

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

Resolution No. 18-

Adopt a Resolution approving a Property Tax Transfer)
for the proposed "Travel Center Annexation")
involving annexation of 64 acres to the City of Salinas)

WHEREAS, Assembly Bill 8 (Chapter 282) Statutes 1979, as amended by Senate Bill 180 (Chapter 801), 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 city council of any affected city to concur on the tax transfer prior to a proposed annexation being considered by the Local Agency Formation Commission (LAFCO); and

WHEREAS, LAFCO has held a pre-application conference with the City of Salinas regarding the proposed annexation of 64 acres to the City, and

WHEREAS the parcel to be annexed consists of property which totals 64 acres; and is located within Tax Rate Area 057-030, and

WHEREAS, the current distribution of property taxes within Tax Rate Area 057-030 is as follows:

29.33%	-	Monterey County's Share
<u>70.67%</u>	-	Non-affected Districts' Share
100.00%	-	Total; and

WHEREAS, Senate Bill 180 (Chapter 801) requires that the share of tax received by non-affected local agencies will remain constant; and

WHEREAS, the County of Monterey and the City of Salinas wish to agree upon a fair share distribution of remaining tax property revenues involved with the proposed reorganization.

NOW THEREFORE, BE IT HEREBY RESOLVED that the County of Monterey hereby agrees to the following formulas for property tax base and increment distribution within the Tax Rate Area 057-030 after change of organization/reorganization for the proposed "Travel Center Annexation".

A. DISTRIBUTION OF PROPERTY TAX BASE:

Property Tax base is the property tax revenue that is available prior to change of organization/reorganization.

Prior to Change of Organization/Reorganization:

Pursuant to Board of Supervisors resolution 80-249 the following property tax apportionment factors have been established:

<u>Tax Apportionment Factors</u>		
City of Salinas	-	43.8%
Monterey County	-	56.2%

In Tax Rate Area 057-030, Monterey County's share of property tax of 29.33% is reduced by 40% (State of California Education Revenue Augmentation Fund) and equals 17.60%. The total property tax available for distribution in the proposal area is thus equal to 17.60%.

After Change of Organization/Reorganization:

(New Tax Rate Area
- to be assigned)

17.60% = Property Tax Available for Distribution

1. City of Salinas Share of Total Property Taxes Collected:

17.60%	-	Property Tax Available for Distribution
X 43.80%	-	City of Salinas Tax Apportionment Factor
= 7.71%		

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

17.60%	-	Property Tax Available for Distribution
X 56.2%	-	Monterey County's Current Ratio
= 9.89%		

Plus

11.73%		
	-	The adjustment for State Tax Shift
= 21.62%		

Formula for property tax base allocation to the city of Salinas from Tax Rate Area 057-030 change of organization/reorganization:

City of Salinas' Property Tax Revenue =
Total property taxes collected x 7.71% x full months remaining in tax year
divided by 12.

B. DISTRIBUTION OF PROPERTY TAX INCREMENT:

Property tax increment is the increase in property tax revenue above the base resulting from increase in assessed value of property after the change in organization/reorganization.

The formula recognizes that all future growth will be subject to a shift to Education Revenue Augmentation Fund (ERAF) in the amount of 40% for the County and 19% for the City. After the shift, the County and the City will be in the same relative position as before dividing the remainder.

Prior to Change of Organization/Reorganization

(Based on existing City of Salinas
Tax Rate Area 005-008)

	Current Rate	+	ERAF Adjustment	=	Resulting Rate	Resulting Ratio
City of Salinas	18.04%		81%		22.27%	36.63%
Monterey County	23.12%		60%		38.53%	63.37%

Based on existing Tax Rate Area 057-030, Monterey County's share of property tax is 32.04%.

This is derived as follows: Monterey County 29.33%; and County Library 2.71%.

Therefore, the total property tax available for distribution in the proposal area is 32.04%.
The new Resulting Ratios calculated above are applied to the increment.

After Change of Organization/Reorganization

(New Tax Rate
Area to be assigned)

32.04% = Property Tax Available for Distribution

1. City of Salinas' Share of Property Tax Increment:

	32.04%	-	Property Tax available for Distribution
X	36.63%	-	City of Salinas' New Resulting Ratio
=	11.74%		

2. Monterey County's Share of Property Tax Increment

	32.04%	-	Property Tax Available for Distribution
X	63.37%	-	Monterey County's New Resulting Ratio
=	20.30%		

Formula for property tax increment to the City of Salinas from Tax Rate Area 057-030 after annexation:

City of Salinas' Property Tax Increment =
Total Property Tax Increment Collected x 11.74% x Full Months Remaining in
Tax year divided by 12.

PASSED and ADOPTED this _____ day of _____, 2018 by the following vote, to-wit:

AYES:

NOES:

ABSENT