
MEMO

TO: ADMIN COMMITTEE, AMADOR COUNTY BOARD OF SUPERVISORS
FROM: ROSEANNE CHAMBERLAIN, LAFCO EXECUTIVE OFFICER
SUBJECT: MASTER PROPERTY TAX AGREEMENT FOR DISTRICTS WITH ZERO SHARE
DATE: NOVEMBER 21, 2016

BACKGROUND:

The Revenue and Taxation Code 99 (Rev & Tax) specifies a process for redistributing a share of the property tax to cities or districts when an application for a jurisdictional change such as an annexation or detachment is submitted to LAFCO. The property tax share for some special districts in Amador County is zero and appropriately remains unchanged when an annexation or detachment occurs. These districts have alternate sources of revenue such as direct rates charged for services or parcel assessments.

When an annexation or detachment is processed by LAFCO for any of these districts, the process specified by Rev & Tax requires the assessor to prepare information for the Auditor, then the Auditor transmits that information to affected agencies. Eventually, an individual project-specific resolution is prepared by the Board's staff, placed on the Board's agenda and adopted by the Board of Supervisors. While this is an appropriate degree of effort for city annexations or district annexations when the share of property tax is being redistributed, it seems an inordinate amount of work for a resolution that simply affirms that the property tax share is zero.

Rev & Tax code provides for master property tax sharing agreements. For example, the County and the City of Sutter Creek negotiated and approved a master property tax sharing agreement with a term of 10 years, sometime prior to 2006. That agreement has now lapsed. For zero property tax share districts, an indefinite term might be appropriate.

DISCUSSION:

Based on my review of Rev & Tax, I believe a master property tax sharing resolution, approved by the Board of Supervisors for these districts would provide blanket approval for all jurisdictional changes. This would eliminate the multi-step review process provided in Rev & Tax. The Rev & Tax process would be used continue to be used for city annexations, district annexations when the share of property tax is being redistributed, at least until a master property tax sharing agreement was reached with any of these agencies.

Based on a list provided to me by the Auditor in the past, the following districts receive zero share of the property tax:

Amador Resource Conservation District
Fiddletown CSD
Lockwood Fire Protection District
Pine Acres CSD
Pine Grove CSD
Ranch House Estates CSD
Ridgewood Acres CSD
Sunset Heights CSD
Willow Springs Water District
County Service Areas 3,4,5,6,7

RECOMMENDATIONS:

1. Consider preparing an item for the Board of Supervisor's agenda to adopt a master property tax agreement by resolution applicable to all special districts that receive a zero share of property tax.
2. Request County Counsel review Rev & Tax Code (Section 99) for any legal issues not apparent to the LAFCO Executive Officer that might affect this action.
3. Confirm the list of districts not receiving property tax with the County Auditor.