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

RESOLUTION NO. 80-249

Before the Board of Supervisors In)
and For the County of Monterey,)
State of California . . . .)

WHEREAS Assembly Bill 8 (Chapter 282) Statutes of 1979 provides for a mechanism for transferring base property tax revenues from one agency to another in conjunction with jurisdictional changes of organization; and

WHEREAS, the mechanism provided for in Chapter 282 is a "negotiated" tax transfer for the base or existing assessed value for all jurisdictional changes of organization having occurred since January 1, 1978, said transfer to be approved by Resolution by the Monterey County Board of Supervisors for each affected special district and by the City Council for each affected city; and

WHEREAS, said Chapter 282 provides for a procedure which allocates all future tax increment revenues resulting from new or increased assessed value within the affected territory to be distributed on a pro rata basis to each local agency that has jurisdiction within the tax rate area; and receives property tax revenue; and

WHEREAS, Monterey County and a consensus of cities within the County have negotiated a uniform formula approach to be used for all city annexations with the proviso that those proposals which involve extreme or unique service problems to one or more affected agencies can be considered and/or negotiated on a case by case basis,

NOW, THEREFORE, Monterey County Board of Supervisors DOES HEREBY RESOLVE, DETERMINE and ORDER the following formulas and policies to apply for determining all property tax transfers resulting from jurisdictional changes in organization to cities and special districts.

Section 1.   The formulas outlined in Sections 3 through 5 set forth the amount, if any, of the base or existing property tax revenue to be reallocated as a result of a change of organization. The formulas are meant to redistribute or reallocate the existing tax base among the various affected local agencies. The formula is agreed to by both the County and the cities with the understanding that future year tax increment revenues will be allocated

EXHIBIT A

to each agency having jurisdiction within a given tax rate area based upon its pro rata share of the composite equivalent tax rates within that code area. The transfer of base revenue will not change future tax increment allocations.

Section 2. The formulas outlined in Sections 3 through 5 will apply to all changes of organization for cities and special districts within Monterey County. However, for those proposals involving extreme or unique service problems to one or more affected agencies special considerations outside of the formula and/or negotiations may be considered.

Section 3. Special District to City or Special District to Special District Transfers (Annexation to City and Detachment from Special Districts or Exchange of Territory Between Agencies): When a city assumes the service responsibilities of a special district as a result of annexation, or when special districts exchange territory, the new agency will receive the percentage of property tax revenues previously received by the predecessor special district from the annexed area. The following formula will apply:

$A =$ Percentage of assessed value of the predecessor special district within area to be annexed.

$B =$ Property tax revenues to the predecessor special district.

Transfer Amount $= A \times B$

Tax transfers would be prorated on a monthly basis effective for the first full calendar month following completion of a change of organization for annexations occurring during mid-year.

Section 4. County to City Tax Transfers: The tax transfer from the County to a city shall be based upon the proportionate share of the equivalent tax rates of the annexing city and the County. That is, the County will transfer a percentage of its "tax base revenue" based on the pro rata share of the city equivalent tax rate to the combined city/county equivalent tax rates. The Auditor-Controller will prepare each year the equivalent tax rate for each local agency within the County. The following formula will apply:

A = City equivalent tax rate

B = County equivalent tax rate

C = A + B or combined city/county tax effort

$$\text{Transfer Amount} = \frac{A}{C} \times \text{County property tax revenue generated by the base assessed value of the annexed territory}$$

Tax transfers would be prorated on a monthly basis, effective for the first full calendar month following a change of organization to account for annexations occurring during mid-year. The equivalent tax rates and percentage tax transfers that would apply for Fiscal Year 1979-80 are shown in the following table.

COUNTY TO CITY TAX TRANSFERS
FOR FISCAL YEAR 1979-80

City	A	B	C	Percentage of County Tax Revenue to be Transferred
Carmel	.458	1.062	1.52	30.1%
Del Rey Oaks	.871	1.062	1.933	45.1%
Gonzales	1.158	1.062	2.22	52.2%
Greenfield	.991	1.062	2.053	48.3%
King City	.969	1.062	2.031	47.7%
Marina	.844	1.062	1.906	44.3%
Monterey	.858	1.062	1.92	44.7%
Pacific Grove	.858	1.062	1.92	44.7%
Salinas	.829	1.062	1.891	43.8%
Sand City	.190	1.062	1.252	15.2%
Seaside	1.082	1.062	2.144	50.5%
Soledad	1.122	1.062	2.184	51.4%

Section 5.   County to Special District Transfers: There will be no County to special district tax transfers unless the change of organization involves a transfer of service previously performed by the County. In these cases, the transfer will be based on the same formula as outlined in Section 3. Jurisdictional changes which result in the introduction of new service to an area will not involve a property tax exchange since no existing agency will realize a reduction in cost.

Section 6.   The County Administrative Officer is hereby directed to
               apply the above formulas for all past, pending and future
               jurisdictional changes of organization and to submit the
               results to the Board of Supervisors for confirmation.

        PASSED AND ADOPTED on the ___29th___ day of ___April___ , 1980,
upon motion of Supervisor ___Moore___ , seconded by Supervisor ___Shipnuck___ ,
by the following vote, to-wit:

     AYES: Supervisors Blohm, Shipnuck, Moore and Farr.
     NOES: Supervisor Petrovic.
     ABSENT: None.