor-Controller's Office has been consulted and agrees with the recommended action. The South County Fire Protection District and LAFCO of Monterey County also concur with the recommended action.

### FINANCING:

The LAFCO approved annexation and the proposed property tax transfer includes all or portions of twenty-three tax rate areas which are listed on the attached draft Board of Supervisors resolution. Pursuant to the adopted Board of Supervisors property tax transfer formula, fire protection districts, upon annexation, are allocated a portion of the County property tax (growth) increment. The formula accounts for the County's loss of property tax revenue imposed by the State of California during the 1993-94 fiscal year. Non-affected

jurisdictions retain their percentage share of property tax revenue. The South County Fire Protection District and the County will share the amount of property tax increment available for distribution based upon the current ration of distribution between the two agencies in a typical tax rate area within the District.

As in Resolution 15-072, the revised property tax transfer resolution does not include any portion of property tax revenue generated from energy production sources. The resolution includes a re-opener provision in the event that property tax revenue generated from energy sources increase over 150% from the level in effect at the time of approval of this resolution.

Prepared by:

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Attachments:

- Board of Supervisors Resolution No. 15-072
- Proposed revised Board of Supervisors Resolution
- Original South County Fire Protection District annexation area map
- Revised (LAFCO approved) South County Fire Protection District map