



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 16-805, **Version:** 1

Adopt a resolution approving a Fair Share Distribution Property Tax Transfer for the proposed “South end Annexation” involving annexation of 290± acres to the City of Greenfield.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution approving a Fair Share Distribution Property Tax Transfer for the proposed “South end Annexation” involving annexation of 290± acres to the City of Greenfield.

SUMMARY:

The Monterey County Local Agency Formation Commission (LAFCO) has received a resolution from the City of Greenfield for the annexation proposal. The proposal cannot be considered by LAFCO until a property tax transfer has been approved by the Board of Supervisors.

DISCUSSION:

The annexation proposal submitted by the City involves annexation of 290± acres to the City of Greenfield. The proposal area is located east of and adjacent to the City and is within the City’s sphere of influence. Maps are attached to this report which shows the location of the proposed annexation.

The Board of Supervisors has adopted a pro forma “fair share” tax transfer resolution. The resolution provides that the County and affected agencies would transfer a percentage of their “tax base revenue” based on the pro rata share of the City’s equivalent tax rate to the combined City/County equivalent tax rates. The formula has been revised to reflect the County’s loss of property tax revenue that was imposed by the State during fiscal year 1993-94. Non-affected jurisdictions would retain their percentage share of property taxes collected within an affected tax code area. Of the total amount of property taxes available for distribution, the City would receive 48.27 percent and the County would receive 51.73 percent.

OTHER AGENCY INVOLVEMENT:

The attached resolution was previously approved as to form by County Counsel. The City of Greenfield City Council is scheduled to adopt the property tax transfer agreement in early July 2016

FINANCING:

The annexation proposal territory is within Tax Rate Area 8-000. This Tax Rate Area has the following property tax increment distribution: 21.04% - Monterey County; 78.96% - non-affected districts; 100% - total. Due to reductions imposed by the State on the County of Monterey, the percentage share of existing County property tax base available for distribution has been reduced by 40 percent from 21.04% to 12.62%. As recommended, the City would receive 6.10% and the County would receive 6.52% of the amount available for distribution. After adding back in the 40% reduction, the County would receive 14.94% of the total property tax base collected within the affected area if the reorganization is approved.

Approved by:

Nicholas E. Chiulos
Assistant County Administrative Officer

Attachments: Resolution and maps.